

Joint Transport Committee Tyne and Wear Sub-Committee

Thursday, 7th April, 2022 at 2.00 pm

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

AGENDA

	Page No
1. Apologies for Absence	
2. Declaration of Interests	
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.	
3. Minutes of the last meeting held on 13 January 2022	3 - 10
4. Corporate Performance Update	11 - 20
5. Corporate Risks Update	21 - 64
6. Tyne Tunnels Update	65 - 76
7. Nexus Corporate Business Plan 2022/23 to 2026/27	77 - 100
8. Exclusion of the Press and Public	
The Tyne and Wear Sub-Committee may wish to exclude the press and public during consideration of items 9 and 10 by virtue of paragraphs 1 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972.	
9. Nexus Non-Executive Directors	101 - 104
10. Proposed Acquisition of Nexus House	105 - 112

11. Date of Next Meeting

The date of the next meeting is to be confirmed.

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JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 13 JANUARY 2022

VENUE: COUNCIL CHAMBER, GATESHEAD CIVIC CENTRE

Committee Members Present:

Councillor: C Johnson (Chair)

Councillors: R Berkley, M Brain and J McCarty

In attendance:

Statutory Officers: M Barker (Monitoring Officer – Transport)
E Goodman (NECA Finance Manager)
T Hughes (Managing Director, Transport North East)

Officers: F Bootle, J Fenwick, A Flynn, H Lewis, M Kearney
and E Reynard

Others: K Farn, P Smith and C Ward (TT2 Ltd)

28. APOLOGIES FOR ABSENCE

Apologies were received from Councillor G Bell, Councillor J McElroy and Councillor C Rowntree.

29. DECLARATIONS OF INTEREST

There were no declarations of interest.

Request to Speak:

The Chair invited Phil Smith, Chief Executive of TT2 Ltd to address the Committee regarding recent issues relating to Tyne Pass at the Tyne Tunnels. The Committee were also given the opportunity to ask questions.

At the end of the update, Councillor Johnson asked Transport North East Officers and TT2 Ltd to look into creating a hardship fund to assist vulnerable users who may experience financial difficulties if they receive a fine when using the Tyne Tunnels. This was agreed.

Following the discussion, Phil Smith, Chris Ward and Kirsty Farn left the meeting.

30. MINUTES OF THE PREVIOUS MEETING HELD ON 4 NOVEMBER 2022

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

31. TYNE TUNNELS REVISION OF TOLLS AND BUDGET 2022/23

The Sub-Committee received a report which outlined proposals to increase the tolls at the Tyne Tunnel from April 2022 for Class 3 Vehicles (HGVs) from £3.70 to £3.90 (a 20p increase), with no change for Class 2 Vehicles and no change to the 10% discount available to permit holders.

The proposed increase is permissible as inflation, as measured by the Retail Price Index (RPI), has reached a level such that a 20p increase can be applied under the terms of the River Tyne (Tunnels) Order 2005. It will be the first increase for Class 3 vehicles since August 2020.

The report also included budget figures for 2022/23 factoring in the proposed increase which will be included in the budget report presented to the Joint Transport Committee for approval on 18 January 2022.

Councillor McCarty commented that an increase in tolls is unfortunate at the current time, given the increase in the cost of living for residents and the drop in use of the Tyne Tunnels due to the pandemic. She noted that the increase is necessary to ensure that the debt for the Tunnels continues to be paid. However, she felt it was important to recognise that lots of people are struggling financially at the moment.

RESOLVED: the Tyne and Wear Sub-Committee:

- a) Approved the increase in tolls for Class 3 vehicles from £3.70 to £3.90 to take effect from April 2022, as set out in section 2.3 of the report;
- b) Approved the continuation of the 10% discount for permit holders as set out in section 2.4 of the report;
- c) Authorised 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;
- d) Noted the proposed 2022/23 budget which will be included within the budget report presented to the JTC on 18 January 2022.

32. REVISION TO METRO AND FERRY FARES 2022

The Sub-Committee received a report which proposed a package of changes to fare costs on Metro and Ferry.

It is proposed that a 5.1% increase is applied. However, fare costs will be frozen for the Pop Pay As You Go cards, which are now also available to use on Android mobile phones which equates to a saving of 85p compared to paper tickets.

It is also proposed that the price for Corporate season tickets are also frozen to assist with changes in working patterns since the start of the pandemic. In addition, Gold cards for older and disabled customers will remain at £12 for one year, and £24 for those not resident in Tyne and Wear.

The proposals are designed to ensure that larger fare increases are specifically targeted in a way that ensures those customers affected have access to cheaper alternatives. This is to help drive the transition to more sustainable forms of ticketing by reducing paper waste and managing costs in the business associated with issuing tickets.

The popular Kids Go Free offer that has seen over 85,000 children benefit from free travel, will continue in 2022. It is estimated that the Kids Go Free offer has generated an additional £0.149m in revenue as a result of additional demand from adult fare payers taking their children on Metro for a day out. In addition, the recently launched 19-21 Pop card which provides a 30% discount for those who are starting their careers, apprenticeships, or university degrees, will remain frozen for 2022/23 to match the freeze in adult smart prices.

Nexus will continue to support developments in multi-modal ticketing to improve the overall public transport offering to customers.

Officers advised that they wished to withdraw the recommendation within the report to change the Metro zone boundary along the South Tyneside and Sunderland border at Seaburn, to allow further consultation to take place before a decision is made.

Proposals for Ferry fares mirror the proposals put forward for Metro. Park and Ride pricing, following the popular introduction of the Pay by Phone payment method in January 2021, will remain frozen for 2022/23 to help drive Park and Ride recovery.

The Sub-Committee was also advised that the Omicron variant has impacted on passenger numbers, following Government advice to work from home.

Councillor McCarty noted that fare increases have been applied in January previously and asked why this had been changed to April?

Officers advised that this was to avoid two fare increases in the same financial year, as last years' increase had been delayed due to the pandemic. Councillor McCarty noted that tickets were now available on Android phones and looked forward to this being extended to iPhones. She felt it was important to encourage more people to move to paperless ticketing. She noted that people are struggling financially but agreed that a fare increase was necessary. Councillor McCarty was disappointed that patronage had reduced due to the Omicron variant and felt that this added to the case to continue to lobbying Government to maintain the emergency funding after April.

Councillor Johnson agreed and urged the Government to provide a funding certainty now. He noted that all Government financial support packages required a fare increase, which was being applied. Councillor Johnson added that Pop cards could also be used at the ticket machines within stations and were not limited to being used on an Android phone.

RESOLVED: the Tyne and Wear Sub-Committee:

- (i) Approved the Metro and Ferry fares proposal to be implemented from 1st April 2022 which includes:
 - a. A commitment to introduce a new flexible season ticket to adapt to changing customer travel patterns;
 - b. Freezing Pop Pay as You Go prices; and
 - c. An overall increase in the weighted basket of fares of 5.1%.
- (ii) Approved a freeze in the price of concessionary products (paragraph 2.6 refers);
- (iii) Noted the alternative options explored as part fares review process (Section 4 refers); and
- (iv) Noted that the fares proposal within this report is contained within the Nexus budget for 2022/23 being presented to the Joint Transport Committee on 18 January 2022.

The Tyne and Wear Sub-Committee also agreed to officers' request to allow more consultation on the proposal within the report to a change in the Metro zone boundaries to align better with Network One multi modal ticketing zones.

33. NEXUS CORPORATE PERFORMANCE UPDATE

The Sub-Committee received a report which provided an on the performance of Nexus against its Corporate Business Plan for 2021/22 and covered the period from 22 August 2021 to 16 October 2021.

Metro patronage was 38% above the target set in April 2021, but it remains 17.2% below pre-pandemic levels during the same period in 2019/20. However, patronage has recovered more quickly than it did following the lifting of restrictions in the Summer of 2020, particularly in relation to leisure and retail journeys.

Metro fare revenue was £5.976m which represents a 60% recovery rate against the pre-pandemic budget.

Metro punctuality during the period reported was 85.8% which is 2.5% below target. Punctuality was affected by high sickness levels among train crew, as well as adverse weather conditions.

Ferry patronage was 24.3% above target and Ferry fare revenue was 44.1% above target for the period reported. In addition, secured bus patronage was 38% above target, with fare revenue 36.7% above target for the period. Both Ferry and secured bus patronage have recovered more quickly than expected, following the lifting of lockdown restrictions.

The Ferry service has been reduced to a 12 hour timetable following the impact of the Omicron variant, to allow flexibility in resources. Metro and secured bus services continue to be monitored, but although there has been a large number of people absent, there has been no reduction in service.

Councillor McCarty thanked officers for the report and update. She hoped that things would start to improve regarding the Omicron variant over the next few weeks. Councillor McCarty was pleased to note the good recovery in leisure journeys and added that 'Kids Go Free' offer was a valuable component.

Councillor McCarty added that all councillors are worried about the potential cut to emergency bus funding provided by Government being withdrawn and the impact it will have on services. She acknowledged that this would be discussed at the Joint Transport Committee next week and added that lobbying should continue around funding and subsidy for all public transport.

Councillor Berkley felt that there were some very positive messages within the report and was pleased that Ferry patronage was improving. She added that public transport was key to the economic recovery in the region and that it is often the only means of transport that some women and vulnerable people can use. Councillor Berkley hoped that the public transport offer would be able to continue at current levels.

RESOLVED: The Tyne and Wear Sub-Committee noted Nexus' performance against the key priorities in its Corporate Plan for 2021/22, including Metro performance.

34. NEXUS CORPORATE RISK REGISTER 2021/22

The Sub-Committee received a report which provided an update on the Nexus Corporate Risk Register for 2021/22 based on the approved Corporate Plan and demonstrates that these risks are being properly managed and controlled.

There are currently five risks which are rated 'red' due to funding uncertainties. These are:

- Long Term Funding for Metro,
- Frontline Services and Discretionary Travel Schemes – Metro Services,
- Discretionary Travel Schemes – Non Metro Services,
- Efficiency of Delivery – Capital Programme
- Patronage Recovery

Nexus has received confirmation from the Department for Transport (DfT) that it will receive £30.2m of capital grant in 2022/23, with funding thereafter contingent on the region becoming eligible for a City Region Sustainable Transport Settlement subject to appropriate governance being in place. The allocation is less than the £40m which was originally requested and the lack of a City Region Sustainable Transport Settlement means that no funding for infrastructure renewal is in place beyond 2022/23. However, discussions are continuing with officials from DfT and progress is being made.

The Sub-Committee was also advised that although the Omicron variant has had an impact on staff sickness levels, a full timetable is still being delivered. However, the reduction in patronage due to the variant, has reinforced the need for continued emergency Government funding beyond April.

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

35. TYNE TUNNELS UPDATE

The Sub-Committee received an update on the Tyne Tunnels including the traffic, pedestrian and cyclist tunnels, and an update on the Tyne Pass scheme which was introduced on 8 November 2021.

Traffic Tunnels

Traffic levels through the tunnels have fallen slightly to 94% during October, November and December. It is thought that this is due to the rise in petrol costs and Government advice to work from home if possible.

The Tyne Pass scheme was introduced on 8 November 2021, and although there were traffic delays during the first week of operation whilst drivers got used to the new road layouts, traffic flow has improved.

The tolls at the tunnels must be paid either in advance using a pre-payment account or by midnight the day after the journey. During the first month of operation, 5.93% of users did not pay the toll resulting in them receiving an Unpaid Toll Charge Notice (UTCN). However, the agreed rules in place mean that if users consider they have unjustly been charged they can appeal and if their appeal is upheld, the UTCN will be cancelled. TT2 have agreed in the first months of operation to implement some transitional appeal rules as people get used to new ways of paying. This has the benefit of allowing them to uphold more appeals. During November 2021, a high rate of 43% of appeals were upheld.

TT2 Ltd are motivated to improve the customer experience and have 85 staff working at their call centre. Call waiting time targets are in place and in December, the average waiting for a caller was 2½ minutes. TT2 Ltd continue to monitor customer feedback and make improvements as required.

As mentioned earlier in the meeting, TT2 are looking at how vulnerable people can be helped to pay fines and this will be carried out using the appeals system.

Pedestrian and Cyclist Tunnels

The tunnels continue to be well used and will remain open 24 hours a day, 365 days a year. Although usage is lower in the winter months, around 9,500 people used the tunnels in December.

Refurbishment of the inclined lifts is progressing. Final works are being carried out on the doors, however there is currently a supply chain issue which is causing a delay and a date cannot be given for completion yet.

Councillor Berkley welcomed the proposal to help vulnerable people to pay fines and noted that this shows that TT2 Ltd were listening and responding to concerns.

She also asked whether the Pedestrian and Cyclist Tunnels could link in with heritage or cultural work in the area?

Officers advised that pre pandemic there was lots of activity including with schools. It is hoped that this will return in the future once the inclined lifts re-open and covid cases reduce.

Councillor Johnson was pleased that work was progressing on the inclined lifts as this has been an ongoing issue for many years. He also acknowledged the improvements being made in relation to Tyne Pass.

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

36. DATE OF NEXT MEETING

The next meeting will take place on Thursday 7 April 2022 at 2pm.

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

Date: 07 April 2022
Subject: Nexus Corporate Performance Update
Report of: Chief Operating Officer

Executive Summary

The purpose of this report is to provide an update on the performance of Nexus against its Corporate Business Plan for 2021/22. This report covers Period 8 to 11 which encompasses 17 October 2021 to 5 February 2022.

Between Periods 8 and 11, Metro patronage was 8,961,805 which is 38.4% above the periodic target of 6,472,441. This target is based on our recovery plan which was submitted to the DfT in April 2021 but remains some way below pre-pandemic levels.

Patronage has recovered more quickly in 2021 than it did following the lifting of lockdown restrictions in the summer of 2020, including particularly strong recoveries in leisure and retail journeys. However, the introduction of the government's 'Plan B' in December, encouraging people to work from home, saw patronage levels fall slightly during the in December before recovering in the new year.

Metro fare and commercial revenue for the period was £11.146m. To the end of period 11, the fare revenue generated represents a 62% recovery rate (against the evenly profiled 21/22 budget) and a 67% recovery rate (against the flat profiled pre-Covid actuals).

Metro punctuality between Period 8 and 11 was 76.4% which is 11.5% below the periodic target of 87.9% whilst the 13-period moving annual average (MAA) at the end of period 7 was 84.1% which is 3.1% below target.

Punctuality during this periods was particularly affected by Storm Arwen which caused service suspensions across the network on between 25th and 27th November 2021. Several trees were blown on to overhead lines and Nexus teams work throughout the weekend to remove the fallen trees and repair any damage in order for passenger services to return to normal on Monday morning.

In January, Storm Malik also caused damage to overhead lines which resulted in a service suspension between Benton and Pelaw on the 29th and 30th of January 2022.

The reporting period also included the end of our autumn season which saw significant levels of Low Rail Adhesion (LRA) which impacted on performance.

Ferry patronage between Periods 8 and 11 was 67,312 which is 12.8% above the target of 59,673 whilst Ferry fare revenue was £69,475 which was 7.7% below the evenly profiled budget of £75,307.

Secured Bus patronage between Periods 8 and 11 was 1,475,987 which is 16.5% above the target of 1,267,026 for the period. Secured Bus fare revenue was £937,894 which is 107.9% above the target for the period which was £451,055.

Both Ferry and Secured Bus patronage have recovered more quickly than expected following the lifting of lockdown restrictions.

Recommendations

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance against the key priorities in its Corporate Plan for 2021/22, 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 2021/22
- 1.2 For 2020/21 the CP has five main themes and 14 key priority work-streams.
- 1.3 A summary of the RAG (Red/Amber/Green) status for each of these workstreams is outlined below:

Safety without Compromise	
Workstream	Status
Embed a 'Safety First' Culture	Safety stand down days for staff being delivered.
Reduce incidents of Signals Passed at Danger (SPADs)	The number of SPADs were below forecast levels at the end of P11.
Reduce anti-social behaviour	Initiatives to reduce levels of ASB are progressing to plan.

Embed a 'Safety First' Culture

- 1.4 Five videos have been created by managers on key subject matters like close calls and Worksafe, videos were produced on the life saving rules and published. Several stand down sessions have been held on safety critical communications and working safe across Nexus infrastructure. A new senior safety performance group was established to review safety each period.

Reduce incidents of Signals Passed at Danger (SPADs)

- 1.5 Nexus has produced a new SPAD action plan based on the previous years activities and objectives. This is managed monthly in a forum with H&S, Drivers and Operations Manager. The number of SPADs are trending below the target value.

Reduce anti-social behaviour

- 1.6 In November, Nexus announced its new customer service structure which will see a great Customer Service presence on trains as well as maintaining our existing presence at stations and gatelines. This new structure will allow roving customer support teams to tackle anti-social behaviour and fare evasion which is something our customer have said they want to see more of.
- 1.7 The Nexus Security Team are working together with the Police Crime Commissioners Office following a successful bid named the Safer Transport Northumbria Project. The project aims to improve transport safety throughout the region with a focus on unwanted sexual behaviour towards women and marginalised groups. The project includes; Media Campaigns, a new reporting app, body worn video for staff and

intelligence led response analysis.

- 1.8 As well as this the Security Team are hosting, supporting and working with the MPU and NPTs through plain clothes operations, the establishment of a graffiti forum including partners from local authorities, targeted intervention at areas of concern and working with Youth Offending Teams.

Customer Experience	
Workstream	Status
Invest in our infrastructure	Work on Metro Flow and the Fleet Replacement Programme is progressing to plan.
Products and Payments	A number of improvements to our products and payments offer have been implemented.
Customer Services	Patronage continues to recover at higher than forecast levels.

Invest in our infrastructure

- 1.9 Work on the delivery of the new depot and train fleet is progressing to programme, although the ongoing impacts of COVID on the supply chain represents a heightened risk in some areas which requires careful management by Stadler. Despite this, the first car body was successfully completed in December 2021 and train assembly has also commenced on programme. The current focus is on carrying out first component inspections and working with Stadler on the plan for testing and commissioning of the new metro trains.
- 1.10 Metro Flow has continued to progress in line with the agreed programme. The projects' main compound at Wardley has been constructed and detailed designs have progressed following the completion of the site surveys.
- 1.11 The effects of Storm Arwen and Storm Malik highlight the growing risk that climate change poses to our network. Whilst there is currently investment identified to improve our vegetation management and to strengthen embankments, these plans will evolve as we continue to develop our understanding of the amount of works required.

Products and Payments

- 1.12 Our customers are the first in the UK and second in Europe to be able to load their transport pay as you go smartcard – the Pop card – through their phone directly from Google Pay, this functionality was is to launch on 28 February.
- 1.13 An offer providing free parking at four Metro park-and-ride sites - Four Lane Ends, Callerton Parkway, Bank Foot and Stadium of Light – begun in October has now been extended until 31 March 2022. The offer is part of efforts to encourage people returning to offices to commute sustainably, and so has been extended to reflect the

impact of omicron restrictions on the travel market.

- 1.14 The new Pop 19-21 card offering a 30% pay as you go discount to those aged 21 and under has now been taken up by 1,996 customers.
- 1.15 This product completes a package of products and discounts covering the whole age range from birth to 21 introduced by Nexus in the last three years. Young people represent the future of public transport and this product range is aimed at inspiring them to make cleaner, greener journeys throughout their lives.
- 1.16 More than 70% of customers at Metro ticket machines now use cash-free payment methods. As a result we are converting machines steadily to card-only or coin-and-card only, making the machines more efficient to maintain and use.

Customer Services

- 1.17 Between Periods 8 and 11, Metro patronage was 8,961,805 which is 38.4% above the periodic target of 6,472,441. This target is based on our recovery plan which was submitted to the DfT in April 2021 but remains some way below pre-pandemic levels.
- 1.18 Patronage has recovered more quickly in 2021 than it did following the lifting of lockdown restrictions in the summer of 2020, including particularly strong recoveries in leisure and retail journeys. However, the introduction of the government's 'Plan B' in December 2021, encouraging people to work from home, saw patronage levels fall slightly during the reporting period.
- 1.19 Metro punctuality between Periods 8 and 11 was 76.4% which is 11.5% below the periodic target of 87.9% whilst the 13-period moving annual average (MAA) at the end of period 7 was 84.1% which is 3.1% below target.
- 1.20 Punctuality during this periods was particularly affected by Storm Arwen which caused service suspensions across the network on between 25th and 27th November 2021. Several trees were blown on to overhead lines and Nexus teams worked throughout the weekend to remove the fallen trees and repair any damage in order for passenger services to return to normal on Monday morning.
- 1.21 In January, Storm Malik also caused damage to overhead lines which resulted in a service suspension between Benton and Pelaw on the 29th and 30th of January 2022.
- 1.22 The reporting period also included the end of our autumn season which saw significant levels of Low Rail Adhesion (LRA) which impacted on performance.
- 1.23 Ferry patronage between Periods 8 and 11 was 67,312 which is 12.8% above the target of 59,673.
- 1.24 Secured Bus patronage between Periods 8 and 11 was 1,475,987 which is 16.5% above the target of 1,267,026 for the period.
- 1.25 Nexus continue to support TNE and the JTC in the development of and consultation on the Enhanced Partnership for the region.

Assets and Technology	
Workstream	Status
Improve our physical assets	Renewals work is progressing to plan.
Technology	Nexus is leading on a smart multi modal ticketing project.

Improve our physical assets

- 1.26 Our asset renewal programme continued to plan in Periods 8 to 11 with track renewal work between Heworth and Pelaw continuing whilst phase one of our cable replacement programme has been completed.
- 1.27 Full fleet availability was met on 79.5% of occasions between Periods 8 and 11, this is 20.5% below target.

Technology

- 1.28 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.

1.29

Sustainability	
Workstream	Status
Improve environmental performance	Work on our energy and environment strategy is progressing to plan.
Manage our financial standing	Funding has been secured until 5 th April 2022.

Improve environmental performance

- 1.30 Work on our Energy and Environment Strategy is progressing to plan and is expected to be signed off in March 2022.

Manage our financial standing

- 1.31 Nexus will continue to receive Light Rail Revenue Restart Grant and Local Authority Coronavirus Bus Services Support Grant funding to offset fare and commercial revenue losses until 5 April 2022. On 1 March 2022 the Government announced a further funding package of £150m for bus and light rail operators which will run for six months until October 2022. It is not currently known how much Nexus will receive but further support for Metro will allow us to redirect some savings we planned in next year's budget to better protect bus services we are securing in response to cuts by

commercial operators, as well as managing the impact of rising inflation.

- 1.32 Metro fare and commercial revenue between periods 8 and 11 was £11.146m. To the end of period 11, the fare revenue generated represents a 62% recovery rate (against the evenly profiled 21/22 budget) and a 67% recovery rate (against the flat profiled pre-Covid actuals).
- 1.33 Ferry fare revenue was £69,475 which was 7.7% below the evenly profiled budget of £75,307.
- 1.34 Secured Bus fare revenue was £937,894 which is 107.9% above the target for the period which was £451,055.
- 1.35 Nexus has received confirmation from the Department for Transport (DfT) that it will receive £30.2m of capital grant in 2022/23, with funding thereafter contingent on the region becoming eligible for a City Region Sustainable Transport Settlement (CRSTS), subject to putting in place appropriate governance. This is far from satisfactory given that next year's allocation is less than what was originally sought (the investment need being £40m per annum) and the lack of a CRSTS for the region means that essential funding for infrastructure renewal beyond 2022/23 is not in place at this time.

Transform our organisation to be agile, innovative and inclusive	
Workstream	Status
Represent the communities we serve	We are consulting on our recruitment policy
Learning and Development	Work has commenced on the People and Culture strategy
Engagement	Theme being developed as part of the People and Culture strategy
Strategy	Work on a number of strategies is progressing to plan.

Represent the communities we serve

- 1.36 Our Recruitment and Selection Policy has been updated and is now being consulted on with our trade unions. The policy includes a commitment to the Disability Confident Employer scheme, the removal of gender specific language in job descriptions and updates our processes to reflect the introduction of our e-recruitment system.

Learning and Development

- 1.37 Work has commenced on the development of the People and Culture strategy.

Drawing on evidence and best practice, the strategy will establish work streams and actions which will transform our organisational capability. The strategy will cover areas such as onboarding, career progression and development, ED&I and employee engagement.

- 1.38 We are engaging with schools and colleges to investigate opportunities for work experience, work placements and engaging with the development of T-level qualifications to investigate how Nexus can support these qualifications. We will be supporting work to provide example career pathways for students on a number of different courses to promote the types of roles available at Nexus.
- 1.39 We are engaging with partners to promote Nexus as an employer and our current opportunities to wider audiences through recruitment events, and awareness raising with careers advisors. A grant has been approved for employing two young people on 6 month placements within Nexus, as part of the Kick-start scheme. This will be progressed further in 2022.

Engagement

- 1.40 We have reviewed our approach to employee surveys and established a new approach to identifying actions and closing the feedback loop.

Strategy

- 1.41 Work on our Energy and Environment, People and Culture, ED&I and ICT 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 direct financial implications arising from this report.

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 2021/22 as considered and approved at the Sub-Committee's meeting in January 2021.

16. Contact Officers

16.1 Martin Kearney
Chief Operating Officer
Email martin.kearney@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.

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

Date: 7 April 2022
Subject: Nexus Corporate Risks 2022/23
Report of: Chief Operating Officer

Executive Summary

The purpose of this report is to provide an update on the Nexus Corporate Risk Register for 2022/23 based on the approved Corporate Plan and demonstrates that these risks are being properly managed and controlled.

During 2021/22 Nexus reported on fifteen corporate risks and updates on these were provided to and noted by the Sub-Committee at its meetings in April, July, November and January.

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

A detailed explanation of the risks for 2022/23 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, milestone/next steps.

In the most recent review three risks saw their score improve from 'Red' to 'Green' these risks were 'Frontline services and discretionary travel schemes – Metro services', 'Frontline services and discretionary travel schemes – Non-Metro services' and 'Patronage Recovery'. This was as a result of the Nexus medium term financial plan, that fully protects the services that Nexus provides, being agreed in January.

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

- Long Term Funding for Metro,
- Efficiency of Delivery – Capital Programme

Specifically, in relation to long term funding for Metro and efficiency of delivery of the capital programme, Nexus has received confirmation from the Department for Transport (DfT) that it will receive £30.2m of capital grant in 2022/23, with funding thereafter contingent on the region becoming eligible for a City Region Sustainable Transport Settlement (CRSTS), subject to putting in place appropriate governance. This is far from satisfactory given that next year's allocation is less than what was originally sought (the investment need being £40m per annum) and the lack of a CRSTS for the region means that essential funding for infrastructure renewal beyond 2022/23 is not in place at this time.

One additional risk is 'red' is North Shields Ferry Landing which due to the project currently being unfunded. Additional funding is being sought to progress the development of the project to be ready for future funding opportunities.

The final red risk is Metro Performance risk which is red as a result of recent disruptions to service in particular those caused by extreme weather events.

One new risk was added the Corporate Risk Register, Bus Patronage, which highlights the impact which a failure to recover bus patronage may have on the sustainability of the bus network.

Recommendations

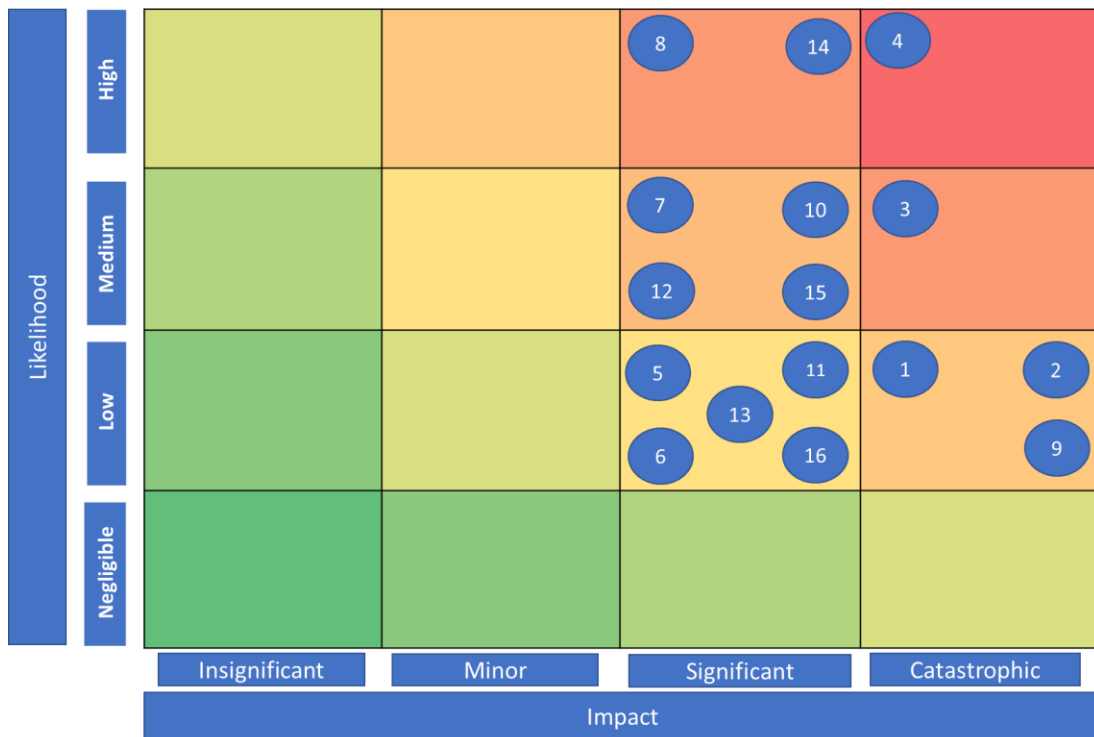
The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to receive and note this update on Nexus' Corporate Risk Register for 2022/23

1. Background Information

- 1.1 As part of its governance framework Nexus maintains a Corporate Risk Register. Nexus defines its corporate risks as those which, if the risk occurred, could have adverse consequences for the achievement of the Corporate Business Plan.
- 1.2 The Corporate Plan for 2022/23 was provisionally approved by the Sub-Committee at its meeting in January 2022 and subsequently Nexus undertook a formal review of the risk register to ensure its alignment to the approved plan. The Sub-Committee receives an update on Nexus' Corporate Risks at each of its meetings.

2. Proposals

- 2.1 Nexus has undertaken a formal review of the Corporate Risk Register for 2022/23. The chart below shows an overview of the likelihood and impact of each risk.



2.2

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

	Risk	Summary of Changes	RAG status
1	Catastrophic security event	No changes from previous update	↔ (Stable)
2	Catastrophic infrastructure or operations event	Risk updated to remove extreme weather incidents	↔ (Stable)
3	Metro Performance	Risk description updated to include extreme weather incidents. Controls and Next Steps/Milestones updated to reflect inclusion of extreme weather incidents into the risk.	↔ (Stable)
4	Long Term funding for Metro	Risk description updated to include details of changing funding profile for 2022/23. Risk controls and Next Steps/Milestones updated.	↔ (Stable)
5	Frontline services and discretionary travel schemes – Metro services	Risk likelihood and impact reduced to reflect budget position for 2022/23. Risk Description, controls and milestones all updated to reflect 2022/23 budget position	↑ (Improving)
6	Frontline services and discretionary travel schemes – Non-Metro services	Risk likelihood and impact reduced to reflect budget position for 2022/23.	↑ (Improving)

		Risk Description, controls and milestones all updated to reflect 2022/23 budget position	
7	Procurement of the new design, build, maintain and provide contract for the fleet/depot	Risk description updated to reflect potential delays caused by COVID and Eastern European supply chain issues.	↔ (Stable)
8	Efficiency of Delivery of the Capital Programme	Impact/consequences updated to reflect difficulties in planning beyond 2022/23 due to lack of certainty around long term funding arrangements. Change to Milestones/Next Steps to reflect new timescales for DFT to confirm funding arrangements following spending review.	↔ (Stable)
9	Cybersecurity	Risk Controls updated	↔ (Stable)
10	Products and Payments Offer	Due date of Next Steps/Milestones updated	↔ (Stable)
11	Funding Bids	Next Steps/Milestones updated	↔ (Stable)
12	Anti-Social Behaviour	New Controls added and Milestones and Next Steps updated	↔ (Stable)

13	Patronage Recovery	Risk Likelihood and Impact reduced to reflect current levels of patronage and budget security for 22/23 Risk controls updated	↑ (Improving)
14	North Shields Ferry Landing	Risk description and impact/consequences updated to reflect. Next Steps/Milestones updated	↔ (Stable)
15	Delivery of Metro Flow	Next Steps/Milestones due date updated	↔ (Stable)
16	Bus Patronage	New Risk	New Risk

2.3 Nexus will provide the Sub-Committee with an update on the position of the Corporate Risks at each of its meetings throughout 2022/23

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 There are no direct financial implications for the Authorities regarding the management of Nexus' CRR.

8. Legal Implications

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

9. Key Risks

9.1 The report identifies what are considered to be the key corporate risks to the achievement of Nexus' Corporate Plan for 2022/23.

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' 16 risks for 2022/23
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 2022/23 as submitted to and approved by the Sub-

Committee at its meeting on 4 November 2021.

16. Contact Officers

16.1 Martin Kearney
Chief Operating Officer
Email martin.kearney@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 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 2022/23

RISK 1		
CP Theme: Safety without compromise		
CP Workstream: Put Safety and Security at the heart of everything we do		
Risk Area: Catastrophic security related event Risk Owners: Chief Operating Officer Risk Actionees: Safety and Assurance Director	RAG Status (Amber)	Direction of Travel
	8(2x4)	↔ (stable)
	Target RAG Status	
	8(2x4)	
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.		
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"> • Emergency preparedness plans and ROGs published • Continuously monitoring & controlling the precursors of these events with a detailed 2-weekly safety reporting to Nexus’ Senior Leadership Team and weekly safety briefing • Produce and implement an annual safety plan for approval by Nexus Executive Board. • Station security plans for the entire network have been published • Extensive liaison between the Security Team and DfT Land Security and compliance to the Light Railway Security Recommended Best Practice • Participating in joint emergency preparedness exercises with key stakeholders • Communicating regular updates on the current threat from national and international terrorism • Enhanced Customer Service establishment introduced to provide greater coverage on the network • All Customer Service Staff are now provided with body worn cameras and all public facing personnel have access • An enhanced CCTV system that has been upgraded from analogue to digital has been installed providing better coverage around the network 		

Next Steps/Key Milestones:	Action owner	Due Date
Physical exercise simulating biological or chemical attack leading from tabletop exercise	Safety and Assurance Director	August 22
<ul style="list-style-type: none"> • A Security Working Group has been established bringing together internal stakeholders in a joint approach to improve system security • Periodic security reports shared with colleagues across the organisation and relevant external stakeholders • Security awareness communications posted across network • Improved front line training for CS team members (starter and refresher) with an emphasis on Security • Additional radio systems for instant communications supplied to team members • The production of a Nexus Security Manual and Management plan has been checked and acknowledged by DfT and available to all Nexus personnel. 		

Risk 2		
CP Theme: Safety without compromise		
CP Workstream: Put safety and security at the heart of everything we do		
Risk Area: Catastrophic Infrastructure or operations event Risk Owners: Chief Operating Officer Risk Actionees: Safety and Assurance Director, Head of Engineering	RAG Status (Amber)	Direction of Travel
	8(2x4)	<p style="text-align: center;">↔ (stable)</p>
	Target RAG Status	
	8(2x4)	
Risk: Any public transport system is at potential risk of a catastrophic infrastructure failure or major operational incident		
<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"> • In the event of a catastrophic safety related incident the possibility for multiple loss of life; • lengthy loss or reduction of service; • likely loss of business with potential long-term impact on patronage; • protracted legal issues to resolve; • fines to pay, impact on insurance and other cost increases. 		
<p>Existing Controls:</p> <ul style="list-style-type: none"> • A Safety Management System (SMS) which is independently accredited by the Office of Rail and Road (ORR); • Robust arrangements for the selection and management of contractors; • Monitoring of assets and development of mitigation plans in the event of catastrophic failure of a key asset; • Development of business continuity plans in the event of major disruption; • Maintaining a comprehensive suite of technical, operational and safety standards, procedures and rules in all relevant disciplines based on industry best practice; • Continuously monitoring & controlling the precursors of these events with weekly safety reporting to Nexus' Senior Leadership Team. • Implement a risk-based annual safety plan for approval by Nexus Executive Board; • Continuing to engender an organisational safety and security culture. • Measure implemented to review opportunities to reduce the number of Signals Passed At Danger (SPADs); • Using the 'Ruglei' system for strengthening embankments using scrap rails 		

and stone filled mesh baskets.

- Vegetation management processes designed to prevent and/or reduce infrastructure damage;
- Remote temperature monitoring for rails to identify instances of extreme rail temperatures which could lead to rail buckling or breaking;.
- Rail and joint treatment to support predictable levels of expansion and contraction caused by changes in temperature;

Next Steps/Key Milestones:	Action owner	Due Date
Deliver on the actions outlined in the 2022/23 Safety Plan.	Safety and Assurance Director	Mar 23
Developing and delivering a programme to reduce planned work using unassisted Lookout protection.	Safety and Assurance Director	Mar 23
Commission a vegetation strategy	Head of Corporate Planning	May 22

Risk 3		
CP Theme: Customer Experience		
CP Workstream: Grow patronage and improve our customer experience		
Risk Area: Metro Performance Risk Owners: Chief Operating Officer Risk Actionees: Metro Infrastructure Director, Metro Operations Director, Major Projects Director, Head of ICT	RAG Status (Red)	Direction of Travel
	12 (3x4)	↔ (stable)
	Target RAG Status	
	8(2x4)	
Risk: There are a number of things which could provide a significant impact on Metro performance, including but not limited to: <ul style="list-style-type: none"> • Ageing fleet and infrastructure leading to increasing numbers of failures. • A lack of a long term funding agreement for asset renewal and vegetation management could result in asset performance declining. • Staffing shortages through, vacancies, illness or industrial action • Extreme weather incidents causing disruption to services 		
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"> • Overhead line replacement programme • Close monitoring of key business results such as punctuality, delay minutes and asset reliability. • Implement better performance management processes such as “right time” departure monitoring. • Delivery of the Essential Renewals programme for 2022-23 • Daily, weekly and periodic performance reporting embedded across organisation to highlight importance of Metro performance. • Implement plans to ensure resilience of digital assets associated with the operation of Metro. • Working closer with the new Network Rail North Eastern structure to address performance issues from Pelaw to South Hylton. • Capacity to train 90 new drivers a year if required. • Quarterly Performance Management meetings with Stadler • “Assets at a Glance” drawings which identify specific problem areas and single points of failure. 		

- Established improvement plans for key assets such as lifts, escalators and signal track circuits.
- Periodic review of asset maintenance plans
- Established possession planning tool to identify conflicts and opportunities to combine closures to minimize disruption to our customers
- Weather Preparedness Plans in place
- Using the 'Ruglei' system for strengthening embankments using scrap rails and stone filled mesh baskets.
- 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

Next Steps/Milestones	Owner	Due date
Commission a vegetation strategy	Head of Corporate Planning	May 22
Complete ICT network refresh to improve resilience of digital assets	Head of ICT	Apr 22
Realise the benefits of the new delay attribution system through better data analysis.	Metro Operations Director	Mar 23
Asset Maintenance Strategy Phase 1	Metro Infrastructure Director	Apr 22
Implementation of Asset Maintenance Strategy completed	Metro Infrastructure Director	Oct 23

Risk 4		
CP Theme: Sustainability		
CP Workstream: Manage our financial standing		
Risk Area: Long term funding for Metro Risk Owners: Director of Finance and Resources Risk Actionees: Head of Programme Assurance, Head of Finance	RAG Status (Red)	Direction of Travel
	16 (4x4)	↔ (Stable)
	Target RAG Status	
	3 (1x3)	
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.		
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. Funding for Essential Renewals of Metro infrastructure has been agreed for 2022/23, however a longer-term funding agreement has not yet been agreed and is dependant on the region agreeing a devolution deal with central government.		
Controls <ul style="list-style-type: none"> • Effective liaison with DfT including 4-weekly progress reporting on the current Essential Renewals programme and quarterly reviews. • Procurement strategy & contractual arrangements that minimise risk and deliver value for money. • Engaging with national government, local councillors & MPs and building public support. • Regular review of potential funding opportunities • Project management controls in place to ensure effective and efficient delivery • Effective programme management and prioritisation of projects • Regular financial monitoring to Nexus' Senior Leadership Team, Executive Board • Potential reconfiguration of the 22/23 programme, together with limited underwriting of planned expenditure in 23/24 and 24/25 by rephasing capital grant received in 21/22 pending the outcome of devolution discussions. 		
Next Steps/Milestones	Owner	Due date

Consider reconfiguration of 22/23 capital programme.	Director of Finance and Resources	May 22
Continue close liaison with Government officials to secure confirmation of capital grant funding for 2023/24 and 2024/25	Director of Finance and Resources	March 23
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 Grant	Director of Finance and Resources	Ongoing

Risk 5		
CP Theme: Sustainability		
CP Workstream: Manage our Financial Standing		
Risk Area: Frontline services and discretionary travel schemes – Metro Services Risk Owners: Director of Finance and Resources Risk Actionees: Head of Finance	RAG Status (Green)	Direction of Travel
	6 (2x3)	<p style="text-align: center;">↑ (Improving)</p>
	Target RAG Status	
	3(1x3)	
Risk: The COVID-19 pandemic has significantly impacted on public transport patronage and revenue. The budget proposal agreed by the JTC for 22/23 allows for the continuation of Metro Services. Additional central government funding to cover the losses caused by the COVID-19 pandemic until 1 October 2022 has been announced, but the quantum for Nexus is as yet unknown and it is expected that there will be no additional funding beyond this point. Rising inflation and a stretching revenue target are key risks to the delivery of the 22/23 budget.		
Impact/Consequence(s): There are a number of significant costs linked to inflation within Metro Services such as High Voltage Power and the Metrocar Maintenance Agreement. If inflation rises beyond the levels budgeted and/or the stretching revenue target is not achieved, Nexus will need to consider a range of actions in order to bridge the budget pressure including use of additional grant support from central government.		
Controls <ul style="list-style-type: none"> Monitoring of Metro patronage and fare revenue, undertake research through the insight panel to gain intelligence on trends and customer behaviours. Regular financial monitoring to Nexus' Senior Leadership Team, Executive Board and the JTC. Regular liaison with DfT in relation to government grant. 		
Next Steps/Milestones	Owner	Due date
Continue to pursue recovery funding arrangement with HMT and DfT following the expiration of the current funding agreement on 1 October 2022.	Director of Finance and Resources	Sep 22
Nexus' input to the quarterly monitoring of the Revenue Budget reports submitted to the JTC.	Director of	Quarterly

	Finance and Resources	
Regular monitoring of inflation to identify emerging budgetary pressures.	Director of Finance and Resources	Periodically

Risk 6		
CP Theme: Sustainability		
CP Workstream: Manage our Financial Standing		
Risk Area: Frontline services and discretionary travel schemes – Non-Metro Services Risk Owners: Director of Finance and Resources Risk Actionees: Head of Finance, Customer Services Director	RAG Status (Green)	Direction of Travel
	6 (2x3)	<p style="text-align: center;">↑ (Improving)</p>
	Target RAG Status	
	3 (1x3)	
Risk: The COVID-19 pandemic has significantly impacted on public transport patronage and revenue. The budget proposal agreed by the JTC for 22/23 allows for the continuation of non-Metro services. Additional central government funding to cover the losses caused by the COVID-19 pandemic until 1 October 2022 has been announced, but the quantum for Nexus is as yet unknown and it is expected that there will be no additional funding beyond this point. Rising inflation is a key risk to the delivery of the 22/23 budget as well as the reduction to the concessionary fares reimbursement if ENCTS ridership recovers beyond the level budgeted.		
Impact/Consequence(s): If inflation rises beyond the levels budgeted 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 use of additional grant support from central government.		
Controls <ul style="list-style-type: none"> • Monitoring of public transport patronage during the pandemic, undertake research through the insight panel to gain intelligence on trends and customer behaviours. • Periodic financial monitoring by Nexus’ Senior Leadership Team and Executive Board. • Regular liaison with DfT in relation to government grant. • Regular monitoring of concessionary travel patronage. 		
Next Steps/Milestones	Owner	Due date
Continue to pursue recovery funding arrangement with HMT and DfT following the expiration of current funding agreement on 1 October 2022.	Director of Finance and Resources	Sep 22
Nexus’ input to the quarterly monitoring of the Revenue Budget reports submitted to the JTC.	Director of	Quarterly

	Finance and Resources	
Regular monitoring of inflation to identify emerging budgetary pressures.	Director of Finance and Resources	Periodically
Support Transport North East in the development of partnerships with bus operators.	Customer Services Director	Jun 22

Risk 7CP Theme: **Customer Experience**CP Workstream: **Grow Patronage and improve our customer experience**Risk Area: **Delivery of the contracts to provide a new depot and a new fleet of trains for the Metro**Risk Owners: **Major Projects Director**Risk Actionees: **Head of Fleet and Depot Replacement****RAG Status
(Amber)****9 (3x3)****Target RAG
Status****6(2x3)****Direction of
Travel****↔
(Stable)**

Risk: The possibility of costs escalating, the potential for delays and reputational impact as a result of Nexus owned risks impacting on the affordability and deliverability of the project to introduce a new fleet of trains and depot.

Emerging risks relating to supply chains can be broken down into two categories which have different contractual outcomes:

- **The effects of the COVID-19 pandemic.**
- **Disruption caused by the ongoing conflict in Eastern Europe.**

These risks will continue to be managed using the controls outlined below.

Impact/Consequence(s): Delays to obtaining the new fleet could place reliance on extending operation of the old deteriorating fleet at Nexus' cost. Where costs couldn't be contained by Nexus risk contingency sum, funding would have to be diverted from other areas of need. Such affordability issues could result in Nexus having to reconsider the scope of the contracts. In addition, any re-profiling of DfT grant would be subject to agreement with DfT at its sole discretion.

Controls

- 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.
- A project contingency sum is available to fund the impact of known and likely risks identified on the risk register.
- Project risks and early warnings are discussed and reviewed with the suppliers of the contracts on a monthly basis and mitigation measures are agreed.
- 4-weekly programme reviews/interrogation and challenge to Stadler.
- 4 weekly progress review meetings with Stadler.
- Delivery of interdependent projects and enabling work is monitored by

Capital Steering Group on a monthly basis and reported to Senior Leadership Team.

- Keeping key stakeholders informed regarding progress of the programme.
- Established project controls have been adopted to assist with the management of the contracts including CSM and other safety processes.
- Operational risks associated with the delivery of the new fleet are managed through the 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.
- Systems review panel being developed to sign off any safety related issued
- Network Rail integrated into project ensure acceptance of the new train fleet onto Network Rail Infrastructure
- Periodic progress reporting to Nexus' Senior Leadership Team and JTC.

Next Steps/Milestones	Owner	Due date
New Maintenance Depot Completed	Head of Fleet and Depot Replacement	Nov 22
First Train Delivered	Head of Fleet and Depot Replacement	Nov 22
Full Fleet in Service	Head of Fleet and Depot Replacement	Dec 24

Risk 8		
CP Theme: Assets and Technology		
CP Workstream: Improve our physical assets		
Risk Area: Efficiency of delivery of the Capital Programme Risk Owner: Major Projects Director Risk Actionee: Head of Programme Assurance, Head of Renewals	RAG Status (Red)	Direction of Travel
	12 (4x3)	↔ (stable)
	Target RAG Status	
	3 (1x3)	
Risk: That the organisation does not have sufficient resource and or the correct skills set to successfully deliver the programme of capital works		
<p>Impact/Consequence(s): The funding agreement with DfT now runs to March 2023 with an expected £30m of capital funding available in 2022/23. Whilst programme planning assumes funding for the 3 years to 2024/25, there is a risk, should funding not be confirmed beyond March 2023, that projects may need to be terminated and the programme redrawn to minimise ongoing contractual commitments. This will severely impact on delivery efficiency and the ability to deliver the programme in accordance with agreed priorities and operational needs.</p> <p>Projects committed through Essential Renewals, are not delivered in the most efficient and effective way and Nexus fails to take advantage of other emerging funding streams to be able to improve its assets, customer services or operations. Contractual commitments beyond March 2023 may need to be minimised and the continuity of critical asset renewal including Overhead Line Equipment and SCADA may become uncertain.</p> <p>Planning beyond March 2023 is also extremely challenging as without an understanding of the quantum and duration of funding, it is impossible to develop a programme with any certainty. Late stage challenges will risk further inefficiency and rework.</p> <p>Procurement efficiencies are being lost and there is evidence of reduced market interest and competitive tender responses. Staff turnover is increasing – resulting in a loss of 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 Capital Delivery is at risk.</p>		
Controls: <ul style="list-style-type: none"> • Continue to make the case for ongoing funding from DfT. • Seek flexibility from the Department for Transport over virement/ acceleration of funding to optimise programme delivery. • Effective 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.
- Continually monitor and manage the programme to ensure sufficient programme/project management resource - identify options to source additional resources or capacity to deliver increase levels of investment.
- Close and proficient management of all contracts relating to ARP and other works in the capital programme.
- Periodic Affordability Review meetings to consider Metro Asset Renewal Programme profiling.
- Monitor procurement and changes in responses to tenders.
- 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.
- Continued engagement with DfT via Programme Board and HMT regarding future Metro funding arrangements.
- Review contractual terms and conditions in light of pandemic to ensure flexibility in contracting to minimise the impact – respond to changing market conditions to ensure successful procurement.
- Evaluate mitigation options for retention and recruitment of key skills and resources.
- A work resource plan for capital programme for 22/23 is being updated with regular reviews planned.
- Potential reconfiguration of the 22/23 programme, together with limited underwriting of planned expenditure in 23/24 and 24/25 by rephasing capital grant received in 21/22 pending the outcome of devolution discussions.

Next Steps/Milestones	Owner	Due date
Consider reconfiguration of 22/23 capital programme	Director of Finance and Resources	May 22
Continue close liaison with Government officials to secure confirmation of capital grant funding for 2023/24 and 2024/25	Director of Finance and Resources	Mar 23

Risk 9		
CP Theme: Assets and technology CP Workstream: Technology		
Risk Area: Cybersecurity Risk Owner: Director of Finance and Resources Risk Actionee: Head of Business Change & Technology	RAG Status (Amber)	Direction of Travel
	8(2x4)	↔ (stable)
	Target RAG Status	
	8(2x4)	
Risk: A successful cyber-attack on Nexus ICT infrastructure.		
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"> • Nexus utilise a modern supportable resilient firewall, with a subscription to identify and protect against existing and emerging threats. • We subscribe to governmental cyber-threat awareness bulletins and are active members of local security working groups. • We participated in a local multi-party cyber-resilience event with local authorities and the emergency services to test the systems in place. • Should a system fail or be rendered unusable by a cyber-attack, we regularly back-up of all essential systems and data so service can be returned safely and efficiently. • Nexus employs security specialists to implement governance and controls. • A cyber-security training standard has been implemented to train all Nexus staff in the basic requirements. • Nexus raises awareness of security threats through the use of internal communications such as Nexus Times & global emails. • Nexus measure awareness through different mediums such as fake Phishing attacks. • All changes to Nexus security assets are subject to tight control. • We have a suite of policies on security controls and an acceptable use. • A security incident response policy is in place. • We utilise segregation to protect critical systems particularly rail based systems. • We manage security risks within Business Change and Technology using a specific risk management process. • Regular review of ongoing notifications from key suppliers regarding vulnerabilities in order to ensure timely notification and action. • Awareness testing exercises will be carried out, with additional controls 		

implemented as deemed appropriate to the level of threat being experienced.

- Increased vigilance of Cyber security activity, particularly through IT security networks, during the pandemic.
- Monitoring of remote working and the subsequent risks this imports.
- Regular awareness testing exercises are carried out, with additional controls implemented as deemed appropriate to the level of threat being experienced.

Next Steps/Milestones	Owner	Due date
Pursue Cyber Essentials Plus accreditation	Head of ICT	Mar 23

Risk 10		
CP Theme: Customer Experience CP Workstream: Products and Payment		
Risk Area: Products and Payment Offer Risk Owner: Customer Services Director Risk Actionee: Project Lead – Integrated Ticketing, Commercial Manager	RAG Status (Amber)	Direction of Travel
	9(3x3)	↔ (stable)
	Target RAG Status	
	3(1x3)	
Risk: Our products and payments offer fails to meet the changing needs of our customers and results in a loss of patronage to other modes of transport.		
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.		
Controls: <ul style="list-style-type: none"> • Continuous review of retail trends and customer choice with market research carried out to establish product development proposals. • Annual review of prices, products and sales channels. • Provision made in the Fares and Revenue budget in order to support research into the development of new products. • Seeking opportunities to work with partners and explore the potential for attracting external funding. • Pay by phone solution in place at car parks. • Smart Integrated Ticketing programme established • Introduction of 19 -21 Pop PAYG ticket. • ‘Take the Kids for Free’ offer launched and marketed to generate new travel markets • Launch of PAYG tickets on Android phones • Increasing the number of card-only and cash and card ticket machines. 		
Next Steps/Milestones	Owner	Due date

Seek funding for continued innovation in product and payments arrangements.	Customer Services Director	Ongoing
Develop and implement plans for cashless and paperless travel as outlined in the Products and Payments Strategy.	Head of Commercial	Mar 25
Add current NTL product range onto smartcard and then develop plans to introduce a multimodal, price capped pay as you go product.	Head of Commercial	Sep 22
Develop flexible products for frequent customers including corporate season ticket holders.	Head of Commercial	Sep 22

Risk 11CP Theme: **Grow our patronage and improve our customer experience**CP Workstream: **Invest in our infrastructure**

Risk Area: Funding public transport network improvements Risk Owner: Director of People and Culture	RAG Status (Green)	Direction of Travel
	6(2x3)	<p style="text-align: center;">↑ (Improving)</p>
	Target RAG Status	
	4 (2x2)	

Risk: That opportunities to secure additional funding for public transport improvements through competitive funding bids are not successful

Impact/Consequence(s): Nexus will rely on external funding opportunities to implement enhancements to the public transport infrastructure that it is responsible for. Without this funding existing resources will, at best, only be able to maintain assets to their current condition and in some cases assets will deteriorate due to lack of funding. This will impact on customer perceptions as public transport will not meet expectations leading to reduced patronage and revenue and Nexus will not meet the aspirations set out in the Recovery Plan to attract customers back to Metro and to replace journeys no longer being made with new markets.


Controls:

- Nexus schemes are included in the Regional Transport Plan pipeline.
- A pipeline of capital schemes aligned with the Nexus Corporate Plan will be developed for specified funding opportunities.
- A detailed pipeline of potential schemes is developed and maintained for new and currently unspecified funding opportunities
- Nexus resources, both people and financial, are allocated to develop Nexus capital programme pipeline.
- New schemes will be subject to the Nexus prioritisation process to quickly and effectively match business priorities to funding opportunities.
- Schemes will be developed and governed under the Nexus' Stage-gate control processes.
- Internal stakeholders are identified and regular stakeholder meetings are held.
- Regular liaison with the Transport Strategy Unit to provide project updates and ensure that schemes are developed in line with wider regional objectives.
- Regular liaison with other external stakeholders, including DfT to ensure alignment with other projects and local objectives.
- Match funding has been identified for live bidding opportunities.

- Continuous horizon scanning for new funding opportunities

Next Steps/Milestones	Owner	Due date
Develop full business cases for Transforming Cities Fund Scheme, in line with scheme development	Head of Corporate Planning	August 2022
Develop bid(s) for the NE LEP development fund for call 2 and agree plans to bid into call 3	Head of Corporate Planning	Call dates TBC by the LEP
Develop strategic outline business cases for schemes for the Levelling Up Fund, City Region Sustainable Transport Fund	Head of Corporate Planning	2022-2023
Develop the SOBC for the replacement of the signalling system	Head of Corporate Planning	March 2023
Identify funding opportunities to improve the environmental performance of the Ferry	Head of Corporate Planning	March 2023

Risk 12CP Theme: **Putting Safety and Security at the heart of everything we do**CP Workstream: **Reduce Anti-social Behaviour**

Risk Area: Antisocial behaviour Risk Owner: Chief Operating Officer Risk Actionees: Head of HSQE, Metro Operations Director	RAG Status (Amber)	Direction of Travel
	9(3x3)	 (stable)
	Target RAG Status	
	3 (1x3)	

Risk: An increase in anti-social behaviour leads to loss of reputation and reduced patronage

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:

- Enhanced CCTV installed around system
- Regular security exercises held across network to provide customer reassurance
- Body worn cameras available to all public facing staff to support enforcement action
- Radios issued to Customer Service teams to maintain good levels of communication
- Regular liaison meeting with partner organisations to identify repeat offenders
- Increased messaging and communications at hotspot locations
- Strong enforcement action against repeat offenders
- Metro Police Unit, British Transport Police and Neighbourhood Police Teams presence around network
- Regular roving patrols by Customer Service staff around network
- Security Team attendance at multiple ASB mitigation events
- Targeted patrols in areas with higher levels of ASB
- Ticketing gate lines at key stations.
- Security Working Group implementation and adherence to actions
- Concourse Teams at key locations, and Customer Support Team roving implementation
- Security Team weekly and dynamic direction and support

- Security Team liaison with Youth Justice Teams, to use diversionary and reparation methods.
- Regular review of plans identified in independent security review
- Additional security staff in place to provide a high profile presence on the network.

Next Steps/Milestones	Owner	Due date
Identify actions arising from the independent security review	Various	Various
Develop strategy for implementation of additional gate lines across network	Head of Corporate Planning	Mar 23
Deliver TCF funding programme to improve safety and security at car parks	Customer Service Director	Mar 23
Review Safety and Security Strategy	Safety and Assurance Director	Mar 23

Risk 13CP Theme: **Grow our patronage and improve our customer experience**CP Workstream: **Customer Services**

Risk Area: Patronage Recovery Risk Owner: Chief Operating Officer Risk Actionee: Head of Corporate Planning, Head of Finance, Customer Services Director, Head of Commercial, Head of Marketing, Communications and Information	RAG Status (Red)	Direction of Travel
	6 (2x3)	 (stable)
	Target RAG Status	
	4(2x2)	

Risk: Failure to recover public transport patronage following the COVID-19 pandemic

Impact/Consequence(s): Failure to recover patronage lost during the COVID-19 pandemic sufficiently would make bus, Metro and Shields Ferry services unsustainable at their current levels. The lack of long-term funding support reduces the ability for Nexus to implement long term behavioural change projects designed to support a 'green' economic recovery.

Controls:

A comprehensive recovery plan has been developed outlining plans to rebuild patronage following the lifting of COVID-19 restrictions

- On-going programme of marketing and communications aimed at reassurance and encouraging customers back to Metro.
- Ongoing, high visibility of staff around network including enhanced cleaning regimes and the enforcement of COVID travel rules.
- Regular reviews of progress with DFT/HMT.
- Regular review of actions identified in recovery plans
- Marketing activity to reassure customers around the safety of public transport
- Horizon scanning and bidding for funding to assist with recovery
- Review services to ensure that service can be adapted to meet new travel patterns.
- Implement a flexible commuter ticket
- Promote Park and Ride offer
- Promote Metro's green credentials
- Implement recommendations to target non-users to try Metro

Next Steps/Milestones	Owner	Due date
Implement actions identified in the Nexus Recovery Plan	Various	Various
Design and deliver new products and services to reflect changing patterns of travel and make public transport attractive.	Head of Commercial	Ongoing
Target new customers and markets including new products services, capital investment (subject to funding) and communications and marketing activities	Various	Ongoing
Work with Transport North East to deliver partnerships with bus operators.	Customer Services Director	Aug 22
Identify and bid for funding to deliver capital projects to assist with recovery	Head of Corporate Planning	Ongoing
Develop Recovery Plan phase 2	Head of Corporate Planning	Apr 22

Risk 14CP Theme: **Grow Patronage and Improve our customer experience**CP Workstream: **Invest in our infrastructure**

Risk Area: North Shields Ferry Landing Risk Owner: Major Projects Director Risk Actionee: Head of Renewals, Customer Services Director	RAG Status (Red)	Direction of Travel
	12(4x3)	↔ (stable)
	Target RAG Status	
	9(3x3)	

Risk: The condition of the North Shields Ferry Landing continues to deteriorate and no funding is found to build a replacement

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 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.


Controls:

- Establish an internal project team-level Steering Group/working group
- Regular updates to the Major Projects Directorate Steering Group
- Periodic progress reporting to Nexus' Senior Leadership Team and JTC
- Continued advance planning and collation of information in identified risk areas to mitigate future deliver risks.
- Apply effective and proven project management controls, risk management planning and governance processes with appropriately skilled resources employed in these areas.
- Active stakeholder engagement to obtain involvement and co-operation of third/interested parties
- Regular assessment of programme delivery against grant funding conditions and meeting with funding bodies to provide up to date progress.
- Hold funding strategy workshops facilitated by North Tyneside Council and progress agreed actions as a priority.
- Ensure a strategic multi-party meeting facilitated/chaired by North Tyneside Council is set up which embeds the North Shields Ferry Landing relocation as an integral part of a wider ambition for the Fish Quay area and both North and South Shields, ensuring strategic foresight and all schemes are joined up.

- Horizon scanning and bidding for funding to continue to develop the project.
- Progression of development project tasks to ensure the project is “shovel ready” in the event of funding being secured. For example, form A design, navigational assessments, operational assessments, preparation of planning application, and ground investigations works.

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 /Major Projects Director	Ongoing
Complete development of ITT for Design and Build Contract for main works ready to be released when funding is secured.	Head of Renewals /Major Projects Director	Jun 2022

Risk 15CP Theme: **Grow Patronage and Improve our customer experience**CP Workstream: **Invest in our infrastructure**

Risk Area: Metro Flow Risk Owner: Major Projects Director Risk Actionee: Head of Metro Flow	RAG Status (Amber)	Direction of Travel
	9(3x3)	 (stable)
	Target RAG Status	
	9(3x3)	

Risk: The benefits of Metro Flow are not delivered, are compromised, limited or delayed.

Impact/Consequence(s): Delivery of Metro Flow could be compromised by escalating costs, a delayed delivery programme or infrastructure limitations, and the predicted benefits may not be fully realised. This could have implications for the customer experience and service, both in delivery and operation, Nexus financial position and may damage Nexus' reputation as a delivery agent, subject to the selected mitigation strategy

Controls:

- 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.
- Continued advance planning and collation of information in identified risk areas will mitigate future deliver risks.
- Apply effective and proven project management controls including CSM, risk management planning, safety assurance and governance processes with appropriately skilled resources employed in these areas.
- Continually monitor the overall Nexus Capital Programme to ensure interfaces and dependencies with other activities, particularly the Metro Fleet Replacement, Metro Asset Renewals and timetable and planning, are understood, prioritised and managed.
- Active stakeholder engagement to obtain involvement and co-operation of third/interested parties.
- Financial controls in place to manage cash flow during the course of the project.

Next Steps/Milestones	Owner	Due date
Industry Consultations (Network Change etc.)	Head of Metro Flow	Apr 22
Infrastructure <ul style="list-style-type: none"> ○ Form B Submission ○ Blockade Commencing ○ Delivery 	Head of Metro Flow	Mar 22 Sep 22 Mar 23
Uplifted service commences December 2024 to align with the fleet programme	Head of Metro Flow	Dec 24

Risk 16		
CP Theme: Grow our patronage and improve our customer experience CP Workstream: Customer Services		
Risk Area: Bus Patronage Risk Owner: Customer Services Director Risk Actionee: Head of Commercial, Head of Customer Services, Head of Corporate Planning	RAG Status (Green)	Direction of Travel
	6(2x3)	↔ (stable)
	Target RAG Status	
	6(2x3)	
Risk: Failure for bus services to recover patronage lost in the patronage or receive adequate financial support for both services and infrastructure.		
Impact/Consequence(s): Declining bus patronage and reduced funding leading to reduced numbers of commercial and subsidised bus service may lead the bus network in the region into terminal decline. Bus services would cease to provide the necessary transport options for isolated and vulnerable communities reducing access to education, employment and leisure opportunities. Failure to provide adequately fund improvements and repairs to bus infrastructure is likely to exacerbate negative feelings towards bus services.		
Controls: <ul style="list-style-type: none"> • Development of an Enhanced Partnership between Transport North East, Nexus and Bus Companies. • Support local bus boards and bus partnership board • Monitoring of public transport patronage, undertake research through the insight panel to gain intelligence on trends and passenger behaviours. • Lobby Government for additional revenue funding to support bus services. • Develop Capital and revenue led schemes in readiness for funding opportunities • Horizon scanning for funding opportunities to improve bus infrastructure and information provision. 		
Next Steps/Milestones	Owner	Due date
Prioritise and develop Nexus capital schemes as part of the BSIP to ensure readiness for delivery	Customer Services Director	Ongoing

Incorporate Nexus deliverables from the EP Scheme into the Corporate Business Plan and monitor delivery	Head of Corporate Planning	Ongoing
Liaise with TNE to ensure commitments set out within the EP Scheme are sufficiently developed and adequately funded	Customer Services Director	Ongoing
Deliver and monitor the secured bus network and provide monitoring data as agreed	Head of Commercial	Ongoing
Develop designs to improve Gateshead bus station as part of Interchange redevelopment proposals	Customer Services Director	Apr 23
Develop and lobby for funding for smart and integrated ticketing on Metro to ensure integrated multi-modal ticketing can be delivered.	Customer Services Director	Apr 23

Appendix 2

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

Risk area	Uncontrolled and Controlled Risk Scores								
	Uncontrolled			Controlled			Target		
	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	4	4	16	1	3	3
Frontline services and discretionary travel Schemes – Metro Services	4	4	16	2	3	6	1	3	3
Frontline services and discretionary travel Schemes – Non Metro Services	4	4	16	2	3	6	1	3	3
Procurement of the new design, build, maintain and provide contract for the fleet/depot	4	3	12	3	3	9	2	3	6
Efficiency of Delivery (ARP)	4	3	12	4	3	12	1	3	3

Cybersecurity	4	4	16		2	4	8	2	4	8
Products and Payment Offer	4	3	12		3	3	9	1	3	3
Public transport Network improvements	4	3	12		2	3	6	2	2	4
Anti-Social Behaviour	4	3	12		3	3	9	1	3	3
Patronage Recovery	4	4	16		2	3	6	2	2	4
Ferry Landing Relocation	4	4	16		4	3	12	3	3	9
Delivery of Metro Flow	3	4	12		3	3	9	3	3	9
Bus Patronage	3	4	12		2	3	6	2	3	6

Appendix 3: Risk Score Matrix

Assess the impact if the risk occurred:

Impact:

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

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

Date: 7 April 2022
Subject: Tyne Tunnels Update
Report of: Managing Director, Transport North East

Executive Summary

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

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

The report provides information on traffic levels at the Tyne Tunnels, which have almost returned to pre-pandemic levels during February and March 2022.

The report also gives an update on the progress of the new Tyne Pass barrierless scheme and the reduction in carbon emissions which has resulted. It gives details on the non-compliance rate, which means the customers who fail to pay the toll and receive an Unpaid Toll Charge Notice. This has reduced month on month and during February 2022 95.8% of tunnel users paid the toll successfully and on time.

Details on the hardship support scheme are included in this report, which explains the pilot scheme to be put in place in partnership with Payplan, an independent debt advice provider.

The report also provides an update on the usage and operation of the Pedestrian and Cyclist tunnels with particular reference to the completion of the inclined lifts. Daily use of the tunnels has increased since the tunnels reopened in 2019.

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

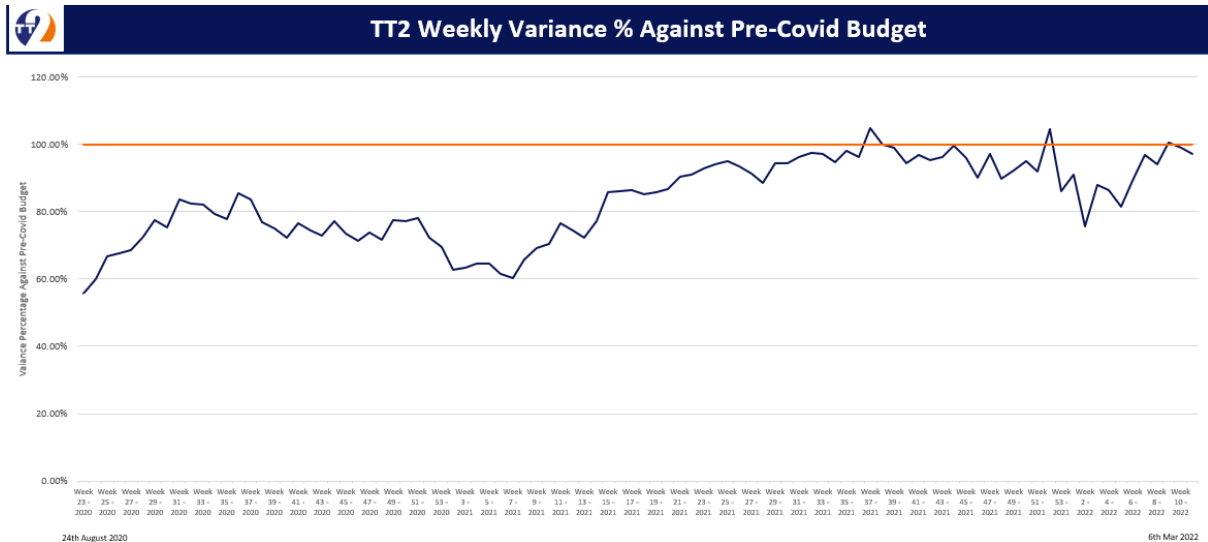
- 1.1 The Tyne Tunnels are jointly owned by the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA) represented by the Joint Transport Committee (JTC) and administered by officers of Transport North East (TNE).
- 1.2 The Tyne Tunnels comprise of two vehicle tunnels (one northbound and one southbound) and the pedestrian and cyclist tunnels all passing under the River Tyne and linking North Tyneside with South Tyneside. The Tyne Tunnels receive no government or local funding and all operational costs and funding costs are met from the tolls charged to users of the vehicle tunnels.
- 1.3 TT2 Ltd as Concessionaire is responsible for the day-to-day management and operation of the Tunnels, in accordance with the Project Agreement which is in place from 2007 to 2037. This is monitored by the Tyne Tunnels Manager on behalf of Transport North East.

2. Traffic Tunnels Update

Traffic Flows

- 2.1 Traffic flows through the Tyne Tunnels are reviewed 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. This agreement means 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.
- 2.2 In recent months traffic has seen a return to almost pre-pandemic levels. There was a drop in January 2022 but traffic in February and March has been around 95%-98% of pre-pandemic levels. It is still unclear whether the ongoing effects of Covid-19 restrictions and the 'work from home' culture combined with the increase in fuel prices will affect journey numbers throughout 2022.

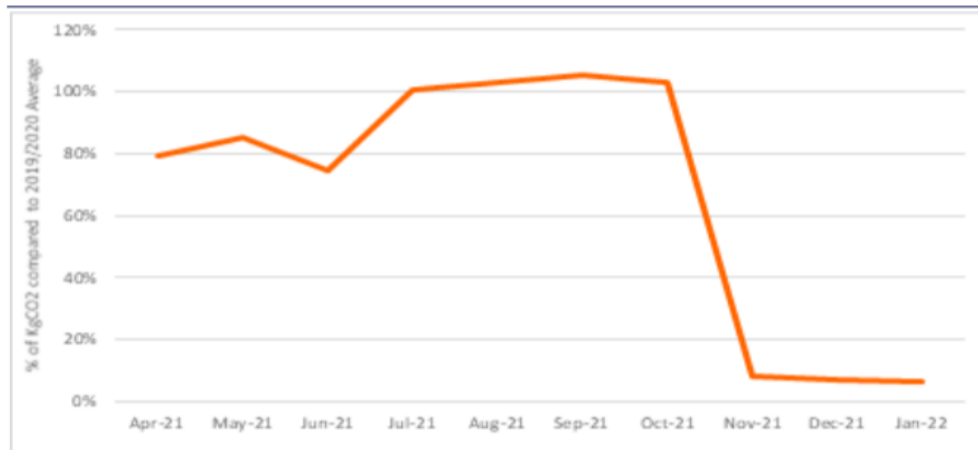
2.3



The orange line in the graph above shows expected traffic levels before the pandemic as 100% while the blue line shows actual traffic levels from August 2020 through to March 2022.

Tyne Pass Scheme update

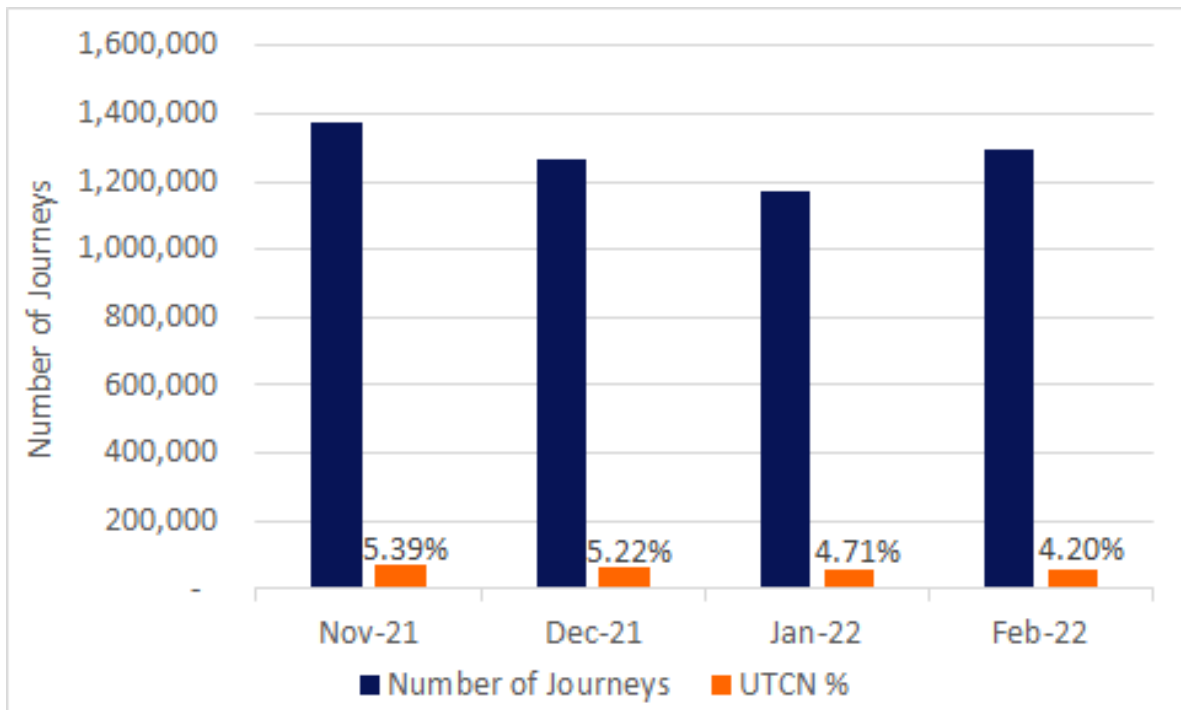
- 2.4 The Tyne Pass Scheme for barrierless open road tolling was approved by this committee in 2020 and was launched on 8th November 2021. The barrierless scheme has modernised the payment system at the Tyne Tunnels and provides other benefits for the area, including significantly reduced carbon emissions.
- 2.5 The scheme was planned with the following aims:
- modernisation of the toll payment system;
 - reduced journey times;
 - reduced carbon emissions;
 - creation of new local jobs.
- 2.6 These aims have all been realised in the first few months of the new system as journey times have improved and the scheme has been successful in reducing carbon emissions significantly.



Customer vehicles CO2 emissions from traffic using the Tyne Tunnels. This is based on standard emissions volumes by traffic type, compared with 2019/2020 average CO2 emissions. It has decreased significantly since the launch of Tyne Pass when the toll booths were removed along with the requirements for all vehicles to stop at the barriers before continuing on their journey.

- 2.7 Non-compliance is measured each month to establish whether tunnel users are successfully making a toll payment via the TT2 systems and whether more or less people are receiving a Unpaid Toll Charge Notice (UTCN). TT2 is incentivised to improve compliance to minimise the number of users receiving a UTCN.
- 2.8 The statistics show that during February 2022 there were **1.3 million journeys** through the Tyne Tunnels. During February **95.8% of users** used the payment systems successfully to pay the toll required.
- 2.9 The data shows a positive trend, as the non-compliance rate has reduced month on month and the percentage of drivers receiving a UTCN in February 2022 is down to 4.2% which compares well with previous months. It was anticipated that the rate of non-compliance would start at a higher level and reduce as the system bedded in and users got used to the new ways of paying the toll.
- 2.10 Similar systems at Dartford and Mersey started at higher levels of non-compliance than the Tyne Pass, but all systems have reported a gradual reduction in non-compliance levels in the first months of the new system.

2.11 **JOURNEYS vs UTCNS**



2.12 The data shows that the number of journeys has increased in February as more drivers are choosing to use the Tyne Tunnels, however the percentage of drivers receiving a UTCN has decreased.

2.13 Whilst only a small percentage of users receive a UTCN, they tend to be vocal on social media and dissatisfied that they have received enforcement charges to pay. It is therefore important that TT2 provides a high level of customer service via the website and contact centre, and that it continues to listen to feedback from users to make adjustments and improvements to the systems for payment.

Online accounts improvements

2.14 It was an early aim of the scheme to encourage high numbers of tunnel users to open pre-paid accounts to pay the toll. A pre-paid account is by far the easiest and most cost effective way to use the Tyne Tunnels. Account holders benefit from a 10% discount on the toll on every journey. In 2020 around 56% of journeys were by tunnel users who had a pre-paid account. Following the extensive marketing campaign in 2021 the numbers increased and now pre-paid account holders made up 77% of journeys in February 2022, which is the highest proportion of any similar UK operator.

2.15 As most customers who use the tunnels now do so via a pre-paid account, TT2 have focused on improvements for this group of users and have listened to feedback and responded to the data on how the system is used. Pre-paid users now benefit from the following:

- email reminders to top-up when account balance reaches a low level;
- ability to travel through the tunnel with zero balance (can top up after the journey by midnight the next day);
- auto top-up facility to ensure that users keep a minimum balance with

little effort;

- email alerts if a bank card fails on auto top up;
- email alerts for journeys with a zero balance to remind user they need to top up in the time frame;
- upgraded app with new design and improved functionality;
- reduced minimum auto-top up balance to make it more affordable.

Hardship support

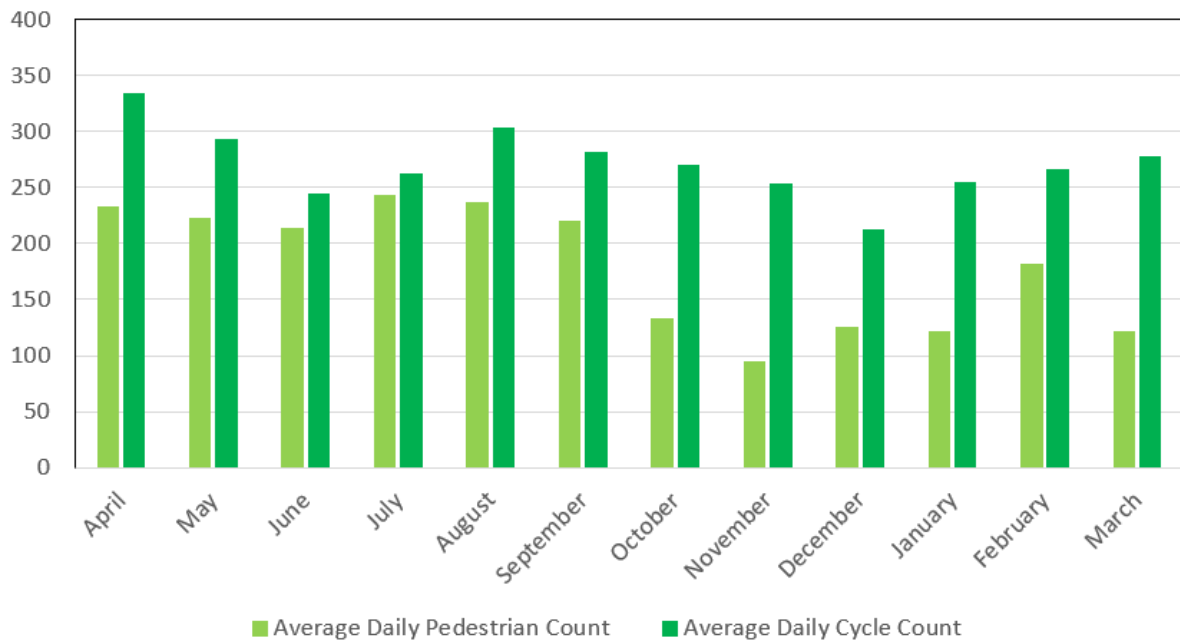
- 2.16 At the last TWSC meeting in January 2022, committee members requested that a scheme was put in place to offer a form of support for tunnel users who had received a charge but were in financial hardship and were struggling to pay.
- 2.17 Since then, work has been ongoing between TT2 and TNE officers to devise a suitable process to help vulnerable people in financial hardship to access assistance, advice and in some cases remission of the enforcement costs incurred via an Unpaid Toll Charge Notice (UTCN).
- 2.18 This work has progressed well and has led to a pilot scheme being put in place with a nationally recognised independent debt relief service called PayPlan. Payplan have a five-star 'excellent' Trustpilot rating from customer reviews [PayPlan Reviews | Read Customer Service Reviews of www.payplan.com \(trustpilot.com\)](https://www.payplan.com/trustpilot.com)
- 2.19 PayPlan will work in partnership with TT2 and TNE to provide a direct link from TT2 customer agents on the phone and from the TT2 online payment process, for vulnerable individuals or those in financial hardship, who accept they have incurred the UTCN charge, but are in genuine difficulty paying it.
- 2.20 The PayPlan service is intended to provide for individuals:
- support from a trained advisor;
 - financial assessment of their circumstances;
 - vulnerability assessment;
 - direct links to suitable bodies as required eg. Refuge, GamCare;
 - offer appropriate options and debt solutions;
 - refer back to TT2 in severe hardship cases for remission of some or all enforcement costs.
- 2.21 As this is a pilot scheme it will be put in place for 3 months initially to assess how many users access the advice, how effective it is and also to consider feedback from users and from the service provider. This will enable evaluation of the service itself and enable assessment of the potential future cost to TNE and TT2.
- 2.22 In addition to the Payplan pilot, a link with Citizens Advice Bureau (CAB) in South Tyneside has been established to allow CAB advisors to access a direct link with a TT2 team leader in the TT2 contact centre who can consider particular cases that CAB advisors consider have genuine merit. This will give CAB a direct access route for vulnerable tunnel users who may not be capable of contacting TT2 online or via the telephone to properly explain their position. This direct contact route has been

put in place very recently and both CAB, TT2 and TNE will monitor the numbers of cases, types of cases and outcomes for the user over the next few months to see how effective this is and how it could be improved. Further discussions with CAB South Tyneside are ongoing and they have given helpful advice and assistance to TNE officers. Plans are also in place for the link to be put in place regionally for all other CAB branches.

Tyne Pedestrian and Cyclist Tunnels Update

- 2.23 The Tyne Pedestrian and Cyclist Tunnels reopened for public use in August 2019 after being closed for several years for refurbishment. They 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.
- 2.24 The tunnels were open throughout most of 2020 between 06:00 and 22:00. Following requests from users for night-time opening, a trial of 24-hour opening was put in place for the month of December 2020 to assess whether there were any concerns regarding safety or anti-social behaviour. The trial proved to be successful and 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.
- 2.25 Following the trial it was agreed that 24-hour opening should continue throughout 2021 subject to regular reviews. It has continued throughout 2021 and into 2022 without any major issues.
- 2.26 Daily use of the tunnels has increased since the tunnels reopened in 2019. Cycling in particular has increased in popularity over the last 24 months. Daily average usage is shown below. Total usage figure (including cyclists and pedestrians) for January 2022 was 11,326 and for February 2022 was 10,834 journeys.

Tyne Tunnel Average Daily Pedestrian and Cycle Counts
April 2021 to March 2022



Inclined lifts refurbishment

- 2.27 The completion and certification of the inclined lifts is now the only major outstanding work required to complete the full refurbishment. Once this is completed, the Tunnels will be handed over from the Newcastle City Council project team, who are continuing to oversee their operation, to TT2 Ltd, who will then manage the operation of the Tunnels for the remainder of the Concession.
- 2.28 As this committee are aware, the completion of the inclined lifts has been delayed throughout 2020 with the Italian lift engineers (Maspero) citing Covid-19 travel restrictions as the principal reason for this. Engineers were last on site in January 2020 and have not been back to site since. However, the completion of the inclined glass lifts is a priority and therefore other options have been considered to reach a solution that allows the inclined lifts to be brought into operation as soon as possible.
- 2.29 New contractors were appointed in 2021 and work took place throughout the autumn and winter of 2021. The new specialist lift engineers have made good progress on the wiring and mechanical systems which control the lift. However, there are still works to be completed on the cabin, doors and the door operating mechanisms. New parts are required, but due to supply chain issues there is a delay to the works until the parts can be supplied. As soon as the parts are installed and fitted the works can move on to the final stage of testing and certification. The new lifts will be able to carry up to 6 cyclists and their bikes in one journey.

3. Reasons for the Proposals

Not applicable.

4 Alternative Options Available

Not applicable.

5. Next Steps and Timetable for Implementation

5.1 Officers will continue to work with TT2 on the implementation of the Tyne Pass system which has been in operation for 5 months.

The pilot scheme with Payplan is due to be in place by the end of March 2022 and will be assessed over the 3-month pilot.

The direct link with South Tyneside CAB has been put in place with a dedicated email address for CAB to link to TT2 Team leaders.

Both options will be evaluated over the next 3 months to assess how effective they are and how many tunnels users take up these options.

The lift contractor is continuing work on the inclined lifts to enable them to be brought into operation in 2022.

6. Potential Impact on Objectives

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

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

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

7. Financial and Other Resources Implications

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

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

8. Legal Implications

There are no legal implications arising directly from this report.

9. Key Risks

There are no key risks associated with this report.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

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

13. Other Impact of the Proposals

Not applicable.

14 Appendices

None.

15. Background Papers

River Tyne (Tunnels) Order 2005

River Tyne (Tunnels) (Modification) Order 2011

Tyne Tunnel Update reports to the scheduled meetings of the Tyne and Wear Sub-committee:

Report dated 14 January 2021 – Tyne Tunnels Update

Report dated 8 April 2021 – Tyne Tunnels Update

Report dated 9 July 2021 – Tyne Tunnels Update

Report dated 9 September 2021 – Tyne Tunnels Update

Report dated 4 November 2021 – Tyne Tunnels Update

Report dated 13 January 2022 – Tyne Tunnels Update

16. Contact Officers

- 16.1 Paul Darby, NECA Chief Finance Officer, paul.darby@durham.gov.uk, Tel: 03000 261930

Mike Barker, Strategic Director, Corporate Services & Governance

Gateshead Council, MikeBarker@Gateshead.Gov.Uk , Tel. No: 0191 433 2100

Alastair Swan, Principal Engineer, alastair.swan@newcastle.gov.uk, Tel: 0191 211 5931

Fiona Bootle, Tyne Tunnels Manager, Fiona.bootle@transportnortheast.gov.uk.

17. Sign off

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

18. Glossary

18.1 TPCT – Tyne Pedestrian and Cyclist Tunnel

PA – Project Agreement (relating to the contract for the provision of the New Tyne Crossing)

JTC – Joint Transport Committee

UTCN – Unpaid Toll Charge Notice

DfT – Department for Transport

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

Date: 7th April 2022

Subject: Nexus Corporate Business Plan 2022/23 – 2026/27

Report of: Chief Operating Officer, Nexus

Executive Summary

The Nexus Corporate Business Plan for 2022/23 – 2026/27 provides the framework for Nexus' delivery up until 2026/27, it sets out the main actions Nexus will take and the indicators by which success will be measured. The Corporate Business Plan is a rolling five-year programme, that will be reviewed on an annual basis.

The plan reflects Nexus' strategies to continue its recovery from the COVID-19 pandemic by attracting more customers to our services through a series of initiatives designed to improve safety, reliability and the variety of products and payment options.

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

The Corporate Business Plan is built around delivering a new vision of:

Our vision for 2025

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



Along with our mission:

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

This is articulated through five themes:

- Put safety and security at the heart of everything we do.
- Grow patronage and improve our customers' experiences.
- Exploit technology, safeguard our assets and improve our processes.
- Become a sustainable organisation.
- Transform our organisation to be agile, innovative and inclusive.

The themes are underpinned by 13 Key Performance Indicators:

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

The Corporate Business Plan will direct Nexus' actions over the 2022/23 and set the framework to achieve our vision for 2026/27.

The Regional Transport Plan has provided the context for Nexus' Corporate Business plan from 2021-22 onwards and allows a longer-term plan to be developed. Our Corporate Business Plan directly supports the objectives of the regional plan.

Transport Plan Objectives	Vision	KPIs
Carbon Neutral Transport	<ul style="list-style-type: none"> • Sustainable into the future 	<ul style="list-style-type: none"> • Carbon footprint
Healthier North East	<ul style="list-style-type: none"> • Excellent customer service 	<ul style="list-style-type: none"> • Public transport patronage
Overcoming inequality and grow our economy	<ul style="list-style-type: none"> • Engaged and inclusive • Nimble in our processes and technology 	<ul style="list-style-type: none"> • Public transport patronage • Employee engagement • Diversity of the workforce
Appealing sustainable transport choices	<ul style="list-style-type: none"> • Excellent customer service • Uncompromising about safety • Sustainable into the 	<ul style="list-style-type: none"> • Metro punctuality and reliability • Fleet reliability • Customer satisfaction • Satisfaction with public

	future	transport facilities
Safe and secure network	<ul style="list-style-type: none"> • Uncompromising about safety 	<ul style="list-style-type: none"> • No. of reportable accidents • No. of assaults • Customer perception of safety and security • Reliability of assets

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

Recommendations

The Tyne and Wear Sub-Committee approve the Nexus' Corporate Plan for 2022/23 – 2026/27.

1. Background Information

- 1.1 The Nexus Corporate Business Plan for 2022-2027 sets out five themes, underpinned by 13 Key Performance Indicators (KPIs) which will direct our actions 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 to **Put safety and security at the heart of everything we do**. As a public transport operator, the safety of our network, our customers and employees are of paramount importance and the plan sets the basis for building a public transport operation people feel safe to use.
- 1.5 We will continue to improve operational safety by carrying out infrastructure improvements designed to reduce the frequency of SPADs (signals passed at danger).
- 1.6 Anti-social behaviour is a major cause of concern for our passengers and a significant cost to the network. We will implement our new Customer Service structure which will provide greater presence on the network to provide reduce fraud rates and to provide reassurance to customers.
- 1.7 Our second theme is to **grow our patronage and improve our customer experience**. Our plans will ensure our services meet the needs and expectations of our customers.
- 1.8 Delivery of our new fleet of trains will have started whilst work on our new Fleet Maintenance Depot will have been completed. By March 2023 we will have delivered the Metro Flow track dualling project between Pelaw and Bede, the most significant change to our network in over twenty years.
- 1.9 We will continue with the implementation of mobile and flexible ticketing including looking for funding to secure price capped multimodal ticketing.
- 1.10 We will have implemented our new Customer Service structure providing a great presence on our network, our colleagues will have the equipment and training they need to carry out their roles effectively.
- 1.11 For our stops and stations, we will establish a consistent brand and standard and seek funding to develop a delivery programme to bring all our stops and station up to this standard and maintain them at this level.
- 1.12 Working with Transport North East (TNE) and bus operators we will deliver on the outcomes identified in the Bus Services Improvement Plan (BSIP) to enhance bus

services in the region, and enter a new Enhanced Partnership to sustain and improve services

- 1.13 Our third theme is **Exploit technology, safeguard our assets and improve our processes**; we will continue to invest in our physical assets to improve the reliability of public transport including delivering another year of essential renewals for the Metro infrastructure whilst also looking to secure funding to renew other assets.
- 1.14 We will continue to develop our ICT to ensure our assets are fit for purpose, meet the needs of the business and ensure efficiency in our processes.
- 1.15 As part of our fourth theme, **Become a sustainable organisation**, we will continue to invest to ensure the environmental performance of Metro continues to improve and invest in smart energy initiatives to build on the benefits that will be realised from the new fleet.
- 1.16 We will seek to secure long term certainty of funding for our capital programmes and we will continue to lobby central government for funding to support our plans to attract customers back to our services and encourage new customer to make the switch to Metro.
- 1.17 Our fifth theme is **Transform our organisation to be agile, innovative and inclusive**, we will develop programmes to ensure that our organisation is representative of the communities we serve. We will review our recruitment and selection processes and actively engage with underrepresented communities and groups to promote Nexus as an employer.
- 1.18 We will begin to utilise the Nexus Learning Centre to engage with schools, colleges and community groups.
- 1.19 Our organisation will be one which invests in and develops its people to ensure we best meet the needs of our customers and use succession planning and progression as well as invest in management and leadership development.
- 1.20 Once approved the Corporate Business Plan will be monitored on a regular basis by the Nexus Senior Leadership Team and progress reported to TWSC. We will start to make plans to ensure our business plan reflects the aspirations set out in the Regional Transport Plan.

2. Proposals

- 2.1 It is proposed that the TWSC offers comments on the Nexus Corporate Business Plan 2022-23 – 2026-27.

3. Reasons for the Proposals

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

funded by the levy.

4. Alternative Options Available

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

5. Next Steps and Timetable for Implementation

5.1 If the Corporate Business Plan is approved it will be implemented from the 1st of April 2022 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 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 seeks to ensure Nexus meets its legal obligations on service delivery.

9. Key Risks

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

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

10. Equality and Diversity

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

11. Crime and Disorder

11.1 Nexus work closely with the Metro police unit and British Transport Police to ensure the safety of the network. The Corporate Business Plan will also be underpinned by the Personal Safety and Security strategy which is currently under development and due to be published before the end of the 2020-21 financial year.

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 2021.

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 2022/23 -2026/27

15. Background Papers

- 15.1 None

16. Contact Officers

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

17. Sign off

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

18. Glossary

Nexus Corporate Plan 2022-26/27



Our vision for 2025



Our vision for 2025

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



Nexus Mission

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

Executive Summary

Our Corporate Plan sets out the framework for what Nexus will deliver from 2022/23 to 2026/27. The plan draws from the Regional Transport Plan, Nexus Corporate Strategies and is underpinned by market research, evidence and best practice.

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

- Put safety and security at the heart of everything we do
- Grow patronage and improve our customer experiences
- Exploit technology, safeguard our assets and improve our processes
- Become a sustainable organisation
- Transform our organisation to be agile, innovative and inclusive.

Our performance is measured via thirteen Key Performance Indicators:

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

Our Business Planning Process

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

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

The objectives of the Regional Transport Plan are:

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

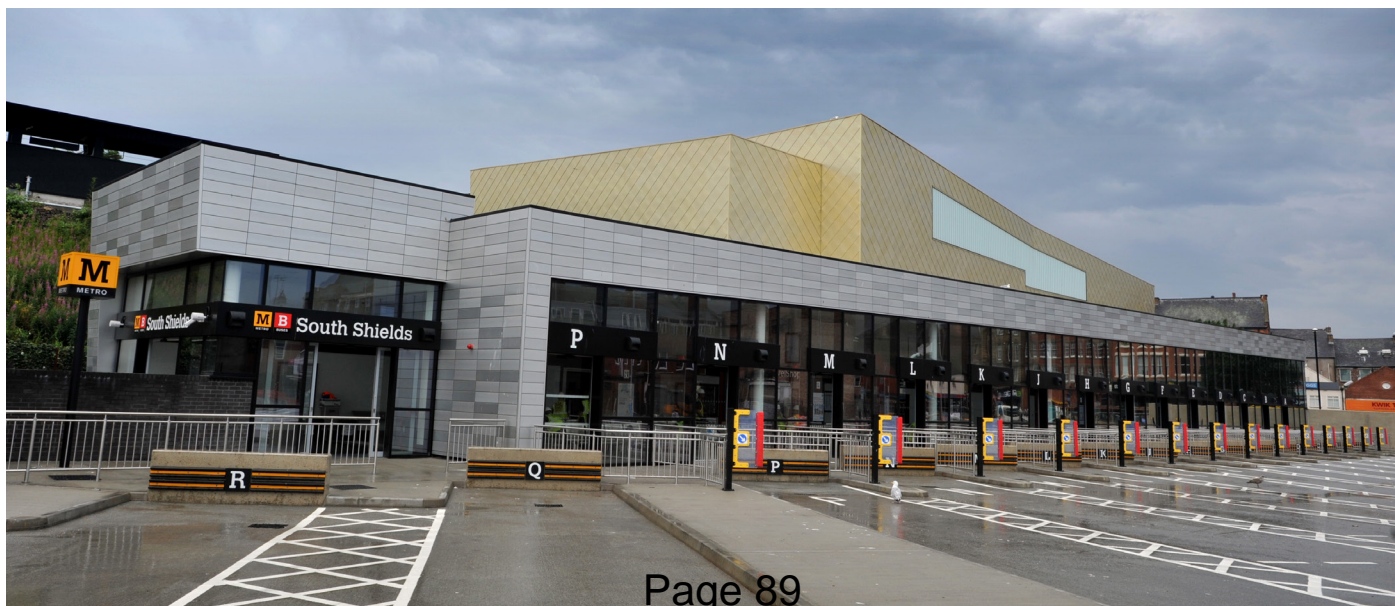
Our vision and KPI's which support our business plan assist in the delivery of the Transport Plan objectives

Transport Plan Objectives	Vision	KPIs
Carbon Neutral Transport	Sustainable into the future	Carbon footprint
Healthier North East	Excellent customer service	Public transport patronage
Overcoming inequality and grow our economy	Engaged and inclusive Nimble in our processes and technology	Public transport patronage Employee engagement Diversity of the workforce
Appealing sustainable transport choices	Excellent customer service Uncompromising about safety Sustainable into the future	Metro punctuality and reliability Fleet reliability Customer satisfaction Satisfaction with public transport facilities
Safe and secure network	Uncompromising about safety	Number of reportable accidents Customer perception of safety and security Reliability of assets

In the aftermath of the Covid pandemic and against a very challenging fiscal backdrop, in January 2022, Nexus successfully secured the financial resources required to deliver its Corporate Plan when the North East Joint Transport Committee approved our Medium Term Financial Plan and Capital Programme for 2022/23 to 2024/25.

In relation to Operations, this included a 6.75% uplift in the Tyne and Wear transport levy, an inflationary increase in Metro fares, effective from 1 April 2022, together with the redirection of funding previously used for concessionary fares reimbursement in order to protect services Nexus directly provides. We are also taking steps, in line with our recovery plan to attract customers back to Metro and to encourage new customers to make the switch from car and have therefore set ourselves a stretching revenue target for Metro in 2022/23, at 84% of what was achieved in the last full year before Covid. However, despite all of this, Nexus will also need to commit £5.6m of reserve funding in 2022/23 in order to deliver its revenue budget. Reliance on reserves will be eradicated by 2024/25, although this is contingent on Metro revenue targets being achieved, further increases in the Tyne and Wear transport levy and on Nexus being able to accommodate the effect of inflationary pressures which are significantly worse as we enter next financial year.

In relation to the Capital Programme that the North East Joint Transport Committee approved, this set out plans to invest over £400m in our infrastructure across the next three years. This includes the replacement of the Metro Fleet and the construction of the new depot in Gosforth, the delivery of the Metro Flow project in South Tyneside and multiple asset renewals across Metro, ranging from the replacement of ageing Overhead Line to the upgrade of our ICT network, necessary to ensure key communication systems operate effectively, including fare collection systems.





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

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

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



Theme 1

Safety without compromise

Put safety and security at the heart of everything we do

Performance indicators

- Number of reportable accidents
- Number of assaults
- Customer perception of safety and security
- Signals passed at danger (SPADs)
- Safety award accreditation
- Employee accidents
- Passenger accidents
- Delays due to anti-social behaviour

In 2022/23:

Embed a 'Safety First' Culture

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

We will embed our 'Safety First' culture through a programme of communications and activities including a programme of safety stand down days tailored to job roles along with safety moments at appropriate meetings. We will develop plans to reduce our reliance on lookout protection based on the outcome of our Lookout Protection Review.

Work towards an accreditation for excellence in safety will also continue, we will also begin to develop a 5 year safety and security strategy.

Improve Operational Safety

As part of our SPAD reduction plan our Train Crew training programme will undergo an review to identify ways in which we can reduce the number of SPADs by adjusting how our training is delivered.

We will complete our signal repainting programme and will replace 250 light boxes in our signals to further improve signal visibility for Train Crew. We will continue to review Metro infrastructure, for example signal positioning, to improve visibility of signals across the network and will develop a plan for any further works required.

Reduce anti-social behaviour

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

We will implement a new Customer Service structure which see a greater staff presence on the network to tackle ASB, reduce fraud rates and to provide reassurance to passengers by targeting anti-social behaviour 'hotspots'. We will have completed a feasibility study into remote monitoring of gatelines which would allow for greater levels of revenue protection as well as discouraging ASB.

Following on from the investment in the CCTV network we will identify funding to fill any remaining gaps in the CCTV network as well as making use of the body worn cameras which are available for frontline staff.

By 2026/27:

We will have fully embedded a safety culture, with a process of continuous improvement and as a result we will have achieved an industry recognised accreditation for safety.

Our SPAD record will be the best amongst comparator light rail networks with improvements made to training and infrastructure to reduce the frequency of SPADs whist our new fleet will also include devices to alert drivers to potential SPADs.

Our multi-agency task force on safety and security will be fully implemented and deployed across the network to increase visibility. We will have reduced the amount of ASB taking place on our network through the use of technology and increased staff and police presence on the network targeted at ASB 'hotspots'. We hope to have secured funding to increase the number of stations with ticketing gatelines.

We will work closely with local agencies and partners to support initiatives working with young people to reduce anti-social behaviour and encourage the use of travel ambassadors and SafetyWorks!





Grow patronage and improve our customer experience

Performance indicators

- Metro patronage
- Metro punctuality
- Metro reliability
- Metro customer satisfaction
- Net promoter score
- Satisfaction with the range of tickers
- Satisfaction with the cost of tickets
- Satisfaction with information
- Secured bus patronage
- Satisfaction with bus information at stops and stations
- Ferry customer satisfaction
- Ferry patronage
- Customer complaints
- Public transport percentage of total journeys made

Our plans will ensure our services meet the needs and expectations of our customers and will grow patronage and revenue through ensuring we deliver an efficient, effective and reliable service. We will continue to improve the punctuality and reliability of the Metro service in advance of the introduction of our new fleet and implement projects that improve the satisfaction of our customers across the range of products that we offer. We will work to ensure that public transport takes a greater percentage of the total journeys made in the region by driving modal shift from car.

In 2022/23:

Invest in our infrastructure

Delivery of our new fleet of trains will have started whilst work on our new Fleet Maintenance Depot will have been completed. By March 2023 we will have delivered the Metro Flow track dualling project between Pelaw and Bede, the most significant change to our network in over twenty years.

Once we secure funding we will contribute to the regeneration of the North Shields Fish Quay through the renewal of the Tanners Bank bridge, allowing for better public transport links to the Fish Quay, and by completing the relocation of the North Shields Ferry landing. We will complete work to expand and improve the parking facilities at Callerton Metro Station.

We will continue to design and seek funding for a range of capital projects to improve the performance of our core Metro infrastructure (Track, Overhead Line, electrical and mechanical assets, such as lifts and escalators, signalling systems, communications systems).

We will also seek funding to improve customer facilities across Metro, bus and Ferry by improving our stations, carparks, implementing Electric Vehicle (EV) charging facilities and enhanced, secure cycle parking across the Metro network, all based on a deep understanding of our customers' requirements.

Subject to confirmation of funding we will roll out additional cycle parking at station across the network to encourage active travel as part of the Metro journey. We will develop plans and seek funding to carry out the necessary renewals work on the Howdon Viaduct and look to secure development funding to help us accelerate development plans at our major interchanges

Products and Payments

We will deliver on our products and payments strategy by continuing the implementation of mobile and flexible ticketing offer including securing funding to deliver price capped multimodal ticketing making it easier and more cost effective to utilise multiple forms of public transport. We will begin to remove products and payment channels that are less popular with customers or that do not fit in with our ticketing vision.

We will deliver on our Customer Information strategy to make real time information available to passengers to make journey planning easier. We will exploit technology such as unified APIs (Application Programming Interface) to improve the accessibility of our data so customers can easily access reliable information through a range of channels, both to plan their journeys and during times of disruption.

Customer Services

We will have implemented our new Customer Service structure providing a great presence on our network, our colleagues will have the equipment and training they need to carry out their roles effectively.

We aim to secure the funding in order to deliver a programme to bring our stops and stations up to a consistent standard. Evidence tells us that high quality environments will also help reduce anti-social behaviour, especially vandalism and graffiti as well as encouraging passengers back to the network. As well as improving customer satisfaction and the perception of safety on our network, this will reduce the costs associated with repairing damage.

We will begin developing our business case for the redevelopment of Gateshead Interchange in order to secure funding.

Working with Transport North East (TNE) and bus operators we will deliver on the outcomes identified in the Bus Services Improvement Plan (BSIP) to enhance bus services in the region, and enter a new Enhanced Partnership to sustain and improve services.

By 2026/27:

We will have introduced fully our new train fleet, bring with it a step change in punctuality and reliability of the services, we will also have completed our Metro Flow project enabling an increase in service frequency to 10 minutes across the network and introduced earlier services from South Shields.

We will have delivered another 5 years of asset renewal & enhancement, and we will continue to work with DfT to ensure surety of ongoing capital investment to improve the performance of our core Metro infrastructure (Track, OHL, Electrical and Mechanical assets such as escalators & lifts, signalling systems, communication systems), to ensure sustained improvement of the performance of our assets.

Customer satisfaction with Metro will continue to improve and our passengers will feel confident in recommending Metro to friends and family and Metro patronage will continue to grow, our stations will be welcoming, clean and safe places to use.

All of our products will be available via mobile tickets and we will have developed apps to allow maximum flexibility in paying for public transport and permit integrated park and ride ticketing. We will also have apps which provide real time and up to date service information allowing customers to easily plan their travel. We will have removed cash as a payment mechanism on Metro. We will have reviewed the Metro zone structure to better align it with the journeys our customers make and the wider public transport network.

Having completed the expansion of the carpark at Callerton, to help meet demand from new housing development including improved facilities for interchange with bus, improved cycle parking and expanded the availability of charging points for electric vehicles. We aspire to have implemented plans at our other carparks to enhance facilities in line with customer requirements to retain and attract new customers to Metro and enhance perception of safety and security.

Pending an agreement on funding we will have started work on a new station at Murton Gap and, following the completion of the Metro Extensions and Expansion strategy, we will seek funding for additional new stations and routes such as the Leamside Line which would improve Metro services to Washington and Sunderland.

We will seek funding to carry out the renovation of Gateshead Interchange and will have secured funding to transform Monument and Regent Centre Metro stations.

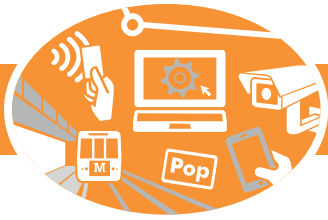
All of our stations will have enhanced cycle parking, with a range of options including cyclepods, lockers and hubs depending on customer needs at that site and the opportunities to attract new customers. We will work closely with Local Authority partners to ensure that all our stations have high quality, well lit, safe walking and cycling links to local destinations. This will expand the catchment area for Metro and attract new customers to use the system.

We will have secured funding for the implementation of a new signalling system following the development of a successful business case for the modernisation of this asset.

We will have developed an action plan for the asset renewal of the Shields Ferry including the South ferry landing and the vessels and will have sought funding for delivery.

We will ensure our frontline colleagues have the skills, knowledge and tools to undertake their roles to a high standard and feel supported and valued by the organisation and play an integral part in the transformation of the Metro service with the introduction of the new fleet. We hope to introduce new uniforms as part of the transformation of our services which better reflect the customer support role our colleagues undertake and the professionalism they demonstrate.





Theme 3

Assets and technology

Exploit technology, safeguard our assets and improve our processes

Performance indicators

- Assets in service
- Asset inspection and maintenance regime
- Digital connectivity across the network
- Take up of Pay As You Go (PAYG)
- Time/Cost/Quality of the essential renewals programme
- Satisfaction with facilities
- Accessibility of facilities

In 2022/23:

Improve our physical assets

Our investment in our physical assets will continue to improve the reliability of the public transport systems we own and maintain. Through increasing the resilience of the network, we will improve customer satisfaction.

We will deliver another year of our essential renewals programme on the Metro network and we aim to have secured from government long term capital funding to continue our programme of essential renewals for core Metro infrastructure and as well securing capital funding required to deliver renewals programmes and investment in our other asset categories, including bus, ferry and digital assets.

Our programme will help improve the reliability of the public transport network, and our customers' experience of public transport by ensuring that the system is safe, clean and easy to use.

We will support local partners in the delivery of the Northumberland Line to make this project an exemplar of locally devolved railway partnerships.

Technology

We will finalise our ICT strategy to reflect our ambition that all of digital assets are fit for purpose, meet the needs of the business and ensure efficiency in our processes.

We will continue to develop our digital offer, including further expansion of our digital ticketing offer, more opportunities for passengers to pay online or via their phone for services and implementing real time Metro information to make journey planning a better experience for our customers.

By 2026/27:

We aspire to have implemented remote monitoring of many our assets and will have delivered a further five years of the essential renewals programme. Having secured funding, we will have embarked on a programme of renewal across the bus and ferry infrastructure to improve performance, reliability and the customer experience.

Subject to funding, there will be high quality CCTV across the network, providing real time images to Control helping us to better monitor and address problems, such as anti-social behaviour as well as providing reassurance for passengers.

We will seek funding to deliver contactless travel across all journeys and a high level of digital connectivity supported by a comprehensive 'app' for journey planning, products, payments and information, including an incentive scheme for our customers.

We will have delivering our accommodation plan, ensuring that colleagues have access to high quality accommodation.

By sharing our data publicly through Open Data principles, we will enable customers to make better informed choices about the services they receive and the standards they should expect.



Become a sustainable organisation

Performance indicators

- Carbon footprint of Metro operations
- Energy consumption
- Organisation establishment

In 2022/23:

Improve environmental performance

We will continue to invest to make sure that the environmental performance of Metro continues to improve, reducing our carbon footprint and making public transport the green travel choice. We will begin to implement the actions identified in our energy and environment strategy to improve Nexus' environmental performance.

We will complete a feasibility study into how to improve the environmental performance of the Shields Ferry and will develop an action plan for delivering on the outcomes of the study, with the aim to secure funding for improved technology to power the vessels.

Manage our financial standing

We will seek to secure long term certainty of funding for our capital programme across Metro, Ferry and Bus infrastructure. We will work with partners to implement the outcomes of Bus Services Improvement Plan (BSIP) to allow strategic planning of services to support the ambitions and objectives of the region, our partners and stakeholders.

We will deliver on our income generation plan to gain the most from our assets whilst supporting value for money for our customers.

We will continue to lobby for ongoing central government funding to support our recovery from the COVID-19 pandemic whilst also delivering on the actions identified in our recovery plan to attract customers back to our services and encourage new customer to make the switch to Metro.

By 2026/27:

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

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

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



Transform our organisation to be agile, innovative and inclusive

Performance indicators

- Employee engagement indicators
- Employee accidents
- Absence levels
- Workforce diversity
- Applicant diversity
- Innovation maturity indicators

In 2022/23:

Represent the communities we serve

We will begin implementing our People and Culture strategy, making improvements to our recruitment and selection process in order to attract colleagues who represent the diverse nature of our region.

We will continue to embed family friendly employment policies making Nexus a more appealing organisation to work for through flexible working practises.

We will engage with partners such as schools and colleges, Job Centre Plus and training organisations to develop pathways to employment within the organisation for people from hard to reach groups.

Learning and Development

Our organisation will be one which invests in and develops its people to ensure we best meet the needs of our customers. We will develop succession plans and progression routes and ensure all our managers have training in management and leadership suitable for their roles through a rolling development programme.

We will begin to utilise the Nexus Learning Centre to engage with schools, colleges and community groups.

Engagement

We will begin to implement the actions identified in our engagement activities whilst we will seek to embed a new set of corporate behaviours:

- Trust and Psychological safety
- Simplicity
- Inclusivity and belonging
- Learning
- Ambition

Which will help to establish an organisational culture that embodies the following principles

- Our people are engaged
- We are Customer Centred
- We are uncompromising on safety

Strategy

This year our Digital Railways strategy, innovation strategy and ICT strategy will be finalised. We will continue to develop business cases and secure funding for major infrastructure and customer facing projects.

By 2026/27:

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 qualified and succession and development plans in place across the whole organisation.

Our workforce will better represent the people we serve, allowing us to make better decisions.

We will have established innovations forums and creative thinking will be rewarded, improving the services we offer and ensuring we are efficient and effective as an organisation.

We will have well established apprentice and graduate development schemes.

Our Learning and Development offer will ensure that our workforce has high quality training in order for them to deliver their role effectively, safely and confidently.

We will be a data driven organisation, utilising insights from our market research, external data sources and our own internal metrics to inform our decision-making process.

Summary

The next 5 years will see Nexus build on the recovery it experienced in 2021/22. Harnessing the environmental and reliability benefits delivered by the new fleet and Metro Flow; an improved ticketing offer, a safe and secure infrastructure and an enhanced customer service offer, Nexus will make a significant contribution to the economic, educational and social success of the region.

We will be seen as an excellent employer, offering routes into public transport for individuals from underrepresented groups as well as providing excellent training and career progression opportunities.

Our new fleet and Metro Flow projects coupled with other environmental improvements identified through our invest to save programme and improvements to the environmental performance of the Shields Ferry will underline the importance of public transport to the green agenda.

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