



Joint Transport Committee Tyne and Wear Sub-Committee

Thursday, 8th April, 2021 at 2.00 pm

Meeting to be held via Microsoft Teams and streamed live on YouTube

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 14 January 2021	3 - 10
4. Tyne Tunnels Update	11 - 24
5. Metro Recovery Plan	
A presentation will be made which will provide Members with an update on the Metro Recovery Plan.	
6. Corporate Business Plan Performance Update	25 - 34
7. Nexus Corporate Risk Register	35 - 76

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JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 14 JANUARY 2021

Meeting held virtually via Microsoft Teams and streamed live on YouTube

Committee Members Present:

Councillor: G Hobson (Chair)

Councillors: C Johnson, J McCarty and J McElroy

In attendance:

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

Officers: G Armstrong, S Bellamy, F Bootle, P Dowling, M Jackson,
H Lewis, M Kearney, H Mathews and E Reynard

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor G Miller.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING HELD ON 5 NOVEMBER 2020

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

4. TYNE TUNNEL REVISION OF TOLLS AND BUDGET 2021/22

The Committee considered a report which set out proposals to increase the tolls at the Tyne Tunnels from April 2021 for Class 2 vehicles (cars and light vans) by 10p from £1.80 to £1.90. There will be no change for Class 3 vehicles or to the 10% discount available to permit holders.

The increase is permissible as inflation, as measured by the Retail Price Index, has reached a level such that an increase can be applied under the terms of the River Tyne (Tunnels) Order 2005. This will be the first increase for Class 2 vehicles since May 2019, during which period, the payment to TT2 Ltd has increased from £1.80 to £1.90. The payment will be applied on a date to be confirmed, after 1 April 2021.

The Committee were also advised that budget figures, factoring in the increases, will be included in the budget report being presented to the Joint Transport Committee on 19 January 2021 for approval.

Councillor McElroy acknowledged that although this was a modest increase, it would not be welcomed by the public, especially during current times. He added that the Tyne Tunnels have been subject to a huge loss on income since the pandemic began, due to lockdowns and changes in working patterns but remained a vital asset to the area.

Councillor McCarty agreed and added that it was unfortunate that an increase was being applied but that the debt must still be repaid for the new Tunnel. She noted that a pre-pay account is the most cost effective and safest way to pay for the tunnel tolls due to the digital form of payment and the discount applied for using it.

RESOLVED: The Tyne and Wear Sub-Committee:

- a) Approved the increase in tolls for Class2 vehicles from £1.80 to £1.90 to take effect from April 2021, 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; and
- d) Noted the proposed 2021/22 budget which will be included in the budget report presented to Joint Transport Committee on 19 January 2021.

5. REVISION TO METRO AND FERRY FARES 2021

The Committee considered a report which outlined proposals for the annual review of transport ticketing. This year's review is set against a backdrop of the covid-19 pandemic which is the biggest challenge Nexus has ever faced.

Usually, fares would be reviewed in the Autumn and take effect in January the following year, however this year, the review has been aligned with the production of Nexus' Recovery Plan which was submitted to Government on 11 January 2021.

The fares proposal, if agreed, would see an overall increase in fares of 1.6% which is in line with inflation. This will provide Nexus with the income to operate transport as a subsidised public service, while offering customers the best possible value.

The Committee were advised that the cost of the Pop Blue Pay As You Go fares for those aged 18 and under and commercial child fares for those aged 16 and under will be frozen. In addition, the cost of the Gold Card for older and disabled customers will remain at £12 per year and £24 for year for those not resident in Tyne and Wear. Finally, once local restrictions are eased, it is proposed to extend the 'Take the Kids Free' offer to all day, every day, hopefully from Spring 2021.

The report also outlined Nexus' plan to introduce pay-by-phone options at all Nexus operated Park and Ride sites where there is currently charge, by the end of January. The parking charge will increase by 20p to £1.20 per day, the first increase since 2012, to meet the cost of this service.

Changes to Ferry fare would mirror those of Metro and would also include the extension of the family offer to Ferry services.

Councillor McCarty felt that it was unfortunate in the current climate that an increase in fares needed to be made. She was pleased that the fares for older, young and disabled people were being protected and was hopeful that the enhanced offer for children to travel free would be rolled out soon.

Councillor McElroy agreed and added that it was disappointing that fares needed to be increased especially as Metro had provided transport for key workers during the ongoing pandemic. He felt that there it would be a big task in the future to encourage people back onto public transport once social distancing and restrictions had ended, and that increases in fares may discourage people from using it. However, he emphasised that Metro was a safe way to travel and provided value for money.

Councillor McElroy was pleased that contactless payment was going to be offered at Park and Ride car parks and asked whether payment for parking could be better integrated with buying a ticket for Metro travel in future?

Huw Lewis advised that further investment is being sought via the Transforming Cities Fund for the development of integrated payment options through the 'Digital Car Parks' workstream.

Councillor Hobson commented that Nexus has been bound by Government to produce a Recovery Plan for Metro which includes fare increases. She added that the Government would have preferred a bigger fare increase but this is the maximum that can be achieved.

RESOLVED: The Tyne and Wear Sub-Committee:

- a) Approved the Metro and Ferry fares proposal to be implemented from 1 April 2021 which included:
 - (i) A commitment to explore new ticketing options aimed at part-time workers and the 18-21 market;
 - (ii) Introduction of a new automated delay payment system;

- (iii) The expansion of the family offer; and
 - (iv) An overall increase in the weighted basket of fares of 1.6%.
- b) Approved a freeze in the price of concessionary products (paragraph 2.6 of the report refers);
 - c) Approved an increase in the price of car parking at Metro Stations to £1.20 per day with the introduction of a new Pay by Phone payment option for passengers in January 2021 (paragraph 2.14 of the report refers);
 - d) Noted the alternative options explored as part of the fares review process (section 4 of the report refers); and
 - e) Noted that the fares proposal contained in the report are contained within both the Nexus budget for 2021/22 being presented to the Joint Transport Committee on 19 January 2021 and the Metro Recovery Plan which was submitted to DfT/HMT on 11 January 2021.

6. CORPORATE BUSINESS PLAN PERFORMANCE 2021-2025

The Committee received a report which set out Nexus' Corporate Business Plan for 2021-25. The Plan provides the framework for Nexus' service delivery until 2025 and sets out the main actions Nexus will take and the indicators by which successes will be measured. The Plan will be reviewed on an annual basis.

The plan reflects the significant impact that covid-19 has had on Nexus and public transport and the plan has been developed to ensure it is relevant to the current challenges that the pandemic presents.

A new vision has been developed which links to Nexus' Mission Statement. These are underpinned by five business plan workstreams and 14 key performance indicators. The new regional Transport Plan will provide the context for the Corporate Business Plan and will enable a longer-term plan to be developed. The Corporate Business Plan supports key objectives and wider regional priorities including ticketing, securing long term funding, environmental issues and improving air quality.

Councillor McElroy expressed concern around a recent decision by Government to cut funding for smart ticketing and how this would impact on the objectives within the Plan as he understood that Nexus were reliant on investment to support smart ticketing developments.

Tobyn Hughes confirmed that the Transport for the North Board had reviewed this issue today and it had been agreed to withdraw £105m in funding for smart ticketing projects. However, he added that Nexus are looking at other ways to deliver smart ticketing objectives.

Councillor McElroy added that it was important that the Corporate Plan was able to support local authorities like Gateshead and Newcastle who have declared climate change emergencies and are being mandated by Government to improve air quality. It was important to note that this is a world-wide health issue and public transport can support these ambitions.

RESOLVED: The Tyne and Wear Sub-Committee approved Nexus' Corporate Plan for 2021-2025 subject to the Joint Transport Committee agreeing Nexus' Budget for 2021-22 and subject to confirmation of revenue support from central Government.

7. CORPORATE BUSINESS PLAN PERFORMANCE UPDATE

The Committee received a report which provided an update on Nexus' performance from 14 September – 7 November 2020. The impact of covid-19 continues to be felt across the organisation with continued reductions in patronage and fare revenue. The reduction in revenue continues to be compensated for by the provision of the Light Rail Revenue Restart Grant (LRRRG) from the Department of Transport.

Metro punctuality fell short of target due to train crew shortages resulting in cancellation of services. However, thirty new trainee drivers were recruited in September and October and will be fully trained by Spring 2021.

The fleet replacement programme remains on target, with Stadler taking over maintenance of the existing fleet in October 2020.

Ferry patronage and fare revenue has also been significantly impacted by covid-19. Revenue is being partially compensated for by funding from the Ministry of Housing, Communities and Local Government (MHCLG).

Councillor McElroy asked whether any additional details could be provided on how punctuality will be improved in the future.

Martin Kearney explained that the drop in punctuality had been due to train crew shortages, but the new driver training school will help to fill this gap, from the Spring. He also added that it was difficult to measure targets year on year due to the impact of the pandemic.

Councillor Hobson asked whether the use of face coverings on Metro had improved? Huw Lewis advised that use of face covering is around 90% which is very good, and he thanked passengers for complying. However, there are still a small minority of people who refuse to follow advice.

Martin Kearney added that he is aware that Transport for London have been given additional enforcement powers in relation to wearing of face coverings and this is something he hopes that will be provided for Metro.

RESOLVED: The Tyne and Wear Sub-Committee noted Nexus' performance in realising the key priorities in its Corporate Plan for 2020-21 including Metro performance.

8. NEXUS CORPORATE RISK REGISTER

The Committee considered a report which provided an update on the Nexus Corporate Risk Register for 2020/21 based on the approved Corporate Plan and demonstrates that the risks are being properly managed and controlled.

Following a review of the risks in November, the risk score relating to front line services and discretionary travel schemes has reduced due to confirmation that the DfT agreed to provide emergency funding until the end of March 2021.

Councillor McCarty asked for an update on risk 4, long term funding for Metro.

John Fenwick advised that Metro continues to rely heavily on the LRRRG from Department for Transport but no additional funding has been agreed after 31 March. Funding is required from April to support Metro until after social distancing ends and patronage improves. John added that the funding for the new fleet and depot was secure and essential renewals will continue during 2021/22. Dialogue will continue with DfT regarding funding for the programme beyond March 2022. John also advised that bids have also been made to the Transforming Cities Fund for the Metro Flow project in South Tyneside. Investment is also a key area in the Nexus Recovery Plan.

RESOLVED: the Tyne and Wear Sub-Committee noted the report and the ongoing impact of Covid-19 on Nexus' business.

9. TYNE TUNNELS UPDATE

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

Traffic Tunnels

Traffic continues to remain at lower levels due to the impact of the covid-19 pandemic which in turn is impacting on income for TT2 Limited. This remains under review.

There has been a marked increase in the number of drivers using the pre-pay system to pay tolls. This is the most efficient way to travel through the tunnels both in journey times and cost.

Phase 3 of the implementation of the Tyne Pass scheme for barrierless charging will be in place at the end of 2021. The scheme will bring benefits to the region including reduced carbon emission and the creation of new local jobs. A phased approach to the scheme was agreed to enable customers to adapt to the scheme with phases 1 and 2 already in place.

The introduction of the 'Pay Later' service has been offered as an option for drivers since May 2020 and take up has been higher than expected. The service allows customers to pay the toll up by midnight the next day after their journey. Details of the ways to pay are on the tickets received at the point of travel. A

contact centre has been set up by TT2 with 14 new roles being created, to support customers when paying the toll. In addition, TT2 has responded to customer feedback and changed the way it operates the contact centre and extended its opening hours to seven days a week from the beginning of January.

Pedestrian and Cyclist Tunnels

Following requests from users, a trial was held during December for the tunnels to be open for 24 hours a day. The trial was very successful and there have been no major concerns or reports of anti-social behaviour so it has been agreed that 24 hour opening will continue throughout 2021. In addition, the tunnels remained open on Christmas Day and New Years Day, and this will also continue in 2021 meaning that the tunnels are now open 365 days a year.

Discussions are continuing with Maspero in relation to the completion of the inclined lifts, however, the current lockdown and travel restrictions have meant that it is difficult to provide a date when the lifts will be completed.

Councillor McCarty welcomed the changes that TT2 have made in relation to Pay Later and was pleased that customers feedback had been responded to positively. She was also pleased that 24 opening has been introduced at the Pedestrian and Cyclist Tunnels.

Councillor McElroy agreed with Councillor McCarty's comments about the Pedestrian and Cyclist Tunnels and added that this was another way in which sustainable transport could be achieved.

Councillor McElroy asked whether there would be any promotion of the pre-pay scheme?

Fiona Bootle advised that the scheme is promoted on signage at the Tunnels as there are special lanes for pre-pay customers. In addition, it is promoted on the website with a focus on it being the cheaper option.

Councillor Hobson asked whether there was scope to promote it on the pay later ticket? Fiona advised she would look into this suggestion.

Councillor Hobson also asked about the auto top-up facility. Fiona advised that this will also be introduced soon.

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

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

Date: 8 April 2021
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 identifies that traffic flows continue to be below normal levels due to Covid-19 restrictions and that the financial impact of this continues to fall on TT2. There is an update on the progress of the Tyne Pass barrierless scheme and the report also provides an update on the usage and operation of the Pedestrian and Cyclist tunnels.

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

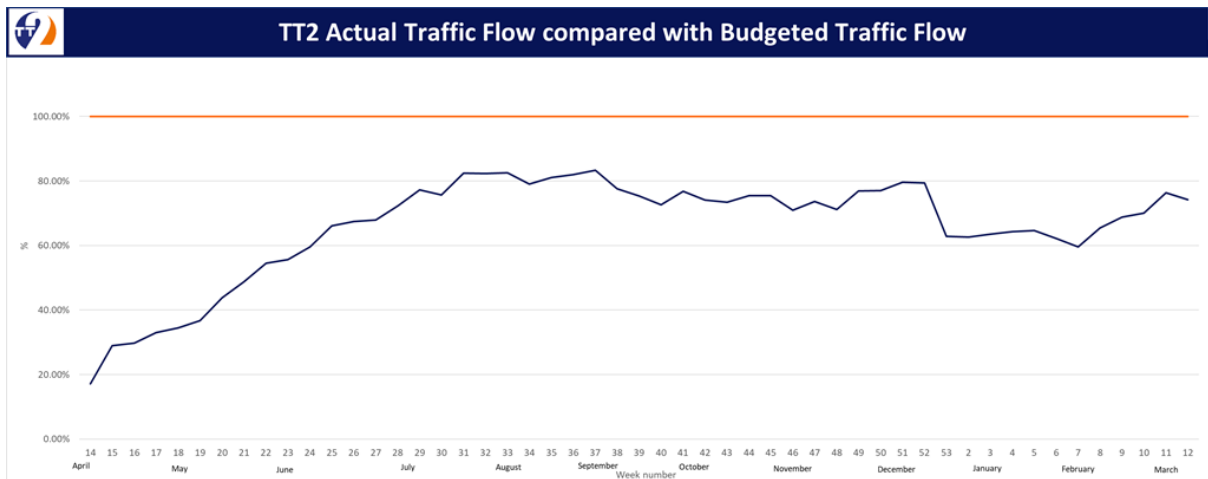
- 1.1 The Tyne Tunnels are jointly owned by the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA). They comprise two vehicle tunnels (one northbound and one southbound) and the pedestrian and cyclist tunnels. The Tyne Tunnels receive no government or local funding and costs are met from the tolls charged to users of the vehicle tunnels.
- 1.2 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 NECA (as accountable body for the Joint Transport Committee (JTC)).

2. Traffic Tunnels Update

Traffic Flows

- 2.1 Traffic flows through the Tyne Tunnels are reviewed daily by TT2 and Transport North East. The normal level of traffic pre-Covid was approx. 55,000 vehicles per day. As a result of Covid-19 lockdown measures, traffic levels dropped drastically during March and April 2020 to approximately 17,000 vehicles per day which is 30% of normal levels. This is the lowest level of traffic seen during the life of the TT2 contract.
- 2.2 During the summer months of 2020 traffic increased and by the end of August was almost 85% of normal levels. However local Covid-19 restrictions put in place from mid-September onwards saw usage levels drop off again. Traffic during the November national lockdown was 73% of normal levels. During the early months of 2021 traffic dropped again to 65% under the January national lockdown restrictions and has remained around 70-75% of normal levels during March.
- 2.3 It is estimated that increases in traffic levels will occur at each stage of lockdown easing in spring / early summer 2021, but there is no certainty that traffic levels will again reach the previous pre-covid levels. Many business and individuals have changed their journey habits due to Covid, for example shifts in modes of transport, more online meetings and more home-working, all of which may mean less journeys overall on a permanent basis.

2.4 The orange line in the graph below shows normal expected traffic levels pre-Covid.



2.5 Due to the reduced traffic, TT2 is suffering a continuing shortfall in revenue which seems likely to be ongoing for most of 2021. NECA officers continue to work with TT2 to monitor its financial position and put in place measures to mitigate the effects of this shortfall. JTC income is not affected in the same way, as the structure of the project agreement with TT2 means that the JTC retains the first proportion of traffic income per month, with the traffic risk mainly borne by TT2. JTC is therefore expected to receive its budgeted net income for the year.

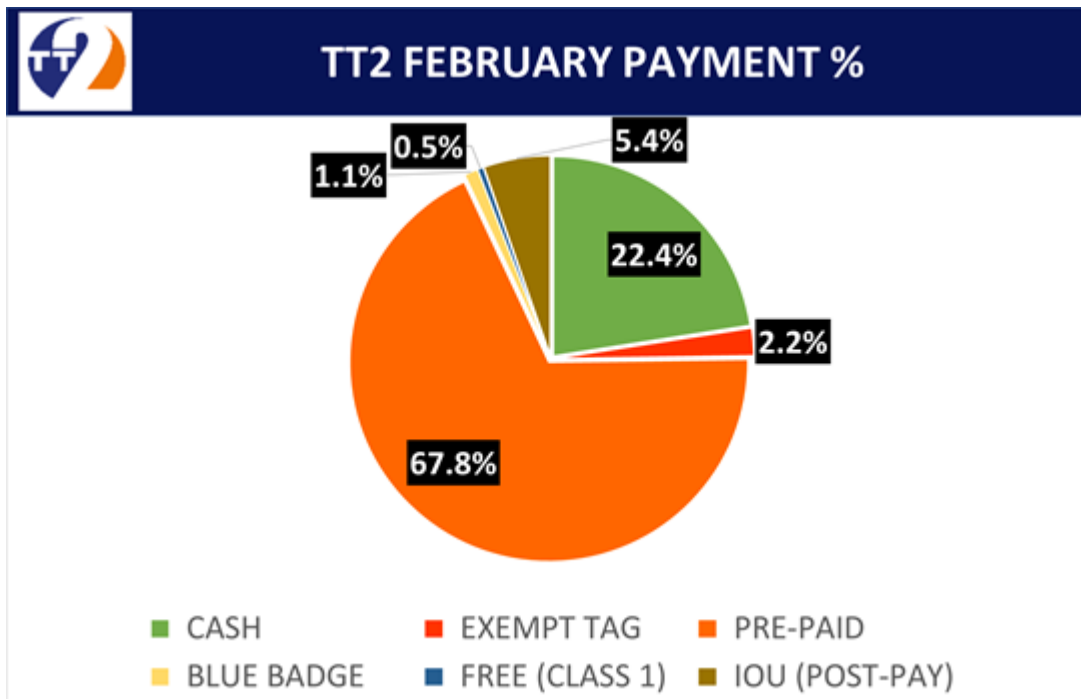
Pre-paid accounts

2.6 Of the various payment options to pay the toll, the preferred method of payment is Pre-Pay, as it not only provides a 10% discount for users, but also speeds up journey time through the toll plazas. When the Tyne Pass cash-less free flow system is fully implemented, drivers with a pre-paid account will have a seamless journey and easy payment experience. It is therefore important that the use of pre-paid accounts is promoted and marketed to drivers to make them aware of its benefits.

2.7 The percentage of pre-payment transactions in February 2021 was 67.8% of all journeys, which is a marked increase over the previous few months (July 2020 level was 56.4%). This increase is welcomed and is in part due to the TT2 marketing campaign.

2.8 The campaign to promote pre-paid accounts is ongoing throughout 2021 and there is an ambition that when Tyne Pass barrierless system goes live at the end of the year the number of pre-paid account holder journeys is close to 80%, meaning that only 20% of users would need to use the new systems in place to pay after their journey.

2.9 Payment profile of Tyne Tunnels users



Tyne Pass Scheme update

2.10 As members are aware, work continues on the implementation of the new Tyne Pass Scheme for open road tolling, which is due to be put in place at the end of 2021. This scheme will bring benefits to the region in terms of quicker journey times, reduced carbon emissions and the creation of new local jobs.

2.11 Learning from other toll crossings experiences, TT2 decided to adopt a phased approach to the implementation of the Tyne Pass Scheme to allow customers to understand and adapt to the new system. The phases have been planned as follows:

Phase 1 – Pay Later (implemented May 2020)

Phase 2 – Interim Free Flow (implemented December 2020)

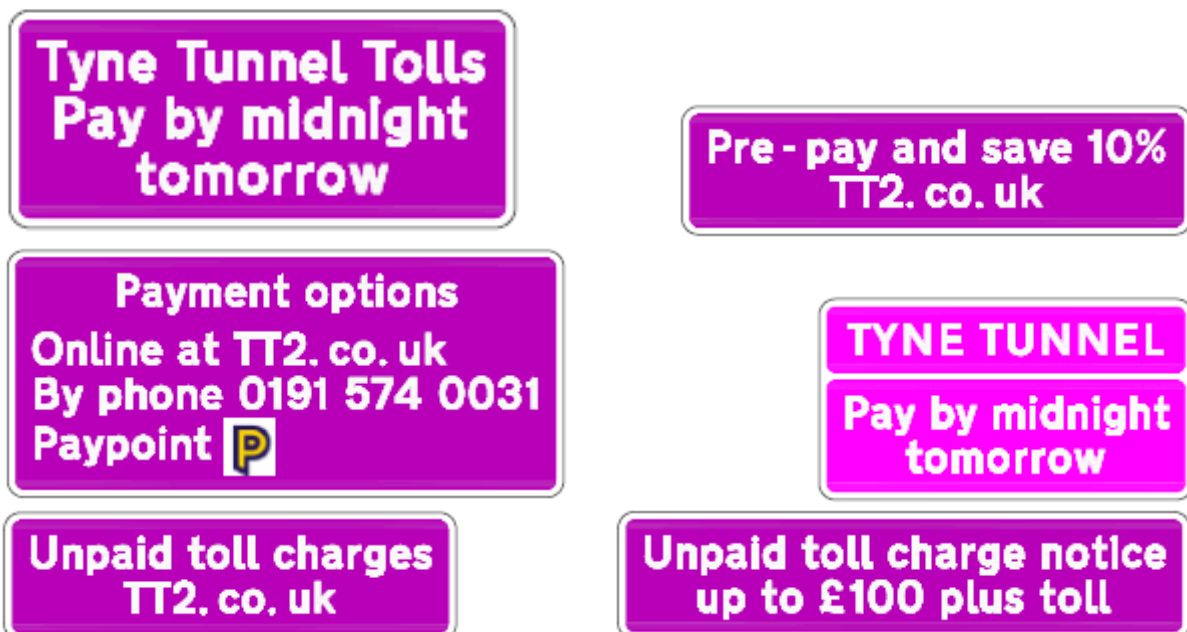
Phase 3 – Tyne Pass Scheme Go-Live (planned late 2021 / early 2022)

The final phase 3 will see complete removal of the plazas and all barriers, creating continuous seamless journeys through the tunnels without the need to stop, customers will either pre-pay or pay after their journey.

2.12 Phases 1 and 2 have now been implemented allowing customers to become familiar with the processes involved in paying after a journey in preparation for Tyne Pass open road tolling. This gradual process has also given TT2 an opportunity to respond to customer feedback, developing and adapting processes to be in a strong position to deal with the volumes involved when Tyne Pass goes live. Depending on progress made in early 2021, it is hoped that Tyne Pass Go-Live date will be set for the end of 2021 with an exact date to be confirmed by TT2.

Tyne Pass Signage

- 2.13 Signage is considered to be a vitally important aspect of the Tyne Pass barrierless system. Customers need to be clearly informed that they are travelling on a toll road (there are no longer any plazas to make that obvious) and that unless pre-paid account holders they must pay after their journey. Messages on signs displayed at the road side need to be brief and clear so that drivers can read the sign, but not be distracted from driving safely. Ideally the signage should also give some information on time scales and methods of payment for the Tyne Pass system. Whilst this information will be available on the website and through various other platforms, it is considered important that customers drive away from the tunnels with the understanding that they need to make a payment within the timescale, if they have not paid in advance.
- 2.14 With this in mind TT2 have extensively researched signage on other toll roads including Dublin, Mersey and Dartford. The preference was for distinctive signage which would catch the attention of drivers more than standard style signs, which may be missed by tired or distracted drivers.
- 2.15 The colour choice was most important and given that the tunnel itself is a private road, TT2 have presented the option to use a distinctive colour which will stand out from the standard highways style signage (which must conform to national standards of style and colour). With advice from traffic engineers and road safety consultants, the colour options presented are pink or purple coloured signage shown below. Purple signage has proved effective on the Dublin M40 toll road where bright coloured signage makes the signs more noticeable and more effective as a means of communication, but pink for the Tyne Tunnel is the preferred choice for TT2, subject to NECA support.
- 2.16 Some examples of the proposed signage for the Tyne Tunnels are below:



Visit TT2.co.uk for detail
of non-payment charges

Last exit
before tolls

Pay Later service

- 2.17 The 'Pay Later' service has been offered to drivers as a payment option since May 2020 and take-up has been higher than expected. A take-up of 2-3% was expected however usage has been around 5-6% for the last few months. Drivers used Pay Later on 5.3% of all journeys undertaken in February 2021.
- 2.18 Pay Later was brought in as the first stage of the Tyne Pass barrierless system and enables customers to pay after their journey, by midnight the next day, giving a minimum of 24 hours or up to 48 hours to pay for their passage through the tunnel. The period to pay is consistent with the majority of tolled crossings in the United Kingdom, including Dartford and Mersey Gateway, which TT2 is looking to emulate and learn from.
- 2.19 Using Pay Later, customers can pay for their journeys 24 hours a day, 7 days a week via the TT2 website or by using an automated telephone payments line. The details of both methods of payment are printed on the ticket received at the point of travel, and also explained on the TT2 website and promoted extensively through social media. Customers who fail to pay on time can face additional charges of £30, £60 or £100 if they continually fail to respond to requests for payment. If ultimately the customer refuses to pay, the case can be referred to third party enforcement agents who can add a maximum of £70 to the total as enforcement process charges.
- 2.20 A contact centre has been set up on-site at the Tyne Tunnels to enable TT2 to provide a customer service helpline for all of its users. Hours have been extended following customer demand so the contact centre is now open 7 days a week and till 7pm on weekdays.
- 2.21 When Pay Later was launched, an initial high level of non-compliance was anticipated based on the research of other operators who have implemented an open road tolling system. When negotiating the contract last year with TT2 permitting them to build the Tyne Pass system, officers wanted to ensure that TT2 was motivated to support high levels of compliance. This is to be achieved both by ensuring high levels of take-up of the pre-paid account product and by providing multiple channels for the payment of journeys after travel. The contract with TT2 has clauses penalising TT2 if excessive levels of non-compliance are experienced (following the normal settling-in period exhibited in all such tolling changes).
- 2.22 To ensure this happens, NECA and TT2 even at this pre-launch stage, are monitoring closely the equivalent metric for the Pay Later product. This shows that levels of non-compliance are falling and are already below Dartford's current performance even though that system has been operational for six years. Compliance levels at the Tyne Tunnel are now comparable with those experienced at Mersey Gateway during its first year of opening.
- 2.23 Compliance is expected to improve further during this year, before rising temporarily

at the immediate launch of the Tyne Pass system. However, the work done in helping customers understand the Pay Later product and by TT2 in encouraging growth in pre-paid accounts (now at record highs of around 68%) will help minimise the peak at the launch, assisted by the experience that TT2 is gaining from managing the Pay Later product. Officers will continue to work closely with TT2 to ensure best practice is being built into the Tyne Pass project. They are actively involved in the design of signage and road layout changes, as well as the awareness marketing campaign which is currently being planned.

Customer feedback on Pay Later

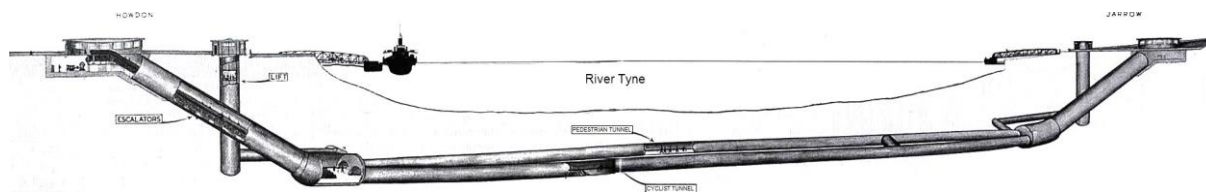
- 2.24 TT2 have received both positive and negative feedback on the service via their online customer platform 'Rant and Rave'. Some examples of positive comments are from users who have indicated that they find the system 'efficient' and 'very easy to use'. The high number of drivers consistently using Pay Later also suggests that customers make a choice to use this service and find it a useful way to pay the toll.
- 2.25 However, a number of customers have made complaints to TT2 and on social media and some have set up social media groups about the issues they have encountered. Most issues raised relate to customers who have been issued with an Unpaid Toll Charge Notice (UTCN) because they have failed to pay on time or have not used the system correctly. There is a staged appeal process in place to allow customers to appeal if they consider they have been unfairly issued with a UTCN, however some users whose appeals have been rejected continue to be dissatisfied. One user has written specifically to this committee to request that his points of issue be put before the committee. His points are attached as Appendix A.
- 2.26 His points and questions raise a number of issues, some of which have been considered before and some of which require some further analysis. He has requested that the committee read his letter and consider his concerns.

Class 2 Toll Increase

- 2.27 At the last meeting Members approved an increase to the toll for Class 2 vehicles, increasing by 10p for cash and Pay Later customers and by 9p for prepaid account holders. The increase has now been approved by the Department for Transport and will be implemented on Saturday 1 May 2021. From that date the toll for Class 2 vehicles (cars) will be £1.90 for cash and Pay Later customers or £1.71 for prepaid account holders.

Tyne Pedestrian and Cyclist Tunnels Update

2.28



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 and must abide by social distancing measures in place including wearing a face mask. The tunnels are monitored via CCTV by the 24 hour security presence on-site.

2.29

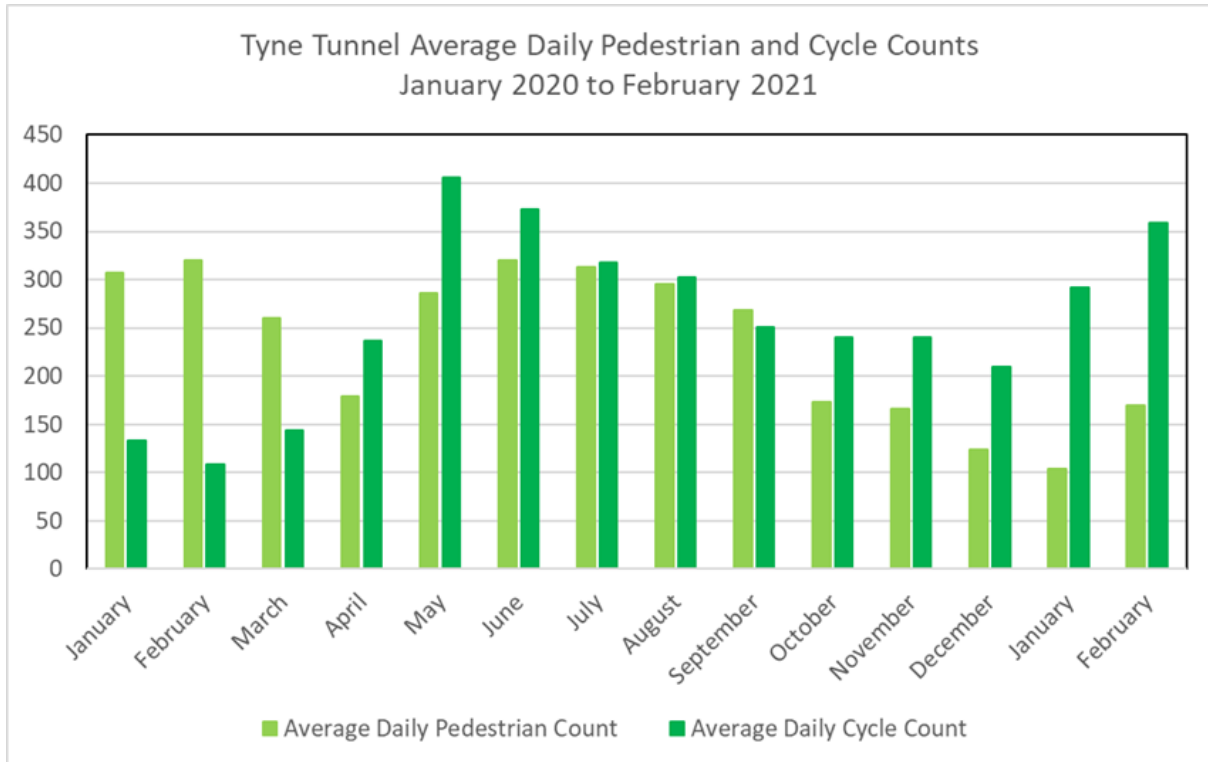
The tunnels were open throughout most of 2020 between 06:00 and 22:00. Following requests from users for night time opening, a trial of 24 hour opening was put in place for the month of December 2020 to assess whether there were any concerns regarding safety or anti-social behaviour. The trial has proved 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.

2.30

Following the trial it was agreed that 24 hour opening should continue throughout 2021 subject to regular reviews. It has continued throughout January, February and March without any major issues. It is noted that evening usage and associated public order issues may increase in warmer months. Regular reports will be provided to this committee.

2.31

Daily usage of the tunnels dropped slightly in the winter months as expected when the weather becomes colder, with December as the lowest month. However, comparisons with Spring last year show that usage in the first few months of 2021 is significantly higher than the previous year. Overall use of the tunnels has increased over the last 12 months and figures on usage in February 2021 compared with February 2020 show that usage has increased by over 100 users per day. Cycling in particular has increased dramatically in popularity compared with last winter's figures, whilst pedestrian usage has reduced.



Inclined lifts refurbishment

- 2.32 In terms of the refurbishment works, 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.
- 2.33 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 principle reason for this. Engineers were last on site in January 2020 and were due to return in February 2020, however their visit was cancelled by Maspero due to the position in Italy at that time, when Covid-19 cases were rising rapidly. Since then travel restrictions in place have made travel by specialist staff to the UK significantly more difficult. Whilst officers are frustrated at the lack of progress in 2020 and have attempted to negotiate the contractors return to site, it is difficult for them to come back to site with the current restrictions in place.
- 2.34 However, the completion of the inclined glass lifts is a priority and therefore all other options are being considered, in discussion with Maspero, to reach a solution in 2021 which allows the inclined lifts to be brought into operation as soon as possible.
- 2.35 Officers recently obtained the agreement of Maspero to engage a UK lift specialist to carry out a survey on the inclined lifts in order to establish what outstanding work is required to bring the lifts into operation. The survey has proved useful and thorough and is being considered by officers and engineers to establish the most effective means to complete the works, in consideration of the ongoing travel restrictions which are still in place.

3. Reasons for the Proposals

Not applicable.

4 Alternative Options Available

Not applicable.

5. Next Steps and Timetable for Implementation

5.1 Officers are monitoring use of the tunnels and the impact of the Pay Later scheme and are working with TT2 on the implementation of the Tyne Pass system. They are also continuing to pursue all options to enable the Tyne Pedestrian and Cyclist Tunnels inclined lifts to be brought into operation during 2021.

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 Due to the structure of the contract with TT2 Ltd, the reduced traffic has not had an impact on the net budget for the Tyne Tunnels managed by the Joint Transport Committee.

7.3 The financial implications of a proposed toll increase for Class 2 vehicles was dealt with in the report on this issue before the January meeting and have been factored into the budget for 2021/22.

7.4 The cost of the refurbishment works 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 this reserve is 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 Transport North East (Tyne and Wear) Sub-Committee. TT2 website and the Pedestrian and Cycle Tunnel website both provide updates to the public on all matters related to the Tunnels.

13. Other Impact of the Proposals

Not applicable.

14 Appendices

- 14.1 Appendix A – Letter to TWSC from tunnel user dated 23 March 2021.

15. Background Papers

- 15.1 River Tyne (Tunnels) Order 2005
Report dated 22 July 2010 - TPCT - Investment Proposals
River Tyne (Tunnels) (Modification) Order 2011
Tyne Tunnel Update reports to the scheduled meetings of the Tyne and Wear Sub-committee:
Report dated 9 July 2020 – Tyne Tunnel Update
Report dated 5 September 2020 – Tyne Tunnel Update
Report dated 5 November 2020 – Tyne Tunnel Update
Report dated 14 January 2021 – 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

Appendix A
Tyne Tunnels Update Report to Tyne and Wear Sub-committee
8 April 2021

Letter to Tyne & Wear Sub-committee from tunnels user dated 23rd March 2021

1, The biggest gripe with issuing UTCNs to Tunnel users is the appeal process, this is done by TT2, who in 99% of cases reject all appeals. Having spoken to TT2 staff who stated they put the Pay Later system in place based on the setup at Dartford Bridge i am afraid is not totally correct, as they have an "Independent Appeals Panel" set up to take care of appeals a much fairer system and one that would be more accepting by those people appealing their UTCNs.

2, Communications, once your appeal has failed and it is passed on to the CDER (the despicable Marsten group), replies to emails from them takes on average 11 days after they issue their first Notice to you, when you finally receive contact and express concerns they direct you back to TT2, call time waiting to TT2 is 35 to 45 minutes with many customers hanging up in frustration, and when customer services do finally answer they are rather unwelcoming and condescending in their replies and then tell you it is none of their business you need to speak to the Debt Collector who will continue to add to the already exorbitant fine of £176.80 for a £1.80 fare, and double the fine with each letter they send out.

3, Legality, You have gone along the route of Car Clampers and Parking fines a despicable way of extracting money from the Public, which was read out in the House of Commons and abolished, you are heading down the same route as my paperwork is with my local MP Graham Morris and i expect the matters to be read out in Parliament. Is this a route that NECA wish to go?, as it will not bode well when.

4, TT2 staff at the tunnel entrance are untrained to do the job put to them, misleading the public when giving information out about the Pay Later tickets and approaching drivers without a Mask on, don't they learn Health and Safety protocol, also Why are there no Signs on the ticket machines Stating "24" hrs to pay, not one sign is in place!!!

5, What happened to the calming down period when the system was put in place [30th April](#) and how long was it meant to last for, and in the NECA Meeting January minutes page 80 onwards it shows how much TT2 are raking in, a Cash Cow they don't wish to give up after losing so much revenue during the pandemic, and you NECA taking a Fat Share of it but wishing to wash your hands of any involvement with TT2.

6, What do we want?, we want an Independent Appeals Panel put in place and those who have received UTCNs allowed to appeal again and upon winning any appeal given refunds less the Tunnel Charge, in my case £176.80, there are many people who are paying because they FEAR the Debt Collectors and their way of making you pay because of the FEAR factor and threats of a Credit judgement against you and your address. (Check the Marsten group out).....

Just a note, when driving to Spain some 5 years ago and using Dartford Bridge, upon my return some 3 weeks later i had been issued with a UTCN, i phoned the Dartford Bridge Customer Service (who were ever so helpful) explaining my situation they directed me to the Appeals Panel and after explaining my situation that i had travelled abroad and was unable to pay, my Fine was cancelled. Maybe TT2 could learn a thing or two from them regarding Customer Services.

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

Date: 8 April 2021
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 2020/21. This report covers periods 9 to 11 encompassing the 8 November 2020 to 30 January 2021.

The impact of COVID-19 continues to be felt across the organisation with significant impacts on revenue and patronage. **Metro Patronage** is down 75.0% against the same periods last year and down 74.6% against the target for the three periods. **Metro Fare Revenue** was £2,926,436 which was 72.7% below target. This is being fully compensated for by Light Rail Revenue Restart Grant (LRRRG) from the Department for Transport.

Metro Punctuality for Period 9, 10 and 11 was 87.5% which represented a 14.0% improvement on the same periods last year and is 4.8% above the periodic target. Punctuality in Period 11 was 91.3% which is the highest punctuality figure since 2017 although this improvement will have been assisted by a combination of the introduction of the winter timetable and lower passenger loadings.

At the end of Period 11 the 13 period moving annual average (MAA) punctuality reached 86.6%, 0.6% below target.

Ferry Patronage has also been significantly impacted by COVID-19 lockdown measures, seeing a 60.9% reduction in passenger numbers in Periods 9, 10 and 11 of this year compared to the same periods last year. **Ferry Revenue** was £31,019 which was 81.12% below the periodic target. This is being partly compensated for by funding from the Ministry of Housing, Communities and Local Government (MHCLG).

Secured Bus Patronage in Periods 9, 10 and 11 was 603,517 which is 57% below the same period last year.

In the **Customer Satisfaction Survey** carried out in November 2020 the overall satisfaction with Metro score was 7.48, a drop of 0.42 from the August survey score of 7.90. This fall is in line with the average decline we see in the November surveys (0.32) and will also reflect the three significant performance incidents which occurred in late October and early November.

Appendix 1 shows a summary of Key Performance Indicators between 8 November 2020 to 30 January 2021.

Recommendations

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance in realising the key priorities in its Corporate Plan for 2020/21, 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 2020/21.
- 1.2 For 2020/21 the CP has three main themes and 15 key priority work-streams.
- 1.3 A summary of the RAG (Red/Amber/Green) status for each of these workstreams is outlined below:

Delivering Public Transport Today	
Workstream	Status
Improve our customers journey experience on Metro	A winter timetable was introduced in November.
Protect and enhance our services	COVID-19 restrictions continue to reduce patronage
Delivering Metro Flow	The project is progressing to plan.
Progress the delivery of a new fleet for Metro	Work on the procurement of the new fleet is on schedule.
Embrace new technological improvements	Weekly Metro saver tickets are now available on the Pop card mobile phone app.

Improve our customers journey experience on Metro

- 1.4 Due to the closure of national psychometric testing centres in the spring Metro were unable to recruit to their planned summer training school. To ensure that passengers had a reliable, consistent service a winter timetable has been introduced. It is expected that this timetable will remain in place until Spring when the current school of 27 trainees pass into full service.
- 1.5 Metro Punctuality for Period 9, 10 and 11 was 87.5% which represented a 14.0% improvement on the same periods last year and was 4.8% above the periodic target. Punctuality in Period 11 was 91.3% which is the highest punctuality rate since 2017 although this improvement will have been assisted by the introduction of the winter timetable
- 1.6 At the end of Period 11 the 13 period moving annual average (MAA) punctuality reached 86.6%, 0.6% below target.
- 1.7 Fleet availability has continued to perform strongly with full availability being met on 98.6% of occasions during Period 9, 10 and 11. This is the first occasion this year

when full fleet availability has not been reached.

- 1.8 In the Customer Satisfaction Survey carried out in November 2020 the overall satisfaction with Metro score was 7.48, a drop of 0.42 from the August survey score of 7.90. This fall is in line with the average decline we see in the November surveys (0.32) and will also reflect the three significant performance incidents which occurred in late October and early November
- 1.9 Satisfaction with the helpfulness (8.02), approachability (8.20) and professionalism (8.19) of staff reached their highest ever scores, reflecting the positive impact of the Customer Support and Engagement Teams have had since their introduction. Scores regarding information in a disruption (5.50) and information on arrivals and departures (6.63) saw significant drops in comparison to previous surveys, reflecting the impact of the disruption in late October and early November.

Protect and enhance our services

- 1.10 COVID-19 restrictions had a significant impact on Metro patronage in Periods 9, 10 and 11. 1,989,163 journeys were taken in the three periods which is 75.0% below the same periods last year.

Metro Fare Revenue was £2,926,436 which was 72.7% below target. This is being fully compensated for by Light Rail Revenue Restart Grant (LRRRG) from the Department for Transport.

- 1.11 Ferry patronage was similarly impacted by COVID-19 restrictions in Periods 9,10 and 11 with 25,715 passenger journeys taken which 60.9% below the same period last year.

Ferry fare revenue for the reporting period was £31,019 which was 74.8% below target. This is being partly compensated for by funding from the Ministry of Housing, Communities and Local Government (MHCLG).

- 1.12 Bus patronage has been similarly suppressed by COVID-19. Secured bus patronage in Periods 9, 10 and 11 was 603,517 which is 57% below the same period last year. Reductions in secured services fare revenues and increased contractual costs are being compensated for by Local Authority Coronavirus Bus Services Support Grant (LACBSSG) from the Department for Transport.

Delivering Metro Flow

- 1.13 Work on this project is progressing to plan. Whilst progress has been maintained, the impact of COVID-19 on the rail construction market remains uncertain therefore the current procurement phase will be critical. The tenders for the capital works are being evaluated and the contract is programmed to be awarded in the summer of 2021, following final approvals from DfT.

Progress the delivery of a new fleet for Metro

- 1.14 The impacts of COVID-19 on the delivery of the new depot and fleet are under

continual review and regular dialogue is taking place with Stadler Rail and its contractors to identify any implications the crisis may have on delivery. Delays have so far have largely been mitigated however the continuous changes to local and international restrictions are under constant review and remain a threat to the delivery of the programme.

During the period, works commenced on the demolition of the Gosforth depot, the initial train designs were formally accepted and a full size replica of the drivers cab was delivered to Nexus and is proving instrumental in the consultation with Train Crew over the design features of the cab.

Embrace new technological improvements

- 1.15 The Pop app was launched in November allowing passengers to use their mobile phones to purchase and store their weekly metro saver tickets.
- 1.16 Work on a mobile ticketing solution for adult Pay As You Go (PAYG) tickets is progressing to plan with an expected launch in Spring 2021.

Preparing for the Future	
Workstream	Status
Develop a pipeline of capital projects	A pipeline of capital projects is under development for future funding opportunities.
Develop plans to improve the local bus network	We are supporting TNE and bus operators in the development of COVID bus recovery partnerships.
Establish effective management structures	We are working with national and regional partners on the future of local rail services.

Develop a pipeline of capital projects

- 1.17 In addition to the funded capital investment programme, a range of projects are under development to create a pipeline of capital schemes for future funding opportunities.
- 1.18 Horizon scanning for potential funding opportunities continues, including from the Levelling Up and Towns Funds which have recently had prospectus' released.

Develop plans to improve the local bus network

- 1.19 Nexus is participating in the project led by Transport North East with commercial operators and local authorities to drive a recovery in bus passenger numbers through new partnerships, which may attract Government funding. Nexus is also leading a project to launch 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.

Establish effective management structures to improve local rail services

1.20 Whilst the outcome of the Williams Rail review is still awaited (having been delayed by the impacts of the pandemic), work is still progressing on several fronts to improve local rail services.

1.21 In the short term improved communications with the train operators and Network Rail through both the North of England Contingency Group (TfN) and the North East regional stakeholder meetings (North East Regional Rail Management Unit (NERMU)) are providing opportunities to understand and influence emergency timetables, covering changing local needs.

In the medium term working with DfT and TfN we are looking at ways that NERMU can take on a local specification and management influencing role on the new Northumberland line passenger service. This will help build capacity and capability for a widening of the North East Rail Management Unit as further rail devolution progresses once the Williams review outcomes are published.

1.22 Focus on Organisational Effectiveness

Workstream	Status
Implement organisational change	Recovery Plan being developed for HMT to secure funding support for 2021/22
Continue to modernise the Metro	Renewal works continue to take place as planned.
Ensure our people have the skills to delivery our vision	The current training school of 27 train crew is progressing well.
Provide opportunities with schools, colleges and universities	The recruitment of 10 apprentices started in January.
Increase the diversity of the workforce	A new recruitment portal was launched in October which will allow better reporting a monitoring of diversity statistics during recruitment

Implement organisational change

1.23 Following work with DfT and HM Treasury we have secured Light Rail Restart Grant and Local Authority Coronavirus Bus Services Support Grant funding to offset fare and commercial revenue losses for the rest of 2020/21.

A recovery plan outlining Nexus' case for long term emergency funding has been submitted to HM Treasury and DfT, making a robust and compelling case for the continuation of emergency funding over the medium term.

Continue to modernise the Metro

1.24 A pilot project to replace track circuits with a modern equivalent is progressing to plan

and will be completed summer 2021. This will confirm a viable solution for network expansion and renewal of the existing obsolete technology.

- 1.25 Planning is in an advanced state for a 14-day blockade between South Gosforth and Felling on 15 February to 1 March 2021, to allow the renewal of 16km of life expired overhead line within the central corridor - the section with highest density of train services on the network and the most critical in terms of asset condition.
- 1.26 The blockade will also provide opportunity to efficiently undertake additional works without further disruption to the Metro service. This includes station and footbridge painting and remedial works, platform compliance works, signalling works, line side vegetation works, installation of escalator sanitisers and installation of energy efficient LED lighting at Gateshead Interchange.
- 1.27 Network-wide replacement of CCTV cameras is nearing completion with all cameras planned to be replaced by April 2021. This is providing vastly improved image quality and is contributing to improving security on the Metro system.
- 1.28 The essential work to ensure network wide platform track interface compliance is progressing and is scheduled to complete in April.
- 1.29 Fleet reliability investment and other capital maintenance work has progressed to plan.

Ensure our people have the skills to deliver our vision

- 1.30 The current training school of 27 Train Crew is progressing to plan and are expected pass into service in the Spring.

Provide opportunities with schools, colleges and Universities

- 1.31 Following the development of a marketing campaign, recruitment for 10 apprentices began in January. The apprentices will join a range of areas of the business including Signalling, Power Supplies and Bus Services and will begin their roles in September.

Increase the diversity of the workforce.

- 1.32 An E-recruitment portal was launched in October allowing for greater tracking of diversity in the recruitment process.

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 Appendix 1 – an update on Key Performance Indicators up to 30 January 2021.

15. Background Papers

15.1 Nexus Corporate Business Plan 2020/21 as considered and approved at the Sub-Committee's meeting in January 2020.

16. Contact Officers

16.1 Martin Kearney

Chief Operating Officer

Email martin.kearney@nexus.org.uk

Tel: 0191 203 3500

17. Sign off

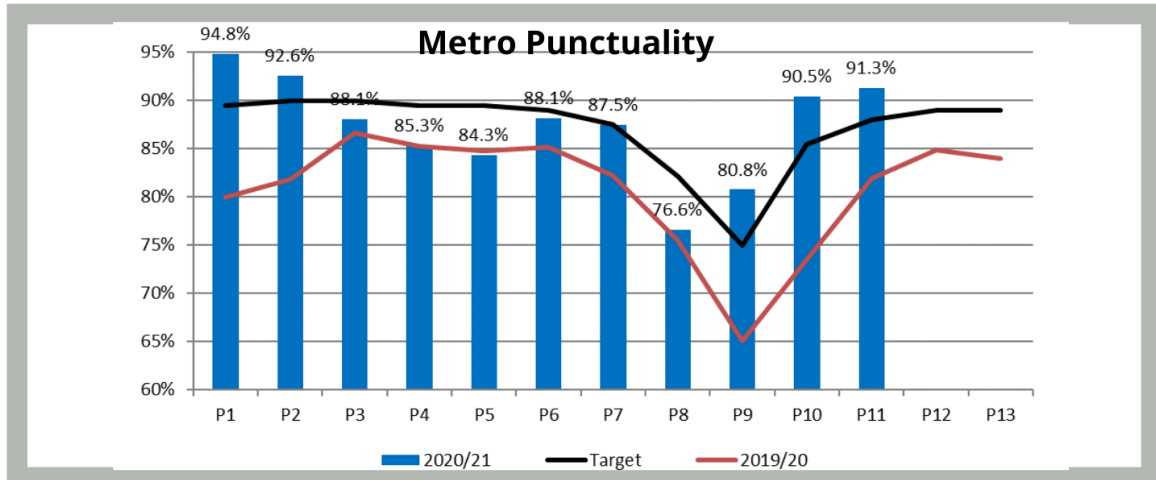
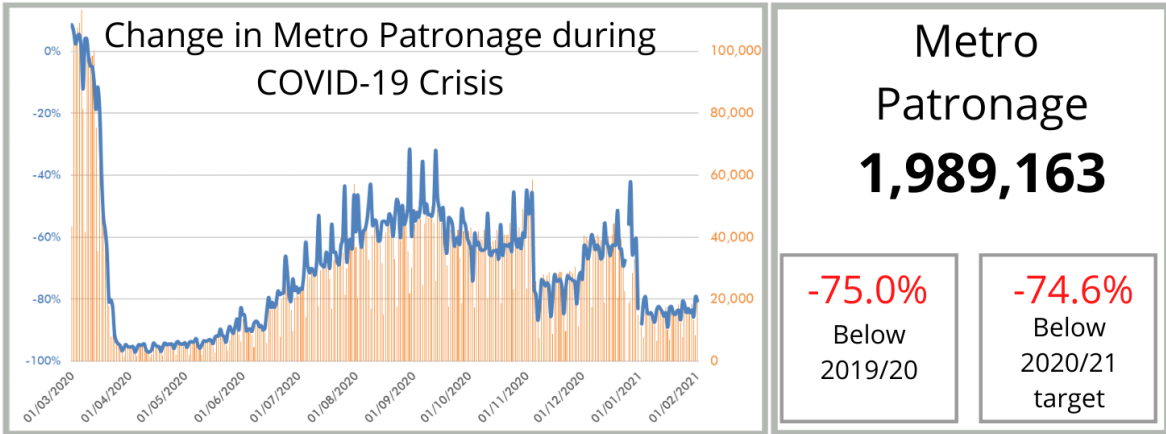
- The Proper Officer for Transport: ✓
- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

18. Glossary

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



Delivering Public Transport Today Performance Report 8 November 2020 to 30 January 2021



Fare Revenue
£2,926,436

-72.7% 2020/21 target

Customer Satisfaction Score
7.48 (November 2020)

-0.32 target

Ferry

<p>Reliability 100%</p> <p>+1.0% 2020/21 target</p>	<p>Patronage 25,715</p> <p>-60.9% 2020/21 target</p>
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Fleet Availability

<p>Full Availability 98.6%</p> <p>-1.4% 2020/21 target</p>	<p>+2.1% same period 2019/20</p>
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North East Joint Transport Committee, Tyne and Wear Sub-Committee

Date: 8 April 2021
Subject: Nexus Corporate Risk Register
Report of: Chief Operating Officer

Executive Summary

The purpose of this report is to provide 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.

During 2020/21 Nexus report on fourteen 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 February 2021, Nexus undertook a formal review of its risk register in line with the Corporate Plan for 2021/22, which the Sub-Committee approved at its January meeting.

A detailed explanation of the risks for 2021/22 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.

As part of the review two risks; **Local Rail Devolution** and **Metro and Local Rail Strategy** were closed with responsibility for these risks transferring to Transport North East.

Three new risks were added; these were:

- 1. Relocation of the North Shields Ferry Landing**
- 2. Anti-Social Behaviour**
- 3. Patronage Recovery**

One existing risk, **Frontline Services and Discretionary Travel Schemes**, has been split into two separate risks; **Frontline Services and Discretionary Travel Schemes – Metro Services** and **Frontline Services and Discretionary Travel Schemes – Non-Metro Services**, reflecting the budget position for 2021/22 and in particular, the major reliance that

Metro services are placing on continued government support to compensate for revenue losses arising from the COVID pandemic. This results in differing level of risks between Nexus' ability to deliver Metro services as opposed to Bus and Ferry services.

The Customer Facing Technology risk has been renamed **Products and Payments Offer** to reflect the changing risk profile.

Recommendations

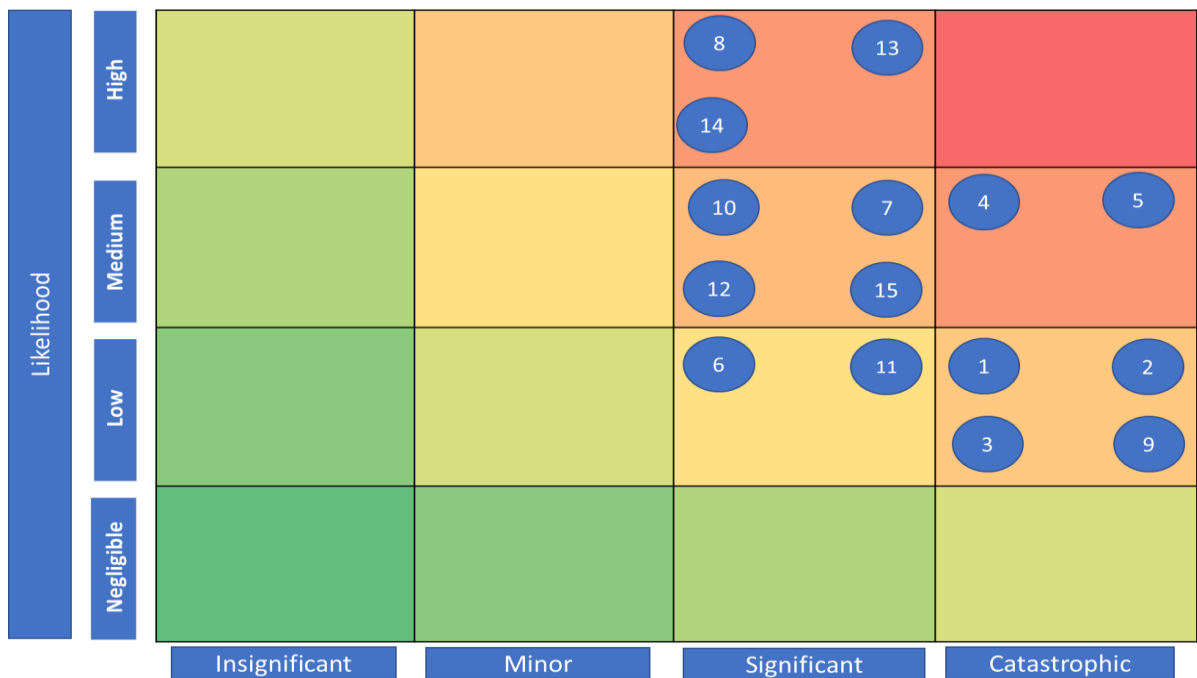
The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to receive and note this update on Nexus' Corporate Risk Register for 2021/22

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 2021/22 was approved by the Sub-Committee at its meeting in January 2021 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 2021/22. The chart below shows an overview of the likelihood and impact of each risk.



- 2.2 Three new risks have been added to the register, the first one to reflect the development and delivery of the relocation of the North Shields Ferry Landing project due to its strategic significance. A risk covering the impact of anti-social behaviour due to its importance to Metro’s Recovery Plan has also been added. Further, a risk relating to the recovery of patronage following the lifting of COVID-19 restrictions has also been added reflecting the importance of patronage recovery to the delivery of the Metro Recovery Plan and the Nexus Corporate Business Plan.
- 2.3 Two risks: Local Rail Devolution and Metro and Local Rail Strategy were closed with responsibility for these risks transferring to Transport North East.
- 2.4 One existing risk, Frontline Services and Discretionary Travel Schemes, has been split into two separate risks; Frontline Services and Discretionary Travel Schemes – Metro Services and Frontline Services and Discretionary Travel Schemes – Non-Metro Services, reflecting the budget position for 2021/22 and in particular, the

major reliance that Metro services are placing on continued government support to compensate for revenue losses arising from the COVID pandemic. This results in differing level of risks between Nexus' ability to deliver Metro services as opposed to Bus and Ferry services.

2.5 The Customer Facing Technology Risk has been renamed to Products and Payment Offer to reflect the change in risk profile. This risk will continue to include customer facing technology but also encompasses the risks associated with the wider products and payments offer.

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

	Risk	Summary of Changes	RAG status
1	Catastrophic safety event	Controls and Next Steps updated	↔ (Stable)
2	Catastrophic security event	Controls and Next Steps updated	↔ (Stable)
3	Metro Performance	Controls and next steps updated. Risk Score reduced to reflect improved performance.	↑ (Improving)
4	Long Term funding for Metro	Impact/consequences updated to outline lack of emergency funding agreement for Metro Operations. Controls and Next Steps Amended	↔ (Stable)
5	Frontline services and discretionary travel schemes – Metro services	Risk description, controls and next steps amended to reflect risk being split.	New

6	Frontline services and discretionary travel schemes – non Metro services	Risk description, controls and next steps amended to reflect risk being split.	New
7	Procurement of the new design, build, maintain and provide contract for the fleet/depot	Controls and Next Step/Milestones updated	↔ (Stable)
8	Efficiency of Delivery of the Capital Programme	Risk Owner changed to Major Projects Director Risk Score increased to reflect lack of long term funding arrangements. Controls and Next Steps Milestones updated	↓ (Declining)
9	Cybersecurity	Controls and Next Steps Milestones updated	↔ (Stable)
10	Products and Payments Offer	Risk Description, Controls and Next Steps updated	Revised
11	Funding Bids	Controls and Next Steps Milestones updated	↔ (Stable)
12	Anti-Social Behaviour	N/A	New
13	Patronage Recovery	N/A	New
14	Relocation of Ferry Landing	N/A	New
15	Delivery of Metro Flow	Controls and Next Steps Milestones updated	↔ (Stable)

2.2 Nexus will provide the Sub-Committee with an update on the position of the

Corporate Risks at each of its meetings throughout 2021/22.

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 2021/22 which was previously reported to and noted by the Sub-Committee at its meeting on 14 January 2021.

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' 15 risks for 2021/22
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 2020/21 as submitted to and approved by the Sub-Committee at its meeting on 14 January 2021

16. Contact Officers

16.1 Martin Kearney
Chief Operating Officer
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Tel: 0191 2033500

17. Sign off

17.1

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

18. Glossary

18.1 **CRR** – Corporate Risk Register

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

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

Risk - A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be

avoided through pre-emptive action.

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

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

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

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

Risk Actionee(s) – 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 2021/22

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: Head of Health, Safety, Quality & Environment.	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 and ferry could be very significant including: <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 		

Controls:

- A safety management system which is independently accredited by the Office of Rail and Road and overseen by other regulatory bodies.
- Identification of catastrophic security events we aim to avoid and strive to control, through having robust plans in place.
- 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.
- Undertaking in-house safety assurance activity as part of everyday safety management practice.
- Participating in joint emergency preparedness exercises with the blue-light services and other interested parties, including a series of exercises with Northumbria Police firearms unit, including rapid access to a loaded Metrocar.
- Receiving regular updates on the current threat from international terrorism.
- Customer Support Team introduced to provide additional presence around the network.

Next Steps/Key Milestones:	Action owner	Due Date
Individual station security plans have now been completed for all 60 stations in accordance with the Department for Transport requirements -still awaiting confirmation from the DfT in regard to station categorisation formulae.	Head of HSQE	Mar 22
Securing DfT approval to an overall security plan for the Metro: Security plan is drafted and requires checking prior to submission to DfT Land Transport Security Team.	Head of HSQE	Apr 21
Implement actions identified in independent security review.	Head of HSQE	Various

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	RAG Status (Amber)	Direction of Travel
Risk Owners: Chief Operating Officer Risk Actionees: Head of Health, Safety, Quality & Environment, Head of Engineering	8(2x4)	↔ (stable)
	Target RAG Status	
	8(2x4)	

Risk: In running any operational public transport infrastructure there is an inherent risk that a catastrophic infrastructure or operations event.

Impact/Consequence(s):

The impact/consequences should a catastrophic infrastructure or operations event occur on Metro, bus and ferry could be very significant including:

- 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

Controls:

- A safety management system which is independently accredited by the Office of Rail and Road and overseen by other regulatory bodies.
- Robust arrangements for the selection and management of contractors.
- Monitoring of assets and development of fail safes and mitigation plans in the event of catastrophic failure of a key assets.
- Development of business continuity plans for significant failure of an asset or infrastructure to ensure service continuity.
- Maintaining a comprehensive suite of engineering standards 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.
- Produce and implement an annual safety plan for approval by Nexus Executive Board.
- Continuing to engender an organisational safety and security culture including implementation of "all orange + hardhat" PPE policy, expanded the scope of non-technical skills work, promote the application of the 'Just Culture' principles, expanding the scope of safety tours.
- Launched life saving rules
- SPAD working group implemented to review opportunities to reduce the number of SPADs.

Next Steps/Key Milestones:	Action owner	Due Date
Deliver on the actions outlined in the 2021/22 Safety Plan.	Head of HSQE	Mar 22
Developing and delivering a programme to reduce planned work using unassisted Lookout protection.	Head of HSQE	Dec 21
Focus on improvements in driver selection, training and post qualification support to continue to reduce the number of SPADs on the network.	Head of HSQE	Aug 21

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 Business Change and Technology	RAG Status (Amber)	Direction of Travel
	8 (2x4)	<p style="text-align: center;">↑ (Improving)</p>
	Target RAG Status	
	8(2x4)	

Risk: That there are significant issues which impact on the performance of the Metro system, including but not limited to ageing fleet, or prolonged reduction in infrastructure asset condition specifically the Overhead Line, or availability of resources to operate. A lack of a long term funding agreement for asset renewal could result in asset performance declining.

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):

- Overhead line ARP replacement programme over the next five financial years.
- Close monitoring of key business results such as punctuality, excess headway minutes and asset reliability.
- Implement better performance management processes such as “right time” departure monitoring.
- Delivery of the Essential Renewals programme for 2021-22.
- Development of a performance awareness and improvement workstream to heighten awareness across the organisation and promote improvement.
- 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.
- OLE Renewal Programme has been reprioritised for efficacy of delivery.
- Funding has been agreed to support essential renewals beyond March 2021 and work to secure further funding is ongoing.
- Capacity to train 90 new drivers a year if required.
- Quarterly Performance Management meetings with Stadler
- Customer Support Team have been introduced to provide support and reassurance to passengers on the network.
- “Assets at a Glance” drawings which identify specific problem areas and single points of failure.

<ul style="list-style-type: none"> Established improvement plans for key assets such as lifts, escalators and signal track circuits. Periodic review of asset maintenance plans 		
Next Steps/Milestones	Owner	Due date
Changes to the delay attribution process to reflect right time running	Metro Operations Director	Apr 21
Implement new Train Crew Agreement, commenced, to be completed by July 2021 to allow greater flexibility of Train Crew resource.	Metro Operations Director	Jul 21
Implement actions identified in Metro Recovery Plan	Various	Various
Establish renewed possession planning principles to reduce disruption to passengers	Major Projects Director	Jun 21
Review winter preparedness plans	Metro Infrastructure Director	Sep 21
Complete ICT network refresh to improve resilience of digital assets	Head of BCT	Apr 22

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
	12 (3x4)	↔ (stable)
	Target RAG Status	
	3 (1x3)	

Risk: There is no long-term funding agreement in place to sustain Metro’s current operations, replace life expired capital assets and allow future expansion.

Impact/Consequence(s): Any reduction in external funding could lead to a diminution in service and failing infrastructure. Funding for Essential Renewals of Metro infrastructure has been agreed for 2021-22, however a longer-term funding agreement has not yet been agreed. Further emergency support leading into recovery funding for COVID-19 related losses has yet to be agreed for 2021/22.

- Controls**
- 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.

Next Steps/Milestones	Owner	Due date
Agree recovery plan with DfT/HM Treasury to secure ongoing support for losses due to COVID-19.	Director of Finance and Resources	Ongoing
Continue to work with HMT and DfT to secure a long term asset funding agreement	Director of Finance and Resources	Nov 21
Review potential funding opportunities	Head of Corporate Planning	Ongoing

Ensure efficient and effective project delivery	Major Projects Director	Ongoing
Ensure effective programme management and prioritisation of projects with regard to available funding	Head of Programme Assurance	Ongoing
Nexus' input to the quarterly monitoring of the Capital Programme submitted to the JTC.	Director of Finance and Resources	Quarterly

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 (Red)

12 (3x4)

Target RAG Status

3(1x3)

Direction of Travel

**↓
(declining)**

Risk: The COVID-19 pandemic has significantly impacted on public transport patronage and revenue. Whilst emergency/recovery funding has been sought from Central Government to support Metro, the risk is that any funding agreement may not be adequate to support Metro operations in 2021/22 and beyond. LRRRG funding has been confirmed until 5 April 2021 however there is no certainty of funding for losses due to COVID-19 beyond that point.

Impact/Consequence(s): If Nexus is unable to access adequate emergency funding from Central Government for losses due to COVID-19 on Metro, Nexus will need to consider implementing reductions in frontline Metro services or as an alternative, may require transport levy funding currently allocated to bus and ferry services to be reallocated to support Metro operations.

Controls

- Monitoring of public transport patronage during the pandemic, undertake research through the insight panel to gain intelligence on trends and passenger behaviours.
- Undertake benchmarking and intelligence gathering from other Cities, through UITP, UTG and Comet/Nova.
- Discussions with Chief Executives and Treasurers in order to obtain strategic financial guidance.
- Deferring all but non-essential expenditure and vacancy control measures implemented
- Regular financial monitoring to Nexus' Senior Leadership Team and Executive Board.

Next Steps/Milestones	Owner	Due date
Pursue and agree multiyear emergency/recovery funding arrangement with HMT and DfT.	Director of Finance and Resources	Apr 2021
Implement plans to drive patronage growth on Metro following the relaxation of travel restrictions.	Various	Ongoing
Continue to work with HMT and DfT to secure a long term asset funding agreement	Director of Finance and Resources	Ongoing
Nexus' input to the quarterly monitoring of the Revenue Budget and Capital Programme expenditure reports submitted to the JTC.	Director of Finance and Resources	Quarterly

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	RAG Status (Green)	Direction of Travel ↑ (Improving)
	6(2x3)	
	Target RAG Status	
	3 (1x3)	

Risk: Funding for discretionary travel schemes and non-Metro services has been largely secured for 2021/22, although should emergency financial support from HMT/DfT for Metro not be forthcoming, this could impact on funding from the transport levy for discretionary travel schemes and non-Metro services.

Impact/Consequence(s): If Nexus are unable to secure adequate emergency funding from central government then it may be necessary to review how the levy agreed with JTC is allocated. Monies previously allocated to support discretionary travel schemes and non-Metro services may need to be reallocated to ensure that Metro services are able to operate.

Controls

- Monitoring of public transport patronage during the pandemic, undertake research through the insight panel to gain intelligence on trends and passenger behaviours.
- Undertake benchmarking and intelligence gathering from other Cities, through UITP, UTG and Comet/Nova.
- Discussions with Chief Executives and Treasurers in order to obtain strategic financial guidance.
- Deferring all but non-essential expenditure and vacancy control measures implemented
- Periodic financial monitoring by Nexus’ Senior Leadership Team and Executive Board.
- 2021/22 levy funding agreed with JTC
- update meetings with TNE to understand the likelihood of a bus partnership being agreed

Next Steps/Milestones

Owner

Due date

Pursue and agree multiyear emergency/recovery funding arrangement with HMT and DfT.	Director of Finance and Resources	Apr 21
Implement plans to drive patronage growth on bus and ferry following travelling restrictions being relaxed.	Various	Various
Nexus' input to the quarterly monitoring of the Revenue Budget and Capital Programme expenditure reports submitted to the JTC.	Director of Finance and Resources	Quarterly
Support Transport North East in the development of partnerships with bus operators	Customer Services Director	Jun 21

CP 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: **Metro Development Director**

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.

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, i.e. the number of trains and the scale and scope of the depot reconstruction. 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.
- A project contingency sum is available to fund the impact of known and likely risks identified on the risk register.
- Project risks are discussed and reviewed with the suppliers of the contracts on at least a monthly basis and mitigation measures are agreed.
- 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.

- Periodic progress reporting to Nexus' Senior Leadership Team and JTC.

Next Steps/Milestones	Owner	Due date
Commence variation for additional trains for Metro Flow	Metro Development Director	Mar 2021
Commencement of manufacturing of the new fleet	Metro Development Director	Aug 21
New Maintenance Depot Completed	Metro Development Director	Sep 22
First Train Delivered	Metro Development Director	Nov 22
Full Fleet in Service	Metro Development Director	Dec 24

CP Theme: **Assets and Technology**

CP Workstream: **Improve our physical assets**

Risk Area: Efficiency of delivery of the Capital Programme	RAG Status (Red)	Direction of Travel
Risk Owner: Major Projects Director Risk Actionee: Head of Programme Assurance, Head of Renewals	12 (4x3)	↓ (declining)
	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

Impact/Consequence(s): The funding agreement with DfT expires in March 2022 with £20m of capital funding available in 2021/22. This is approximately half of the Essential Renewals work-bank for 2021/22 and provides certainty for 12 months only. This is adversely impacting on continuity of the Metro Asset Renewals and making planning and procurement for future years delivery more difficult.

Projects committed through Essential Renewals, Transforming Cities or other funding streams 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.

Uncertainty around long term funding makes the recruitment and retention of key staff more difficult leading to a reliance on external contracts.

Controls:

- 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, highway authorities, utility companies etc.
- Continually monitor and manage the programme to ensures 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 ARP and Essential

Renewals 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.

Next Steps/Milestones	Owner	Due date
Complete first iteration of capital project prioritisation process for 2022/23	Major Projects Director	Jun 21
Identify potential funding opportunities announced in 2021 Budget	Major Projects Director	Apr 21
Continue to work with HMT and DfT to secure a long term asset funding agreement.	Director of Finance and Resources	Ongoing
Develop a work resource plan for capital programme for 22/23	Head of Renewals	May 21

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:

- 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.

Next Steps/Milestones	Owner	Due date
Regular awareness testing exercises will be carried out, with additional controls implemented as deemed appropriate to the level of threat being experienced.	Head of BCT	Ongoing
Pursue Cyber Essentials Plus accreditation	Head of BCT	March 22

CP Theme: Customer Experience		
CP Workstream: Products and Payment		
Risk Area: Products and Payment Offer Risk Owner: Customer Services Director Risk Actionee: Head of Business Change and Technology, Commercial Manager	RAG Status (Amber)	Direction of Travel
	9(3x3)	New
	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): Technological developments and changes to the way in which people choose to travel 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. 		
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	2025
Add currently NTL product range onto smartcard and then develop plans to introduce a multimodal, price capped pay as you go product.	Head of Commercial	2022

Develop flexible products for frequent customers including corporate season ticket holders.	Head of Commercial	Mar 22
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CP Theme: **Grow our patronage and improve our customer experience**

CP Workstream: **Invest in our infrastructure**

Risk Area: Funding public transport network improvements	RAG Status (Green)	Direction of Travel
Risk Owner: Director of People and Culture	6(2x3)	↔ (stable)
Risk Actionee: Head of Corporate Planning	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 passengers 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.

Next Steps/Milestones	Owner	Due date
Develop full business cases for Transforming Cities Fund Scheme, in line with scheme development	Head of Corporate Planning	2022
Secure development funding and resources to develop the Nexus capital programme to stagegate 3 / outline business case	Head of Corporate Planning	Summer 2021
Develop strategic outline business cases for schemes for the Levelling Up Fund, IntraCity Transport Fund and Cycling and Walking fund	Head of Corporate Planning	2021-2022
Horizon scanning for new funding opportunities	Head of Corporate Planning	Ongoing

CP 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)	New
	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 issued to staff to improve enforcement action
- Regular liaison meeting with partner organisations to identify repeat offenders.
- Strong enforcement action against repeat offenders
- Metro Police Unit and British Transport Police presence around network
- Additional enforcement powers for those not wearing facemasks
- Regular roving patrols by Customer Service staff around network
- Targeted patrols in areas with higher levels of ASB
- Ticketing gatelines at key stations.

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	May 21

All Customer Service staff to be issued with body worn cameras	Head of Operations Delivery	May 21
Implement actions identified in recovery plan	Various	Various

CP 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, Marketing Manager	RAG Status (Red)	Direction of Travel
	12 (3x4)	New
	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. Any additional restrictions on movement being introduced later in the year could further reduce public confidence in the Public Transport network. Additional COVID-relief funding from DfT/HMT is contingent on effective delivery of a recovery plan while funding to deliver our long-term goals could also be put at risk. 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 passengers 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.

Next Steps/Milestones	Owner	Due date
Agree recovery plan with DfT/HMT	Chief Operating Officer	April 2021
Implement actions agreed in recovery plan	Various	Various
Implement actions identified in the Nexus Corporate Recovery Plan	Various	Various
Implement actions to reassure passengers around the safety of public transport to encourage customers	Various	Various

to return		
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
Lobby government to develop a reassurance campaign promoting Public Transport as a safe mode of transport.	Chief Operating Officer	Ongoing
Work with Transport North East to deliver partnerships with bus operators.	Customer Services Director	June 21
Identify and bid for funding to deliver capital projects to assist with recovery	Head of Corporate Planning	Ongoing

CP 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	RAG Status (Red)	Direction of Travel
	12(4x3)	New
	Target RAG Status	
	9(3x3)	

Risk: Existing funding terms and conditions present extremely challenging timescales for the delivery of the new ferry landing.

Impact/Consequence(s): Delays to completing the work to relocation of the North Shields ferry landing could result in the loss of time limited funding, could lead to impact on ferry reliability due to the deteriorating condition of the existing ferry landing and failure to support the regeneration ambitions of the North Shields Fish Quay.

Controls:

- Internal Steering Group established
- 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.

Next Steps/Milestones	Owner	Due date
Contract Award	Head of Renewals	Oct 21
Work Starts	Head of Renewals	Winter 21/22
Work completed	Head of Renewals	Summer 22

CP 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 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 and Metro Asset Renewals, are understood, prioritised and managed.
- Active stakeholder engagement to obtain involvement and co-operation of third/interested parties.
- Monthly meeting of internal Metro Flow Steering Group to guide project delivery
- Quarterly meetings of the joint Nexus/DfT Programme Board to report on project performance, risks and any requirements to reprofile funding.

Next Steps/Milestones	Owner	Due date
Infrastructure <ul style="list-style-type: none"> • Tender • Evaluation 	Head of Metro Flow	Mar 21 Apr 21
Industry Consultations (Network Change etc.)	Head of Metro Flow	Dec 21
Final Business Case Approval	Head of Metro Flow	Aug 21
Infrastructure <ul style="list-style-type: none"> ○ Contract Award ○ Delivery 	Head of Metro Flow	May 21 March 23
Uplifted service commences December 2024 to align with the fleet programme	Head of Metro Flow	December 24

Appendix 2

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

Page 73

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	2	4	8	2	4	8
Long Term funding for Metro	4	4	16	3	4	12	1	3	3
Frontline services and discretionary travel Schemes – Metro Services	4	4	16	4	3	12	1	3	3
Frontline services and discretionary travel Schemes – Non Metro Services	4	4	16	3	2	6	1	3	3
Procurement of the new design, build, maintain and provide contract for the fleet/depot	4	3	12	3	6	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		3	4	12	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

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 	

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