



North East Joint Transport Committee

Tuesday, 17th September, 2019 at 2.00 pm

Meeting to be held in a Large Drawing Room, Mansion House, Newcastle

AGENDA

	Page No
1. Apologies for Absence	
2. Declarations of Interest	
Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.	
3. Minutes of the previous meeting held on 18 June 2019	3 - 8
4. Regional Transport Update	9 - 28
5. North East Rail Devolution Update	29 - 32
6. Discharge of Transport Functions by Northumberland County Council 2018/19	33 - 42
7. Capital Programme Monitoring Report	43 - 54
8. Revenue Budget Monitoring Report	55 - 64

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To All Members

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North East Joint Transport Committee

DRAFT MINUTES TO BE APPROVED

18 June 2019

Meeting held in the Reception Room, South Shields Town Hall, Westoe Road, South Shields, NE33 2RL

Present:

Councillor: M Gannon (Chair)

Councillors: P Jackson, C Johnson, J McCarty, C Marshall, G Miller and M Walsh

1. APPOINTMENT OF CHAIR AND VICE CHAIR FOR THE MUNICIPAL YEAR 2019/20

RESOLVED – That the Joint Transport Committee:

- (i) Appointed Councillor Martin Gannon as its Chair for the municipal year 2019/20.
- (ii) Appointed Councillor C Johnson as its Vice Chair for the municipal year 2019/20.

2. APOLOGIES FOR ABSENCE

Apologies were received from Mayor J Driscoll, Councillor I Malcolm and Mayor N Redfearn

3. DECLARATIONS OF INTEREST

None.

4. MINUTES OF THE PREVIOUS MEETING HELD ON 19 MARCH 2019

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

5. **APPOINTMENTS TO TYNE AND WEAR SUB COMMITTEE; JTC OVERVIEW AND SCRUTINY COMMITTEE AND JTC AUDIT COMMITTEE, INCLUDING THE APPOINTMENT OF CHAIRS AND VICE CHAIRS FOR THE MUNICIPAL YEAR 2019/20**

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

Members considered the report which sought the Joint Committee's:

- a) approval of the appointments to the Joint Transport Committee's Tyne and Wear Sub Committee, Overview and Scrutiny Committee and Audit Committee for the municipal year 2019/20;
- b) approval of the appointment of Chairs and Vice Chairs for the Joint Transport Committee's Tyne and Wear Sub Committee; and
- c) confirmation of the appointment of Chairs and Vice Chairs for the Joint Transport Committee's Overview and Scrutiny Committee and Audit Committee for the Municipal Year 2019/20.

RESOLVED – That the Joint Transport Committee:

- (i) Appointed the committee members for the municipal year 2019/20, as set out in Appendix A.
- (ii) Appointed Councillor G Hobson as Chair and Councillor C Johnson as Vice Chair of the Joint Transport Committee's Tyne and Wear Sub Committee for the municipal year 2019/20.
- (iii) Confirmed the appointments of David Taylor-Gooby as the Independent Chair and Andrew Clark as the Independent Vice Chair of the Joint Transport Committee, Overview and Scrutiny Committee for the municipal year 2019/20.
- (iv) Confirmed the appointments of Mark Scrimshaw as the Independent Chair and Dr Stuart Green as the Independent Vice Chair of the Joint Transport Committee, Audit Committee for the municipal year 2019/20.

6. **PROGRAMME OF COMMITTEE MEETINGS FOR THE MUNICIPAL YEAR 2019/20**

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

RESOLVED – That the Joint Transport Committee agreed the proposed programme of committee meetings as set out in Appendix A.

7. **REGIONAL TRANSPORT UPDATE**

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

The report updated the Joint Transport Committee (JTC) on recent developments in transport affecting the LA7 area and included information regarding the Go Ultra Low (GUL) North East programme; providing evidence to the Williams Review; engaging in proposals to improve rail links through the HS2 rail link and Northern Powerhouse Rail; Transforming Cities Fund (TCF) Tranche 2 bid (see minute for further details); North East transport Plan; Metro Patronage; a campaign strategy which is being formulated to highlight the current problems with the East Coast Main Line, and to promote the need to invest in the line in the region and the Local Growth Transport Programme.

Members in discussion noted the continuing poor performance of the Northern Rail franchise, with reference to unmet targets and commitments and the importance of the Northern Rail Partnership and this Joint Committee holding Northern Rail to account.

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

8. **CAPITAL PROGRAMME 2018/19 OUTTURN**

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

The report provided the Joint Transport Committee with details of the 2018/19 Transport capital programme outturn position. Total capital expenditure during 2018/19 on Transport schemes was £61.818m, against the revised programme budget of £65.359m. Outturn spending was therefore c95% of the revised programme budget. Underspending related mainly to slippage on some schemes, which will be reflected in the updated 2019/20 programme. The capital financing tables have been amended in the final accounts to reflect the revised capital expenditure and therefore differed from those set out in the report.

RESOLVED – That the Joint Transport Committee noted the 2018/19 Transport capital programme outturn position.

9. **REVENUE BUDGET 2018/19 OUTTURN**

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

The report provided the Joint Transport Committee with details of the outturn position in relation to the 2018/19 Transport Revenue Budget.

The outturn position for the year was positive, with expenditure within the revised budget against all budget heads. Where grants were paid to other organisations for the delivery of transport services (i.e. Durham, Northumberland and Nexus), the grant was fixed for the year and details were provided of how the grant has been applied to the provision of public transport services. Underspends against the budgets for the three main organisations delivering transport services on behalf of the Joint Transport Committee are retained within the reserves of these organisations and will be taken into account in the setting of the transport budgets for future years.

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

RESOLVED – That the Joint Transport Committee noted the revenue budget 2018/19 outturn position.

10. **NEXUS FLEET REPLACEMENT PROGRAMME**

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

The report provided the Joint Transport Committee with an update on the procurement process associated with Nexus' Fleet Replacement Programme. Nexus have completed the first of two phases of their procurement process for the new Metro fleet, new maintenance facility and fleet maintenance contracts and have begun the second phase of the procurement (Best and Final Offer phase) with three tenderers, namely CAF, Hitachi Rail Limited and Stadler, who will now compete to become Nexus' preferred tenderer.

Contracts are expected to be awarded in January 2020 following DfT approval of Nexus' Final Business Case and this will lead to the first new train being delivered in late 2021.

RESOLVED – That the Joint Transport Committee noted the progress made.

11. **NORTH EAST TRANSFORMING CITIES FUND BID – UPDATE**

Submitted: Report of the Lead Chief Executive for Transport (previously submitted and copy attached to the official minutes).

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

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

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

RESOLVED – That the Joint Transport Committee:

- (i) Approved submission of the North East Region's draft Transforming Cities Fund Tranche 2 bid to the Department for Transport, based on the programme of schemes set out in Appendix 2 and described in the draft Strategic Outline Business Case summarised in Appendix 3; and
- (ii) Agreed that any final amendments to the draft SOBC required, including improvements in drafting, updates to information from consultants, and other minor points of presentation, prior to submission to DfT, be delegated to the Committee Chair.

12. **DISCHARGE OF TRANSPORT FUNCTIONS BY DURHAM COUNTY COUNCIL**

Submitted: Report of Durham County Council Portfolio with responsibility for Transport (previously circulated and copy attached to the official minutes).

The report provided details of how Durham County Council has discharged the transport functions delegated to it by the Joint Transport Committee for the 2018/19 municipal year.

RESOLVED – That the Joint Transport Committee noted the report.

13. **DATE AND TIME OF NEXT MEETING**

2:00pm on 16 July 2019 at 2.00pm.

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North East Joint Transport Committee

Date: 17 September 2019

Subject: Regional Transport Update

Report of: Managing Director, Transport North East

Executive Summary

Work is progressing to finalise the region's Transforming Cities Fund for submission to the Government at the end of November 2019.

Progress is being made on the new North East Transport Plan and a workshop is planned for JTC members on 15 October to discuss the vision and objectives of the new North East Transport Plan.

The region has pressed for greater devolution of rail powers and continues to engage actively in proposals to improve rail connections through the HS2 rail link and Northern Powerhouse Rail.

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

The new 'Northern Connect' local rail service between Middlesbrough and Carlisle, via Newcastle, will not be introduced by Arriva Rail North in December 2019 as originally planned although it is hoped that the service will begin in 2020.

NEBus is the new name for the bus operators' association covering the North East. A stakeholder launch event was held in Newcastle on 28 August.

Progress is being made on the delivery of 11 Electric Vehicle charging hubs, which are funded through the Go Ultra Low North East programme.

A phased reopening of the Tyne Pedestrian and Cycling Tunnels to the public began on the 7 August 2019.

It is intended to recruit a Tyne Tunnels Manager, reporting to the Managing Director Transport North East.

Recommendations

The Joint Transport Committee is recommended to:

- i. note the contents of this report; and
- ii. approve the creation of the post of Tyne Tunnels Manager as set out in paragraph 1.16 of this report.

1. Background Information

1.1 Transforming Cities Fund (TCF)

A draft bid was shared with the Department for Transport (DfT) in June 2019. The programme of interventions is ambitious and envisages some £450m of investment in our transport networks, of which £380m is requested from the TCF and £70m will be sourced locally. The programme offers high value for money (benefits outweigh costs by a 5:2 ratio) and represents an excellent investment for the Government. The programme has been engineered to meet the Government's requirement that schemes are completed on the ground by 2023.

Work is now progressing to provide a more detailed business case for investment in our programme, which will be submitted to Government at the end of November 2019.

1.2 North East Transport Plan

Progress is being made on the North East Transport Plan, covering both the NTCA and NECA areas. The draft vision and objectives will be brought to the JTC briefing on 15 October.

1.3 Electric Vehicle Infrastructure

The electric vehicle filling station in Sunderland, which was delivered as part of the Go Ultra Low (GUL) North East programme, was officially opened on 6 June 2019. Usage figures show that the Filling Station is being well used.

Progress is being made on the delivery of the 11 EV charging hubs, which are also funded through the GUL North East programme.

The region has received £500k from the Office for Low Emission Vehicles to deliver 11 electric vehicle charge points which are for use by the taxi industry. A procurement exercise will shortly be carried out to identify a contractor to install, operate and maintain the charging points.

1.4 Network Rail route re-organisation

Network Rail is reorganising its routes and region structure. Rob McIntosh has been appointed Managing Director for the Eastern region, covering 4 routes; East Coast, North and East, East Midlands and Anglia. Matthew Rice has been appointed Route Director for North and East, and Paul Rutter has been appointed Route Director for East Coast.

1.5 Local Growth Fund Transport Programme

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

The NELEP have granted approval to take forward the revised scheme for the Northern Access Corridor which is expected to complete spring 2021. The South Shields Transport Interchange is now complete and opened to the public on 4 August 2019.

1.6 Local and Regional Rail

The December 2019 Timetable changes provide a mixed picture for the North East services.

TransPennine Express (TPE) are proposing an extension of their hourly Liverpool to

Newcastle services to and from Edinburgh. The services between Newcastle and Edinburgh will call at Morpeth. The Manchester Airport to Newcastle service will benefit from the new train fleet.

The Northern Rail proposal to run a 'Northern Connect' service linking Middlesbrough, Newcastle and Carlisle via the East Coast Main and Stillington lines was rejected by Network Rail. Additional frequency between these major North East economic centres is a key North East Rail Management Unit (NERMU) and Transport for the North (TfN) priority. The predecessor to the JTC (Transport North East Committee TNEC) stated a clear preference and indeed expectation, for this service to travel via the Durham Coast. Nexus and NERMU partners are keen to work with Northern, Network Rail and other industry partners, to facilitate the Durham Coast option. A workshop has been arranged in September to explore the constraints and prepare a plan for enabling the service to run on this route.

Not all of the fund made available to compensate passengers affected by the May 2018 timetable problems was used up and TPE and Northern have been asked to develop schemes to make best use of the remaining funds as guided by Rail North Committee.

Line of Route Improvement Plans

As part of the work to develop local rail service, route audits are underway to compare the NERMU lines of route (Durham Coast, Tyne Valley, East Coast Main Line, Tees Valley) against the minimum standards and conditional outputs within the TfN long term rail strategy (LTRS). A series of route studies have been developed to address the identified gaps. The outputs will also inform the emerging North East Transport Plan.

1.7 Northern Powerhouse Rail (NPR)

On 27 July the Prime Minister announced that he is committed to delivering NPR and pledged to fund the Leeds to Manchester route. A joint letter signed by the LA7 Leaders and NE LEP Chair was sent to the Prime Minister in August calling for the ECML in the North East to be upgraded for NPR to succeed. See **Appendix 1** for a copy of the letter.

1.8 East Coast Main Line

The North East continues to play a prominent role in the East Coast Mainline Authorities (ECMA) Consortium. ECMA has commissioned research on the benefits of investment in the East Coast Main Line (ECML) which will be published later this year and launched at a series of high-profile events at key locations along the line.

Working initially with the NE Chamber of Commerce (who launched a "Fast Track East Coast" campaign in June) and the NELEP, a campaign strategy is being formulated to highlight the current problems with the ECML in the region.

1.9 High Speed 2

On August 21, the Government announced an independent review into "whether and how we proceed" with the entire HS2 programme. The review team has been asked to examine whether and how the project could be reprioritised; in particular, whether and, if so how, Northern Powerhouse Rail (NPR) (including the common sections with HS2 Phase 2b) could be prioritised over delivering the southern sections of HS2.

Full terms of reference for the review can be found at:

<https://www.gov.uk/government/publications/hs2-independent-review-terms-of->

[reference](#)

1.10 IPPR North – New Analysis of Regional Transport Spending

The Institute for Public Policy Research North has released a new analysis of historic and planned regional transport investment data. The findings claim that planned transport spending in London (£3,636) is 7 times more per capita than in the North East (£519).

A copy of the full report can be found at:

<https://www.ippr.org/news-and-media/press-releases/revealed-north-set-to-receive-2-389-less-per-person-than-london-on-transport>

1.11 Funding Bids

The Government have recently announced a £150 million Pinch Point Fund aimed at small-scale improvement projects on the local road network and a £198 million tranche of the Local Highways Maintenance Challenge Fund, available for 2019-2021, enabling local highway authorities to bid for major maintenance projects.

1.12 Tyne and Wear Metro

The overall score in the latest May Metro customer satisfaction survey is 7.5, slightly less than the 7.8 target set but showing an improvement on the February 2019 score of 7.3. Actions being taken to improve punctuality and reliability should further increase the overall satisfaction score.

85.9% punctuality was achieved over recent periods. This is a significant improvement on recent punctuality but is still slightly below target. There are several underlying factors impacting punctuality including fleet reliability and temporary speed restrictions. Work to address these is progressing.

Peak fleet availability has much improved compared to earlier this year, but remains fragile with long-term stopped cars continuing to pose a challenge. Investment in the existing fleet is continuing and there is evidence that this is beginning to improve reliability. However patronage remains weak and is below target.

1.13 Transport for the North (TfN)

Strategic Development Corridors (SDCs)

Work is underway on development of the East and West Coast SDCs, covering Yorkshire to Scotland, East Coast to Scotland, and West Coast to Sheffield City Region SDCs. The first two of these SDCs are of particular relevance to the North East as they cover the north-south road and rail links running through this region.

A Strategic Programme Outline Case (SPOC) for each corridor (with the two East Coast SDCs merging) and an update to the pan-Northern rail report will be delivered by October 2019.

Major Road Network (MRN) / Local Majors

On 31 July, Transport for the North (TfN) submitted 12 major road network (MRN) and 4 Large Local Major (LLM) projects to the Department for Transport (DfT) to be considered for funding, including 4 MRN schemes from the North East:

- Durham Northern Relief Road
- Sunderland Strategic Transport Corridor Phase 4
- Tyne Bridge and Central Motorway
- Blyth Relief Road

The DfT is expected to announce the schemes which will receive funding November/December 2019 at the earliest.

Integrated and Smart Travel (IST)

TfN's roll out of phase 3 of the IST work programme has been paused. This phase would allow passengers to 'tap in' and 'tap out' using bank cards and enable a "Fair Price Promise" for journeys across multiple operators in a day. For this to work, it requires all bus, metro, heavy rail and ferry operators in the North to commit to subscribe to using a common "Back Office".

Although TfN have secured the necessary commitment from some transport operators, including Nexus, they have been unable to secure the required level of commitment from some key bus operators. TfN have thus paused the project and are considering alternative options.

1.14 Local Bus Services

Transforming Bus Corridors

The region's draft TCF bid envisages circa £80 million of investment for scheme interventions under the 'Transforming Bus Corridors' package of the bid. The schemes seek to address identified congestion hotspots, reduce journey times and improve reliability for both passengers and operators. This could provide better accessibility to employment, education, training and leisure opportunities across the region.

Bus Services Act

On 27 July, the Prime Minister announced that he is considering granting powers to deliver a 'London style bus system' under the Bus Services Act, starting in Greater Manchester and then eventually "the same for any other part of the country where local leaders want to do it."

Prime Minister's speech in Manchester on 27 July 2019 can be found at:

<https://www.gov.uk/government/speeches/pm-speech-at-manchester-science-and-industry-museum>

NEbus

NEBus is the new name for the bus operators' association encompassing the providers of services across the North East (previously known as NEBOA). A stakeholder launch event was held in Newcastle on 28 August.

A brochure introducing NEbus and its aims can be found at:

https://nebuscouk.files.wordpress.com/2019/08/nebus_web-compressed.pdf #

1.15 Tyne Tunnels

Pedestrian and Cycling Tunnels

The refurbishment works on the Pedestrian and Cycling Tunnels are now complete except for the commissioning of the inclined lifts. Access to the tunnels is available to both pedestrian and cyclist via the vertical lifts and the fixed escalator.

This allowed the tunnels to be reopened to the public on the 7 August 2019.

The reopening of the tunnels to the public is being phased which has allowed a controlled re-introduction of the facility to be monitored under real working conditions and any changes needed to the functionality of the systems to be carried out.

The tunnels are being manned during this period and are open to the public between

06:00 to 20:00. The night shuttle continues to run between 20:00 to 06:00.

1.16 Creation of Tyne Tunnels Manager post

A new role is proposed, reporting to the Managing Director Transport North East, to manage the client-side aspects of the Tyne Tunnels Project Agreement, protecting the JTC's position in relation to the on-going management of the Tyne Tunnels and acting as the principle point of liaison with the Concessionaire so that contractual matters are dealt with in a timely and efficient manner.

This role has previously been covered by the previous NECA Finance Director and Monitoring Officer, along with a range of officers in Newcastle City Council.

The role is proposed to be full time, although flexible working requests could be accommodated. A draft Role and Responsibility Statement for the new proposed role is attached at **Appendix 2**. This has been subject to Job Evaluation.

Approval is sought from the JTC for the creation of this post.

2. Proposals

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

3. Reasons for the Proposals

3.1 This report is for information purposes only.

4. Alternative Options Available

4.1 Not applicable to this report.

5. Next Steps and Timetable for Implementation

5.1 A Regional Transport update will be taken to the next JTC meeting.

6. Potential Impact on Objectives

6.1 Successful delivery of the various transport schemes and investment proposals outlined in this document will assist the JTC in delivering its objective to maximise the region's opportunities and economic potential.

7. Financial and Other Resources Implications

7.1 The cost of the proposed new role of Tyne Tunnels Manager is expected to be £62,205 p.a. including on-costs and can be accommodated by the existing 'support services' budget in the Tyne Tunnels revenue account.

7.2 An assessment of the new role has been carried out by NECA HR. The role has been evaluated and NECA HR have confirmed that there are no TUPE implications.

8. Legal Implications

8.1 The preparation of a Local Transport Plan (LTP) is a duty place on combined authorities under the Transport Act 2000 (as amended), and NECA and NoTCA must carry this out through the Joint Transport Committee.

8.2 The creation of the Tyne Tunnel Manager post will strengthen the ability of NECA to manage, on behalf of the Joint Transport Committee, its contractual responsibilities

under the Tyne Tunnels Project Agreement (TTPA), and negotiate with the Concessionaire any contract variations, as are anticipated in the TTPA.

9. Key Risks

- 9.1 The risk of work streams not progressing in a timely manner may impact upon the region's ability to achieve its aspirations for improving transport.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

- 12.1 Many of the transport programmes outlined in this report have been the subject of consultation, at either a regional or national level.

The LA7 Chief Executives have been consulted on the proposal to create the role of Tyne Tunnels Manager.

13. Other Impact of the Proposals

- 13.1 No specific impacts.

14. Appendices

- 14.1 Appendix 1 – Copy of joint letter signed by LA7 leaders to the Prime Minister regarding NPR in the North East.

Appendix 2 – Tyne Tunnels Manager Draft JD and Person Specification

15. Background Papers

- 15.1 Not applicable.

16. Contact Officers

- 16.1 Tobyn Hughes, Managing Director, Transport North East.

tobyn.hughes@nexus.org.uk

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

17. Sign off

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

18. Glossary

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



1. Post Title:	Tyne Tunnels Manager
2. Post Number:	
3. Grade:	NECA Grade 14 [Salary £55,707]
4. Location:	Your normal place of work will be Gateshead Civic Centre . However; you may be required to work at any council workplace across the area of the North East Joint Transport Committee.

Relevant to this Post:

Car User Status: Casual car user allowance

Flexible Working: Subject to service needs flexible working is applicable to this post

DBS: This post is subject to standard Disclosure and Barring Service disclosure

Politically Restricted: The North East Combined Authority has designated this as a politically restricted post in accordance with the requirements of Section 1(5) of the Local Government and Housing Act 1989 and by regulations made from time to time by the Secretary of State.

Out of hours working: The post holder may be required to work outside of normal office hours.

5. Organisational Relationships:

The post holder will be accountable to the Managing Director, Transport North East.

The post holder will work on behalf of the North East Joint Transport Committee (JTC) but will be an employee of the North East Combined Authority (NECA) in its role as the accountable body for the JTC.

Description of Role:

The post holder will be will be required to work independently, use their initiative and have a high degree of commercial awareness.

The post holder will act as the lead client ('NECA representative') on behalf of the two Combined Authorities (North East Combined Authority and North of Tyne Combined Authority) in respect of the Tyne Tunnels Project Agreement and all matters related to the operation of the Tyne road, cycling and pedestrian tunnels, ensuring that contractual obligations are met by both parties.

This will require the post-holder to attend and present to relevant meetings of the Joint Transport Committee (JTC) which represents the joint interests of the two Combined Authorities, the JTC Tyne and Wear Sub-Committee (TWSC), Audit Committee(s) and Overview and Scrutiny Committee(s).

The post holder will work with the Tyne Tunnels Concessionaire towards continuous improvements for the users of the Tyne Tunnels, whilst ensuring that the Tunnels contribute towards the achievement of the region's transport strategies and goals, and ensure that the Tyne Tunnels are maintained and operated in such a way that the value of the asset is maintained and enhanced over the longer term.

6. Duties and Responsibilities Specific to this Post:

Listed below are the responsibilities this role will be primarily responsible for:

- To maintain ongoing relations with the Tyne Tunnels Concessionaire, both formal and informal, to facilitate smooth and timely discharge of contractual commitments by both parties.
- To schedule regular contract 'liaison' meetings between the client side (relevant officers representing the JTC) and the contractor side (relevant representatives of TT2 Ltd) to review performance and to discuss and facilitate the resolution of contractual issues.
- To ensure compliance by the Tyne Tunnels Concessionaire with Health & Safety requirements as set out in contractual arrangements, and to act as the designated contact point in the JTC where exceptional circumstances where an unforeseen emergency situation requires the Concessionaire to seek an urgent modification to the contract or relief from contractual provisions, seeking advice from the JTC's statutory officers as appropriate.
- To put in place arrangements (either through service level agreements or external contracts) for the provision of ongoing legal, financial, technical/engineering and commercial support to enable performance monitoring, contract compliance assurance, engineering assurance, and commercial appraisal.
- To obtain the necessary legal and financial support to make sure that proposals for contract change are fully evaluated and assessed, and where appropriate expedited in a timely manner that delivers both value for money and compliance with statutory/legal requirements including contractual matters, land issues, planning consents and way-leaves.

- To prepare, maintain and keep under regular review: contract and asset performance reports, consideration of proposed contractual changes, financial reports, a risk register, and information on external factors including changes to the regulatory environment affecting tunnels and strategic highways.
- To provide regular management reports to the Managing Director, Transport North East and the Statutory Officers of the JTC.
- To work with the Tyne Tunnels Concessionaire to develop a Transport Asset Management Plan and/or strategies for the development of land which lies outside the site boundaries of the New Tyne Crossing project.
- To ensure effective liaison and communication with the two Combined Authorities, local authorities in Tyne and Wear (in particular North Tyneside Council and South Tyneside Council elected members and transport officers), local communities, neighbours, businesses, transport user groups, government and national agencies to promote the use and development of the Tyne Tunnels and their benefits to the region.
- To manage the New Tyne Crossing Community Fund.
- To promote the integration of the Tyne vehicle tunnels with local and strategic highways networks to promote smooth and reliable journey times and reduce the environmental impact of the tunnels and road-based traffic in general, including harmful emissions.
- To promote the integration of the Tyne pedestrian and cycling tunnels with local sustainable and transport networks to achieve the area's strategic goals for increased walking and cycling.
- To contribute to the development of long-term strategic transport planning in the North East to ensure that the role of the Tyne Tunnels is recognised as one of the region's major strategic transport assets; giving consideration to future operating arrangements when the current concession reaches its contractual end date; and inputting into strategies, plans and consultation responses relevant to developing the local strategic highways network and Tyne crossing capacity.
- To provide and deliver regular reports to the JTC's Tyne and Wear Sub-Committee, and relevant officer groups advising the JTC and its committees. Ensure that members of the JTC and its Tyne and Wear Sub-Committee have access to relevant briefing materials to aid political oversight and decision-making including in respect of proposed changes to bye-laws and tolling arrangements.
- The above is not exhaustive and the post holder will be expected to undertake any duties which may reasonably fall within the level of responsibility and the competence of the post as directed by the Managing Directors, Transport North East.

7. Common Duties and Responsibilities:

7.1 Quality Assurance

To set, monitor and evaluate standards at individual, team performance and service quality so that the highest standards are maintained.

7.2 **Communication**

To establish and manage the communications systems ensuring that relevant procedures, policies, strategies and objectives are effectively communicated to all team members.

7.3 **Professional Practice**

To ensure that professional practice in the team is carried out to the highest standards and developed in line with the objectives of continual improvement in quality of its service to internal and external customers.

7.4 **Health and Safety**

To ensure that the Health and Safety policy, organisation arrangements and procedures as they related to areas, activities and personnel under your control are understood, implemented and monitored.

7.5 **General Management**

To provide vision and leadership to staff within a specialist team, ensuring that effective systems are in place for workload allocation and management, the application of applicable policies and procedures, including those relating to equality, supervision and appraisal and all aspects of their performance, personal development, health and welfare.

7.6 **Financial Management**

To manage designated budgets ensuring that the Service achieves value for money in all circumstances through the monitoring and control of expenditure and the early identification of any financial irregularity.

7.7 **Appraisal**

All members of staff will receive appraisals and it is the responsibility of each member of staff to follow guidance on the appraisal process.

7.8 **Equality and Diversity**

To ensure our commitment is put into practice we have an equality policy which includes responsibility for all staff to eliminate unfair and unlawful discrimination, advance equality of opportunity for all and foster good relations.

7.9 **Confidentiality**

All members of staff are required to undertake that they will not divulge to anyone personal and/or confidential information to which they may have access during the course of their work.

All members of staff must be aware that they have explicit responsibility for the confidentiality and security of information received and imported in the course of work and using Council information assets. The NECA has a Personal Information Security Policy in place.

7.10 **Induction**

The NECA has in place an induction programme designed to help new employees to become effective in their roles and to find their way in the organisation.

North East Joint Transport Committee

Person Specification – Tyne Tunnels Manager

	Essential	Desirable	Method of Assessment
Education/ Qualification	<ul style="list-style-type: none"> • Educated to degree level or equivalent in an appropriate discipline • Evidence of Continuous Professional Development 	<ul style="list-style-type: none"> • Membership of a relevant professional institute. 	<ul style="list-style-type: none"> • Application Form • Selection Process • Pre-Employment Checks
Experience	<ul style="list-style-type: none"> • Demonstrable experience of commercial management in a multi-disciplined environment. • Demonstrable success in the handling of contract disputes, claims and risk mitigation • Evidence of being able to identify and respond to contract and commercial opportunities and risks 	<ul style="list-style-type: none"> • Internal and external partnership working • Public / Private Funding • Programme / Project Management • Experience of risk management techniques • Knowledge of Value Management techniques 	<ul style="list-style-type: none"> • Application Form • Selection Process • Pre-Employment Checks
Skills/Knowledge	<ul style="list-style-type: none"> • Strong understanding of the full lifecycle of engineering projects • Strong planning, prioritisation and organisational skills. 	<ul style="list-style-type: none"> • Change management skills • Understanding of NECA strategic direction, plus political and organisational awareness 	<ul style="list-style-type: none"> • Application Form • Selection Process • Pre-Employment Checks

	Essential	Desirable	Method of Assessment
	<ul style="list-style-type: none"> • Excellent verbal and written communication skills. • Excellent negotiation and influencing skills, with proven experience in successful internal and external stakeholder management • Ability to prepare and present reports effectively to a range of audiences 		
Personal Qualities	<ul style="list-style-type: none"> • Supportive and encouraging in a team environment • Enthusiastic, self-motivated • Pleasant manner when dealing with colleagues and customers • Tactful, discreet • Flexible approach • Ability to achieve targets and outcomes • Energy, drive and commitment to the job • May be required to work outside of normal hours / additional hours where necessary • Resilient 	<ul style="list-style-type: none"> • Access to a car or means of mobility support (if driving then must have a current driving licence and appropriate insurance). 	<ul style="list-style-type: none"> • Application Form • Selection Process • Pre-Employment Checks

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The Rt. Hon. Boris Johnson MP
Prime Minister
10 Downing Street
London
SW1A 2AA

16 August 2019

Dear Prime Minister

Northern Powerhouse Rail in the North East

Congratulations on your appointment.

You will know that in the North East we have great plans to prosper and grow, with positive and well-skilled people who want to contribute to moving our country forward.

We already have a positive balance of trade thanks to our strong manufacturing sector, and we want to build on this by attracting more companies to our fantastic region as well as helping existing employers to grow, creating more high-quality jobs and closing a long-standing economic gap with other regions. Part of our strategy to achieve this is to improve transport infrastructure, including our links with other major cities in the North.

We therefore welcome your recent remarks recognising the need to invest in the Northern Powerhouse Rail scheme. However, the new Leeds to Manchester route that you have now pledged to fund, is only one part of a bigger jigsaw.

The North East is linked to the rest of the country by a single rail artery known as the East Coast Main Line. We rely on this line for all of our services to London, Scotland and the Midlands as well as to Leeds and Manchester. When Northern Powerhouse Rail and HS2 are built they will use the East Coast Main Line to get high speed trains to and from the North East.

There is a problem though. The East Coast Main Line in the North East does not have enough capacity for today's growth in traffic, let alone for the future. It also needs to be made faster and more resilient, having last seen major investment three decades ago.

For Northern Powerhouse Rail to succeed the East Coast Main Line between Newcastle and Northallerton must be upgraded. This is every bit as important as building new stretches of route. Fortunately, it could be delivered relatively quickly because unlike new build it does not need new legislation or the purchase of land. Better still it would improve rail journeys for thousands of existing passengers each day, and its economic impact would be felt across England and Scotland.

If your government were to commit to developing this essential part of the Northern Powerhouse Rail jigsaw in the same way that you have done for the new Leeds to Manchester section, detailed planning work could begin immediately, and we believe that construction could start as soon as the other elements of Northern Powerhouse Rail.

The United Kingdom cannot afford for the North East to be left behind as infrastructure investments are planned, and we look forward to your assistance in helping our area to grow.

We would be delighted to discuss this proposal with you in person in the North East, along with our other plans to move our region forward.

Yours sincerely



Councillor Martin Gannon
Leader, Gateshead Council



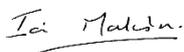
Councillor Nick Forbes
Leader, Newcastle City Council



Mayor Norma Redfearn
North Tyneside Council
Council



Councillor Peter Jackson
Leader, Northumberland County
Council



Councillor Iain Malcolm
Leader, South Tyneside Council



Councillor Graeme Miller
Leader, Sunderland City Council



Councillor Simon Henig
Leader, Durham County Council



Andrew Hodgson
Chair of the North East Local
Enterprise Partnership

North East Joint Transport Committee

Date: 17 September 2019
Subject: North East Rail Devolution Update
Report of: Managing Director, Transport North East

Executive Summary

This report updates members on emerging updates regarding the Williams review of rail franchising, and offers updates on the development of our regions plans to strive for greater control and accountability over the specification and operation of local rail services.

Recommendations

The North East Joint Transport Committee is recommended to:

- i) Note the updates in this report.

1. Background Information

- 1.1 Broadly one year ago, the Government announced a 'root and branch' review of rail, led by independent chair Keith Williams. JTC have frequently discussed this review and the opportunities it presents for our region as well as positioning our arguments in the national debate through the submission of evidence and by calling review team members to a meeting to reinforce our view point.
- 1.2 Initial review findings are now in the public domain offering insight into issues, which may develop to become included in the eventual whitepaper. Rhetoric covers the need for improved strategic planning including at a local level with better engagement for service specification and delivery for regional planning. The themes of reduced industry fragmentation and better alignment between track and train also feature.
- 1.3 In parallel to the Williams Review, our region and the Tees Valley Combined Authority jointly commissioned a high-level study to explore options for devolution models which could be adopted for local train services in our region, specifically covering the geography of the NERMU, the North East Rail Management Unit. This initial work considers options which could provide an iterative approach to increased devolution ranging from a light touch approach building on today's governance structures through to a fully integrated local franchise including ownership of the majority of local rail assets other than the East Coast Mainline.
- 1.4 The needs of current and future local passengers and customers must sit at the heart of option development. A sound approach for our region would be one which is an enabler to passengers experiencing:
- Fares which are more pertinent to our region's economy and which are integrated with other modes including active travel;
 - Faster and more frequent services, which offer better connectivity across the region;
 - More comfortable, environmentally friendly, modern rolling stock, designed to a higher specification;
 - Safe, clean, well maintained stations which sit at the heart of their community and which are well connected for onward travel, including park and ride sites;
 - Services which connect well with long distance trains to and from our region;
 - A clear, locally identifiable brand which sits alongside other modes.

2. Proposals

- 2.1 It is proposed that the case for greater rail devolution in our region should be further developed.

3. Reasons for the Proposals

- 3.1 A devolved railway should deliver:

- A better regional economy: each new journey on our local rail network brings a benefit of £8.50;
- Improved social mobility with an extended network which is more accessible to all;
- A service offer which attracts modal shift from car to rail, promoting significantly fewer car journeys, less carbon and improved air quality;
- Regeneration across the North East with areas opened up for new development and rail services becoming an improved enabler to the delivery of local spatial and economic plans;
- Better connectivity between employers and potential employees;
- Opportunities for local SMEs in the supply chain, and creating new apprenticeships and jobs on the railway, and;
- The opportunity to hold operators to account locally over the specification and management of services.

4. Alternative Options Available

- 4.1 Options to deliver an appropriate approach to rail devolution are not yet fully developed; and will be presented to JTC once fully understood.

5. Next Steps and Timetable for Implementation

- 5.1 In the Autumn, the Rail Review White Paper is expected to be published and this will influence the pace and direction Members may wish to take in the pursuit of improved local rail services.

6. Potential Impact on Objectives

- 6.1 Greater influence over local rail services in the region will assist the Joint Transport Committee in delivering its objective to maximise the regions opportunities and potential.

7. Financial and Other Resources Implications

- 7.1 There are no specific financial implications arising from this report. If Rail Devolution is to be pursued through the formal Business Case process for submission to the DfT /TfN, development funding will be required for which there is currently no budget.

- 7.2 There are no Human Resource or ICT implications at this stage of development.

8. Legal Implications

- 8.1 There are no specific legal implications arising from this report, however legal input will be required should the rail devolution proposition be fully developed.

9. Key Risks

- 9.1 The key risk is that the Williams Review may not recommend to Government local rail devolution as part of the rail industry changes. This risk is being

managed through dialogue with the Review team directly and with the support of Transport of the North and the Urban Transport Group.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 The Rail Devolution scoping work and the Transport for the North proposition was subject to consultation with each Council in the Joint Transport Committee area.

13. Other Impact of the Proposals

13.1 No specific impacts other than those outlined in the body of the report

14. Appendices

14.1 None.

15. Background Papers

15.1 North East Joint Transport Committee paper on 2nd January regarding the initial Williams review response.

<https://northeastca.gov.uk/wp-content/uploads/2019/01/North-East-Joint-Transport-Committee-22-January-2019-Agenda-Pack.pdf>

16. Contact Officers

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

17. Sign off

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

18. Glossary

North East Joint Transport Committee

Date: 17 September 2019

Subject: Discharge of Transport Functions by Northumberland County Council

Report of: Interim Executive Director: Place, Northumberland County Council

Executive Summary

This report provides an update on the discharge by Northumberland County Council of the functions delegated to it by the Joint Transport Committee, in the financial year 2018/19.

Recommendations

It is recommended that the Committee note the transport responsibilities of Northumberland County Council and the activities undertaken in 2018/19.

1. Background Information

- 1.1 When the North East Joint Transport Committee approved its Standing Orders in November 2018, it delegated to Durham and Northumberland County Councils transport functions under parts 4 and 5 of the Transport Act 1985 and functions under part 2 of the Transport Act 2000.
- 1.2 Also included in the Standing Orders is an expectation that each county council will provide annually to the Joint Committee a report regarding the use of the delegation.

2. Proposals

- 2.1 Members are requested to note the contents of the report.

3. Reasons for the Proposals

- 3.1 The report provides the Joint Committee with a summary of the exercise of the transport functions exercised by the County Council under the delegation, and an opportunity to ask questions of the representatives and/or officers of the County Council regarding its contents which might inform future decisions of the Joint Committee on the continued delegation of these functions or the delegation of others within its remit.

4. Next Steps and Timetable for Implementation

- 4.1 The proposal is that report is for noting only: there are therefore no next steps identified.

5. Potential Impact on Objectives

- 5.1 The tasks reported in this document support the objectives of creating the best possible conditions for growth in jobs, investment and living standards, to make the North East an excellent location for business, to prioritise and deliver high quality infrastructure and to enable residents to raise their skill levels and to benefit from economic growth long into the future.

6. Financial and Other Resources Implications

- 6.1 For 2018/19, the funding for Transport functions in Northumberland County Council was transferred into the North East Joint Transport Committee, which in turn delegated the funding to the Council to cover the discharge of its transport functions.

7. Legal Implications

- 7.1 In order to enable the Transport functions to be carried out lawfully by the employees who carry them out currently, authorisation has been obtained from the Cabinet of Northumberland County Council.

8. Key Risks

8.1 There are no specific risk management issues arising from this report.

9. Equality and Diversity

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

10. Crime and Disorder

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

11. Consultation/Engagement

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

12. Other Impact of the Proposals

12.1 There are no other impacts arising from this report.

13. Appendices

13.1 Appendix 1
North East Joint Transport Committee
Northumberland County Council Transport Activity Report 2018/19.

14. Background Papers

14.1 The North East Joint Transport Committee Standing Orders dated January 2019

15. Contact Officers

15.1 Stuart McNaughton
Strategic Transport Policy Officer
Northumberland County Council
stuart.mcnaughton@northumberland.gov.uk
07827 873139

16. Sign off

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

Appendix 1
North East Joint Transport Committee
Northumberland County Council Transport Activity Report
2018/19

The Supported Bus Service Network

1. The vast majority of bus routes operating in Northumberland are run commercially without any input, subsidy or support from Northumberland County Council. This commercial network which covers approximately 80% of all services covers those routes that are profitable. The remaining 20% of services are either fully or partially subsidised by Northumberland County Council, these services would not operate without the ongoing support of the council.
2. The supported services comprise approximately 45 routes, or parts of routes, that cover mainly rural areas of Northumberland. These supported services include instances of services running commercially at popular/peak times, but where support is given to maintain journeys at other times (early morning and late evening for example). They also include support the County Council gives to key tourist services that help boost the local economy and safeguard the environment by ensuring that people can visit notable locations without needing a car. All supported routes are shown on Map 1 overleaf.
3. Historically, criteria for subsidising bus services has been based on maximum subsidy per passenger and where these figures are exceeded the service concerned should not be provided i.e. it will be withdrawn. A more considered approach has now been implemented that looks at accessibility, integration and procurement to ensure services deliver the maximum accessibility from the given budget. This approach has allowed us to realise substantial savings with minimal disruption to the supported bus network.

	Supported Services Budget
Supported Bus Services Gross Expenditure 2018/2019	£1.2m* (Incl. £500k BSOG)
Funding available as of the 1 st April 2019	£1.2m

* In addition to the stated expenditure additional funding is provided by partner organisation to support specific services and a significant recharge from home to school transport for those elements of the supported bus network that are used to carry scholars.

Map 1: Bus services that are fully or partly subsidised by Northumberland County Council

Northumberland Public Bus Service Route Lines

 subsidised by NCC



Published January 2015. Scale: 1:525,000
 Produced by the Economic and Inclusion Policy Team, Planning Economy and Housing, Northumberland County Council.
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Northumberland
 Northumberland County Council

Home to School Transport

- Northumberland County Council provides free home to school transport for 7,160 eligible children attending mainstream and Special Educational Needs (SEN) schools at an annual cost of over £14m (£8.6m mainstream & £5.5m SEN). Home to school transport policy is largely restricted to statutory criteria but free provision is made for children to enable them to attend a particular school on grounds of religion or belief. The school transport network covers all of Northumberland and substantial use is made of “feeder” transport (operated mainly by taxis) connecting into “trunk” services (operated by buses) at village hubs etc. A rolling programme of “clean sheet” area route review activity is undertaken on an annual basis which involves a complete re-design of the school transport network before a re-tendering exercise is undertaken. The order in which routes reviews are being undertaken at present is largely being dictated by school reorganisations. Historically, the County had a three-tier system of education in place, but this is evolving and a substantial number of schools and academies have elected to transition to a two-tier system of primary & secondary schools. This has a major impact on the school transport network.
- In 2017/18 the Council discharged its legal obligation to facilitate transport for students attending high school sixth forms and further education colleges by means of public transport, the cost of which was paid by families or (in its absence), by means of contracted school transport services where an annual charge of £600 applied. However, following a public consultation, free Post-16 transport was re-introduced in 2018/19 on the basis that a student is attending their local high school or FE college. Free travel continues to be available for Post 16 students with special needs.

Transport by Category	Pupils
Pre 16 mainstream	5,294
Post 16 mainstream	867
Pre 16 SEN	857
Post 16 SEN	142

Mainstream spend (Post & Pre 16) £8,581,606

SEN (Pre & Post 16) £5,493,508

- Transport to special schools is provided free for eligible pupils at a cost of just over £4.5M. A significant number of students attend out of county establishments such as Percy Hedley School, Forest Hall, Newcastle Upon Tyne & Northern Counties School, Tankerville Terrace, Newcastle Upon Tyne, though the vast majority attend in-county provision. Most special schools in Northumberland are based in the south east of the County.

Concessionary Travel Scheme

- Northumberland County Council participates in the government’s English National

Concessionary Travel Scheme (ENCTS). The national scheme entitles pass holders who are resident in England to free off-peak travel (after 09:30) on local bus services throughout England. This scheme covers both disabled people and eligible older people.

8. In addition to the national scheme entitlements, Northumberland County Council also provides a number of local enhancements to the scheme, pass holders can travel from 09:00 onwards on journeys beginning in Northumberland. Northumberland is also one of a few Councils to provide companion passes to eligible disabled persons. Companion passes allow an additional person to travel for free when accompanying a companion pass holder.
9. The costs of providing this scheme exceeded £4.62m for 2018/19. This represents a slight decrease on the previous year's outturn. Passenger numbers in 2018/19 have declined slightly reducing by 0.3% to 3.55m concessionary travel journey when compared with 2017/18, this reduction is partly due to a contracting supported bus network and commercial networks.
10. 2018/19 also saw the implementation of a new concessionary travel system, this system is being delivered free of charge to Northumberland County Council for the first three years, funded via an underspend in the North East Smart Ticketing Initiative (NESTI), with NESTI members committing to funding the ongoing system costs in years four and five. The new system which was implemented in December 2018, will be used to manage the 67,713 concessionary travel passes in circulation across Northumberland, the system also offers a self-serve model and an improved reporting tool, which has been welcomed by users.

Type of pass	Number
Senior	61,403
Disabled	4,729
Disabled with Companion	1,581

NESTI Smart Ticketing

11. The main aims of the North East Smart Ticketing Initiative Project was the introduction of a Region wide smart ticketing infrastructure on all public transport and the introduction of a single smart payment method accepted on all forms of public transport across the region.
12. Pop PAYG: Is now accepted on all public transport modes and operators across Northumberland. All Payzone merchants across the Northumberland are able to undertake PAYG top up transactions and Purple Pop cards are available for sale at selected Payzone merchants.

Community Transport

13. Community transport has a key role to play in the mix of transport solutions for Northumberland. Community transport is about providing flexible and responsive solutions to unmet local transport needs and often represents the only way in which particular user groups can access a range of essential services. Because community transport is regulated under different rules from 'conventional' bus services, it is particularly well placed to offer innovative solutions where commercial services are not available. As a result it can provide the connectivity needed to get to a range of destinations for otherwise isolated or excluded groups of people, helping to develop sustainable communities and contributing to social inclusion.
14. There are a range of Community Transport operators in Northumberland, some offering services without subsidy and support from the Council and others contracted by Northumberland County Council to deliver specific activities. Community Transport providers in Northumberland who currently deliver services under contract with Northumberland County Council:
- Adapt (North East), Burn Lane, Hexham
 - NEED Ltd, Fire Station Houses, Alnwick
 - WATBus Community Transport, Wansbeck Workspace, Ashington

As the commercial bus network continues to diminish in rural parts of Northumberland more emphasis will be given towards Community Transport solutions. Users of community transport include people of all ages, disabled people, unemployed people, people in communities that don't have access to conventional public transport, children and young people as well as older people. Because community transport is embedded in the communities in which it operates, it is well placed to focus on very local needs and on one-to-one help, providing both choice and quality services.

15. Northumberland County Council was into the final year of a three-year contract to provide a Northumberland wide Get-about Car Scheme. The car schemes are delivered by volunteers who drive their own cars in return for mileage expenses. It is a demand responsive, flexible and accessible transport service for individuals and groups who cannot access public transport, due to mobility, illness, infirmity or restricted access. Adapt (North East) Ltd operate the volunteer car scheme across Northumberland. The volunteer car drivers are subject to an Enhanced CRB disclosure. Service users contact Adapt (North East) Ltd to book a journey with the scheme coordinators organising the door to door journeys. A 12-month extension to the current contract has been agreed to ensure the continued delivery of the Get-about Car Scheme through 2019/20 and build on the success of the previous scheme which saw 333 journeys provided.

Passenger Information Services

16. Since April 2016 Northumberland County Council has been in partnership with Nexus for the provision of passenger information services. As part of this agreement Nexus have delivered printed timetable information at over 850 stops in Northumberland, alongside a fully managed digital information offering. This digital offering includes:
- LiveTravel Map in Northumberland to deliver Real time via smart devices and a direct link through from the QR / NFC tags installed in Northumberland.

- Journey Planner and NaPTAN stop information will also be fully managed by Nexus on behalf of NCC.
- This partnership also allows NCC to benefit from any enhancements to Nexus systems in future months and years.

17. By entering into partnership with Nexus we will deliver accuracy and consistency of information, especially on cross boundary trips between Northumberland and Tyne & Wear, whilst also delivering a vast improvement on the previous NCC offering. In particular the inclusion of the Live Travel Map web-app where passengers can benefit from RTi at their fingertips is a step-change in passenger information delivery. This three-year contract which expired in May 2019 has been extended by a further twelve months.

Passenger Focus

18. In Autumn 2018 Northumberland County Council commissioned Passenger Focus to undertake a Bus Passenger Survey on our behalf. The results of the survey were slightly disappointing with most metrics showing a reduction in performance when compared with previous years. However, performance across Northumberland is still above average when compared with other authorities.

Key Performance Measures	Northumberland County Council		
	2016	2017	2018
Overall experience: journey satisfaction	92%	94%	89%
Punctuality	80%	83%	75%
Journey Time	88%	85%	89%
Value for Money	56%	65%	61%

19. Northumberland County Council overall journey satisfaction outturn shows a reduction of 5% when compared with the previous year. One possible explanation for this could be due to the 8% reduction in punctuality which would invariably affect users overall satisfaction with the service.

20. Over the last few years Northumberland has seen a reduction in both the supported and commercial services, with the latest figures available showing total bus mileage in 2017/18 decreasing by 3.4% when compared with 2016/17, this decrease has manifested in reductions in the frequency of services and the removal of diversions into smaller settlements, which has reduced the public travel options for a number of our communities. Whilst urban areas continue to enjoy excellent transport links to major employment and leisure centre in both Northumberland and Tyne and Wear. The rural parts of Northumberland continue to rely on supported services and community transport to meet their public transport needs.

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North East Joint Transport Committee

Date: 17 September 2019

Subject: Capital Programme Monitoring Report 2019/20

Report of: Chief Finance Officer

Executive Summary

The purpose of this report is to provide the Joint Transport Committee with details of the 2019/20 capital programme with expenditure and forecasts based on the position at the end of July / August 2019.

The report identifies that total capital expenditure on Transport schemes of £92.303m is forecast against the revised programme budget of £93.778m. The revised programme takes account of the 2018/19 outturn and new grant approvals made since the original capital programme was set in January 2019. Expenditure to date totals £20.543m.

The Transport capital programme encompasses a wide range of capital schemes, mainly delivered by constituent local authorities and Nexus, but also investment in the Combined Authorities' own assets, including the Tyne Tunnels.

Expenditure of £5.891m is forecast on Local Growth Fund Transport schemes. Most of the Transport schemes in the programme are coming to an end now it is in its fifth year, but significant grants will be paid to Nexus for the Metro Skills Centre (£2.792m), North Tyneside Council for the A19 North Bank of Tyne (£1.232m) and Durham County Council for Horden Rail Station (£1.278m) in 2019/20.

£9.102m is forecast for the year for Tranche 1 of the Transforming Cities Fund programme. The bid for Tranche 2 funding was submitted in June 2019 and work is underway on the final bid, responding to feedback from Department for Transport (DfT), which will be submitted in November 2019.

The Go Ultra Low project continues during 2019/20 to install the rapid charging clusters, following the opening of the Electric Vehicle Filling station which became operational in April 2019. Capital expenditure of £1.083m is forecast for the year.

2019/20 is the tenth year of the Metro Asset Renewal Plan programme which runs from 2010 to 2021. Expenditure in year is forecast to be £33.036m which is within the minimum and maximum levels set for the year by the Department for Transport.

The Metro Fleet Replacement project is forecast to spend £30.200m during 2019/20 as the procurement to award the Fleet Replacement contract continues. The evaluation process to identify the successful tenderer is expected to conclude in Autumn 2019.

The Nexus non-Metro capital programme includes work to develop schemes for inclusion in the Transforming Cities Fund bid, expenditure on Digital Assets and works on the Shields Ferry, and expenditure is forecast to be £3.568m at the year end.

The Tyne Pedestrian and Cyclist Tunnels have now reopened to the public from 6am to 8pm. Completion of the inclined lift installation has been delayed and once this work is complete and the inclined lifts are fully operational, the tunnels will be open full time.

£13.949m of Local Transport Plan Integrated Transport Block grant will be received by NECA on behalf of the Joint Transport Committee, most of which will be paid to constituent authorities on a quarterly basis to support their capital programmes.

The majority of the capital works during the year will be funded through government grants, with elements of the Nexus capital programme the Tyne Pedestrian and Cyclist Tunnels works funded by grants held specifically for this purpose.

Recommendations

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

1. Background Information

1.1 This report provides an update on the Transport capital programme for 2019/20 and the funding sources identified to deliver the programme, which covers a wide range of transport improvements.

1.2 In January 2019, a base capital programme was agreed by the Joint Transport Committee (JTC) totalling £81.944m, including an element of over-programming, with a forecast likely outturn of £75.187m. The programme was revised following the outturn for 2018/19 and the outcome of the successful Transforming Cities Fund Tranche 1 bid announced in March 2019, and the latest approved programme now totals £93.778. Expenditure at this stage in the year totals £20.543m which is in line with expectations. The forecast outturn is estimated to be £92.303m.

2. Proposals

2.1 A summary of the Transport capital programme for 2019/20 is set out in the table below, with further details provided in the following sections.

	2019/20 Original	2019/20 Revised	2019/20 Forecast	Expenditure to date
	£m	£m	£m	£m
Local Growth Fund Transport Schemes ¹	3.784	3.445	3.116	0.739
Transforming Cities Fund Tranche 1	0.000	9.102	9.102	0.000
Go Ultra Low	0.995	1.083	1.083	0.294
Metro Asset Renewal Plan	33.987	33.987	33.036	11.976
Metro Fleet Replacement	30.200	30.200	30.200	2.034
Nexus non-Metro Programme	1.486	3.568	3.568	0.252
Tyne Tunnels	0.260	0.854	0.854	0.562
Local Transport Plan ²	11.232	11.539	11.344	4.686
Total Capital Programme	81.944	93.778	92.303	20.543

Local Growth Fund Transport schemes

2.2 2019/20 is the fifth year of the Local Growth Fund (LGF) programme, which covers Economic Assets, Innovation, Transport and Skills themed projects. Many of the transport

¹ Excluding amounts for Metro Skills Centre at South Shields, shown within Nexus capital programme lines

² Excluding amounts for local contribution to Metro ARP, shown within Nexus capital programme lines

schemes within this element of the capital programme have almost completed the drawdown of the LGF elements of their funding and the programme is therefore smaller than it has been in recent years. Expenditure to the end of July totalled £0.739m, and the forecast for the year based on the first quarterly monitoring returns from schemes totals £5.891m. This includes the following key projects:

- £2.792m forecast for the Metro Skills Centre at South Shields. This is included within the totals for the Nexus Capital Programme section at 2.11 onwards so is not included in the LGF total in the table at 2.2 to avoid double-counting..
- £1.278m forecast for payment to Durham County Council for the Horden Rail Station scheme, of a total £3.34m LGF approval. The scheme involves the construction of a new station on the Durham Coast Line to provide improved public transport access to the people and businesses of Horden and Peterlee, including the adjacent communities of East Durham. The target date for the opening of the station is summer 2020.
- £1.232m forecast for payment to North Tyneside Council for the A19 North Bank of Tyne (Swans) Stage 2 scheme which involves improvements to roundabouts and approach roads, improvements to other junctions and improved cycling and walking facilities in the area.
- Smaller payments are forecast to be made in year to other local authority schemes including the Northern Access Corridor Phase 2 and 3 (Newcastle City Council), Traffic Movements along A185/A194/A19 (The Arches) (South Tyneside Council) and A1056-A189 Weetslade Roundabout improvements (North Tyneside Council).

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

Transforming Cities Fund

2.4 The Transforming Cities Fund represents a significant opportunity for the region to source capital funding for public transport and sustainable transport infrastructure. The Fund has already yielded an initial £10m allocation for the region from Tranche 1, which was announced and received in March 2019. Works are now under way to construct the schemes funded by this award.

2.5 Grant Funding Agreements for all Tranche 1 projects have now been sealed by NECA on behalf of the JTC and issued to promoters for them to seal. First claims will be submitted in October 2019, and it is expected that a large proportion of the funding will be paid to scheme promoters once these are authorised.

2.6 A second much larger bid for drawing down from the Fund will be submitted to Government in November 2019, following a draft submission in June 2019. The draft submission has been well received, and feedback has been provided by Government. Work is underway with officials from the Department for Transport (DfT) to address the points raised in this feedback. This final bid is likely to amount to some £380m of Government funding, backed by £70m of local match funding, which would deliver major investments in our urban rail, bus and sustainable transport networks across the region.

Much of this funding is likely to be devolved to the region and an assurance framework to manage delivery of the funded schemes is being developed, learning from past experience with other funds and building on the processes being put in place for the Tranche 1 schemes.

- 2.7 The forecast to the end of 2019/20 for Tranche 1 schemes is £9.102m (£0.898m was accrued in 2018/19) which will represent full utilisation of the grant funding.

Go Ultra Low

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

- 2.9 Expenditure to the end of July 2019 was £0.294m. The project is due to complete during the 2019/20 financial year, with forecast expenditure to the year-end being £1.083m, which takes into account slippage from 2018/19.

Nexus Capital Programme

- 2.10 In January 2019 the JTC approved the Nexus capital programme for 2019/20 totalling £65.673m. Following the out-turn for 2018/19 and various project approvals considered by Nexus' Senior Leadership Team, the revised programme is now £67.638. The updated summary position is as follows:

Asset Category	Approved 2019/20 Programme	Revised 2019/20 Programme	Spend to 31 August	Projected Outturn 2019/20	Reasons for Major Variations
	£m	£m	£m	£m	
Metro ARP					
Civils	1.079	1.365	0.937	1.476	Re-profiling from 2018/19
Permanent Way	6.441	6.965	4.646	6.297	
Overhead Line	3.651	3.018	0.941	2.808	Re-profiling to 2020/21
Stations	5.675	4.285	1.832	3.965	Re-profiling to future years
Signalling	2.897	2.961	0.499	2.448	
Metro Cars (Old)	3.410	3.197	1.178	3.415	

Programme Management & Risk Contingency	4.359	2.616	0.000	3.167	Reassessment of risks/ allocation to projects
Asset Category	Approved 2019/20 Programme	Revised 2019/20 Programme	Spend to 31 August	Projected Outturn 2019/20	Reasons for Major Variations
	£m	£m	£m	£m	
Communications, Plant, Power, Mechanical & Electrical etc.	2.013	4.337	1.017	3.648	Inclusion of Fleet Reliability Improvement Plan
Nexus Learning Centre	4.462	5.126	0.926	5.812	Re-profiling from 2018/19 and additional costs
Total Metro ARP	33.987	33.870	11.976	33.036	
Fleet Replacement	30.200	30.200	2.034	30.200	
Digital Asset Renewal Programme and Other Capital Investment	1.486	3.568	0.252	3.568	Re-profiling from 2018/19 and inclusion of Transforming Cities
Total Nexus Capital Programme	65.673	67.638	14.262	66.804	

Metro Asset Renewal Plan (ARP)

- 2.11 This is the tenth year of the eleven year ARP programme. The requirement from DfT is that Nexus achieves at least a minimum level of expenditure and no more than a maximum level of expenditure in any one financial year (which for 2019/20 were set at £20.651m and £29.948m respectively). The 2019/20 capital budget therefore included an initial level of over-programming of 35%. The reasons for this is that it allows Nexus the ability to actively manage, schedule and deliver projects to drive efficiencies without a risk of falling below minimum expenditure levels.
- 2.12 Expenditure as at the end of August 2019 is £11.976m. This represents 58% of the £20.651m minimum expenditure level required by DfT for this financial year.
- 2.13 The latest forecast to the year end is now £33.036m; lower than budgeted, largely because of reduced expenditure forecasts in the phasing of works relating to a number of projects, including the Stations' Design projects.
- 2.14 An evaluation of remaining risks in the programme together with several options to undertake managed re-profiling of expenditure will ensure that the final outturn falls within

the DfT's prescribed funding tolerance.

2.15 At this stage any variation in expenditure against the budget that is not forecast to be incurred in the current year will be carried forward into the 2020/21 programme.

2.16 As at the end of August, the following key projects are progressing:

- Planning for the next phases of track work is underway with re-railing in the tunnels between the QEII Bridge and Gateshead Stadium planned for Autumn 2019 and full renewal between Heworth and Pelaw planned for Summer 2020.
- Construction of the Nexus Learning Centre is progressing in line with the planned completion date of March 2020. Structural sleekwork is complete and with cladding and flooring now underway.
- Repair works to the Cross Gates viaduct at South Shields were completed in July during the planned line closure for the new interchange.
- Refurbishment of the Halt Stations at Monkseaton, West Monkseaton, Cullercoats, Shiremoor, Palmersville, Benton and Longbenton is continuing. Installation of vitrified enamel (VE) and wayfinding panels is underway with new accessible hand railing to follow.
- The South Shields Interchange was successfully opened on 4 August following a 4 week closure in which the final track and signalling changes were completed.
- Railway Traffic Management System (RTMS): The supplier is continuing to progress the resolution of the remaining issues. A further software release took place on 20th July – simultaneously with the South Shields interchange system updates.
- Overhead Line Equipment Renewal: this continues with wire runs undertaken approximately every 3 weeks with other components being renewed overnight without impacting Metro Services.
- The programme to replace critical point motors with modern and more reliable equipment is underway with 7 of the planned 32 installed and operational.
- Commissioning of all 54 new multifunctional relays in the power supply system is now complete. This provides improved resilience in fault conditions.

2.17 Over the next three months, the Metro ARP cost loaded programme shows the following expenditure profile.

	Year to date	September Forecast	October Forecast	November Forecast
	£m	£m	£m	£m
In period spend	11.97	1.70	1.99	1.98
Cumulative spend	11.97	13.67	15.66	17.64

2.18 Forecast expenditure for 2019/20 is funded as follows:

	Approved Funding 2019/20	Project Funding 2019/20
	£m	£m
ARP		
Metro Rail Grant	21.000	22.754
Local Contribution 10% - Local Transport Plan (LTP)	2.333	2.528
Over-programming	8.208	4.284
Total ARP	31.541	29.566
Other Schemes		
LGF	2.446	2.775 ³
Reserves	0.000	0.695 ⁴
Total – Other Schemes	2.446	3.470
Total	33.987	33.036

Metro Fleet Replacement

2.19 The approved budget for 2019/20 is £30.200m, with the latest forecast expenditure unchanged at £30.200m, as the procurement to award the Fleet Replacement contract continues.

2.20 Expenditure as at the end of August is £2.034m, in respect of the commencement of the contract to construct the Howdon Satellite Depot element of the Fleet Replacement project

2.21 The following table sets out how the Fleet Replacement programme for 2019/20 which will be revised to reflect the delivery programme of the successful tenderer following the conclusion of the evaluation process in Autumn 2019:

	Approved Funding 2019/20	Projected Funding 2019/20
	£m	£m
Fleet Capital Grant	21.600	21.600
Fleet Local Contribution	8.600	8.600
Total	30.200	30.200

³ Including Re-profiling from 2018/19

⁴ Fleet Reliability Improvement Plan

Nexus Digital Asset Renewal Programme and Other Capital Investment

2.22 The approved budget for 2019/20 is £1.486m, with forecast expenditure of £3.568m, as set out below:

Nexus Non-Metro Programme	Approved Budget 2019/20 £m	Spend to 31 August 2019/20 £m	Projected Outturn 2019/20 £m
Transforming Cities ⁵	0.000	0.092	1.194
Ferry Works	0.368	0.023	0.368
Digital Assets	1.118	0.113	1.415
Ticketing and Gating	0.000	0.018	0.521
North East Smart Ticketing Initiative	0.000	0.006	0.070
Total Nexus Non Metro	1.486	0.252	3.568

2.23 The Non-Metro capital spend forecast for 2019/20 indicates an overspend against the approved budget of £2.082m, as detailed below:

- Transforming Cities additional budget approval of £1.194m to progress bids to secure Transforming Cities capital grant funding. Nexus have identified and is developing three schemes: South Tyneside Metro Flow, Digital Car Parking and Follingsby/Callerton Park and Ride sites; and
- Re-profiling approved budgets from 2018/19 to 2019/20 for Digital Assets, Ticketing and Gating and North East Smart Ticketing Initiative totalling £0.888m.

2.24 Expenditure as at the end August is £0.252m, with key projects progressing as follows:

- The Transforming Cities expenditure to date relates to developing the three relevant projects to outline business case stage and submitting to the Regional Transport Team in advance of the full DfT bid submission in November 2019.
- The Ferry works require initial additional survey and minor overhaul works to the vessels. The majority of the vessel upgrades and refurbishment is planned to be undertaken following the peak summer season. This will include Pride engine mount modifications, engine overhauls, port ramp refurbishments and external corrosion rectification.
- Within the Digital Asset Renewal Programme (DARP) additional to server

⁵ One off exceptional cost in developing bid highlighted in revenue report

infrastructure and security upgrades there are a number of significant projects due to be delivered in 2019/20. This includes a new Finance system, Bus Contracts systems and IT Telephony replacement. These projects are all currently progressing to tender stage and are due to be delivered in 2019/20.

- Within Ticketing and Gating (T&G) recent security enhancements will allow upgrades to the ticket machine, gating and back office interface which will follow further testing and sign off.
- North East Smart Ticketing Initiative (NESTI) has developed its smart card next generation app and host card emulation facility, which will allow customers to use a mobile smart phone to purchase tickets and validate travel. Work is continuing to ensure contracts are appropriate whilst also giving protection to customer personal information.

2.25 The following table sets out how the Nexus non-Metro capital programme for 2019/20 will be funded:

	Approved Funding 2019/20 £m	Projected Funding 2019/20 £m
Local Transport Plan (LTP)	0.077	0.077
Reserves	1.409	3.491
Total	1.486	3.568

Tyne Tunnels capital programme

2.26 The Tyne Pedestrian and Cyclist Tunnels reopened to the public in August 2019 after their closure for significant refurbishment and improvement. Visitors can once again cycle or walk from one side of the River Tyne to the other and experience the unique structure which has been a key link for the people of Tyneside since 1951 and which form part of the National Cycle Network. The Tunnels will be open seven days a week from 6am to 8pm until further notice, when they will be open 24 hours a day. The restricted opening hours are the result of continued delays to the installation of the new inclined lifts. Once their installation is complete, the free-to-use Tunnels will be open 24 hours a day, 7 days a week.

2.27 Expenditure to the end of July was £0.562m, with the forecast to the year-end of £0.854m for the full completion of the project.

Local Transport Plan

2.28 Local Transport Plan (LTP) Integrated Transport Block funding is made available by the DfT to the whole JTC area. This block is allocated between the JTC constituent authorities on a locally agreed basis with an allocation to Nexus (mainly used to provide the match funding needed for the Metro ARP capital programme). The LTP block allocation is also used to contribute to the costs of the Regional Transport Team, which supports the delivery of the Local Transport Plan. Quarter 1 and 2

payments have been made to constituent authorities which total £4.686m and the forecast for the year is for the full grant available of £13.949m to be utilised.

Capital Programme Financing

2.29 Forecast capital expenditure in 2018/19 will be financed as set out in the table below:

	2019/20 £m
Government Grants	79.358
Borrowing	0.000
Reserves	12.945
Total Funding	92.303

3. Reasons for the Proposals

3.1 The information contained within this report is provided to the Committee to enable it to fulfil its function of monitoring the Transport Capital Programme.

4. Alternative Options Available

4.1 The report is for information with no decision required.

5. Next Steps and Timetable for Implementation

5.1 The transport capital programme will be monitored for the remainder of the financial year and the outturn position reported following the year end.

6. Potential Impact on Objectives

6.1 Successful delivery of the various transport schemes and investment proposals outlined in this document will assist the JTC in declaring its objective to maximise the region's opportunities and potential.

7. Financial and Other Resources Implications

7.1 The financial summary is set out in the main body of the report. There are no financial or other resource implications from this report which is for information.

8. Legal Implications

8.1 There are no legal implications arising from this report, which is for information.

9. Key Risks

9.1 Risks associated with the delivery of transport schemes by the key delivery bodies are factored into the risk management processes of those organisations.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 The capital programme for 2019/20 is comprised of previously approved schemes which have been subject to consultation before being signed off. Individual schemes (for example LGF funded schemes) are subject to consultation at a local level appropriate to the specific project.

13. Other Impact of the Proposals

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

14. Appendices

14.1 None

15. Background Papers

15.1 JTC report 22 January 2019 – Transport Capital Programme 2019/20

16. Contact Officers

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

17. Sign off

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

18. Glossary

ARP – Asset Renewal Plan
DfT – Department for Transport
GUL – Go Ultra Low
LGF – Local Growth Fund
LTP – Local Transport Plan
NESTI – North East Smart Ticketing Initiative
TCF – Transforming Cities Fund

North East Joint Transport Committee

Date: 17 September 2019
Subject: Revenue Budget Monitoring Update
Report of: Chief Finance Officer

Executive Summary

The purpose of this report is to provide the North East Joint Transport Committee with an update on the forecast outturn position in relation to the 2019/20 Transport Revenue Budget.

The report covers all areas of the revenue budget including the Transport Levies and grants to Durham, Northumberland and Nexus, and the Tyne Tunnels revenue account.

The forecast outturn position for the year is that expenditure is expected to be within the revised budget against all budget heads.

Where grants are paid to other organisations for the delivery of transport services (i.e. Durham, Northumberland and Nexus), the grant is fixed for the year, but the report includes details of how the grant will be applied by each organisation to the provision of public transport services.

Underspends are currently forecast by Durham County Council and Northumberland County Council, which will be retained by these organisations. Nexus are forecasting a deficit of £3.500m due to cost pressures and one-off items, which will be met by Nexus reserves in year.

The Tyne Tunnels account is forecasting a small deficit of £18,000 for the year, which will be met from Tyne Tunnels reserves and mostly relates to a small forecast reduction in tolls income.

Recommendations

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

1. Background Information

- 1.1 At its meeting held on 22 January 2019, the JTC agreed a Transport levy budget for 2019/20 of £82.766m. This report presents an update against the original budget with the forecast as prepared at the end of July 2019.

2. Proposals

Transport Revenue Budget Summary

- 2.1 The table below summarises the forecast outturn position against the net Transport Levy budget (i.e. the net cost to the North East Combined Authority after external income) for 2019/20. The levies and grants to Durham, Northumberland and Nexus are fixed for the year, but details of how the grant will be applied by each organisation to the provision of public transport services is set out in more detail in the following sections.

Transport Levy Budget

	Original Budget	Spend to Date (July 2019)	Forecast to Year end
	£000	£000	£000
Total Transport Levies	(82,766)	(27,589)	(82,766)
Grant to Durham	15,562	4126	15,451
Grant to Northumberland	6,094	1,202	5,984
Grant to Nexus	55,667	18,556	55,667
Contribution to Metro Fleet Reserve	3,333	1,111	3,333
Retained Transport Levy Budget	2,120	700	2,120
Contribution (to)/from JTC reserves	0	0	0

Durham

- 2.2 The projected outturn for 2019/20 shows a budget underspend of £111,000 for the year. The main reasons for this are:
- Subsidised Services - £73,000 under budget – this relates to lower than expected payments to operators;
 - Bus Stations - £41,000 under budget – this is mainly due to lower than expected spend on repairs and maintenance;
 - Bus Shelters - £18,000 over budget – this is mainly due to higher than

expected spend on repairs and maintenance; and

- Passenger Transport Information - £15,000 under budget – this is mainly due to lower than anticipated spend on equipment.

2.3 The following table provides a detailed breakdown of expenditure in Durham:

	Original Budget	Spend to Date (July 2019)	Forecast to Year end	Variance (Budget vs Forecast)
	£000	£000	£000	£000
Concessionary Fares	12,048	3,674	12,048	0
Subsidised Services	2,584	(199)	2,511	(73)
Bus Stations	144	407	103	(41)
Bus Shelters	19	(4)	37	18
Passenger Transport Information	89	80	74	(15)
Staffing	668	168	668	0
Share of JTC Transport Costs	10	0	10	0
Net Expenditure	15,562	4,126	15,451	(111)

2.4 The projected underspend at the year end will be retained by Durham County Council.

Northumberland

2.5 The projected outturn shows an underspend of £120,000 for Concessionary Fares and Subsidised Bus Services. The main reasons for this are:

- Concessionary Fares – If performance continues at current levels then the budget is anticipated to break-even. The patronage for this service is declining at approximately 1.5% per annum but this reduction is offset by comparable increases in ticket prices. As there has been very little change or disruption to the bus service network in Northumberland over the past twelve months the outturn is expected to be in line with budget.
- Subsidised Bus Services – The Council supports a range of socially necessary bus services, mainly in the rural North and West areas of the County but also some in the more urban South East. It is forecast that the outturn position will show an underspend of £120,000 at the end of the financial year. There are not expected to be any new routes added to the network during the financial year and the forecast takes account of a recent

tender exercise in the North of the County due to an operator deciding to terminate some services they provided.

2.6 The following table provides a detailed breakdown of expenditure in Northumberland:

	Original Budget	Spend to Date (July 2019)	Forecast to Year end	Variance (Budget vs Forecast)
	£000	£000	£000	£000
Concessionary Fares	4,690	1,158	4,690	0
Subsidised Services	1,230	(3)	1,110	(120)
Bus Services	24	5	24	0
Passenger Transport Information	25	0	25	0
Staffing	125	42	125	0
Share of NECA Transport Costs	10	0	10	0
Net Expenditure	6,104	1,202	5,984	(120)

2.7 The projected underspend at the year-end will be retained by Northumberland Council.

Tyne and Wear – Nexus

2.8 When approving the Nexus 2019/20 revenue budget, the JTC agreed use of reserves of £0.700m in order to set a balanced budget.

2.9 In the run up to the end of the 2018/19 financial year and in the early part of 2019/20, a number of budget pressures have emerged in the Nexus budget that were not factored into the 2019/20 base budget. Factoring in these issues has meant that the forecast deficit has increased from £0.700m to £3.500m, an increase of £2.800m. £1.100m of this variance relates to the development of Nexus Transforming Cities Fund (TCF) bids, such costs being non-recurring. These costs will be funded from Nexus reserves.

2.10 The variations are set out below:

	£000	£000
Base budget 2019/20 (initial budget deficit)		700
Forecast Variations		
Fare revenue	1,000	
Employees	200	
Contract price inflation	500	1,700
Forecast recurring deficit / budget shortfall 2019/20		2,400
Exceptional one off Items		
TCF funding	1,100	1,100
Forecast deficit 2019/20		3,500

- Fare revenue – Passenger numbers are reduced compared to the budgeted position and the preliminary forecast has been calculated as having an adverse impact on budget of £1.000m. The current forecast of £45.800m is £0.300m higher than the 2018/19 outturn but is 2.1% below the original 2019/20 base budget of £46.800m.
- Employees – The April 2019 pay awards were agreed at 0.5% higher than originally budgeted, creating a budget pressure of £0.200m.
- Contract price inflation – Several of Nexus’ costs linked to new contract renewals have created budget pressures totalling £0.500m greater than the inflationary costs factored into the 2019/20 base budget. These include high voltage power and cleaning contracts.
- Transforming Cities Funding - £1.100m has been committed to progress Nexus bids to secure TCF grant funding as part of the overall bid submitted by the Joint Transport Committee on behalf of the region. This is a one- off exceptional cost, relating mainly to external support required in relation to the Metro twin tracking scheme, which at this time is a pressure on the revenue budget, however if the bid is successful some of these costs could be transferred to the capital programme.

Retained Levy Budget

2.11

This budget relates primarily to activity inherited from the former Tyne and Wear Integrated Transport Authority (TWITA) as well as some costs such as external audit and the cost of servicing the JTC which relate to the whole JTC area. The majority of the budget relates to financing changes on historic supported borrowing debt. Additionally, there is budget provision to pay for support services, other supplies and services, and a repayment to the Tyne Tunnels account for the use of reserves in 2013/14 to pay off the Tyne and Wear Pension Fund deficit. Expenditure for the year is currently forecast to be within the budget of £2.120m with no significant variances.

Tyne Tunnels

2.12

The Tyne Tunnels are operated as a ringfenced account, so all costs associated with the tunnels are fully met from toll income and Tyne Tunnels reserves, with no call on the levy or other public funding. The forecast position for the year is a small deficit of £18,000 compared to the original budget agreed by the JTC in January 2019 which was a small surplus of £25,000. Details are set out in the table below with variances explained in the following sections.

	Original budget	Spend to Date	Forecast to Year end	Variance (Budget vs Forecast)
	£000	£000	£000	£000
Tolls Income	(28,090)	(9,747)	(27,881)	209
TT2 Contract Payment	21,197	7,367	21,297	100
Historic Pension Costs	52	16	52	0
Support Services	95	40	95	0
Supplies and Services	45	1	45	0
Financing Charges	6,966	2,233	6,700	(266)
Interest/Misc Income	(50)	0	(50)	0
Repayment from former TWITA reserves	(240)	(80)	(240)	0
(Surplus)/Deficit on Tyne Tunnels account	(25)	(170)	18	43

- Tolls income – the forecast for tolls income has been reduced by £209,000 compared to the original budget. This is due to a delayed date for implementing the toll increase.
- The TT2 Contract Payment is forecast to be £100,000 higher than the original budget due to the increase in the Shadow Toll by which the payment is calculated in line with inflation.
- These costs have been largely offset by a reduction in the forecast for financing charges, which results in a small deficit of £18,000 forecast for the year, as compared with the original budget which was a small surplus of £25,000.

Regional Transport Team

- 2.13 The Regional Transport Team budget is to support the Joint Transport Committee and North East LEP as a whole, on a seven authority basis. The budget includes salary costs and the items required to ensure a functional central resource across the JTC area including the development of the Transport Manifesto and Transport Plan and various research projects where value can be added at a regional level including modelling works, major schemes bid development, including Transforming Cities fund, the Freight Quality Partnership and other research studies. The team has also taken on the role of providing support to the Consortium of East Coast Main Line Authorities (ECMA), the costs of which are partly met through a recharge to other member authorities.
- 2.14 When the budget was set, it assumed that staff within the team currently employed by Newcastle City Council would transfer to the employment of NECA with effect from 1 April 2019. This has the effect of reducing superannuation contributions to 0% from 2019/20 for several years. The transfer has not yet taken place resulting in pension contributions totalling £27,000 to date . These costs are being mitigated by vacancies within the team.
- 2.15 Forecast expenditure for the Regional Transport Team is estimated to be in line with the budgeted figure of £823,000.

3. Reasons for the Proposals

- 3.1 This report is for information, to enable the JTC to fulfil its role of monitoring transport budgets on behalf of the two combined authorities.

4. Alternative Options Available

- 4.1 This report is for information.

5. Next Steps and Timetable for Implementation

- 5.1 The revenue budget for 2019/20 will be monitored during the financial year and reported to the Joint Transport Committee periodically. Work on the preparation of the 2020/21 budget is underway.

6. Potential Impact on Objectives

- 6.1 There are no impacts on objectives arising from this report which is for information.

7. Financial and Other Resources Implications

- 7.1 The financial implications arising from this report are set out in detail within the body of the report. The report is for information and provides the Joint Transport Committee with an updated forecast of expenditure against the budget approved in January 2019. There are no financial decisions arising from the report.

8. Legal Implications

8.1 There are no specific legal implications arising from this report which is for information.

9. Key Risks

9.1 Financial risks associated with the authority's activities, and actions taken to mitigate these, will be factored into strategic risk management processes for the Joint Transport Committee.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 The Revenue Budget for 2019/20 was subject to a period of consultation and engagement as part of the approval process. Detailed budget proposals are subject to consultation as appropriate, which is organised by the relevant delivery body.

13. Other Impact of the Proposals

13.1 There are no other impacts arising from these proposals.

14. Appendices

14.1 None

15. Background Papers

15.1 JTC Revenue Budget report, 22 January 2019.

16. Contact Officers

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

17. Sign off

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

18. Glossary

DfT – Department for Transport
TCF – Transforming Cities Fund
JTC – North East Joint Transport Committee

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