

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

---

**Date:** 19 September 2019

**Subject:** Monitoring Nexus' Performance

**Report of:** Managing Director, Transport North East

### **Executive Summary**

The report provides a summary update on Nexus' performance in delivering the key priorities of its Corporate Plan for 2019/20 for the 4 Periods to 20<sup>th</sup> July 2019 with a particular focus on Periods 3 & 4 – the 3<sup>rd</sup> and 4<sup>th</sup> cycle of the 4 week periods.

Metro Customer Satisfaction of 7.8 (August 2019) is meeting the target of 7.8. Actions being taken to improve punctuality and reliability should further increase the overall satisfaction score.

Metro ridership moving annual total is 35.591m which is 0.9% below the equivalent figure for 2018/19. Punctuality for Periods 3 & 4 has improved to 85.9% from the average of 80.9% achieved over the first two periods of 2019/20 but was still below the target of 90%.

Financially, a number of budgetary pressures remain. Metro farebox revenue for 2019/20 is forecast to be 2.1% less than the base budget of £46.80m.

Nexus is in the closing stages of evaluating the Best and Final Offers from the three shortlisted train manufacturers prior to the submission of the final business case to Department for Transport (DfT).

### **Recommendations**

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance in realising the key priorities in its Corporate Plan for 2019/20, including Metro performance.

## 1. Background Information

- 1.1 The report provides summary information about Nexus' progress against its Corporate Plan (CP) targets and objectives for 2019/20 over the eight weeks from 26<sup>th</sup> May 2019 to 20<sup>th</sup> July 2019.
- 1.2 For 2019/20 the CP has three main themes and ten key priority work-streams.
- 1.3 Applying a RAG (Red/Amber/Green) status to each of these workstreams the overall performance is summarised below:

Theme 1: Deliver public transport today.		Status
Key priority	<p>Improve the Metro customer journey experience</p> <ul style="list-style-type: none"> <li>The most recent Metro Customer Satisfaction Survey in August 2019 saw an improvement in the overall score to 7.8 from the May 2019 score of 7.5.</li> <li>The Metro ridership moving annual total at the end of Period 4 is 35.591m and 0.9% below the equivalent figure for 2018/19. For Periods 3 and 4 ridership was 0.6% below the target of 5.06m.</li> <li>The Metro fare revenue forecast for 2019/20 is now 2.1% less than the base budget of £46.80m.</li> <li>Punctuality for Period 3 and 4 has improved to 85.9% from the average of 80.9% achieved over the first 2 Periods in the reporting year.</li> <li>Peak fleet availability for Period 3 and 4 has improved to 66.7% from the Period 1 and 2 average of 40.5%.</li> </ul>	Amber
	<p>Protect levy funded frontline services</p> <ul style="list-style-type: none"> <li>The 2019/20 current forecast is a deficit of £3.50m. However, this will not impact frontline services in 2019/20.</li> </ul>	Green
	<p>Deliver technological improvements</p> <ul style="list-style-type: none"> <li>Smart Ticketing: Host Card Emulation (your phone becomes your smartcard). Agreements with technology providers are being finalised prior to preparations for the trial phase.</li> <li>Ticketing and Gating. The first ten upgraded ticket machine bank card readers have been installed. Testing is taking place prior to full rollout.</li> </ul>	Amber

Theme 2: Prepare for the Future		Status
Key priority	<p>Award contracts to design, build and maintain a new train fleet.</p> <ul style="list-style-type: none"> <li>The evaluation of the three remaining tenderers 'Best and Final Offers' are in the closing stages prior to submission of the final business case to the DfT.</li> <li>Continuing uncertainty about Brexit poses a significant risk.</li> </ul>	Green
	<p>Ensure the North East's priorities are reflected in TfN's plans.</p> <ul style="list-style-type: none"> <li>The TfN draft proposition to the Williams review reflects the JTC position on rail devolution.</li> </ul>	Green
	<p>Develop plans to expand Metro and local rail services</p> <ul style="list-style-type: none"> <li>Metro's Flow project: Draft Outline Business Case submitted to the Transforming Cities Fund Team at the DfT. The complex interfaces with Network Rail are being worked through.</li> </ul>	Green
	<p>Develop plans to improve the local public transport network and the use of new mobility services</p> <ul style="list-style-type: none"> <li>Development of the Nexus elements of the Transforming Cities Fund bids to outline business case is progressing to plan.</li> </ul>	Green

Theme 3: Focus on organisational effectiveness		Status
Key priority	<p>Implement change and pursue continuous improvement</p> <ul style="list-style-type: none"> <li>Progress continues on the new organisation structure, aligning with the Fleet maintenance contracts, the TUPE transfer of NEMOL staff into Nexus and the revised senior management arrangements following creation of the Chief Operating Officer position.</li> </ul>	Green
	<p>Deliver the new Nexus' Learning Centre in South Shields</p> <ul style="list-style-type: none"> <li>Completion in March 2020 remains on track with occupancy to follow immediately after.</li> </ul>	Amber
	<p>Continue the planned Asset Renewal Programme</p>	Green

	<ul style="list-style-type: none"> <li>• The South Shields Transport Interchange opened on 4<sup>th</sup> August.</li> <li>• Focus is now on closing out a number of major contracts and detailed planning for further high priority track renewals in the first 6 months of 2020/21.</li> <li>• The Overhead Line Equipment renewal programme continues to plan.</li> </ul>	
--	--	--

- 1.4 **Metro Customer Satisfaction Survey (CSS):** The overall score in the latest August 2019 survey is 7.8, meeting the 7.8 target set. Actions being taken to improve punctuality and reliability should further increase the overall satisfaction score. Within the CSS, 23 areas of Metro service are split into six categories. The level of overall customer satisfaction is also included in the survey. Compared with the May 2019 results, scores improved across all categories surveyed. The survey takes place in November.
- 1.5 **Metro Punctuality:** Over Period 3 and 4, 85.9% punctuality was achieved against a target of 90%. [P3: 86.6% and P4: 85.2%]. This is a significant improvement on the punctuality for Period 1 & 2 [80.9%] but still 4.5% below target for P3 & P4. In addition to service disruptions experienced, there are several underlying factors impacting punctuality including Temporary Speed Restrictions. Work to address these is progressing.
- 1.6 **Peak Fleet Availability:** Peak fleet availability over Period 3 and 4 was 52 of 78 peaks (66.7%) - much improved over the Period 1 and 2 figure of 30 of 74 (40.5%), 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.
- 1.7 **Metro Patronage:** Over Period 3 and 4, Metro's patronage totalled 5.028m which is just 0.6% below the target of 5.060m. The moving annual total of at the end of Period 4 of 35.591m is just 0.9% below the figure for the same period in 2018/19 of 35.944m.
- 1.8 **Metro Revenue** As at the end of Period 4, the 2019/20 forecast Metro fare box revenue is £45.80m which although £0.30m higher than the 2018/19 actual, is £1.00m (2.1%) adrift from the original base budget of £46.80m.
- 1.9 **Financial Position:** Due to a number of emerging pressures that have manifested themselves in the run up to and shortly after the beginning of the new financial year the 2019/20 current forecast is a deficit of £3.50m.

## 2. Proposals

- 2.1 There are no proposals arising from this performance monitoring update.

## 3. Reasons for the Proposals

- 3.1 Not applicable to a performance monitoring update report.

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

4.1 No alternatives arise in respect of this performance monitoring update

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

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

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

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

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

7.1 There are no direct financial or resource considerations arising from this performance monitoring update report.

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

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

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

9.1 There are no direct risk considerations arising directly from this report, though monitoring and reviewing performance information plays an important role in risk management. A separate review of Nexus' corporate risk register is provided to each scheduled meeting of the Tyne and Wear Sub-Committee in parallel with this report.

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

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

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

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

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

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

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

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

#### **14. Appendices**

14.1 None

**15. Background Papers**

15.1 Nexus' Corporate Plan 2019/20 as considered and approved at the Sub-Committee's meeting in January 2019.

**16. Contact Officers**

16.1 Tobyn Hughes,  
Managing Director, Transport North East  
Email: [tobyn.hughes@nexus.org.uk](mailto: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**

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