

Overview and Scrutiny Committee

Tuesday 16th July, 2024 at 10.00 am

Meeting to be held: Committee Room 2, Durham County Hall, Durham, DH1 5UL

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AGENDA

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1. Apologies for Absence	
2. Declarations of Interest	
3. Appointment of Vice Chair	
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5. Initial Transport Programme and City Region Sustainable Transport Settlement	5 - 10

Contact Officer: Michael Robson, Senior Governance Officer
Tel: 0191 277 7242 E-mail: michael.robson@northoftyne-ca.gov.uk
www.northeast-ca.gov.uk

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Title: Work Programme 2024/25

Report of: Gavin Armstrong, Policy and Scrutiny Officer

Report Summary

The report sets out a process for the Overview and Scrutiny Committee to establish a provisional work programme for the 2024/5 municipal year.

Recommendations

Overview and Scrutiny Committee is recommended, following discussion, to agree a provisional work programme for the year ahead, noting that it can change throughout the year to respond to matters as they arise.

A. Context

1. Background

1.1 The role of the North East Combined Authority Overview and Scrutiny Committee is to:

- Review or scrutinise decisions made, or other actions taken, by the Cabinet or the Mayor in connection with the discharge of any functions which are the Cabinet's or the Mayor's responsibility.
- Make reports or recommendations to the Cabinet or the Mayor (as appropriate) with respect to the discharge of their functions or on matters of strategic importance that affect the North East CA area or inhabitants.
- Review the performance of the Cabinet and Mayor against objectives within their strategies and policies.
- Facilitate the exchange of information about the work of the Cabinet and the Mayor and share information and outcomes from reviews.

1.2 The members of the Overview and Scrutiny Committee can scrutinise and challenge the Cabinet and the Mayor and consider matters of strategic importance to residents within the North East CA's area with a view to influencing the decisions of the Cabinet and the Mayor.

1.3 The Committee is responsible for determining its own work programme, having taken advice from relevant officers. When considering a work programme, it will:

- Determine whether an issue is more appropriately dealt with by one of the constituent councils or by some other organisation or in some other way and will not duplicate the work of existing bodies or agencies.

- Take into account the resources available to support that programme and avoid establishing priorities for which the costs exceed the likely benefits.
- Avoid initiating enquiries at a time, or in a manner which disrupts the effective and efficient operation of the Authority, or unnecessarily delays the conduct of its business.

2. Formulating the proposed work programme

- 2.1 Members appointed to the Committee were invited to join an induction workshop on 18 June 2024 to receive presentations regarding the functions and operation of the North East CA and to begin to develop a work programme and ways of working in order to fulfil its role.
- 2.2 Following the workshop and further discussions with the Chair of the Committee, an outline work programme has been compiled based on the four scheduled meetings of the Committee to be held in 2024/25.
- 2.3 To aid the development of the work programme and to ensure each meeting has a full and balanced agenda, attached at appendix 1 is a skeleton outline for the year ahead identifying which reports are already expected to each of the meetings scheduled. For example, the Overview and Scrutiny Committee has an important role in the budget setting process and the initial budget proposals will be presented at the 10 December 2024 meeting. A Budget Workshop is proposed in January and a report setting out the committee's recommendations will be submitted to the January Cabinet meeting.
- 2.4 Once agreed the work programme reflects what the committee would like to do in the year ahead at this moment in time. It is acknowledged that a subject or matter, currently unthought of, might require the committee's attention during the year and will be added to the work programme. The committee will be mindful of its ability to, and the process for, calling extraordinary meetings and adding urgent items of business to meeting agendas.
- 2.5 In formulating the proposed work programme, the principles set out in paragraph 1.3 will be taken into consideration.
- 2.6 Officers, in consultation with the Chair and committee members are considering ways to support the committee to be most effective, including briefings and workshops outside of the formal committee meeting process to, for example facilitate a discussion with members on how these scrutiny exercises might best be undertaken.
- 2.7 As stated above, agreeing these proposals now does not prevent items being moved to a more suitable meeting or additional items being added as the need arises during the year; it provides a framework for the work of the committee for the year ahead.

B. Equalities implications

The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic will look to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.

C. Consultation and engagement

The newly appointed committee discussed the work programme at their workshop on 18 June 2024 and the Senior Leadership Team at North East CA's are aware of the proposed approach to the work programme.

D. Appendices

Appendix 1 – Skeleton work programme for North East CA's Overview and Scrutiny Committee for 2024/25.

E. Background papers

No background papers.

F. Contact officer(s)

Gavin Armstrong, Policy and Scrutiny Officer, gavin.armstrong@northeast-ca.gov.uk
Michael Robson, Senior Governance Officer, Michael.robson@northeast-ca.gov.uk

G. Glossary

OSC – Overview and Scrutiny Committee

**Overview and Scrutiny Committee
Proposed work programme 2024/25**

8 October

- Mayoral Update – Mayor Kim McGuinness
- 2024/25 Budget setting process
- Strategic Portfolio Delivery Plans
- North East Local Transport Plan
- Bus Reform Options

10 December

- Medium Term Financial Plan/Budget Proposals
- Q2 Budget and Performance Monitoring
- Child Poverty Prevention

14 January 2025 - Budget Workshop

4 March

- Q3 Budget and Performance Monitor again could be Finance and Performance
- Scrutiny Annual Report
- AEB (Adult Education Budget) and Skills Update
- Strategic Portfolio Delivery Plans Update
- Transport – first year in review

Title: Initial Transport Programme and City Region Sustainable Transport Settlement (CRSTS)
Report of: Tobyn Hughes, Director of Transport

Report Summary

The purpose of this report is to provide an overview of the initial transport programme. The programme is outlined in summary, including: the funding which is available to the North East CA to deliver improvements to the transport network; the means by which transport functions are delivered and the measures that are already underway to deliver improved bus fares, bus services, bus information, bus infrastructure, rail infrastructure, walking and cycling infrastructure, electric buses and electric vehicle charge-points.

In addition, the report also provides a brief overview of the emerging City Region Sustainable Transport Settlement (CRSTS) programme, which will be considered by Cabinet at its 30 July 2024 meeting.

Recommendations

The Overview and Scrutiny Committee is recommended to note the contents of the report and make any recommendations as appropriate.

1. Background

- 1.1. Prior to May 2024 the North East's transport policies, funding and delivery activities were co-ordinated by the Joint Transport Committee (JTC) on behalf of the two combined authorities that preceded the North East CA. Over its six years of existence the JTC published a Transport Plan and a number of supporting strategies, secured £898.86m of funding and delivered improvements to transport including new and improved bus and rail stations, enhanced capacity on the Metro system through the "Metro Flow" project, a barrierless tolling system in the Tyne Tunnels that improved traffic flow and reduced CO2 emissions from queuing traffic, and benefits to bus users through the 'Bus Service Improvement Plan'.
- 1.2. Transport policy, funding and delivery activity is now the responsibility of the North East CA and together with the obligations set out within the Devolution and Deeper Devolution ("Trailblazer") Deals for transport, forms the basis of North East CA's transport programme.

2. Transport Budget

- 2.1. The transport revenue budget for the financial year 2024/25 was set by the JTC in January 2024, and along with the associated levies on constituent councils forms part of the North East CA's overall combined budget. The total levy-funded budget for the year is £93.767 million and mainly covers the operation of a range of grant-funded services delivered through Nexus, Durham County Council and Northumberland County Council including concessionary travel, subsidised bus services, bus waiting facilities, public transport information, Metro, and the Shields Ferry.
- 2.2. The Tyne Tunnels are accounted for as a ring-fenced account within the transport budget, meaning that all costs relating to the tunnels are wholly funded from toll income and Tyne Tunnels reserves, with no call on the levy or external government funding.

2.3. The JTC also set the 2024/25 capital programme for transport which amounts to £304.416 million covering a wide range of projects that include active travel, bus infrastructure, electric vehicle charging infrastructure, electric bus fleet, and Nexus' capital programme covering the Metro Asset Renewal Programme and the introduction of a new Metro Fleet.

3. Transport Delivery

3.1. Delivery of the North East CA's transport duties and its transport programme is achieved through a number of avenues: through Nexus, Durham County Council, Northumberland County Council and TT2 Limited; through partnerships with delivery bodies, operators and other agencies; and through direct procurement.

3.2. Nexus is the Passenger Transport Executive for Tyne and Wear, created by the Transport Act 1968. Nexus:

- Owns and operates the Tyne and Wear Metro system
- Secures approximately 20% of bus routes in Tyne and Wear
- Operates and maintains transport interchanges and 6500 bus stops and shelters
- Owns and operates the Shields Ferry
- Administers the Tyne and Wear Concessionary Travel scheme with approximately 33 million journeys per annum

3.3. The North East CA has delegated certain transport functions to Durham County Council and Northumberland County Council. These primarily relate to securing socially necessary bus services, home-to-school transport, community transport, the operation of concessionary travel schemes, and the provision of local bus information.

3.4. TT2 Limited operates the Tyne Tunnels under a Design Finance Build Operate (DBFO) contract with the North East CA known as "the Project Agreement" which runs until 2037. Under the contract TT2 is responsible for all maintenance and operations of the tunnels including toll collection and enforcement of non-payment of the toll. The tunnels are self-funded and receive no central government funding nor any local authority subsidy or levy, with all operational costs and debt financing costs being met from the tolls charged to users of the vehicle tunnels.

3.5. Bus services in the North East are currently delivered through an Enhanced Partnership, a statutory arrangement under the 2017 Bus Services Act which enables the North East CA, bus operators and local highways authorities to work closely together to improve bus services. The Enhanced Partnership was introduced in 2023 and is focused on delivering the region's Bus Service Improvement Plan (BSIP). A Bus Partnership Board meets regularly to review the progress made in delivering the BSIP and to agree on shared actions.

3.6. The North East CA is a constituent member of Transport for the North (TfN), a statutory body whose primary role is to develop and implement a Strategic Transport Plan, focusing on enhancing connectivity between major northern cities and towns to boost economic performance. TfN also brings an involvement in managing the two rail operators that wholly serve the north of England, Northern Trains and TransPennine Trains, through a Rail North Partnership Board that brings together TfN and Department for Transport (DfT) officials to oversee performance and input into future specifications. A local grouping called the North East Rail Management Unit allows partners for North East England to have a more detailed oversight of, and input into, these matters insofar as they relate to the North East.

3.7. The development of partnership arrangements is underway with National Highways, Active Travel England, and the Great British Railways Transition Team. All of these partnerships are referenced in the Devolution and Trailblazer Deals and aim to put in place shared objectives and a common action plan between the North East CA and the relevant Government agencies. Other partnership

arrangements either exist or are in development to bring local partners and stakeholders together around a shared delivery plan for Active Travel, Zero Emission Vehicle infrastructure, Future Mobility, Climate Change Resilience, and improving the East Coast Main Line

- 3.8. Finally, many aspects of the transport programme are delivered through grant funding agreements with Constituent Authorities and Nexus (e.g., highways, bus and active travel infrastructure, integrated ticketing projects), directly through in-house teams (e.g. Active Travel promotion, Urban Traffic Management and Control Centre) or through procurement contracts (e.g. Electric Vehicle Charging Infrastructure).

4. Transport Programme

- 4.1. The North East CA's initial transport programme consists of the current funded activities:

Funding Programme	Activity	Allocation (millions)	Delivery Period
Bus Service Improvement Plan	Bus fares, services, information and infrastructure	£174.7	2023/24 – 2024/25
Transforming Cities Fund	Bus, rail and active travel infrastructure	£38.2	2022/23 – 2024/25
Levelling up Fund (Transport Decarbonisation)	Electric buses and EV Chargepoints	£19.5	2023/24 – 2024/25
Active Travel Fund	Walking and cycling infrastructure	£49.5	2022/23 – 2025/26
Active Travel Capability Fund	Project design and active travel promotion	£5.7	2022/23 – 2024/25
Local Electric Vehicle Infrastructure Fund	EV Chargepoints	£15.8	2024/25 - 2026/27
Local Electric Vehicle Infrastructure Fund Capability Funding	Project design	£1.1	2023/24 – 2024/25
Zero Bus Regional Areas 2	Electric buses	£7.4	2023/24 - 2024/25
Nexus Fleet Replacement Project	New Metro fleet	£362	2018/19 – 2025/26
Nexus Metro Asset Renewal Programme	Essential infrastructure renewals	£113	2024/25 - 2026/27

Table 1: Funded transport activity

- 4.2. In addition to the funded activity outlined in *Table 1*, the transport programme is supplemented by projects which will fulfil the commitments that were included within the Devolution Deal and the Trailblazer deal for transport, as set out below.
- 4.3. Local Transport Plan (LTP) refresh: The process to refresh the LTP is underway as required by the Devolution Deal, it will be finalised by the Mayor and presented to Cabinet in due course. The proposed emphasis of the plan is on the delivery of an integrated transport network for the region, maximising the potential of the funding, powers and partnerships which are available. It will include an accompanying delivery plan, developed collaboratively with partners, outlining proposed schemes and products which will expand the reach, quality and resilience of our transport network, and improve the experience of users.
- 4.4. Highways Key Route Network: The Devolution Deal requires the North East CA to develop and agree a Key Route Network (KRN), a map of the most strategically important local roads which add the greatest economic and social value, and which underpin enhanced connectivity across the region. The KRN will be presented to Cabinet alongside the refreshed LTP.

- 4.5. Bus Service Improvement Plan (BSIP) Refresh: The Government requires, as a condition of funding, that the BSIP is refreshed on an annual basis. This work is underway, with a view to securing further funding for bus services. The draft refresh of the BSIP is proposed to be presented at July's Cabinet meeting for review.
- 4.6. North East Rail Board and Partnership: The Trailblazer Deal provides an opportunity for the North East CA to exert meaningful influence over rail services, particularly local services, ensuring alignment with the LTP. Work to develop this is underway with the DfT and Great British Railways Transition Team.
- 4.7. Local Rail and Metro expansions: Defined by schemes outlined in the published North East Rail and Metro Strategy, this project will conduct studies and prepare a prospectus examining local rail and metro extension opportunities. It will illustrate the costs, benefits, and feasibility of potential future routes.
- 4.8. Leamside Line: The Leamside Line is a disused 21-mile railway line which runs from Gateshead to Ferryhill in County Durham. The reopening of the line would add capacity to the East Coast Main Line which runs parallel to it and provide connections to towns and cities across the North East, helping to drive the economy and growth of the region using existing infrastructure. This work is being taken forward through two projects - the Washington Metro Loop and Leamside South, a proposal is due before Cabinet at its July 2024 meeting to allocate budget to take Business Case work forward for both projects.
- 4.9. City Region Sustainable Transport Settlement (CRSTS): The Devolution Deal detailed arrangements for a North East City Region Sustainable Transport Settlement (CRSTS), it totals £563m of capital funding for the period up to March 2027. CRSTS funding is unlocked via the production of a Business Case which must comply with DfT guidance. CRSTS is due to come before Cabinet at its July 2024 meeting, the following section covers CRSTS in detail.

5. City Region Sustainable Transport Settlement

- 5.1. The North East CRSTS totals £563m of capital funding for the period up to March 2027, and consolidates existing funds including Highways Maintenance funding, Pothole Funding, Integrated Transport Block and a proportion of Transforming Cities Funding (TCF), with additional monies provided for local sustainable transport enhancements. Up to £147m is available as new capital funding for local transport enhancements.
- 5.2. Though initial CRSTS funds released to 2027 will not include the delivery of CRSTS projects in County Durham, in February 2024 Government announced that the North East CA will receive an additional £72.844 million of capital funding from the Local Transport Fund (LTF) to support local transport improvements in County Durham for the financial years 2025/26 and 2026/27. Further detail on a programme of interventions to be brought forward utilising LTF will be presented to Cabinet in due course.
- 5.3. In October 2023, the Government announced that a further round of CRSTS will be made available to the North East CA for the five-year period starting in the financial year 2027/28 through to 2031/32, indicatively, the total sum of funding to be provided through this second tranche of CRSTS funding is up to £1.8 billion.
- 5.4. An investment programme to be delivered using the first round of CRSTS funding is due to be considered by Cabinet at its July 2024 meeting. The CRSTS programme has been assembled through an extensive independent and rigorous evidence-based assessment, built on an initial pipeline of schemes identified in the North East Transport Plan and supplemented with information supplied in collaboration with Local Authorities and regional partners. The purpose of the independent assessment was to assemble a programme of schemes taking into account:

- Deliverability
- Development stage and readiness
- Complexity of scheme delivery (including land, powers, and consents)
- Alignment to CRSTS objectives
- Support of wider investment and strategic priorities
- Value for Money
- Consultation and engagement

5.5. CRSTS will be a key enabler of the forthcoming North East Local Transport Plan, it will assist in the delivery of Mayoral manifesto commitments, and in the delivery of the ambitions outlined within the Devolution Deal. With investment secured through CRSTS over the next three years and through subsequent rounds of CRSTS funding, collectively the region will seek to deliver substantial improvements to our network and infrastructure, our stations and interchanges and our connectivity and accessibility. Furthermore, CRSTS will be central to delivering wider economic investment goals leveraging local transport improvements as an enabler and facilitator of growth.

6. Potential Impact on Objectives

6.1. The programme of activity outlined within this report supports the strategic aspirations of the North East CA, as detailed in the North East Devolution Deal signed in December 2022 and the Deeper Devolution Deal agreed at the June meeting of the North East CA Cabinet. The benefits that will be realised through the delivery of the transport programme will improve the attractiveness of public transport and active travel, leading to more people choosing to travel sustainably, journey time savings for those people choosing to travel sustainably and the reduction in harmful emissions owing to a concerted focus on decarbonisation. The programme as a whole lays the foundations for an integrated and inclusive transport network that will deliver a fairer, greener, better connected and successful North East.

7. Equalities Implications

7.1. There are no direct equalities implications arising out of the recommendations in this report. However, the Overview and Scrutiny should be mindful of its Public Sector Equality Duty and consider whether what is before them eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it. The Committee should also note that the North East CA has adopted equality objectives to reflect its different roles as an employer, a commissioner, deliverer of services and a civic leader.

8. Consultation and Engagement

8.1. Detailed consultation was undertaken with Local Authorities through the development of both the 2022 Devolution Deal and the Deeper Devolution Deal. Consultation pertaining to the funded activities detailed in section 4 was undertaken through the Joint Transport Committee (JTC) on behalf of the two combined authorities that preceded the North East CA.

9. Appendices

None.

10. Background Papers

North East Transport Plan (2021): <https://www.northeast-ca.gov.uk/downloads/2594/transport-plan-a4-north-east-transport-plan.pdf>

<https://www.northeast-ca.gov.uk/downloads/2609/appendix-b-transport-plan-feedback-response.pdf>

North East Rail and Metro Strategy (2022): <https://www.northeast-ca.gov.uk/downloads/2597/north-east-rail-and-metro-strategy.pdf>

Making the right travel choice (2022): <https://www.northeast-ca.gov.uk/downloads/2592/making-the-right-travel-choice-strategy.pdf>
<https://www.northeast-ca.gov.uk/downloads/2593/mtrtc-strategy-you-said-we-did-nov-22.pdf>

North East Bus Service Improvement Plan (2023): <https://www.northeast-ca.gov.uk/downloads/2591/bsip-refresh-sept-23.pdf>

North East Active Travel Strategy (2023): <https://www.northeast-ca.gov.uk/downloads/2590/active-travel-strategy-jun-23.pdf>

North East Zero Emission Vehicle Strategy (2023): <https://www.northeast-ca.gov.uk/downloads/2596/zev-strategy-dec-23.pdf>
<https://www.northeast-ca.gov.uk/downloads/2595/zev-strategy-consultation-report.pdf>

11. Contact Officers

Tobyn Hughes, Transport Director, North East Combined Authority
tobyn.hughes@northeast-ca.gov.uk

12. Glossary

BSIP: Bus Service Improvement Plan
CRSTS: City Region Sustainable Transport Settlement
DFBO: Design Finance Build Operate
DfT: Department for Transport
EP: Enhanced Partnership
EV: Electric Vehicle
KRN: Key Route Network
JTC: Joint Transport Committee
LTF: Local Transport Fund
LTP: Local Transport Plan
North East CA: North East Combined Authority
SOC: Strategic Outline Case
TAMP: Traffic Asset Management Plan
TfN: Transport for the North
ZEB: Zero Emission Bus
ZEBRA2: Zero Emission Bus Regional Areas Round 2
ZEV: Zero Emission Vehicle