

Joint Transport Committee Tyne and Wear Sub-Committee

Thursday, 11th April, 2024 at 2.00 pm

Meeting to be held in the Blaydon Room, Gateshead Civic Centre, Regent Street, Gateshead, NE8 1HH

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 (and submit it to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.

3. **Minutes of the last meeting held on 18 January 2024**

3 - 10

The Sub-Committee is asked to approve the minutes of the meeting held on 18 January 2024.

4. **Nexus Corporate Performance Update**

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5. **Nexus Corporate Risks 2024/25**

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6. **Tyne Tunnels Update**

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7. **Tyne Tunnels ADR Tunnel Category**

71 - 76

8. **Exclusion of the Press and Public**

The Tyne and Wear Sub-Committee may wish to exclude the press and public during consideration of items 9 and 10 by virtue of paragraphs 1 and 3 of Part 1 of Schedule 12A of the Local Government Act.

9.	Confidential Minutes of the Meeting held on 18 January 2024	77 - 78
10.	Nexus Non-Executive Directors	79 - 82

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JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 18 January 2024

VENUE: WHICKHAM ROOM, GATESHEAD CIVIC CENTRE

Committee Members Present:

Councillor: C Johnson (Chair)

Councillors: S Dean, A Hay, and J McElroy

In attendance:

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

Officers: J Cram, M Dodds, J Fenwick, H Lewis, S Lennie,
C Massarella, H Mathews, E Reynard and C Shilton.

34. APOLOGIES FOR ABSENCE

Apologies were received from Councillor F Cunningham, Councillor G Miller, Councillor C Rowntree and Councillor M Williams.

35. DECLARATIONS OF INTEREST

There were no declarations of interest.

36. MINUTES OF THE PREVIOUS MEETING HELD ON 9 NOVEMBER 2023

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

37. REVISION TO METRO, SHIELDS FERRY AND SECURED BUS FARES - APRIL 2024

The Sub-Committee considered a report which proposed an increase to fares on Metro, Shields Ferry and secured bus fares from April 2024. The proposals were presented against a backdrop of the ongoing cost of living crisis and inflation, which whilst trending downwards, continues to put significant financial pressure on Nexus. The proposals to be considered are an overall 3.4% fares increase for Metro (lower than the level of inflation of 4% in December 2023); 5.8% fare increase for Shields Ferry and 4.6% increase for secured bus services.

The proposals include:

- Introducing zonal variants of the Corporate Metro Season Ticket, offering customers undertaking travel in 1 or 2 zones and who purchase their Metro Season Ticket through their employer a similar price or a discount compared to the current all zones-only pricing.
- The discount offered for customers switching to adult Pay As You Go (PAYG) (Pop card) travel on Metro from paper tickets increasing to up to £1.10 for a single journey and up to £1.60 for daily travel. This will be facilitated by increasing the price of adult PAYG fares by 15p for single and daily travel, significantly less than equivalent Single and Day paper tickets which increase by 20p, 30p or 40p depending on the number of zones travelled in. The 3 zone paper Day ticket is held at £5.90, reflecting the £6.00 multimodal Day Rover ticket introduced in November 2023 as part of the region's Bus Service Improvement Plan.
- PAYG travel (Pop Blue) on Metro for young people aged 16 to 21 using Pop blue smartcards will be frozen at current prices.
- Adult, Student and 18 and Under Metro season ticket prices increasing at or below RPI inflation.
- A further freeze in the Metro Gold Card for older and disabled customers at £12 a year, and £24 for those not resident in Tyne and Wear.
- Prices for customers to park in Nexus six Park and Ride car parks will be frozen at £1.20 per day, £16 for a 4-week permit and £196 for an annual permit.

The proposals are designed to ensure that fare increases balance the need to provide affordable travel to customers whilst ensuring Nexus continues to be able to offset its budgetary pressures.

Councillor McElroy commented that any increases in fares are unwelcome, however he was reassured that the increases were below the rate of inflation. He welcomed the mitigation provided by using a Pop card and asked whether encouragement of Pop card use was being targeted at specific groups of people.

Officers reminded the Sub-Committee that Pop cards can be used by everyone and that there were 4.3 million journeys taken using Pop card last year. Studies have been undertaken which look at every ward in Tyne and Wear where there is a Metro station to see who uses a Pop card and there was an even distribution across the region, regardless of average income levels in each ward.

The Sub-Committee was also advised that the minimum top up amount to a Pop card has been reduced to £5 which is the same costs as an all-day ticket. In addition, 6,000 pop cards have been distributed throughout communities via partnerships with local football clubs, foodbanks and credit unions.

Councillor Johnson agreed that no-one likes fare rises, but any profits go back to Nexus to reinvest in public transport in the region, as this is not a Government funded service. However, he was pleased that the rises were below inflation.

RESOLVED: The Tyne and Wear Sub-Committee:

- (i) Approved the Metro, Shields Ferry and Secured Bus fares proposal detailed in Appendices A to F, to be implemented from 1st April 2024 which includes an overall increase in the weighted basket of fares of 3.4% for Metro, 5.8% for Shields Ferry and 4.6% for Secured Bus;
- (ii) Noted that the fares review is estimated to generate increased revenue of £0.670m and that the price freeze of the All-Zone day ticket is estimated to cost £0.477m in revenue foregone;
- (iii) Approved a freeze in the price of concessionary products (paragraph 2.6 refers); and
- (iv) Noted the alternative options explored as part of the fares review process (Section 4 refers).

38. TYNE TUNNELS TOLLS REVISION 2024

The Sub-Committee considered a report regarding a proposed toll increase at the Tyne Tunnels, which is required to maintain a self-funded balance on the Tyne Tunnels Account and keep pace with the Shadow Toll payable to the operator (TT2 Limited) under the concession agreement, which has been contractually triggered by movements in rates of inflation over the last year.

The mechanism for increasing tolls is set out in the River Tyne Tunnels Order 2005, which allows an increase in the tolls once every 12 months. The calculation for the toll increase is set out in the legislation and is based on the Retail prices Index from the application of the last increase in May 2023.

It is proposed that the toll for Class 2 vehicles (cars) increases by 20p to £2.40 and the toll for Class 3 vehicles (HGVs) increases by 40p to £4.80. No change is proposed to the 10% discount available to pre-paid account holders or the toll exemptions for emergency response vehicles, public bus services, disabled users and other categories of exempt vehicle as set out in the Tyne Tunnels Bylaws

and River Tyne (Tunnels) Order 2005. The proposals have been factored into the draft budget proposals agreed by the Joint Transport Committee held on 16 January 2024.

Councillor McElroy noted that the only reason that toll increases were being proposed was due to the contract so this was something that the Sub-Committee have no choice in considering.

Councillor Johnson agreed and added that if the tolls were not increased, that the funding would need to be found from elsewhere.

RESOLVED: The Tyne and Wear Sub-Committee

- (i) Approved an increase in tolls for Class 2 vehicles from £2.20 to £2.40 to take effect from 1 May 2024;
- (ii) Approved an increase in tolls for Class 3 vehicles from £4.40 to £4.80 to take effect from 1 May 2024; and
- (iii) Authorised the Monitoring Officer to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) Order 2005.

39. NEXUS CORPORATE BUSINESS PLAN 2024/25 – 2028/29

The Sub-Committee received a report which provided an update on the Nexus Corporate Business Plan 2024/25 – 2028/29 which is a rolling five-year programme which is reviewed annually. The Plan has been updated following comments made by the Sub-Committee at its last meeting.

A further report will be presented to the Sub-Committee in April subject to confirmation of revenue support from central government.

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

40. NEXUS CORPORATE PERFORMANCE UPDATE

The Sub-Committee received an update on the performance of Nexus against its Corporate Business Plan for 2023/24. This report covers Periods 7 and 8 which encompasses 17 September 2023 to 11 November 2023.

The winter plan has been modified in anticipation of the expected challenges, including some modifications to the fleet, heaters being deployed at the depot and a reduced timetable which has resulted in a more managed service for customers, with 9 out of 10 trains running to all destinations. The Pop App has been very valuable, providing real-time information on services, however during periods of disruption, has had to be turned off for short periods of time. However,

communication with customers has increased via social media and additional station specific announcements.

Councillor Johnson noted that there had been a story in the press recently regarding whether or not Stadler would have penalties applied due to the poor performance of the fleet, and asked officers to explain the process.

Officers advised that penalties are applied when fleet performance has been at levels below the agreed contract.

Councillor Johnson added that best value needed to be achieved and that penalties needed to be applied if required, and that the Sub-Committee would support officers in this regard.

Councillor McElroy asked for an update on the introduction of the new fleet and added that the performance challenges could have been avoided if the Government had provided funding to Nexus earlier.

Officers advised that new fleet is still in the testing phase and the trains are being tested every night. It is a very fluid process, and the teams are still learning about the trains and infrastructure, but a report will be provided at the next meeting.

Councillor Hay asked for clarification regarding the comment made earlier in the meeting regarding the Pop app being switched off when trains are disrupted. He asked whether this has impacted on customers being able to pay for their journeys. He suggested that as “Pop” is a payment system, it could be judged as confusing that the same app must be used to access real-time departure information.

Officers advised that the Pop App provides both real-time information and an ability to load payment onto the Pop card, but via two separate systems which are not linked. Therefore, it is possible to continue to pay for journeys via the Pop App even if the flow of real-time information to it has been temporarily disabled. It was agreed that this could give cause confusion to customers because of the naming convention, and this would be looked into.

Councillor Johnson commented there is often criticism directed at politicians regarding the timing of introduction of new Metro trains. He explained that the region’s politicians were making the case for funding for new trains for over five years before it was finally confirmed by the Government, and therefore the Government is responsible for their late introduction. Councillor Johnson was pleased that the new trains were finally being delivered but noted that there would be a difficult period until all of the trains were in service and asked everyone to be patient.

RESOLVED: The Tyne and Wear Sub-committee noted note Nexus’ performance against its key priorities in its Corporate Plan for 2023/24, including Metro performance.

41. NEXUS CORPORATE RISKS 2023/2024

The Sub-Committee received a report which provided an update on the Nexus Corporate Risk Register for 2023/2024, based on the approved Corporate Plan.

There are currently 3 risks which are 'red'. Of these, 2 risks are red because of funding uncertainties. These risks are:

- Long Term Funding for Metro
- North Shields Ferry Landing

Specifically, in relation to long term funding for Metro and efficiency of delivery of the capital programme, Nexus has received confirmation that the regional devolution agreement provides revenue and capital grant funding for 2023/24 and 2024/25. Whilst this allows for some longer term planning it does not allow Nexus to complete its full essential renewals programme. The rising costs of energy and raw materials has also applied additional pressures on budgets.

The North Shields Ferry Landing risk is red since the project to replace the North Shields Ferry Landing is currently unfunded. Nexus is continuing to work with Transport North East and the DfT to secure funding for the proposed relocation of the North Shields Ferry Landing and the Joint Transport Committee provided its support for a funding solution at its July meeting. A new landing is required by 2025 to ensure the longevity of the service.

The final red risk is Metro Performance which is red as a result of recent disruptions to service, particularly in relation to fleet availability and reliability.

Since the last review, the Funding public transport network improvements risk has declined in RAG status to amber, with the score increasing from 6 to 9. This is to reflect the fact that Nexus' ability to provide match funding for external funding bids may limit its ability to access capital funding.

Councillor McElroy asked whether the delay in planned works starting on the Tyne Bridge, which was being caused due to Government funding not yet being received, would have any impact on any mitigations that Nexus have planned?

Officers advised that although Nexus is not directly affected, and aside from the challenges already identified on Metro due to the age of the fleet, that the delay is causing uncertainty and delaying when advertising campaigns on using Metro as an alternative or promoting the use of park and ride can begin.

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

42. TYNE TUNNELS UPDATE

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

Traffic Tunnels

Traffic levels continue to remain higher than previous years with over 1.639 million journeys through the tunnels during November 2023, compared with 1.577 million journeys for the same month in 2022.

The compliance rate for journeys when the toll was paid under the Tyne Pass Scheme was 97.63% in October 2023. This compares well with October 2022 and continues the promising trend of fewer tunnel users failing to pay the toll on time.

The report also included an update on the release of the Tyne Tunnels Customer Guide which will be published in February 2024. All the information within the guide is already available on the TT2 website.

A question was received by a member of the public prior to the meeting regarding the length of time it has taken to produce the Tyne Tunnels Customer Guide since the proposal was first mentioned. A response was provided which explained that the document was identified as an action in the TNE Tyne Pass Appraisal Report, and the intention was for it to be published by the end of 2022. Unfortunately, there were other competing priorities in 2023 and the document underwent significant development and extensive review which delayed completion of the guide.

Pedestrian and Cyclist Tunnels

The tunnels continue to be well used with the daily average of users continuing to rise since the tunnels were reopened in 2019.

Work on completing the inclined lifts continues to progress with the final stages of testing and certification underway and it is hoped the lifts will open soon.

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

43. EXCLUSION OF THE PRESS AND PUBLIC

The Tyne and Wear Sub-Committee agreed to exclude the press and public during consideration of item 11 by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act.

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

Date: 11 April 2024
Subject: Nexus Corporate Performance Update
Report of: Managing Director

Executive Summary

The purpose of this report is to provide an update on the performance of Nexus against its Corporate Business Plan for 2023/24. This report covers Periods 9 to 11 which encompasses 12 November 2023 to 3 February 2024.

Between Periods 9 and 11, Metro patronage was 7.24m which was 3.1% below the periodic target of 7.47m.

In the reporting period, Nexus delivered 92.56% of its scheduled timetable. The ongoing challenges of maintaining the existing train fleet means that there is limited train capacity to replace trains which develop faults or to put in additional capacity to return trains to time in periods of disruption.

In times of disruption, Nexus prioritises providing passengers with a frequent service even if trains are not running to timetable. As such punctuality was 73.8% in the reporting period which is below the target of 82.8%.

Metro fare and commercial revenue is ahead of budget and if this performance continues, it may reach pre-pandemic levels this year. However, this still represents a reduction in real terms and Nexus' cost base continues to be under significant pressure due to inflation and the energy crisis. Patronage and revenue on the Shields Ferry and secured bus services are also ahead of budget.

Recommendations

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance against its key priorities in its Corporate Plan for 2023/24, 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 2023/24
- 1.2 For 2023/24 the CP has five main themes and 13 key priority work-streams.
- 1.3 A summary of the RAG (Red/Amber/Green) status for each of these workstreams is outlined below:

Safety without Compromise	
Workstream	Status
A Harm Free Environment	The 2023/24 Safety Plan is progressing to plan.
Improve Operational Safety	The 2023/24 SPAD (Signals passed at danger) reduction plan is being implemented.
Reduce anti-social behaviour	Partnership work to tackle ASB continues

A Harm Free Environment

- 1.4 The 2023/24 Safety and Security Plan is progressing to plan, with a focus on reducing workforce harm, customer safety, and public safety.
- 1.5 We are continuing with our escalator and stairs poster safety campaign aimed at reducing customer accidents at stations, especially in the Central corridor. We have also updated our station safety messaging to reflect these risks.

Improve Operational Safety

- 1.6 Nexus is continuing to deliver on the 2023/24 Signals Passed at Danger reduction plan.
- 1.7 Nexus currently has a monthly SPAD reduction working group, made up of attendees from various parts of the business and trade unions. We have taken additional steps to reduce the likelihood of SPADs occurring, including detailed training sessions, a continued review of our infrastructure, and support for safe and effective driving and management.

Reduce anti-social behaviour

- 1.8 Nexus continues to work alongside a number of partners on Operation Tanoak in South Shields town centre and the Interchange, to combat youth anti-social

behaviour. There are various other initiatives that are ongoing, involving several partners, in attempt to tackle the ongoing problems. The issues extend well away from the interchange and so a coordinated response is vital.

- 1.9 The British Transport Police are also continuing to run Operation Pindrop - a further series of days of action, seeing onboard patrols Pelaw – South Hylton, with the aim of reducing fear of crime and disorder and improving passenger satisfaction.

Customer Experience	
Workstream	Status
Invest in our infrastructure	Testing on our new fleet is continuing
Products, Payments, and Information	Pop Pay as You Go products have performed well this year
An excellent customer experience	Patronage continues to perform at similar levels to last year however, around fleet availability continue.

Invest in our infrastructure

- 1.10 Work on construction of the new depot and the manufacture and supply of the new train fleet is progressing against the revised programme. All of the existing/old buildings at the depot have now been demolished, construction of the remaining stabling roads is complete with entry into service for the last phase of the depot planned in first quarter of 2024. This will provide improved maintenance capacity at the depot.
- 1.11 In regards to the new fleet, unit 4 has spent a lot of time at Nexus Learning Centre to facilitate familiarisation of the new trains with Nexus’ Customer Service teams and emergency services, as well as visits by key stakeholders, including customers who played a key role in the consultation process and helped shape the design of the new trains.
- 1.12 We have now successfully completed Pre-Delivery Acceptance (PDA) for Units 1 to 18 (inclusive). Since the last update, 6 additional units have all successfully completed their PDA inspections and are stabled in Switzerland ready for future delivery. Units 1 and 2 have finished testing on the test track in the Czech Republic and we now have 5 Units at Gosforth Depot which are subject to ongoing rigorous testing.
- 1.13 With the testing process well underway, we’ve identified that further tests need to be conducted on the traction of the train, specifically when the rail conditions are

unexpectedly poor. We are working through these now with Stadler to ensure that the trains perform to a high standard for the benefit of customers.

- 1.14 Identifying any issues that need to be ironed out prior to entry into customer service is really important and shows the value of our robust testing process. This is quite typical during the roll out of a new bespoke fleet and Stadler and Nexus are working closely to minimise delays to the project timescales as much as possible. We are still aiming to have the first train in service for customers in 2024 and we will have more of an exact timescale once this work is completed.

Products, Payments, and Information

- 1.15 Over the course of 2023 over 4.3 million journeys were made by Metro Passengers using Nexus' Pop Pay as you Go products.

An excellent customer experience

- 1.16 Metro patronage between 9 to 11 of 2023/24 was 7.242m, which was 3.1% below target. Metro patronage is at roughly the same level as this time last year, having seen a fall in leisure travel since Christmas. The leisure market is a larger part of Metro's overall mix since the pandemic but remains fragile, so we shall be monitoring this closely to identify any longer term trends.
- 1.17 The rolling 13 period Metro patronage figure is 31.69m which is 2.4% above the target of 30.95m journeys.
- 1.18 In the reporting period, Nexus delivered 92.56% of its scheduled timetable. The ongoing challenges of maintaining the existing train fleet means that there is limited train capacity to replace trains which develop faults or to put in additional capacity to return trains to time in periods of disruption.
- 1.19 In times of disruption, Nexus prioritises providing passengers with a frequent service even if trains are not running to timetable. As such punctuality was 73.8% in the reporting period which is below the target of 82.8%.
- 1.20 We are committed to proactive and transparent communication with key stakeholder groups including the business community and large employers to update them on progress and talk them through the transition process and what customers can expect.
- 1.21 We remain focused on keeping our customers informed of any service disruption and planned major work and aim to offer clear and accessible information so they can plan their journeys effectively. To help with this we have recently reviewed the communications channels we are using and are encouraging customers to download our free Pop App. The app enables them to track their nearest Metro train in real time and view the latest departure times from their local station. It can also be used

to plan Metro journeys in advance, view the Metro map, report issues or concerns as well as find information on park and ride facilities.

- 1.22 Between Periods 9 and 11 of 2023/24 Ferry patronage was 50,278, which was 0.91% below target. During the reporting period, ferry operations were significantly affected by periods of extreme weather.

Assets and Technology	
Workstream	Status
Improve our physical assets	Work to improve our physical assets is continuing as planned.
Technology	Nexus is leading on a smart multi modal ticketing project.

Improve our physical assets

- 1.23 Work on the refurbishment of Whitley Bay and Monkseaton Metro Stations is progressing to plan. Work on the footbridge at Cullercoats station is also progressing to plan.
- 1.24 Work on the refurbishment of Monument Metro Station lift began in the reporting period whilst work to renew the third escalator at Haymarket continued in the reporting period.

Technology

- 1.25 Nexus is leading a project to develop a smart multi-modal season ticket which can be used across bus, Metro and Shields Ferry services in Tyne and Wear, on behalf of Network One and bus operators.
- 1.26 Nexus is also working alongside Northumberland County Council to introduce Zonal ticketing to the Northumberland line which is currently under construction.

Sustainability	
Workstream	Status
Environmental	We have started to implement our Sustainability Strategy.
Financial	Fare Revenue continues to perform well

Environmental

- 1.27 Following the completion of our Sustainability strategy, a number of actions to improve Nexus' environmental performance are progressing to plan.

Financial

- 1.28 Metro fare and commercial revenue for Periods 9 to 11 was £10.82 million. To the end of Period 11, fare revenue is ahead of budget and if this performance continues, it may reach pre-pandemic levels this year. However, this still represents a reduction in real terms and Nexus' cost base continues to be under significant pressure due to inflation and the energy crisis.
- 1.29 Ferry fare revenue for Periods 9 to 11 of 2023/24 was £59,929, which was 1.0% above the budget of £59,337.
- 1.30 For Periods 9 to 11, Secured Bus revenue was £790,738 which was 30.8% better than the budget of £604,718.

Our People	
Workstream	Status
A great place to work	In the reporting period Nexus achieved Better Health at Work status
Developing our people	Work to prepare our colleagues for our new fleet
An engaged workforce	Our Nexus Places project continues to progress to plan.

A great place to work

- 1.31 In the reporting period, Nexus passed a 'Better Health at Work' assessment which maintains our 'Excellent' status for another year. The award is given to employers which are committed to addressing and supporting health issues in the workplace.
- 1.32 In February, Nexus hosted a recruitment evening at the Nexus Learning Centre. The event saw nearly 200 people attend to learn more about the career opportunities available at Nexus.

Developing our people

- 1.33 Work continues to prepare the organisation for the introduction of the new fleet including developing and delivering training for colleagues across the business.

An engaged workforce

- 1.34 Work to consult with colleagues on our Nexus Places project continued in the reporting period. The project will develop a plan for the future of our corporate office hubs, depot and maintenance facilities and small office spaces and frontline teams' welfare facilities.
- 1.35 Work on our Quality, Health, Safety, Security and Environment strategy is progressing to plan along with our Plan for Growth and Bus strategies.

2. Proposals

- 2.1 There are no proposals in the performance monitoring update.

3. Reasons for the Proposals

- 3.1 Not applicable to a performance monitoring update.

4. Alternative Options Available

- 4.1 No alternatives arise in respect of this performance update.

5. Next Steps and Timetable for Implementation

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

6. Potential Impact on Objectives

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

7. Financial and Other Resources Implications

- 7.1 Nexus' Director of Finance and Resources confirms that there are no immediate financial implications arising from this report and that Nexus' performance is being managed from within existing resources.

8. Legal Implications

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

9. Key Risks

- 9.1 There are no direct risk considerations arising directly from this report, though monitoring and reviewing performance information plays an important role in risk management, including the review of Nexus' corporate risk register.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

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

13. Other Impact of the Proposals

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

14. Appendices

14.1 None

15. Background Papers

15.1 Nexus Corporate Business Plan 2023/24 as approved at the Sub-Committee's meeting in July 2023.

16. Contact Officers

16.1 Cathy Massarella

Managing Director

Email Catherine.Massarella@nexus.org.uk

Tel: 0191 2033500

17. Sign off

17.1

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

18. Glossary

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

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

Date: 11 April 2024
Subject: Nexus Corporate Risks 2024/25
Report of: Managing Director

Executive Summary

The purpose of this report is to provide an update on the Nexus Corporate Risk Register for 2024/25 based on the Corporate Business Plan and demonstrate that these risks are being properly managed and controlled.

During January 2024, Nexus undertook a formal review of its risk register in line with the Corporate Business Plan for 2024/25.

A detailed explanation of the risks for 2024/25 is provided in the appendix including the current Red/Amber/Green (RAG) status, target RAG status, and the direction of travel, where applicable. Each risk has a detailed explanation of the nature of the risk, together with controls and milestones/next steps.

There are currently 2 risks which are 'red'. The first red risk is related to the North Shields Ferry Landing which is red since the project to replace the North Shields Ferry Landing is currently unfunded. We are continuing to work with Transport North East and the DfT to secure funding for the proposed relocation of the North Shields Ferry Landing and the Joint Transport Committee provided its support for a funding solution at its July meeting. A new landing is required by 2025 to ensure the longevity of the service.

The other red risk is Metro Performance which is red as a result of recent disruptions to service, particularly in relation to fleet availability and reliability.

The risk relating to 'Long Term Funding for Metro' has been re-assessed as Amber following the Chancellor's Budget Statement on 6 March 2024, in which £58.4m of capital grant for investment in the Tyne and Wear Metro in 2025/26 and 2026/27 was announced within the North East Trailblazer Deal (North East deeper devolution deal).

Recommendations

The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to receive and note this update on Nexus' Corporate Risk Register for 2024/25.

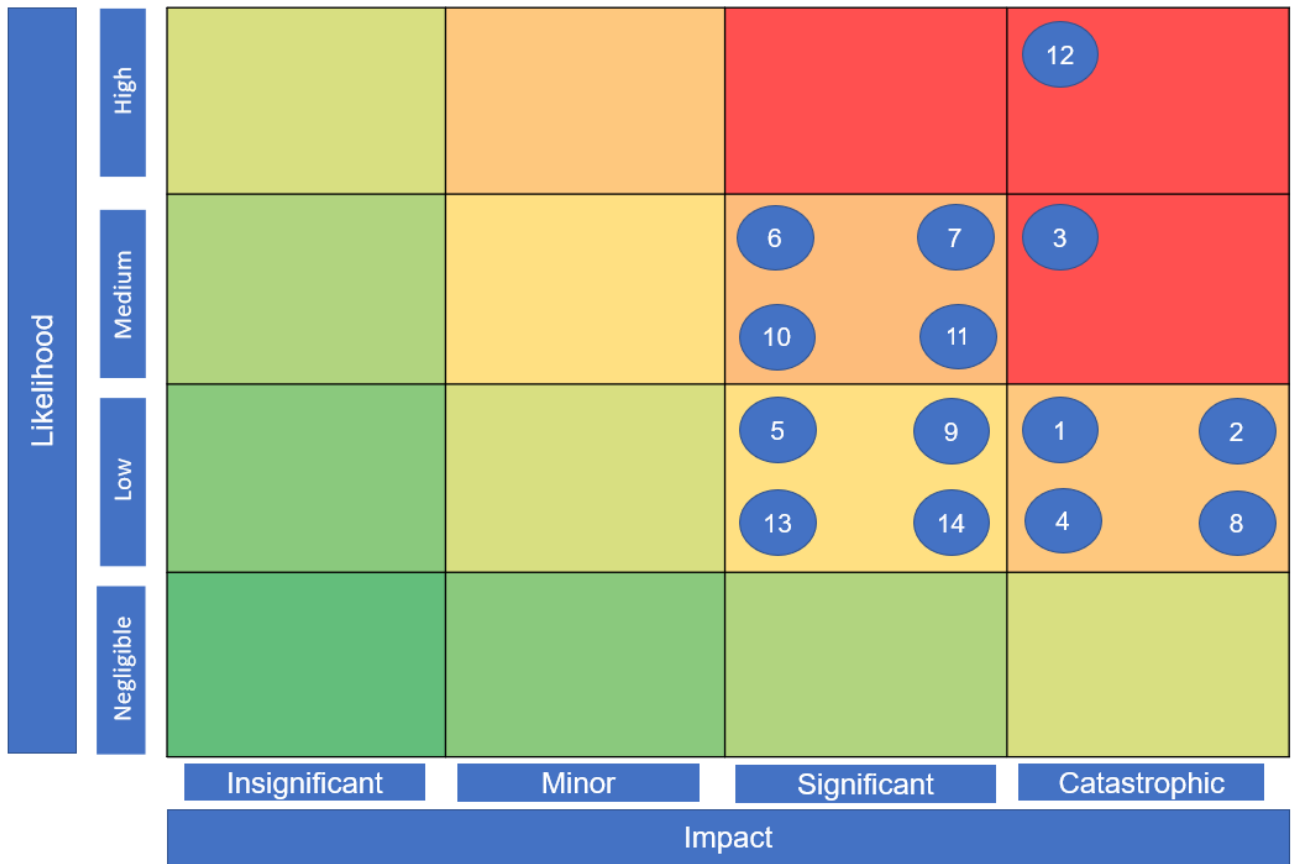
1. Background Information

1.1 As part of its governance framework Nexus maintains a Corporate Risk Register. Nexus defines its corporate risks as those which, if the risk occurred, could have adverse consequences for the achievement of the Corporate Business Plan.

1.2 The Corporate Business Plan for 2024/25 was provisionally approved by the Sub-Committee at its meeting in January 2024 and subsequently Nexus undertook a formal review of the risk register to ensure its alignment to the approved plan. The Sub-Committee receives an update on Nexus’ Corporate Risks at each of its meetings.

2. Proposals

2.1 Nexus has undertaken a formal review of the Corporate Risk Register for 2024/25. The chart below shows an overview of the likelihood and impact of each risk.



2.2 The table below shows a summary of the risk changes since the last review.

	Risk	Summary of Changes	RAG Status
1	Catastrophic security event	Controls and Mitigations updated	↔ (Stable)
2	Catastrophic infrastructure or operations event	Controls and Mitigations updated	↔ (Stable)
3	Metro Performance	No changes from previous review.	↔ (Stable)
4	Long Term funding for Metro	Controls and Mitigations updated	↑ (Improving)
5	Frontline services and discretionary travel schemes	Controls and Mitigations updated	↔ (Stable)
6	Delivery and introduction of the new train fleet.	Actions Updated	↔ (Stable)
7	Efficiency of Delivery of the Capital Programme	Controls and Mitigations updated	↔ (Stable)
8	Cybersecurity	Controls and Mitigations updated	↔ (Stable)
9	Products and Payments Offer	Controls and Mitigations updated	↔ (Stable)
10	Funding Bids	No changes from previous review.	↔ (Stable)
11	Anti-Social Behaviour	Controls and Mitigations updated	↔ (Stable)

12	North Shields Ferry Landing	Controls and Mitigations updated Actions Updated Milestone updated	↔ (Stable)
13	Future of the Bus Network	No changes from previous review.	↔ (Stable)
14	Climate Change Mitigation and Resilience	Controls updated. Next Steps/Milestones updated.	↔ (Stable)

2.3 Nexus will provide the Sub-Committee with an update on the position of the Corporate Risks at each of its meetings throughout 2024/25

3. Reasons for the Proposals

3.1 Risk management is an important aspect of overall performance management and reporting on Nexus' Corporate Risks complements the high-level summary of Nexus' performance, also presented to each scheduled meeting. Together these reports support the Sub-Committee in meeting its delegation under the JTC's Standing Orders (Part 4.1 refers) to monitor and oversee the performance of Nexus.

4. Alternative Options Available

4.1 The report is for noting: no alternative options are presented.

5. Next Steps and Timetable for Implementation

5.1 Nexus will continue to manage its CRR to record and monitor any changes and provide update reports to each subsequent scheduled meeting of the Sub-Committee.

6. Potential Impact on Objectives

6.1 Nexus' CRR will not impact directly on the objectives of the Authority's policies and priorities; however, Nexus' approach to risk management will support delivery of aims and ambitions by acknowledging the biggest threats and putting plans in place to manage and mitigate them.

7. Financial and Other Resources Implications

7.1 Nexus' Director of Finance and Resources confirms that there are no immediate financial implications arising from this report and that Nexus' corporate risks are being managed from within existing resources.

8. Legal Implications

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

9. Key Risks

9.1 The report identifies what are considered to be the key corporate risks to the achievement of Nexus' Corporate Business Plan for 2024/25.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 All risk owners and the respective actionees have been consulted in the preparation of this report.

13. Other Impact of the Proposals

13.1 There are no other impacts anticipated to arise from the proposal.

14. Appendices

14.1 Appendix 1 details each of Nexus' 14 risks for 2024/25

Appendix 2 shows the controlled and uncontrolled risk scores for each risk

Appendix 3 shows the risk matrix applied

15. Background Papers

15.1 Nexus' Corporate Plan 2024/25 as provisionally approved by the Sub-Committee at its meeting in January 2024.

16. Contact Officers

16.1 Cathy Massarella

Managing Director

Email: Catherine.massarella@nexus.org.uk

Tel: 0191 2033500

17. Sign off

17.1

- The Proper Officer for Transport: v

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

18. Glossary

18.1 CRR – Corporate Risk Register

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

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

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

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

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

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

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

Action Owners – given delegated responsibility from the Risk Owner to take action and manage the risk through application of the appropriate risk controls and processes.

Risk Impact - indicates the potential seriousness should the risk materialise.

Risk Likelihood - indicates the chance of a risk materialising in the time period under consideration.

Risk Score - the product of the Impact score multiplied by the Likelihood score.

Appendix 1 – Nexus Corporate Risk Register for 2024/25

Risk 1		
Risk Title: Catastrophic security related event Risk Owners: QHSSE Director	RAG Status (Amber)	Direction of Travel
	8(2x4)	<p style="text-align: center;">↔ (stable)</p>
	Target RAG Status	
	8(2x4)	
Risk: In running any operational public transport infrastructure there is an inherent risk that a catastrophic security related event may occur, such as a terrorism incident.		
Potential Impact The consequences of a catastrophic security related event on Metro, bus or ferry could be significant, including loss of life, prolonged service suspension, protracted legal issues to resolve, fines to pay, impact on insurance, other cost increases and likely loss of business.		
Controls: <ul style="list-style-type: none"> • Security management plans in place for operational locations • Dedicated security team in place for Metro Operations • Provision of over 700 digital CCTV cameras on network • Service Level Agreements in place for external CCTV monitoring by 2 Local Authority CCTV suites • SLA agreements in place for policing the Metro by Northumberland Police and British Transport Police (BTP) • Extensive liaison between the Security Team and DfT Land Security and compliance to the Light Railway Security Recommended Best Practice • Liaison with National and Regional Counter Terrorism Security Advisors from Home Office and British Transport Police • Participation in multiple joint agency groupings • Communicating regular updates on the current threat from national and international terrorism 		

- Enhanced Customer Service establishment introduced to provide greater coverage on the network with a designated roving capability as well as static coverage at key station locations
- All Customer Service Staff are now provided with body worn cameras and all public facing personnel have access
- Regular briefings to new starters, and at refresher outline suspicious behaviours, encourage proactive engagement, explain threats, encourage reporting, all of which leads to enhancing the organisational security culture
- Internal Security Working group designed to improve system security.
- Security awareness communications posted across network
- Improved front line training for CS team members (starter and refresher) with an emphasis on Security
- The production of a Nexus Security Manual and Management plan has been checked and acknowledged by DfT and available to all Nexus personnel.


- Mitigations
- Participation in joint emergency preparedness exercises with key stakeholders
 - Additional radio systems for instant communications supplied to team members
 - Emergency Preparedness Plans in place to provide guidance in the event of a major incident

Actions:	Action owner	Due Date
Delivery of the Light Rail Security Programme (LRSP) regulations according to agreed DfT implementation plan.	Security Manager	Dec 24
Realise the benefits of CCTV on new fleet	Head of Service Delivery	Dec 24

Linked Risks

Risk 2 – Catastrophic Safety Incident

Risk 3 – Metro Performance

Risk 2		
Risk Title: Catastrophic Infrastructure or operations event Risk Owners: Safety and Assurance Director	RAG Status (Amber)	Direction of Travel
	8(2x4)	 (stable)
	Target RAG Status	
	8(2x4)	
Risk Description: There is a risk that a catastrophic infrastructure failure or major operational incident occurs.		
<p>Potential Impact The impact of a catastrophic infrastructure failure or major operational incident occur on Metro, bus and ferry could be very significant including:</p> <ul style="list-style-type: none"> • In the event of a catastrophic safety related incident the possibility for multiple loss of life. • lengthy loss or reduction of service. • likely loss of business with potential long-term impact on patronage. • protracted legal issues to resolve. • fines to pay, impact on insurance and other cost increases. 		
<p>Controls:</p> <ul style="list-style-type: none"> • A Safety Certificate and Authorisation issued by the ORR for the operation of the Metro • A Passenger Certificate and Authorisation issued by the MCA for the operation of the Ferry • A company-wide Integrated Management System (IMS) and a comprehensive suite of technical, operational and safety standards, procedures and rules in all relevant disciplines based on industry best practice. • The development and implementation of an annual Safety and Security Plan and supporting plans • Robust arrangements for the management of change, including authorisation of new or altered assets and the selection and management of contractors and delivery of capital works. • Continuing to engender an organisational safety and security culture. • Regular inspections of earthworks and structures in accordance with industry standards. 		

<ul style="list-style-type: none"> • Vegetation management processes designed to prevent and/or reduce infrastructure damage. • Remote temperature monitoring of rails to identify instances of extreme high rail temperatures which could lead to rail buckling. • Rail and joint treatment to support predictable levels of expansion and contraction caused by changes in temperature. • Comprehensive training and competency arrangements for all ferry staff • Regular inspections on condition of ferry vessels and infrastructure, supported by Engineering colleagues. • Regular inspections of key safety equipment • Ferry Services suspensions in times of extreme weather or tides. 		
<p>Mitigations</p> <ul style="list-style-type: none"> • Well established mitigation plans in the event of catastrophic failure of key and critical assets. • Development and implementation of emergency preparedness and of business continuity plans in the event of major disruption. • Ferry Passenger counting information shared directly with emergency services • Regular joint training activities with emergency services 		
Actions	Action owner	Due Date
Development of a combined QHSSE Strategy and supporting annual plans plus a team restructure to create a more agile and continuous improvement driven team.	Safety and Assurance Director	April 24
Developing and delivering on Nexus Track Worker Safety Alliance	Metro Infrastructure Director	August 24
<p>Linked Risks</p> <p>Risk 1 – Catastrophic Security Incident</p> <p>Risk 3 – Metro Performance</p> <p>Risk 14 - Environmental</p>		

Risk 3		
CP Theme: Customer Experience		
CP Workstream: An excellent customer experience		
Risk Area: Metro Performance Risk Owners: Managing Director Risk Actionees: Metro Infrastructure Director, Metro Operations Director, Major Projects Director, Head of ICT	RAG Status (Red)	Direction of Travel
	12(3x4)	↔ (stable)
	Target RAG Status	
	8(2x4)	
Risk: There are a number of things which could provide a significant impact on Metro performance, including but not limited to: <ul style="list-style-type: none"> • Ageing fleet and infrastructure leading to increasing numbers of failures and service cancellations. • A lack of a long-term funding agreement for asset renewal and vegetation management could result in asset performance declining. • Staffing shortages through, vacancies, illness, or industrial action. • Extreme weather incidents causing disruption to services. 		
Impact/Consequence(s): If Metro’s operational performance were to decline for an extended period, with a fall in punctuality and reliability, this could have an adverse impact on customer satisfaction and ridership.		
Control(s): <ul style="list-style-type: none"> • Overhead line replacement programme. • Close monitoring of key business results such as punctuality, delay minutes and asset reliability. • Delivery of the Essential Renewals programme for 2023-24. • Daily, weekly, and periodic performance reporting embedded across organisation to highlight importance of Metro performance. • Implement plans to ensure resilience of digital assets associated with the operation of Metro. • Working closer with the new Network Rail North Eastern structure to address performance issues from Pelaw to South Hylton. • Regular Performance Management meetings with and stakeholder mapping exercise with Stadler. • “Assets at a Glance” drawings which identify specific problem areas and single points of failure. 		

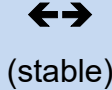
- Established improvement plans for key assets such as lifts, escalators, and signal track circuits.
- Regular review of asset management plans, including regular inspections of assets.
- Established possession planning tool to identify conflicts and opportunities to combine closures to minimize disruption to our customers.
- Weather Preparedness Plans in place.
- Vegetation management processes designed to prevent land slips.
- Proactive vegetation management within the bounds of available funding.
- Working with neighbours and partners to control vegetation outside the boundaries of Nexus owned land.
- Proactive communications with Trade Unions.
- Succession planning arrangements for key roles.
- Regular review and application of best practice using COMET and UTG memberships.
- Annual Metro Performance Improvement Plans.
- Four-weekly review with Principal Engineer and Engineering Manager on each asset category including the creation of discipline specific asset risk registers.
- Metro Infrastructure Directorate Strategy in place.
- Creation of asset condition dashboard monitoring overhead line condition.
- Refreshed the managing service disruption guidance.
- Major events plans established including stakeholder relations.
- Working closely with Stadler to implement the Fleet Remedial Plan to improve the position of the existing fleet.
- Outstabling plan for cold weather developed.
- Active recruitment for a Fleet Operations Manager to control/manage availability levels with Stadler.
- Daily meetings between MOD & Stadler regarding forecast position and drives to improve availability.
- Refreshed Regulation Guidance
- Organisational changes approved which increase capacity in the front line to deliver more sustainable infrastructure performance improvements.
- Review of sectional running and dwell times have been completed.
- Regulation guidance refreshed.
- Ongoing liaison with Northumbrian Water to identify flooding issues and manage flood risk.

Next Steps/Milestones	Owner	Due date
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Complete ICT network refresh to improve resilience of digital assets.	Head of ICT	Mar 24
Producing business case for the signal replacement programme.	Head of Corporate Planning	Mar 24


Risk 4		
Risk Area: Long term funding for Metro Risk Owners: Director of Finance and Resources Risk Actionees: Head of Programme Assurance, Head of Finance	RAG Status (Red)	Direction of Travel
	8 (2x4)	↑ (Improving)
	Target RAG Status	
	3 (1x3)	
Risk: There is no long-term funding agreement in place to replace life expired capital assets, deliver safety and business critical related capital investment. Ongoing revenue support from central government across the medium term is also not keeping pace with inflation.		
Impact: The lack of external funding for critical asset renewals will lead to a diminution in service, failing infrastructure and major operational disruption.		
Controls: <ul style="list-style-type: none"> • The regional devolution agreement provides for revenue and capital grant funding covering 2023/24 and 2024/25, with a further £58.4m of capital funding for 2025/26 and 2026/27 announced in March 2024. • Effective liaison with DfT including 4-weekly progress reporting on the current Essential Renewals programme and quarterly reviews. • Procurement strategy & contractual arrangements that minimise risk and deliver value for money. • Engaging with national government, local councillors & MPs and building public support. • Regular review of potential funding opportunities. • Project management controls in place to ensure effective and efficient delivery. • Effective programme management and prioritisation of projects. • Regular financial monitoring to Nexus' Senior Leadership Team, Executive Board. • Regular review of capital programme for 2024/25 – 2026/27 to ensure deliverability. • Longer term outline capital programme through the next spending review. 		
Mitigations <ul style="list-style-type: none"> • Governance in place to ensure control of spend and progress for projects that may extend into unfunded years. 		

<ul style="list-style-type: none"> • Nexus Exec, JTC and other relevant stakeholders informed of continuing uncertainty and implications. • Continue to work with DfT officials in regards securing future revenue grant for Metro operations • Capital funding directed to the renewal of assets in line with prioritisation model that put emphasis on safety and performance, impact on customer demand/experience and broader strategic fit. 		
Actions:	Action owner	Due Date
Continue close liaison with Government and NEMCA officials to secure confirmation capital grant funding for 2027/28 and beyond.	Director of Finance and Resources	Ongoing
Nexus' input to the quarterly monitoring of the Revenue budget and Capital Programme submitted to the JTC.	Director of Finance and Resources	Quarterly
Continue to work with DfT officials for index linked inflation of Metro Rail (revenue) Grant, and confirmation of the revenue grant funding for 2025/26 and beyond.	Director of Finance and Resources	Ongoing
Preparation of business cases for future capital investment in Metro renewals, including a replacement signalling system.	Head of Corporate Planning	Ongoing
<p>Linked Risks</p> <p>Risk 2 - Metro Performance</p>		

Risk 5		
Risk Area: Frontline services and discretionary travel schemes Risk Owners: Director of Finance and Resources Risk Actionees: Head of Finance	RAG Status (Amber)	Direction of Travel
	6 (2x3)	
	Target RAG Status	
	3(1x3)	
Risk Description: The revenue budget is unable to support the continued provision of existing frontline services and discretionary travel schemes.		
<p>Impact/Consequence(s): If the stretching metro fare revenue target is not achieved, inflation is higher than the levels budgeted, and/or the ENCTS budget is subject to upwards pressure following the technical work commissioned by DfT, Nexus will need to consider a range of actions in order to bridge the budget pressure including the use of reserves.</p>		
<p>Controls</p> <ul style="list-style-type: none"> Monitoring of Metro patronage and fare revenue, undertake research through the insight panel to gain intelligence on trends and customer behaviours. Regular financial monitoring to Nexus' Senior Leadership Team, Executive Board and the JTC. Regular liaison with DfT in relation to government grant. Regular monitoring of concessionary travel patronage. 		
<p>Mitigations</p> <ul style="list-style-type: none"> Availability of reserves to support the revenue budget. Directors encouraged to identify savings in order to fund budget pressures, not authorised by SLT. 		
Actions:	Action owner	Due Date
Nexus' input to the quarterly monitoring of the Revenue Budget reports submitted to the JTC.	Director of Finance and Resources	Quarterly
Regular monitoring of fare revenue and inflation to identify emerging budgetary pressures.	Director of Finance and Resources	Periodically

Linked Risks

Risk 13 – Future of the Bus Network

Risk 6		
Risk Area: Delivery and introduction of the new train fleet. Risk Owners: Major Projects Director Risk Actionees: Head of Fleet and Depot Replacement	RAG Status (Amber)	Direction of Travel
	9(3x3)	 (stable)
	Target RAG Status	
	6(2x3)	
Risk Description: The possibility of costs escalating or for delays to the delivery of new trains or introduction of the new fleet into passenger service introduces a continued reliance on the existing fleet.		
<p>Potential Impact: Delays to the delivery and implementation of the new fleet could place reliance on extending operation of the old deteriorating fleet which may impact on the reliability of services for passengers along with potential reputational damage amongst customers and key stakeholders.</p> <p>Where costs couldn't be contained by Nexus risk contingency sum, funding would have to be diverted from other areas of need. Such affordability issues could result in Nexus having to reconsider the scope of the contracts. In addition, any re-profiling of DfT grant would be subject to agreement with DfT at its sole discretion.</p>		
Controls: <ul style="list-style-type: none"> • A project risk register is live for the project and is reviewed regularly to monitor and manage existing known risks as well as identifying new and emerging risks along with identifying mitigation measures. This includes comms/media risks management in regards to Nexus reputation. • Project risks and early warnings are discussed and reviewed with the suppliers of the contracts on a monthly basis and mitigation measures are agreed. • 4-weekly programme reviews/interrogation and challenge to Stadler. • 4 weekly progress review meetings with Stadler. • Delivery of interdependent projects and enabling work is monitored by Capital Steering Group on a monthly basis and reported to Senior Leadership Team. • Established project controls have been adopted to assist with the management of the contracts including CSM RA and other safety processes. • Quarterly meetings of the joint Nexus/Stadler Programme Board to report on project performance, risks and any commercial matters. 		


- Metro Systems Assurance Panel (MSAP) developed and in place to accept and validate safety related decisions for Entry into Service for depot and fleet.
- Systems Assurance Manager commissioned via Technical Consultants to develop, monitor and manage MSAP Governance in regards to safety decision-making for Entry into Service for new depot and fleet.
- Network Rail integrated into project to ensure acceptance of the new train fleet onto Network Rail Infrastructure.
- Periodic progress reporting to Nexus' Senior Leadership Team, JTC and TWSC.
- Weekly face to face meetings with Trade Unions representatives to engage with these groups in regards to concerns about new fleet introduction.
- Head of Fleet Transition with a small team leading on the operational readiness and operational transition from old to new fleet.
- Additional ICT Project Management Resource allocated to integration of the new fleet into the Control Room, working closely with Control Room Interface Manager within the project team.
- Interface Manager working closely with performance, resource and planning teams on the rollout of the new fleet from a driver rostering perspective.
- Additional technical resource secured (Nexus and external Consultants) to ensure programme of Pre-delivery Acceptances and future unit acceptances can be achieved.

Mitigations

- A project contingency sum is available to fund the impact of known and likely risks identified on the risk register.
- Keeping key stakeholders informed regarding progress of the programme.
- Operational risks associated with the delivery of the new fleet are managed through the fortnightly Operational Readiness Meeting.
- Communication plan for customers to keep them aware of any changes to delays to introduction of the new fleet and extended.

Key Milestones:	Due Date
First train into passenger service (limited duration demonstration run)	By end of 2024

Linked Risks
Risk 3 – Metro Performance

Risk 7		
Risk Area: Efficiency of delivery of the Capital Programme Risk Owner: Major Projects Director Risk Actionees: Head of Programme Assurance, Head of Renewals, Director of Finance and Resources	RAG Status (Amber)	Direction of Travel
	9 (3x3)	 (stable)
	Target RAG Status	
	3 (1x3)	
Risk Description: That the organisation does not have sufficient assurance of funding and or the correct skills set to successfully deliver the programme of capital works efficiently		
Potential Impact: <p>The regional devolution agreement provides for capital grant for Essential Renewals of Metro infrastructure until 31st March 2025 with a commitment from central government to enter into discussions with Nexus for subsequent years funding.</p> <p>Projects committed through Essential Renewals, are therefore not delivered in the most efficient and effective way due to the limitations of funding as noted above. Consequentially Nexus is unable to forward plan and resource up to take advantage of other emerging funding streams and thereby improve its assets, customer services or operations. Nexus is also unable to expand its limited resources with project management and supporting functions and is likely to be overly reliant on temporary and contract resources. Contractual commitments beyond March 2025 can therefore not be made and the continuity to maintain and repair critical asset renewal including Overhead Line Equipment, Howdon Viaduct and signalling development remains uncertain.</p> <p>Planning beyond March 2025 is also extremely challenging as, without an understanding of the quantum and duration of funding, it is impossible to develop a robust programme of works with any certainty. This creates substantive difficulties with securing tenders for essential renewal works due to a lack of evidential funding.</p> <p>Due to the above, procurement efficiencies are being lost and there is evidence of reduced market interest with very limited competitive tender responses being received by Nexus. Staff turnover is also increasing due to market demands and</p>		

increased salary offers elsewhere for rail expertise, resulting in a loss of key knowledge, skills, and experience.

Uncertainty around long-term funding makes the recruitment and retention of key staff more difficult leading to a reliance on external contracts. The future viability of Nexus internal Infrastructure Delivery is at risk without further longer-term investment.


Controls:

- Continue to make the case for ongoing funding from the Department for Transport (DfT) with continued engagement of the DfT via Programme Board and HMT regarding future Metro funding arrangements
- Procurement and Standing Order reviews and amendments to attract a wider market of consultants and contractors with review of contractual terms and conditions responding to changing market conditions to ensure successful procurement.
- Effective, more streamlined, and dynamic programme management, project prioritisation, delivery, and budget control processes.
- Portfolio level management of project and programme interfaces, dependencies, and business change.
- Value engineering, technology choice, option analysis, specification, and scope.
- Active stakeholder engagement to obtain involvement and co-operation of third/interested parties such as Network Rail, Local Authorities, highway authorities and utility companies.
- Periodic project reviews, analysis, and reporting – presentation to Nexus' Capital Steering Group, Senior Leadership Team, Executive Board, the JTC and the joint Nexus/DfT Programme Board
- Funding submission to secure capital grant for 2025/26 to 2027/28 updated with DfT in Feb 2024 with on-going dialogue.


Mitigations

- Procurement and Standing Order reviews and amendments to attract a wider market of consultants and contractors with review of contractual terms and conditions responding to changing market conditions to ensure successful procurement.
- Continuous review of existing vacancies within teams and evaluate mitigation options for retention and recruitment of key skills and resources.
- A work resource plan for capital programme for 2024/28 is being updated with regular reviews planned ensure frameworks are in place to address capacity and skills gaps.


Actions	Action owner	Due Date
Seek confirmation from the DfT over final values for 25-28 funding to optimise programme delivery in response to current supply chain and market challenges.	Director of Finance and Resources	Ongoing
Awaiting feedback on the submission of funding options to DfT seeking capital grant for 2025/26 to 2027/28.	Director of Finance and Resources	Ongoing
<p>Linked Risks</p> <p>Risk 4 – Long Term Metro Funding</p>		

Risk 8		
Risk Area: Cybersecurity Risk Owner: Director of Finance and Resources Risk Actionee: Head of ICT	RAG Status (Amber)	Direction of Travel
	8(2x4)	 (stable)
	Target RAG Status	
	8(2x4)	
Risk: A successful cyber-attack on Nexus ICT infrastructure.		
Impact/Consequence(s): Nexus' ICT infrastructure is key to all the functions and activities we carry out. Failure to adequately secure and protect this from a cyber-attack could have a severe adverse impact on the delivery of services and potentially preventing critical actions and day-to-day work from being carried out.		
Controls: <ul style="list-style-type: none"> • Nexus utilise a modern supportable resilient firewall, with a subscription to identify and protect against existing and emerging threats. • Security patching for systems including servers, workstations is undertaken on a high frequency level. • Significant technical controls are in place to manage the use of internet, email and reduce potential data loss. • Significant technical controls are in place for anti-virus and anti-malware on workstations and servers. • We subscribe to governmental cyber-threat awareness bulletins and are members of local security working groups. • Governance and user guidance is published, users are aware of their responsibilities. • Nexus staff complete a yearly cyber security eLearning module to ensure their knowledge is kept updated. • Nexus raises awareness of security threats using internal communications such as global email bulletins. • Nexus measure awareness through different mediums such as planned covert Phishing attacks. • All changes to Nexus ICT assets are subject to a robust change control process. • We have a suite of policies on security controls and acceptable use. 		


<ul style="list-style-type: none"> • The ICT department maintain DC/BR and cyber incident security policies to respond and manage incidents. • Network segregation to protect critical systems and mitigate risk in particular to rail-based systems is in place. • Security risks within ICT are managed using a suitable risk management process. • Regular review of ongoing notifications from key suppliers regarding vulnerabilities to ensure timely notification and action. • 3-year Cyber Security review and improvement plan developed. • Internal audit for cybersecurity completed. 		
<p>Mitigations</p> <ul style="list-style-type: none"> • Should a system fail or be rendered unusable by a cyber-attack, we regularly back-up all essential systems and data so service can be returned safely and efficiently. 		
Actions:	Action owner	Due Date
Deliver 3-year Cyber Security improvement plan.	Head of ICT	Mar 26
<p>Linked Risks</p> <p>Risk 1 - Catastrophic Security Incident</p> <p>Risk 3 - Metro performance</p>		

Risk 9		
Risk Area: Products and Payment Offer Risk Owner: Customer Services Director Risk Actionee: Project Lead – Integrated Ticketing, Commercial Manager	RAG Status (Amber)	Direction of Travel
	6(2x3)	 (stable)
	Target RAG Status	
	3(1x3)	
Risk: Our products and payments offer fails to meet the changing needs of our customers and results in a loss of patronage across modes of transport.		
Impact/Consequence(s): Changes to the way in which people choose to travel and technological developments may mean that the Nexus' product offer is perceived as inadequate, outdated, and unable to deliver the intended benefits for customers and stakeholders impacting Nexus' patronage recovery. While Nexus has driven innovation in product and payment channels thus far, the next step towards multi-modal smart travel and then multi-modal contactless travel will requires continued funding and effective partnerships across operators to make it possible.		
Controls: <ul style="list-style-type: none"> • The co-ordination of multiple delivery streams for products and payment systems within Nexus' Smart Ticketing Evolution Programme (STEP) to ensure they build towards a single vision. • Introduction of a multi-modal price capped Pay As You Go (PAYG) product delivered through smart channels initially using existing ITSO infrastructure and the Pop brand and platform. • Continuous review of retail trends and customer choice with market research carried out to establish product development proposals. • Simplification of the product range on Metro and other Nexus services. • As part of NTL, simplification of the multi-modal and young person's offers. • Seeking opportunities to work with partners and explore the potential for attracting external funding. • Continue promotion of PAYG on Android. • Increased the proportion of card-only and coin and card ticket machines. • Pop PAYG fares on Metro and Shields Ferry priced to incentivise uptake, increase customer satisfaction and encourage more travel. 		

<ul style="list-style-type: none"> • Full NTL 'Network One' season product range available on Pop • The single fare of £1 on Metro and bus for young people aged 21 and under has been implemented. 		
Mitigations <ul style="list-style-type: none"> • Provision made in the Fares and Revenue budget to support research into the development of new products. 		
Actions:	Action owner	Due Date
Continue to encourage customer transition to cashless and paperless journeys.	Head of Commercial	Mar 25
Add current NTL product range onto smartcard.	Head of Commercial	May 24
Deliver a multi-modal price-capped pay-as-you-go product.	Head of Commercial	Nov 24
Convert 40 further Metro ticket machines to card-only or card & coin operation reflecting customer choice.	Head of Commercial	May 24
Develop products to provide integration between Metro and rail on the Northumberland Line.	Customer Services Director	Sept 24
Update back office and on-station ticket infrastructure to be able to accommodate product advancements.	Head of Multi-Modal Smart Ticketing	Mar 25
Work with other providers to support PAYG on other mobile devices.	Head of Commercial	Dec 25
Linked Risks		

Risk 10		
Risk Area: Funding public transport network improvements Risk Owner: Director of People and Culture Risk Actionee: Head of Corporate Planning	RAG Status (Amber)	Direction of Travel
	8(2x4)	 (stable)
	Target RAG Status	
	4(2x2)	
Risk: That opportunities to secure additional funding for public transport improvements through competitive funding bids are not successful		
<p>Impact/Consequence(s): Nexus will rely on external funding opportunities to implement enhancements to the public transport infrastructure that it is responsible for. Without this funding existing resources will, at best, only be able to maintain assets to their current condition and in some cases, assets will deteriorate due to lack of funding. This will impact on customer perceptions as public transport will not meet expectations leading to reduced patronage and revenue and Nexus will not meet the aspirations set out in the Transport Plan to grow Metro patronage and to replace journeys no longer being made with new markets, to enable Metro to support the economy, environment and communities within the region. Nexus' ability to provide match funding for external funding bids may limit its ability to access capital funding.</p>		
<p>Controls:</p> <ul style="list-style-type: none"> • Strategic outline business cases developed for schemes in the City Region Sustainable Transport Settlement. • A pipeline of capital schemes aligned with the Nexus Corporate Plan developed for specified funding opportunities. • A detailed pipeline of potential schemes is developed and maintained for new and currently unspecified funding opportunities. • Nexus resources, both people and financial, are allocated to develop Nexus capital programme pipeline. • New schemes will be subject to the Nexus prioritisation process to match business priorities quickly and effectively to funding opportunities. • Schemes will be developed and governed under the Nexus' Stage-gate control processes. • Internal stakeholders are identified, and regular stakeholder meetings are held. 		

<ul style="list-style-type: none"> Regular liaison with Transport North East to provide project updates and ensure that schemes are developed in line with wider regional objectives. Regular liaison with other external stakeholders, including DfT to ensure alignment with other projects and local objectives. Match funding has been identified for live bidding opportunities. Continuous horizon scanning for new funding opportunities. Feasibility studies are progressing to identify suitable schemes to progress to bids. Funding sought via MCA to support with the development of pipeline projects. 		
Mitigations <ul style="list-style-type: none"> A pipeline of capital schemes aligned with the Nexus Corporate Plan developed for specified funding opportunities. 		
Actions:	Action owner	Due Date
Work with North Tyneside Council and Transport North East to secure funding for the relocation of the Ferry Landing to the Fish Quay.	Head of Corporate Planning	May 24
Develop the OBC for the replacement of the signalling system.	Head of Corporate Planning	May 25
Identify funding opportunities to improve the environmental performance of the Ferry.	Head of Corporate Planning	May 24
Develop OBC's for CRSTS schemes	Head of Corporate Planning	Sept 24
Continue to work with partners to better understand match funding requirements.	Head of Corporate Planning	Sept 24
Linked Risks		

Risk 11		
Risk Area: Antisocial behaviour Risk Owner: Managing Director Risk Actionees: Head of Safety and Security, Security Manager	RAG Status (Amber)	Direction of Travel
	9(3x3)	 (stable)
	Target RAG Status	
	3 (1x3)	
Risk Description: An increase in anti-social behaviour leads to loss of reputation and reduced patronage		
Potential Impact: An increase in anti-social behaviour across the Metro network could result in the perception that Metro is unsafe to travel on leading to falling patronage and increased costs on repairing and replacing damaged equipment.		
Controls: <ul style="list-style-type: none"> • Regular attendance at strategic and operational ASB forums, working in cohesion with Police and Crime Commissioner's (PCC) office, Police, Local Authority, and Youth Justice partners. • Participation at Northumbria Police led Safer Transport Group to coordinate PCC's Hotspot Resource programme and deployment plan. • Effective CCTV system across network. • Intelligence-led security and policing operations to provide customer reassurance and target ASB. • Dedicated Private Security Contractor with primary focus on counter-ASB. • Dedicated Metro and British Transport Police Teams delivering a broad and robust mitigation strategy. • Effective intelligence sharing, enforcement and investigation capability against repeat offenders through multi agency and policing systems. • Body worn cameras available to all public facing staff to support enforcement action and evidence gathering. • Extensive ASB public marketing campaigns and strategy development • ReportIt system in use • Improved ASB reporting and data management systems in place, including Incident Report Form, Security Dashboard and End of Day Report. • Effective Nexus led Tasking Coordination Group (TCG) to direct and coordinate security and police resource in line with information and intelligence. 		

- Nexus Security Team engagement at key industry and partner led ASB forums.
- Nexus Security Team collaboration with local stakeholders and partners.
- Extensive liaison with partner organisations to identify and prosecute offenders.
- Increased messaging and communications at hotspot locations.
- Regular roving patrols by Customer Service and Security staff around network.
- Ticketing gate lines at key stations.
- Multiple Security Working Groups, including graffiti, vandalism, and crime and disorder forums with key internal and external stakeholders, to implement and adhere to actions.
- Increased numbers of Concourse Team members at key locations, and with the Customer Support Team roving resource.
- Security Team liaison with Youth Justice Teams, to support and attend diversionary, intervention, mediation, and reparation processes.
- Involvement in National Infrastructure Crime Reduction Partnership.
- Receipt of ASB focused training and development delivered through partners and police to build Nexus staff competency and capability.
- Joint working with police and other key partners on regular ASB focused Operations, including Sceptre, Coastwatch, Maple, Tanoak, Brazilwood, and Impact.
- Collaboration with police on Operation GRIP and reduction of violent crime, including knife arch, covert and stop and search operations.


Mitigations

- Performance improvement work being undertaken with the Private Security Contractor to develop competency and effectiveness.
- Use of improved data and information to inform decisions and strategy at all levels.
- Customer communications to highlight the action being taken against ASB
- Improved reporting mechanisms for customers to report ASB to Nexus
- Stakeholder engagement to outline how we're tackling ASB

Actions	Action owner	Due Date

Linked Risks

Risk 3 - Metro Performance

Risk 12		
Risk Area: North Shields Ferry Landing Risk Owner: Major Projects Director Risk Actionee: Head of Renewals, Customer Services Director	RAG Status (Red)	Direction of Travel
	16(4x4)	 (Stable)
	Target RAG Status	
	9(3x3)	
Risk Description: The condition of the North Shields Ferry Landing continues to deteriorate and no funding is found to build a replacement		
<p>Potential Impact: Continued deterioration of the North Shields Ferry Landing is likely to lead to prolonged service suspensions and undermine the viability of the service without significant investment by 2025. This will reduce customer confidence and satisfaction in the service leading to declining patronage putting the long-term viability of the service into doubt.</p>		
<p>Controls:</p> <ul style="list-style-type: none"> • Internal project team-level Steering Group/working group. • Regular updates to the Major Projects Directorate Steering Group. • Steering Group with North Tyneside Council and Port of Tyne • Ongoing reviews of lease proposals with North Tyneside Council and Port of Tyne by Nexus Managing Director • Periodic progress reporting to Nexus' Senior Leadership Team • Apply effective and proven project management controls, risk management planning and governance processes with appropriately skilled resources employed in these areas. • Active stakeholder engagement to obtain involvement and co-operation of third/interested parties. • Regular assessment of programme delivery against expected grant funding conditions and meeting with funding bodies to provide up to date progress. • Horizon scanning and bidding for funding to continue to develop the project • The borehole investigation has been completed on site. The final report issued and accepted by Nexus Engineering and external consultant. • Full planning application conditionally approved on 16th December 2022. Conditions to be closed as design progresses post GI work. Note conditions cannot be discharged until principal contractor is appointed. 		

<ul style="list-style-type: none"> • Marine Management Organisation (MMO) have granted a Marine License for the North Shields Ferry Relocation project with a license end date of December 2027. • River Works License applications have been agreed in principle by Port of Tyne for the main works. • Progress design development commission work and contract delivery methods. • Agreed lease demarcations and maintenance strategies. 		
<p>Mitigations</p> <ul style="list-style-type: none"> • Continued advance planning and collation of information in identified risk areas to mitigate future delivery risks. • Attend and contribute towards ongoing strategic multi-party meetings facilitated/chaired by North Tyneside Council which embed the North Shields Ferry Landing relocation as an integral part of a wider ambition for the Fish Quay area. 		
Key Milestones:		Due Date
Land Agreements Leases and Consents to be completed before tender issue		June 2024
Anticipated Funding Announcement		April 2024
Nexus to Publish Invitation to Negotiation Tender		July 24
Deadline for receipt of Tenders		Sept 24
SLT approval for contract award		Nov 24
Completion of new Ferry Landing and protection jetty extension works		Nov 26
Demolition of existing North Landing		Jan 27
Actions	Action owner	Due Date
Review results of Condition and Structural Survey of existing North Shields ferry landing	Head of Renewals	April 24
Linked Risks		

Risk 13		
Risk Area: Future of the Bus Network	RAG Status (Amber)	Direction of Travel
Risk Owner: Customer Services Director		
Risk Actionee: Head of Commercial, Head of Customer Services, Head of Corporate Planning	6(2x3)	↔ (stable)
	Target RAG Status	
	6(2x3)	
<p>Risk Description: Meeting the region’s target for access to public transport could become beyond the budget available to Nexus, due to a significant withdrawal of commercial services caused by reduction in Government subsidy while patronage is yet to recover to pre-pandemic levels.</p>		
<p>Potential Impact: Bus patronage across commercial operators is currently about 80% of historic levels and, with Government support being reduced, commercial and subsidised bus services will become less sustainable and may accelerate the long-term decline of the network.</p> <p>Service cuts will mean bus would cease to provide an adequate level of public transport options across communities reducing access to education, employment, and leisure opportunities.</p> <p>Failure to adequately fund improvements and repairs to bus infrastructure is likely to exacerbate negative feelings towards bus services.</p> <p>Additional funding from Government to the Joint Transport Committee through the Bus Service Improvement Plan (BSIP) provides Nexus with the means to make interventions, but this funding is time-limited to March 2025 after which routes and services we are now able to support will again be under threat.</p> <p>The BSIP funding also provides the potential to enhance the frequency of existing commercial routes and increase evening and Sunday frequencies, making bus travel as a whole more convenient and appealing – but this is only possible where bus companies have the vehicles and drivers to make improvements which Nexus is offering to fund.</p>		
<p>Controls:</p> <ul style="list-style-type: none"> • Delivery of an Enhanced Partnership between Transport North East, Nexus and Bus Companies, supported by funding from the Government’s Bus Service Improvement Plan until 2025. 		


- Implement further rescue packages where commercial operators make cuts, consulting stakeholders to implement network reviews funded by the BSIP until 2025.
- Use BSIP funding to enhance frequencies on commercial routes during the day and evening to make the bus network more attractive, grow passenger numbers and reduce the level of subsidy required overall, where commercial bus companies have the drivers and vehicles to do so.
- Implement fares and discounts agreed by the Enhanced Partnership across all Nexus services including Metro and Ferry in order to deliver the best possible holistic public transport offer.
- Lobby Government for continued funding beyond 2025 to support bus services.
- Develop capital and revenue led schemes in readiness for funding opportunities.
- Established businesses cases for improvements in bus infrastructure and information provision.
- Developed and funded a programme of network frequency enhancements, consulted on with operators, and funded from BSIP

Mitigations

- Local bus boards and customer consultation processes to understand and reflect local priorities for bus services.
- Monitor public transport patronage and undertake research through the insight panel to gain intelligence on trends and passenger behaviours

Next Steps/Key Milestones:	Action owner	Due Date
Liaise with TNE to ensure commitments set out within the EP Scheme adequately funded.	Customer Services Director	Ongoing
Work with operators to understand cuts they may be making in advance, under the terms of the EP, so effective mitigations can be consulted on and delivered	Head of Commercial	Ongoing
Deliver and monitor the secured bus network and provide monitoring data as agreed.	Head of Commercial	Ongoing
Develop designs alongside Gateshead Council to improve Gateshead bus station as part of Interchange redevelopment proposals.	Customer Services Director	Nov 24

Deliver a Multimodal Price Capped Pay As You Go Product through the Bus Service Improvement Plan.	Customer Services Director	Nov 24
Seek investment through BSIP in stops and shelters to improve safety and accessibility to bus services	Customer Services Director	Nov 24
Linked Risks Risk 5 – Frontline Services		

Risk 14		
Risk Area: Climate change mitigation and resilience Risk Owner: Safety and Assurance Director Risk Actionees: Metro Operations Director, Head of Engineering, Head of Maintenance Delivery, Metro Infrastructure Director	RAG Status (Green)	Direction of Travel
	6(2x3)	 (stable)
	Target RAG Status	
	4 (2x2)	
Risk Description: There is a risk that Nexus is unable to mitigate sufficiently against the growing number of incidents of extreme weather occurring due to climate change to ensure service resilience.		
<p>Potential Impact: If incidents of extreme weather including; heavy rain, extreme heat and high winds continue to occur on a more frequent basis then, without suitable mitigation, Nexus is likely to experience more regular and prolonged disruption to its services.</p>		
<p>Controls:</p> <ul style="list-style-type: none"> • Outstabling plan for cold weather developed to protect fleet. • Proactive vegetation management within the bounds of available funding. • Lineside Management Strategy developed. • Vegetation management processes designed to prevent land slips, tree falls and leaves on the line. • Weather Preparedness Plans in place. • Additional track and OHL inspections during times of extreme heat. • Capital programme in place to deliver OHL and track renewal projects, ensuring greater asset reliability. • Rail and joint treatment to support predictable levels of expansion and contraction caused by changes in temperature. • Remote temperature monitoring of rails to identify instances of extreme high rail temperatures which could lead to rail buckling. • Regular visual and detailed inspections of earthworks and structures in accordance with industry standards. • Liaison with neighbours and other statutory bodies to resolve flooding risk. • Promote modal shift to public transport and sustainable travel to support regional targets to reduce carbon. 		

<ul style="list-style-type: none"> • Implement the Environment & Sustainability Strategy in order to reduce Nexus' climate impact. • Support the transition to EV's through our own van fleet and through developing 'Charge and Ride' options at major car parks. • Participation in regional environment and sustainability forums. • Well established processes to protect Shields Ferry in times of extreme weather whilst also maintaining a service for passengers. • Working with global comparators to understand best practice in relation to climate change resilience. • Strategy for renewal of OHL sections susceptible to extreme heat. 		
<p>Mitigations</p> <ul style="list-style-type: none"> • Development and implementation of emergency preparedness and of business continuity plans in the event of major disruption. 		
Actions:	Action owner	Due Date
Working with Northumbria Water, South Tyneside Council, and the Environment Agency to identify solutions to flooding issues in the Tyne Dock area.	Metro Infrastructure Director	Ongoing
Liaising with Network Rail to understand their plans for improving resilience on the Sunderland extension.	Metro Infrastructure Director	Ongoing
Implement outcomes of Vegetation Management Strategy.	Head of Maintenance Delivery	Mar 25
<p>Linked Risks</p> <p>Risk 2 – Significant Operational Incident</p> <p>Risk 3 – Metro Performance</p>		

Appendix 2

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

			Uncontrolled and Controlled Risk Scores						
Risk area	Uncontrolled			Controlled			Target		
	L'hood	Impact	Score	L'hood	Impact	Score	L'hood	Impact	Score
Catastrophic security event	4	4	16	2	4	8	2	4	8
Catastrophic safety event	4	4	16	2	4	8	2	4	8
Metro Performance	4	4	16	3	4	12	2	4	8
Long Term funding for Metro	4	4	16	2	4	8	1	3	3
Frontline services and discretionary travel Schemes	4	4	16	2	3	6	1	3	3
Delivery and introduction of the new train fleet.	4	3	12	3	3	9	2	3	6
Efficiency of Delivery of the Capital Programme	4	3	12	3	3	9	1	3	3
Cybersecurity	4	4	16	2	4	8	2	4	8
Products and Payment Offer	4	3	12	2	3	6	1	3	3

Funding Public Transport Network improvements	4	3	12		3	3	9	2	2	4
Anti-Social Behaviour	4	3	12		3	3	9	1	3	3
Ferry Landing Relocation	4	4	16		4	4	16	3	3	9
Future of the Bus Network	3	4	12		2	3	6	2	3	6
Climate Change Mitigation and Resilience	4	3	12		2	3	6	2	2	4

Appendix 3: Risk Score Matrix

Assess the impact if the risk occurred:

		Impact:			
		Insignificant	Minor	Significant	Critical
Likelihood	High	4	8	12	16
	Medium	3	6	9	12
	Low	2	4	6	8
	Negligible	1	2	3	4

Assess the likelihood of the risk occurring:

Likelihood:	
High	Risk will almost certainly occur or is occurring at present
Medium	Risk is likely to occur in most circumstances
Low	Risk may occur
Negligible	Risk is unlikely to occur

Assess the impact should the risk occur e.g.

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

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

Date: 11 April 2024

Subject: Tyne Tunnels Update

Report of: Managing Director, Transport North East

Executive Summary

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

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

The report provides information on traffic levels through the Tyne Tunnels, which continue to be higher than in previous years, with over 1.616 million vehicle journeys through the tunnels during February 2024. This is a year-on-year increase from February 2023 of circa 80,000 journeys, having accounted for the additional day in 2024 because of the leap year.

The report includes an update on the recently announced programme of 36 weekend closures of the northbound tunnel which commence in May and finish in March 2025.

The key findings of the latest independent audit of TT2's appeals handling are also presented for the committee's information.

Finally the report also provides an update on the usage and operation of the Tyne Pedestrian and Cyclist tunnels with particular reference to the completion of the inclined lifts.

Recommendations

The North East Joint Transport (Tyne and Wear) Sub-Committee is recommended to:

- i. Note the contents of the traffic tunnels update; and
- ii. Note the contents of the Tyne Pedestrian and Cyclist Tunnels update.

1. Background Information

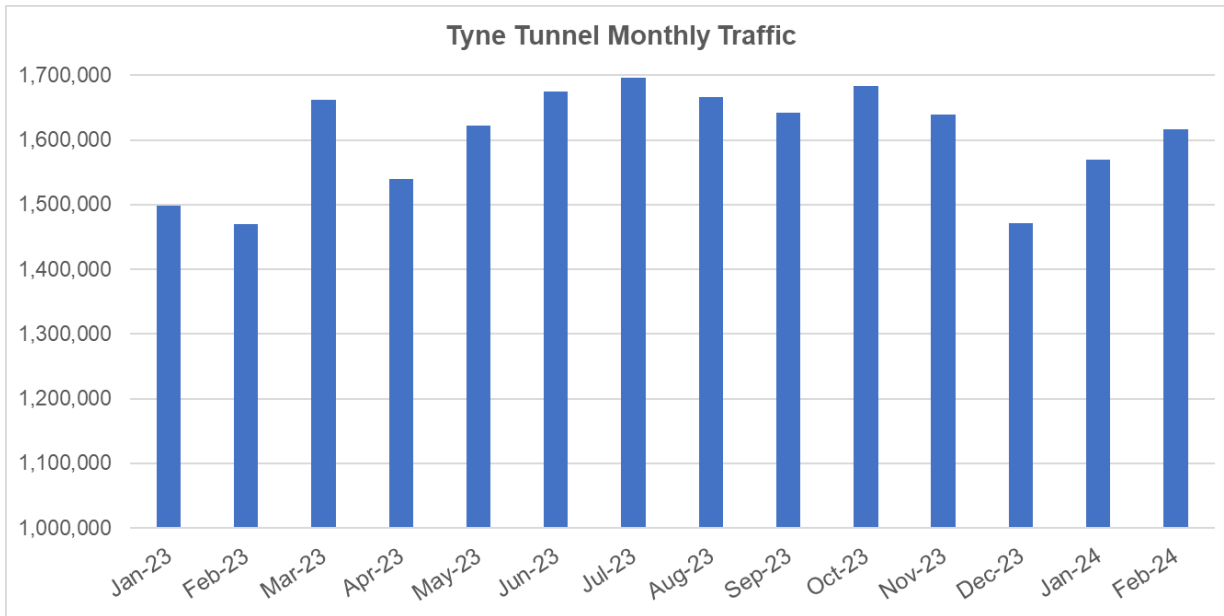
- 1.1 The Tyne Tunnels are jointly owned by the five Tyne and Wear Councils through their membership of the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA). Through the region's joint transport arrangements, the interests of the local authorities are represented by the Joint Transport Committee's Tyne and Wear Sub Committee (TWSC) and administered by officers of Transport North East (TNE).
- 1.2 The Tyne Tunnels comprise two vehicle tunnels (one northbound and one southbound) and the pedestrian and cyclist tunnels all passing under the River Tyne, linking North Tyneside with South Tyneside. The first vehicle tunnel was opened in 1967, and the second opened in 2011 having been financed and built using a PFI-style Concession contract.
- 1.3 The Tyne 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. The toll charges are necessary to repay the significant debts which were incurred in 2007 by both TT2 Limited and the local authorities in the building of the second tunnel and undertaking substantial refurbishment of the original tunnel.
- 1.4 TT2 Ltd as Concessionaire is responsible for the day-to-day management and operation of the Tunnels, in accordance with the Project Agreement which is in place from 2007 to 2037. This is monitored by a Strategic Infrastructure Contract Manager in TNE.

2. Traffic Tunnels Update

Traffic Flows

- 2.1 The number of vehicles travelling through the Tyne Tunnels is monitored daily by TT2 and TNE. If traffic levels are low (as they were in 2020 and 2021 due to Covid restrictions), TT2 suffers the income loss from the reduced toll income rather than the Joint Transport Committee (JTC), as the JTC income is protected by the nature of the Project Agreement. The agreement is designed so that JTC takes the first share of traffic income, while TT2 takes its income from the additional traffic over that level. This means that TT2 takes the main financial risk on a drop in traffic, but also benefits financially when traffic is higher.
- 2.2 Traffic levels at the Tyne Tunnels are continuing to increase with significantly higher volumes than a few years ago. In February 2024 there were **1,616,236** vehicle journeys through the tunnels, compared with the previous year when in February 2023 **1,469,471** vehicle journeys were made. 2024 is a leap year, so there was an additional day in February this year, but if the trips made on 29th February 2024 are removed, there was a year-on-year increase of 80,981 journeys or 5.5%. The growth in traffic using the Tyne Tunnels is likely to be a result of various factors including the faster journey times achieved by the barrierless system and other improvements on the A19; macro-level socioeconomic changes, and possibly displacement of traffic from other river crossings.

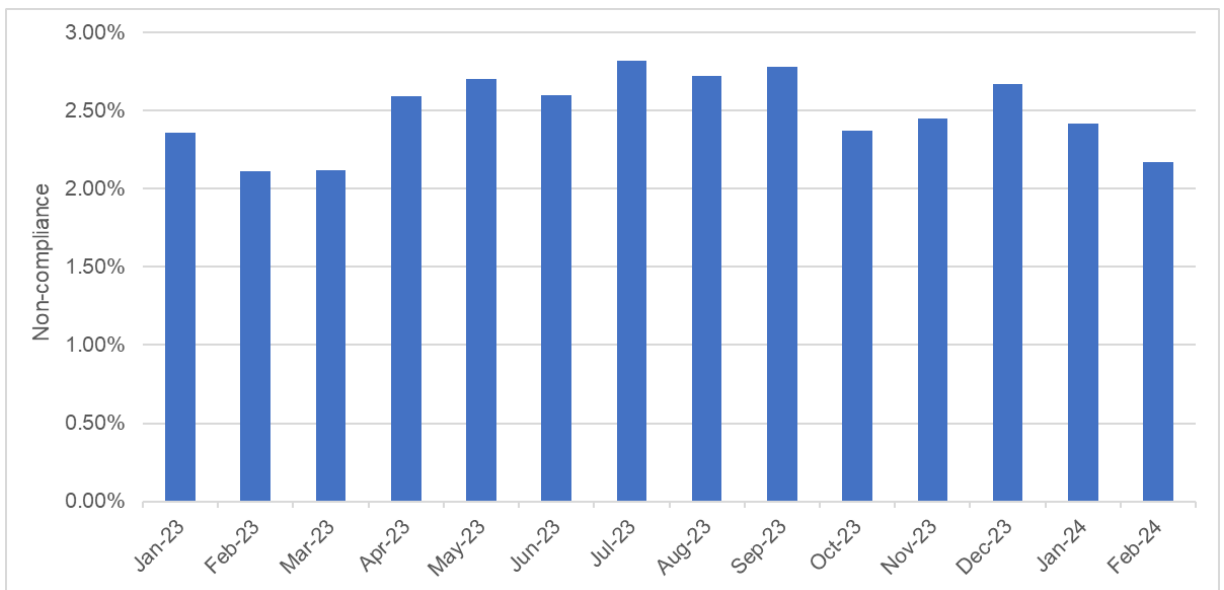
Figure 2.1: Tyne Tunnel Monthly Traffic



Payment of the Toll

2.3 In February 2024, the toll was paid on time for 97.83% of journeys. The chart below shows that the percentage of journeys which were ‘non-compliant’ (where customers failed to pay the toll and received a UTCN - Unpaid Toll Charge Notice) has been fluctuating between 2% and 3% for more than a year. These fluctuations result from a variety of reasons including seasonal traffic, number of weekends/bank holidays in a month and TT2 customer campaigns to improve awareness of the toll.

Figure 2.2: Non-compliant journeys (journeys where toll is not paid)



Northbound Tyne Tunnel maintenance

- 2.4 In March, TT2 announced maintenance works that will include closure of the northbound tunnel over 36 weekends starting in May 2024. The tunnel will not be closed on the weekend of the Great North Run 2024 or for three weekends across Christmas and New Year. During the closures of the northbound tunnel, the southbound tunnel will operate with bi-directional traffic such that drivers will still be able to use the river crossing to travel in both directions.
- 2.5 TT2 have a contractual responsibility to operate and maintain the tunnel until 2037 and this mid-term maintenance is necessary to ensure it remains in optimal condition with a view to maximising the serviceable life of the tunnel. The schedule of programmed maintenance has been phased as a series of weekend closures so that both tunnels will operate as normal during the working week from Monday to Friday. This is intended to minimise disruption to the travelling public and businesses, and protects the vast majority of commuter and business travel which is vital to the regional economy.
- 2.6 The programme of weekend tunnel closures unfortunately coincides with other projects in the region including the Tyne Bridge refurbishment, which requires reducing its capacity, and improvement works on the A1 Western Bypass. The maintenance in the northbound tunnel is however necessary and to offset from the other regional infrastructure projects would require a significant delay of several years which is not possible. Therefore the tunnel closures have been restricted to weekends so as to reduce compounding delays for motorists. The various transport bodies, including TT2, the local authorities, National Highways and Nexus have been liaising closely with each other to coordinate the works and communications as much as possible.
- 2.7 It is anticipated that typical weekend traffic volumes will exceed the capacity of a single bi-directional tunnel during the busiest periods and as such it is highly likely that there will be delays to traffic during these periods of the weekend closures. Officers from TNE have been liaising with TT2 to ensure a comprehensive communications plan for tunnel users and stakeholders with information and updates about the works. It will be important to provide status updates on the traffic at the tunnels for drivers so that they can make informed decisions about their travel arrangements. Stakeholders will also be briefed throughout the duration of the works so that they are aware of progress and any issues arising which might impact on their operations.
- 2.8 The body that succeeds the JTC as part of the new North East Combined Authority will be briefed on the works throughout.

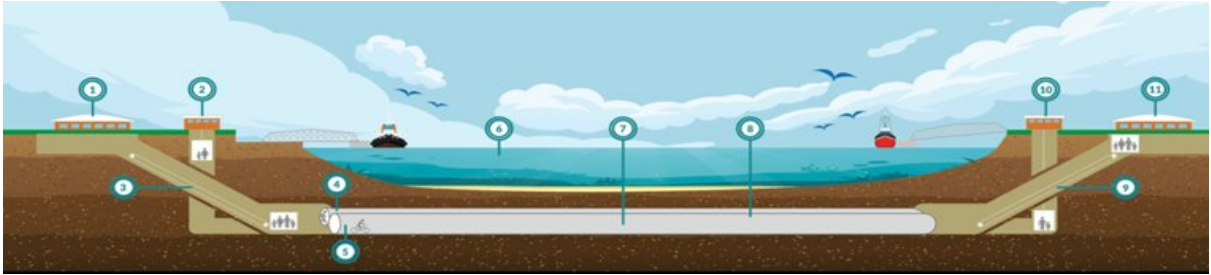
Independent audit of appeals

- 2.9 Following a number of requests for independent bodies to be involved in the appeals process, it was jointly agreed with TT2 that an independent auditor be appointed to review appeals on a quarterly basis. The auditor assesses a randomly selected sample of appeals to determine if they have been handled in accordance with the established processes, including the appeal rules agreed with TNE that exist at the time of the appeal and whether individual circumstances have been appropriately considered in each case. The audit also includes a review of TT2's internal quality assurance checks and the systems used for handling appeals. The audits provide independent

reassurance to TNE and customers that appeals are being determined fairly and in line with the appropriate process.

- 2.10 The most recent audit, covering the period from August 2023 to January 2024, considered 214 internal quality assurance checks, 46 live appeals and customer complaint handling and 44 closed or ongoing appeals. The auditor noted several improvements from the previous audit including reduced customer response times; additional support for agents as part of their induction; enhanced quality assurance monitoring, and the introduction of a monthly review of complex appeals cases to ensure mitigating circumstances are appropriately considered.
- 2.11 The audit reported the findings of TT2's internal quality assurance checks during the period. The checks identified only a very small number of appeals that had not been handled in accordance with TT2's processes and/or the agreed rules, and each of these had been rectified with the customer. Another minor issue identified by the internal quality assurance team and reported by the auditor was around the quality of responses. The issue was that agents were not in all instances addressing each of the points made by customers in appeals, however this does not appear to have unfairly affected the outcomes and is limited to a communication issue.
- 2.12 The audit identified one opportunity for improvement identified which was for TT2 to utilise the data of key appeal reasons to inform the internal quality assurance sampling moving forward. This would enable theme-based sampling to consider specific issues, although the auditor acknowledged that the existing approach of random sampling is effective.

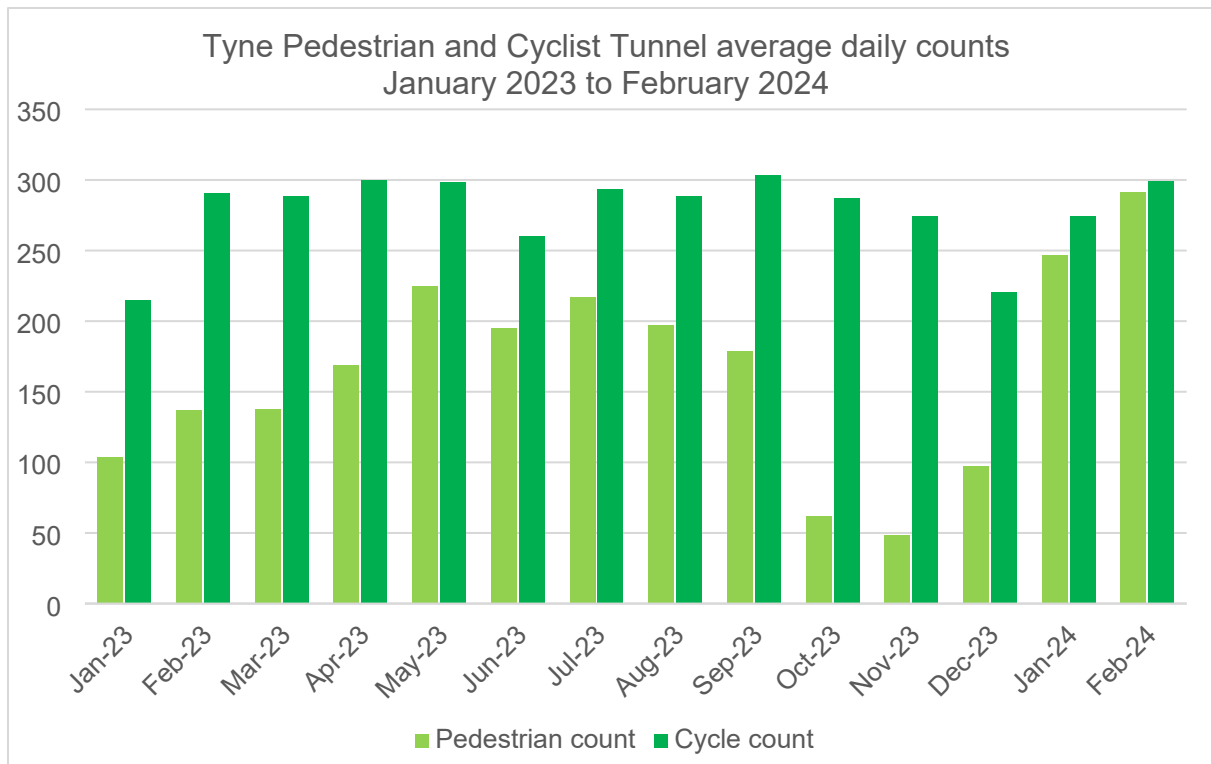
Tyne Pedestrian and Cyclist Tunnels Update



2.13 The Tyne Pedestrian and Cyclist Tunnels (TPCT) reopened for public use in August 2019 after being closed for several years for refurbishment. The tunnels are currently open to the public 24/7 with no charge to users. To access the tunnels, pedestrians and cyclists can use the vertical lift at both ends. The tunnels are monitored via CCTV by the 24-hour security presence on-site.

2.14 Daily use of the tunnels in the first two months of 2024 has been higher than the same period last year, with a particularly large increase in the number of pedestrians. Daily average usage is shown below.

Figure 2.3: Tyne Pedestrian and Cyclist Tunnel average daily counts January 2023 to February 2024



2.15 There was a planned closure of the TPCT between 9am and 1pm on 30 January and 6 February for maintenance works on the vertical lifts, during which a replacement bus service with a cycle trailer operated free of charge. This was publicised on the TPCT social media channels several days in advance to provide tunnel users with as much notice as possible and updates were provided once the tunnel reopened.

Inclined lifts refurbishment

- 2.11 Additional lifts have been installed to increase capacity for cyclists and to provide a tourist attraction. These are bespoke glass “inclined” lifts which travel on a steep incline down the historic escalator shaft to the lowest part of the tunnels. Final completion of the inclined lifts is still awaited as they have proved difficult to complete due to the bespoke nature of the design and issues with the original contractors.
- 2.12 The lift contractors have made good progress on the remaining wiring and mechanical systems which control the lift as well as completing the glazing at the lift doors. The works are now in the final stages of testing and the contractor is preparing the necessary operating and maintenance documentation. The certifying body are planning to undertake their final inspection in early May and subject to satisfying the required standards, the lifts should open to the public soon after. Once they are operational, the new lifts will be able to carry up to 6 cyclists and their bikes in one journey.
- 2.13 Once the inclined lifts have been opened to the public for use, there will be a handover process to TT2 who will resume day-to-day operational responsibility for the TPCT. It is planned that the handover will happen in late Summer 2024.

3. Reasons for the Proposals

- 3.1 Not applicable.

4. Alternative Options Available

- 4.1 Not applicable.

5. Next Steps and Timetable for Implementation

- 5.1 The lift contractor is continuing work on the inclined lifts to enable them to be brought into operation as soon as possible.

6. Potential Impact on Objectives

- 6.1 The Tyne Pass scheme provides significant environmental benefits which contribute to the Combined Authorities’ objective to improve air quality and reduce carbon emissions. This is also in line with the Transport Plan objectives and the Combined Authorities’ objectives to respond to the Climate Change Emergency which has been declared by all constituent authorities.
- 6.2 The Tyne Pass scheme has created new jobs for local people which contributes to the Combined Authorities’ objectives to improve employment opportunities in the region and reduce levels of unemployment.
- 6.3 The promotion of cycling and walking is in line with the JTC objectives on sustainable transport.

7. Financial and Other Resources Implications

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

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

8. Legal Implications

8.1 There are no legal implications arising directly from this report.

9. Key Risks

9.1 There are no key risks associated with this report.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 The Head of Paid Service, Monitoring Officer and Chief Finance Officer have been consulted. Regular updates are provided to the TWSC. TT2's website and the TPCT website both provide updates to the public on all matters related to the Tunnels.

13. Other Impact of the Proposals

13.1 Not applicable.

14. Appendices

None.

15. Background Papers

River Tyne (Tunnels) Order 2005

River Tyne (Tunnels) (Modification) Order 2011

Tyne Tunnel Update reports to previous meetings of the TWSC

16. Contact Officers

Michael Dodds, Strategic Infrastructure Contract Manager
Michael.Dodds@transportnortheast.gov.uk

17. Sign off

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

18. Glossary

JTC – Joint Transport Committee

TPCT – Tyne Pedestrian and Cyclist Tunnel

TWSC – Tyne & Wear Sub-Committee

UTCN – Unpaid Toll Charge Notice

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

Date: 11 April 2024

Subject: Tyne Tunnels ADR Tunnel Category

Report of: Managing Director, Transport North East

b

Executive Summary

The report provides information for members to decide on the submission of a revision to the ADR tunnel category for the Tyne Tunnels to the Secretary of State for Transport. The ADR is the 'Agreement concerning the Carriage of Dangerous Goods by Road' and the tunnel category is assigned by the competent authority, which in this case is the North East Combined Authority acting as traffic authority for the Tyne Tunnels.

The proposal is to change the categorisation from 'D' to 'C', based upon a recent independent quantitative risk assessment which demonstrated that the tunnel safety equipment, operations and practices are aligned to other operators with a 'C' Category within the UK.

There will be no changes to TT2 Limited's operating practices and procedures which are based on best practice within the industry.

Recommendations

The North East Joint Transport (Tyne and Wear) Sub-Committee is recommended to approve the submission of a revision to the ADR tunnel category for the Tyne Tunnels to the Secretary of State for Transport.

1. Background Information

- 1.1 The Tyne Tunnels are jointly owned by the five Tyne and Wear Councils through their membership of the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA). Through the region's joint transport arrangements, the interests of the local authorities are represented by the Joint Transport Committee's Tyne and Wear Sub Committee (TWSC) and administered by officers of Transport North East (TNE).
- 1.2 TT2 Limited are the Concessionaire and are responsible for the day-to-day management and operation of the Tunnels, in accordance with the Project Agreement which is in place from 2007 to 2037. This is monitored by a Strategic Infrastructure Contract Manager in TNE.
- 1.3 The relevant legislation for the transportation of dangerous goods through road tunnels is the Agreement concerning the International Carriage of Dangerous Goods by Road (ADR). The ADR requires the application of restrictions to the passage of vehicles carrying dangerous goods through tunnels depending on the tunnel characteristics, the risk profile, including the availability and suitability of alternative routes and modes, and traffic management considerations. Within ADR, tunnels are assigned a category from A to E to control the transport of dangerous goods through them, with Category A the lowest risk and Category E the highest risk. The 'competent authority' is responsible for assigning the tunnel category, which in the case of the Tyne Tunnels is the NECA, acting as traffic authority for the tunnels.
- 1.4 The Tyne Tunnels were assigned Category D when the ADR classification was implemented in January 2010 on the basis that this enabled TT2 to maintain good practice of escorting certain dangerous goods traffic through the tunnels as provided for in the Tyne Tunnels Byelaws. However, a recent independent quantitative risk assessment commissioned by TT2 demonstrated that the Tyne Tunnels safety equipment, operations and practices are aligned to other operators with a 'C' Category within the UK. Furthermore, the Tyne Tunnels have the lowest level of risk (breaches of dangerous goods) in comparison to other crossings. As such TT2 have proposed changing the tunnel category from 'D' to 'C' to reflect that the Tyne Tunnels are effectively safer than the existing categorisation indicates.
- 1.5 TT2 are not proposing any changes to their existing operating practices which are in line with the Tyne Tunnels Byelaws (2021) that provide TT2 with the authority to restrict and regulate the passage of dangerous goods or traffic through the tunnel crossing using the powers granted to NECA by Section 41(2)(n) of the River Tyne (Tunnels) Order 2005. As such, the proposed alteration of the ADR tunnel category will not result in a change to the safety profile of the tunnels.
- 1.6 TNE's Tyne Tunnels engineering consultants, Arup, have reviewed and provided comments on the independent quantitative risk assessment to provide assurance to NECA for the proposed change.
- 1.7 The NECA, acting as the competent authority, are required to notify the Secretary of State for Transport for the purpose of updating the Department for Transport website and other relevant publications.

2. Proposals

- 2.1 Based on the findings of the recent independent quantitative risk assessment, it is proposed that the NECA, acting as traffic authority for the Tyne Tunnels, changes the ADR tunnel category from 'D' to 'C' and notifies the Secretary of State for Transport accordingly. This reflects the risk profile determined by the tunnel characteristics and TT2's operating practices. There are no changes proposed to the tunnel structures or traffic management procedures.

3. Reasons for the Proposals

- 3.1 The reason for the proposed change to the ADR tunnel category for the Tyne Tunnels is to align the categorisation with the safety profile which is influenced by the tunnel safety equipment, operations and practices. This will address a potential inconsistency arising from the historic ADR categorisation and the operating practice provided for through the Tyne Tunnels Byelaws (2021). The change will also ensure the ADR tunnel category for the Tyne Tunnels is consistent with other similar crossings.
- 3.2 Responsibility for the Project Agreement with TT2 is a function delegated by the Joint Transport Committee (JTC) to the TWSC. As such, the TWSC are acting on behalf of the NECA to implement the change to the ADR tunnel category and notify the Secretary of State for Transport.

4. Alternative Options Available

- 4.1 Option 1 - The North East JTC TWSC may accept the recommendation presented in this report to approve the submission of a revision to the ADR tunnel category for the Tyne Tunnels to the Secretary of State for Transport.

Option 1 is recommended because it ensures that the ADR tunnel categorisation aligns with the safety profile of the tunnels.

- 4.2 Option 2 – The North East JTC TWSC may not accept the recommendation presented in this report. This will mean that the ADR tunnel category is not appropriate for the safety profile of the Tyne Tunnels, including the current operating practice.

5. Next Steps and Timetable for Implementation

- 5.1 If the recommendation presented in this report is accepted, NECA will proceed immediately with notifying the Secretary of State for Transport of the change to the ADR tunnel category.
- 5.2 TT2 will inform the Tunnels Design and Safety Consultation Group (TDSCG) of the change as well as the Northumbria Local Resilience Forum (LRF) which includes the emergency services and specific supporting agencies. Following this notification, TT2 will amend the road signage and relevant literature as well as coordinate an information campaign to all local and national freight haulage companies.

6. Potential Impact on Objectives

6.1 There are no impacts on the objectives of the Strategic Economic Plan or North East Transport Plan arising directly from this report.

7. Financial and Other Resources Implications

7.1 There are no financial implications arising directly from this report.

8. Legal Implications

8.1 The NECA, acting as the traffic authority for the Tyne Tunnels, are undertaking the duty of the 'competent authority' as defined in The Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009, to assign the appropriate ADR tunnel category.

9. Key Risks

9.1 There are no key risks associated with this report.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 The Head of Paid Service, Monitoring Officer and Chief Finance Officer have been consulted. Regular updates are provided to the TWSC. TT2's website and the TPCT website both provide updates to the public on all matters related to the Tunnels.

13. Other Impact of the Proposals

13.1 Not applicable.

14. Appendices

None.

15. Background Papers

River Tyne (Tunnels) Order 2005

River Tyne (Tunnels) (Modification) Order 2011

Tyne Tunnels Byelaws 2021

16. Contact Officers

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17. Sign off

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

18. Glossary

ADR – Agreement concerning the Carriage of Dangerous Goods by Road

JTC – Joint Transport Committee

TWSC – Tyne & Wear Sub-Committee

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