

A meeting of the: **Cabinet**

will be held on: **Tuesday 17 September 2024**

at: **2.00 pm**

in: **Room 0.02, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY**

The meeting will be livestreamed and available to view on the Authority's YouTube channel via www.youtube.com/@NorthEast_CA/streams.

AGENDA

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1. Apologies To record any apologies for absence and the attendance of any substitute members.	
2. Declarations of Interest Cabinet Members are required to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest, in accordance with the Authority's Code of Conduct for Members .	
3. Announcements from the Mayor and/or the Chief Executive	
4. Minutes To confirm as a correct record the minutes of the previous meeting held on 30 July 2024.	3 - 8
5. Mayor's Opportunity Fund To approve the establishment of a new Mayor's Opportunity Fund.	9 - 12
6. North East Local Transport Plan To consider the consultation draft of the Local Transport Plan, delivery plan and summary document and the proposed approach to public consultation.	13 - 24
7. North East Combined Authority Child Poverty Reduction Unit To consider the in-principle establishment of a new Child Poverty Reduction Unit for the North East Combined Authority region.	125 - 130
8. Unlocking Finance for North East Businesses to start and to grow To consider proposals for the creation of new strategic funds to provide regional businesses with the investment they need to start and to grow.	131 - 138

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| 9. | <p>Audit Update</p> <p>To consider the Annual Report 2023/24 of the former North of Tyne Combined Authority's Audit and Standards Committee, the Internal Audit Annual Report 2023/24 in relation to the former North East Combined Authority and Joint Transport Committee, an update on the establishment of the North East Combined Authority (North East CA) Audit and Standards Committee and to recommend the appointment of the local auditor for the North East CA.</p> | 139 - 156 |
| 10. | <p>The North East Combined Authority Risk Management Framework and Strategic Risk Management</p> <p>To consider the Authority's proposed Risk Management Framework and current strategic risks.</p> | 157 - 204 |
| 11. | <p>2023/24 Outturn Position for the North of Tyne Combined Authority, North East Combined Authority, North East Local Enterprise Partnership, Invest North East England and the Joint Transport Committee</p> <p>To consider the provisional outturn financial performance for the organisations which have come together to form the North East Combined Authority for the extended financial year ending 6 May 2024.</p> | 205 - 248 |
| 12. | <p>Performance Management Framework</p> <p>To consider the process for creating a Performance Management Framework for the North East Combined Authority (North East CA) and to review performance data in relation to Nexus and the Tyne Tunnels.</p> | 249 - 262 |
| 13. | <p>Appointment of Substitute CVS Member</p> <p>To agree the appointment of the Substitute Community and Voluntary Sector Member of Cabinet.</p> | 263 - 264 |
| 14. | <p>Next Meeting</p> <p>To note that the next meeting of Cabinet is scheduled to be held on Tuesday 26 November 2024 at 2.00pm in County Hall, Northumberland.</p> | |

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Cabinet

30 July 2024

(2.00pm)

Meeting held in: The Pandon Room, Civic Centre, Newcastle

Minutes

Present: Mayor Kim McGuinness (Chair)
Martin Brookes
Councillor Kelly Chequer
Councillor Tracey Dixon
Councillor Martin Gannon
Councillor Nick Kemp
Dame Norma Redfearn DBE
Councillor Glen Sanderson
Councillor Elizabeth Scott
Lucy Winskell OBE

C19/724 Apologies for Absence and Substitutes

Apologies for absence were received from:

Councillor Amanda Hopgood. Councillor Elizabeth Scott attended the meeting as her substitute.
Councillor Michael Mordey. Councillor Kelly Chequer attended the meeting as his substitute.

C20/7/24 Declarations of Interest

There were no declarations of interest.

C21/7/24 Mayor's Announcements

Mayor Kim McGuinness began the meeting by acknowledging the tragic events which had occurred in Southport the previous day resulting in the deaths of 3 children and others being seriously injured. She stated that everyone's thoughts, sympathy and solidarity were with the victims, families and communities affected by the incident.

Mayor McGuinness also commented that since the previous meeting of the Cabinet, a new Government had been elected and she, together with other regional Mayors, had been invited to Downing Street to discuss devolution. She welcomed the opportunity and looked forward to working with Government as an equal partner to secure greater powers and deliver growth in the region. She specifically highlighted proposals to establish a Council of Regions and Nations, co-design a Devolution Bill, introduce a Rail Bill, accelerate bus reform processes, attract inward investment, improve high streets, provide more social housing and support the re-opening of the Leamside Line.

C22/7/24 Minutes

Resolved that the minutes of the previous meeting held on 11 June 2024 be confirmed and signed by the Mayor as a correct record, subject to a correction to include Councillor Michael Mordey as being present at the meeting and to omit Councillor Claire Rowntree from the attendance list as she was not present at the meeting.

C23/7/24 North East Combined Authority Senior Structure

The Cabinet considered a report from the Chief Executive which sought approval for a proposed senior management and directorate structure for the Authority and an associated process for recruiting to vacant posts.

It was proposed that the structure comprise the following five directorates:

- Operations
- Finance and Investment
- Transport
- Skills, Inclusion and Public Service Reform
- Economic Growth and Innovation.

Each would be headed up by a Director and each would have a clearly defined role linked to the delivery of the Authority's corporate plan and strategic policy commitments.

The positions of Chief Executive, Director of Finance and Investment and Director of Transport had previously been filled as a consequence of staff transfers at the creation of the Authority. It was proposed that the remaining vacant Director positions be recruited through an open, competitive, and external selection process and supported by an external executive search company. Appointment decisions would be taken by a panel comprising the Mayor and at least two Cabinet members and in consultation with all other Cabinet members.

Resolved that:

- (1) the proposed senior management structure as outlined in Section 2 of the Chief Executive's report be agreed;
- (2) the proposed approach to the appointments to the senior management structure and recruitment to the vacant posts as set out in sections 3 to 5 of the Chief Executive's report be agreed; and
- (3) delegated authority be granted to the Chief Executive (Head of Paid Service) to progress these arrangements.

C24/7/24 North East Combined Authority Strategic Portfolio Plans

The Cabinet considered how the Authority proposed to take forward the opportunities presented by devolution in a co-ordinated fashion. The proposed approach was described in a series of Strategic Portfolios Plans which had been developed by the respective Cabinet members with responsibility for each portfolio. The portfolios had been assigned to individual Cabinet members at the Cabinet meeting on 11 June 2024. The plans incorporated the mayoral manifesto priorities and the findings from significant external engagement.

The 7 portfolio plans were presented to the Cabinet by each respective Cabinet member. The plans identified the Authority's ambitions and priorities over the next 12 months and the longer term for each portfolio. Throughout the presentations members emphasised how the plans supported and complemented each other. The Cabinet also recognised the critical role of the business and voluntary sectors, and their willingness, to work collaboratively with the Authority to deliver its ambitions.

It was proposed that an Advisory Board for each portfolio be established to:

- Support Cabinet members in overseeing the delivery of the vision, ambitions and programmes of activity set out in the Authority's Corporate Plan and associated Portfolio Plans and strategies;
- Steer strategy and policy development on matters relevant to the scope of the respective portfolio and recommend courses of action to Cabinet.
- Bring together key stakeholders to support the delivery of these ambitions and programmes; and
- Provide advice and information to the Authority to ensure there is a robust evidence base for decision-making.

The Advisory Board's would not be committees or sub-committees of the Authority and would have no decision-making powers. They would be chaired by the relevant Cabinet Member and their memberships would consist of key partners and organisations relating to each portfolio area. The Cabinet were presented with the proposed terms of reference for each Advisory Board.

The Cabinet was also asked to approve a number of high priority investments, which reflected time-critical priorities identified within the portfolio plans.

Resolved that:

- (1) the work to date in the development of the Strategic Portfolio Plans be noted;
- (2) the Strategic Portfolio Plans as set out in the report of the Chief Executive be endorsed, the priorities identified in those Plans be progressed and subsequent business cases be developed to support investment decisions;
- (3) delegated authority be granted to the Chief Executive to progress subsequent business cases and make investment decisions associated with the activity described within the Strategic Portfolio Plans in consultation with the Mayor and relevant Portfolio Holder subject to the following thresholds which are included within the adopted Single Assurance Framework:
 - Investment approvals up to £500k are to be approved by the Chief Executive, in consultation with the Section 73 Officer and Monitoring Officer, under the Cabinet approved delegated authority.
 - Investment approvals over £500k and up to £1 million are approved by the Chief Executive, in consultation with the Technical Officers Group, S73 Officer and Monitoring Officer, under the Cabinet approved delegated authority.
 - Investment approvals over £1 million and up to and including £5 million are approved by the Chief Executive, in consultation with the Finance and Investment Board, Section 73 Officer and Monitoring Officer, under the Cabinet approved delegated authority.
- (4) the establishment of seven Advisory Boards as set out in section A, paragraph 3 of the Chief Executive's report be agreed, to ensure the functions and activities of the Combined Authority are undertaken in a collaborative way;
- (5) the terms of reference for the seven Advisory Boards, as set out in Appendix B to the Chief Executive's report, be agreed and delegated authority be granted to the to the Chief Executive, in consultation with the relevant Portfolio Holder, to appoint individual members to those Boards;
- (6) the Investment Zone Manufacturing Automation Digitalisation Electrification North East (MADE NE) project be approved subject to the conditions set out a paragraph 4.4.5 of the Chief Executive's report and delegated authority be granted to the Chief Executive, to enter into the relevant agreements as required, in accordance with the Single Assurance Framework;
- (7) progress in relation to Trailblazer funding decisions previously agreed by Cabinet on 11 June 2024 regarding Forth Yards and Riverside Sunderland be noted;
- (8) investments approved previously by the North East Joint Transport Committee as set out below be noted and delegated authority be granted to the Chief Executive to action the relevant agreements as required:
 - £4.58 million of Transforming Cities Fund grant for the Shields Ferry Landing scheme to be paid to Nexus through a Grant Funding Agreement,

- £8 million of North East CA's pre-allocated reserve funding to develop an Outline Business Case for the Washington Metro Loop to be produced by Nexus through a Grant Funding Agreement,
 - £0.6 million to commission a Strategic Outline Case for the southern section of the Leamside Line, of which £0.35 million is a contribution from the Department for Transport, £ 0.071m from North East CA's rail budget and £0.179m is from North East CA's pre-allocated reserves,
- (9) the following investment be approved in principle and delegated authority be granted to the Chief Executive, to enter into the relevant agreements as required, in accordance with the Single Assurance Framework:
- £60.811 million (revenue) and £40.468 million (capital) of Bus Service Improvement Plan funding to deliver a range of improvements to bus services, to be delivered by partners through Grant Funding Agreements
- (10) delegated authority be granted to the Chief Executive, in consultation with the Mayor, Portfolio Holder and the seven constituent authority Chief Executives, for the North East CA to enter into a Memorandum of Understanding with Homes England to establish a North East Strategic Place Partnership (NESPP) and approve the NESPP Partnership Business Plan.

C25/7/24 City Region Sustainable Transport Settlement

Councillor Martin Gannon, Cabinet Member for Transport, presented a report which provided an overview of the North East City Region Sustainable Transport Settlement (CRSTS) Programme and sought agreement for a prospective programme of sustainable transport investment.

In 2020 the Government had announced that 8 English city regions would be eligible for a share of additional funding for local transport networks over a five-year period (2022/23 to 2026/27). The North East's eligibility for a settlement was subject to the creation of a Mayoral Combined Authority and further details were set out in the 2022 North East Devolution Deal. The North East CRSTS totalled £563m of capital funding for the period up to March 2027 and a further £11.36m of revenue funds to develop, manage, and assure the CRSTS programme. Initial CRSTS funds released to 2027 would not include the delivery of projects in County Durham, but the North East CA would receive an additional £72.844 million of capital funding from the Local Transport Fund (LTF) to support local transport improvements in the county for the financial years 2025/26 and 2026/27.

Access to CRSTS was dependent on the submission of a Business Case outlining investment propositions, how the North East CA had selected proposed interventions, the scale, timing and outcomes of those interventions in addition to clearly demonstrating how proposals were deliverable and would achieve value for money. This Business Case would be subject to review and agreement from the Department of Transport (DfT) before funding was formally awarded and released.

The Cabinet was presented with a proposed programme which had been assembled through an extensive independent and rigorous evidence-based assessment, built on an initial pipeline of schemes identified in the North East Transport Plan and supplemented with information supplied in collaboration with Local Authorities and regional partners. The programme of investment was balanced, both spatially and thematically with 40 schemes totalling £181m in value.

The 2022 Devolution Deal placed all local roads maintenance funding under the control of the North East CA as part of CRSTS. The allocation of maintenance funding to Highways Authorities would be guided by a new regional Transport Asset Management Plan (TAMP) which was being developed collaboratively with the constituent local authorities and would be presented to Cabinet in due course.

Councillor Gannon commented on the significance of CRSTS in terms of providing additional funding and financial certainty over several years. However, he referred to the scale of the

additional funding and expressed his desire for more to enable the Authority to deliver its ambitious plans for the regional transport network.

Resolved that:

- (1) the City Region Sustainable Transport Settlement update and the progress undertaken to develop the North East City Region Sustainable Transport Settlement Programme be noted;
- (2) the North East City Region Sustainable Transport Settlement Programme be agreed, including:
 - a) A programme of sustainable transport capital investment totalling £181m inclusive of overprogramming, outlined at section 4 of this report and in Appendix 1.
 - b) The allocation of £346m of City Region Sustainable Transport funding for Highways Maintenance, to be accounted for within the forthcoming regional Transport Asset Management Plan.
- (3) delegated authority be granted to the Chief Executive, in consultation with the Cabinet Member for Transport and the Director of Finance and Investment, to finalise the North East City Region Sustainable Transport Settlement Business Case, and submit it to Government on behalf of the North East CA.

C26/7/24 Improving and Reforming North East Buses

Councillor Martin Gannon, Cabinet Member for Transport, presented a report which described the current operation of the bus network, the case for change and options as to how bus operations could be reformed.

Residents in the North East used buses more than in other English regions and, due to lower car ownership, some people had a high reliance on buses. Consequently, an attractive, integrated and reliable North East bus network could tackle regional challenges far beyond transport. However, the bus network had seen a long term decline with the number of miles operated in the region reducing by 31% since 2010 and patronage by 36% in the same period. Residents often did not see the bus as an attractive choice and fragmentation of the transport network meant it could be challenging to align route planning, ticketing and customer information. This was despite an increasing amount of public funding spent on supporting the bus network. It was estimated that £103.8 million of public funding was expended on the North East bus network in 2022/23, representing approximately 43% of bus operator income.

A bus reform project had been initiated to address these problems, deliver a truly integrated transport network and support delivery of the North East CA's wider commitments and ambitions. The Cabinet was presented with a Bus Reform Options Report which outlined the successes and challenges of the current operating model and detailed the benefits, potential costs and implications of two different options for reform. The options were:

- a) Expand the current Enhanced Partnership. The current operator-led delivery model would be retained and any improvements would be subject to agreement with operators following negotiations. The North East CA could seek greater ticketing integration, reduced service duplication and better interchange opportunities with Tyne and Wear Metro services. Expanding the partnership would avoid the lengthy legal process required for franchising and could therefore likely be delivered sooner.
- b) Implement a franchising scheme. Franchising would see buses brought under public control, meaning the North East CA would determine the routes, fares, timetables and vehicle standards in the area. It was likely that bus revenue risk would also be transferred from the operators to the authority. This would mean the authority would be required to cover any shortfall if revenues are below expectations, but equally would benefit from any profits that could be reinvested into the network.

Any decision to proceed with implementing a franchising scheme could only be taken if a Franchising Scheme Assessment (FSA) determined that franchising was the best option. An FSA was effectively a business case which considered its likely effects in terms of delivery and value for

money when compared to the best Enhanced Partnership alternative. An independent audit and consultation would also have to be taken into account before any final informed decision was taken.

The Cabinet was also presented with an update on the Bus Service Improvement Plan (BSIP). The plan provided the region's strategic plan for buses, setting out the vision for improving bus services and growing bus patronage, in line with the National Bus Strategy. The plan had been developed jointly with bus operators and highways authorities and the government had awarded the North East £163.5m to start investment in the projects set out in the BSIP over the period April 2022 to March 2025.

The Cabinet expressed its support for proceeding with the preparation of a FSA. Members highlighted the needs of rural communities for sustainable bus services, the importance of the network in providing equitable access to the region's assets and the Authority's ongoing commitment to continue to work with operators to improve bus services.

Resolved that:

- (1) the Bus Reform Options Report be noted;
- (2) a notice of intent to prepare a Franchising Scheme Assessment be published, as required by the legislation, and the Authority proceed to preparation of a Franchising Scheme Assessment covering the area of the North East CA;
- (3) a total budget allocation of £8.5 million for a Franchising Scheme Assessment across financial years 2024/25, 2025/26 and 2026/27 be approved, to be funded by a combination of existing transport budgets, reserves previously earmarked for transport, and interest which will be earned on transport balances held during the current financial year; and
- (4) the updated version of the Bus Service Improvement Plan be approved for publication.

Title: Mayor's Opportunity Fund
Report of: Janice Gillespie
Portfolio: Finance and Investment

Report Summary

This report seeks approval for the establishment of a new Mayor's Opportunity Fund. The fund has been designed to support the Mayor and Cabinet's commitment to creating opportunity and fighting child poverty.

The fund will invest £1million over two years in a new community grants programme, adding significant value to existing charitable contributions and philanthropy in the region. Mobilising the North East CA's investment alongside that of our Local Authorities will create new opportunities for entrepreneurial communities to ensure that the North East is a cohesive, inclusive and resilient region where everyone thrives and has the opportunity to contribute to the region's success. Funded activity will achieve a range of positive outputs and outcomes in some of our most deprived neighbourhoods, including improving community facilities, supporting community events and safeguarding jobs.

Recommendations

Cabinet is recommended to:

1. Approve the creation of the Mayor's Opportunity Fund; and
2. Delegate authority to the Chief Executive, in consultation with the Mayor and Finance and Investment Board, to finalise the arrangements for the set-up of the fund, and to put the appropriate delivery mechanisms in place.

A. Context

1. Background

- 1.1. Many people living in the North East experience worse social and economic outcomes than those living in the rest of the UK. Social and economic inequalities also exist *within* our region. Where someone lives in the North East can significantly shape the quality and length of their life. This inequality poses a significant risk to realising the full potential of the powers and investment opportunities presented by the North East devolution deal. We know that strong cohesive communities and inclusive sustainable growth go hand in hand. Positive economic outcomes are underpinned by a wide range of social factors, from physical and mental health to community safety and access to affordable childcare. The success of our region and its economy is inextricably linked to the collective wellbeing of our people and places.
- 1.2. Small charities and community groups are the building blocks of cohesive, inclusive and resilient communities, and prosperous regions. They work with residents most at risk of being left behind at the same time as fostering good relationships between diverse residents and communities. These organisations are experiencing increasing demand on their services due to the pandemic and the cost-of-living crisis, as well as recent public disorder. They are also experiencing increasing running costs. They often have limited resources to be able to compete for funding and tend to miss out on commissioning processes that favour bigger regional or national charities. Local Authorities play a pivotal role in supporting community activity but, due to increased pressure on budgets, it is estimated that local government funding of charities nationally fell 23% between 2009-10 and 2020-21. Devolution provides additional opportunities to invest in the work of small charities and community groups working at a hyper-local level to create opportunity and fight child poverty.

2. Fund design

- 2.1. The Mayor's Opportunity Fund will invest £1million in a new community grants programme supporting activities delivered by small charities and grassroots community groups. Funding will be targeted at organisations delivering activity that supports inclusion, cohesion and resilience in some of our most socially and economically deprived areas. In order that this investment reaches communities most in need of support, funding will be available to small unincorporated community groups so long as they have a constitution or set of governing rules in place. Applicants will also be required to:
- be based and working within the region;
 - have an annual income of less than £500,000 per year;
 - have at least two board or committee members who are not related;
 - have a bank account in the organisation's name.
- 2.2. Four rounds of funding will be allocated over a two-year period with the first funding round going live in Autumn 2024.
- 2.3. Appropriate delivery mechanisms will be put in place with an interim fund manager appointed for the first round in order to provide the opportunity for organisations to access the fund quickly.
- 2.4. There will also be an open procurement process to appoint an external provider for the following rounds. The provider will be required to have existing links with local community organisations and a grant management process that is accessible and fit for the management of public funds. They will also be expected to maximise opportunities to leverage in additional public and private sector investment. The Mayor, or a representative of her choosing, will be invited to chair the grant assessment panels.
- 2.5. The Mayor's Opportunity Fund has been designed to advance a number of strategic commitments set out by the Mayor and Cabinet. The fund will:
- primarily benefit residents at risk of social and economic exclusion, contributing towards the Mayor and Cabinet's commitment to creating a fairer North East through reducing child poverty and health inequalities;
 - support the Mayor and Cabinet's commitment, through the Education, Inclusion and Skills portfolio, to support strong and connected communities that help to reduce inequalities and improve wellbeing for all;
 - support the equality objective, agreed by the Mayor and Cabinet, for the North East CA to work with partners and other funders to ensure our funding opportunities are accessible to organisations working with some of our most under-represented residents;
 - support the Mayor's commitment to work with the voluntary sector to build resilience within communities, recognising the role of the sector in supporting some of our most vulnerable residents by helping them get out of poverty; and making grants more accessible to smaller charities with lesser criteria.

3. Impact

- 3.1. By investing in small charities and grassroots community groups, the Mayor's Opportunity Fund will contribute to a wide range of positive social and economic outcomes:
- residents at risk of social and economic exclusion will experience improved mental and physical health, increased disposable household income, increased skills and employability, increased sense of belonging, reduced social isolation and a greater sense of connection with others;
 - the wider population will experience increased access to community places and spaces, increased feelings of safety, increased levels of trust and increased pride in place;
 - small charities and grassroots community groups will experience increased capacity to deliver services to their community, increased number of beneficiaries, a more secure workforce, increased charitable income and increased opportunities for partnership working;

- public sector organisations will experience increased opportunities to partner with the VCSE sector, reduced demand on their services, and increased engagement with communities leading to better designed services.

B. Impact on North East Combined Authority Objectives

1. All funded activity will contribute to progressing the Mayor and Cabinet's priorities.

C. Key risks

1. It will be important that the fund is designed to meet the needs of small charities and grassroots community groups, with proportionate application and monitoring requirements in place. Procuring an external grant manager with an accessible application process and existing relationships with the VCSE sector will reduce this risk.

D. Financial and other resources implications

1. The £1million cost associated with this programme will be met through the North East CA's investment fund.

E. Legal implications

1. The comments of the Monitoring Officer have been included in this report.

F. Equalities Implications

1. An equality impact assessment has been undertaken to inform the design of this investment. The Mayor's Opportunity Fund has been designed to increase opportunities for residents most at risk of poor social and economic outcomes including women and girls, disabled people, and people from minoritised ethnic groups. The fund has also been designed to support the North East CA's equality objective to work with partners and other funders to ensure our funding opportunities are accessible to organisations working with some of our most under-represented residents.

G. Consultation and engagement

1. Following Cabinet approval, the specific funding criteria for the Mayor's Opportunity Fund will be co-designed by the Mayor, the Cabinet member for the VCSE sector, and the externally procured grant management organisation. Advice will also be sought from the North East VCSE sector Leadership Board and members of the North East Funders Network. Care will be taken to ensure that the criteria for the grant programme does not displace or duplicate the work of existing funders.

H. Appendices

None

I. Background papers

None

J. Contact officer(s)

Robin Fry, Inclusive Economy Advisor
robin.fry@northeast-ca.gov.uk

K. Glossary

None

Title: North East Local Transport Plan (LTP)
Report of: Tobyn Hughes, Director of Transport
Portfolio: Transport

Report Summary

This report introduces the draft North East Local Transport Plan (LTP) and requests approval to progress to public consultation along with the accompanying delivery plan and summary document.

The draft LTP sets out the North East CA's transport priorities up until 2040, including plans to deliver the Mayor's manifesto commitments for transport, and sets out a list of proposals to create a fully integrated green transport network that works for all.

The LTP will act as an enabler to delivering the North East CA's policy vision and meet all five policy commitments. Delivery of this LTP will benefit our region's economy, environment and health and support delivery of the Mayor's manifesto commitments including delivering the greenest transport system in the country, and improving safety for women and girls, and other vulnerable groups.

The LTP is a statutory document to be finalised by the Mayor, and written in consultation with local stakeholders and following Government guidance. The LTP project brings together a series of workstreams:

- Local Transport Plan (LTP) – a statutory document, setting out in strategic terms what we aspire to achieve through transport provision and why (Appendix A).
- Delivery plan – the list of what we will build, introduce, change up to 2040 and what mechanisms we will use to deliver (Appendix B).
- “Delivering green transport that works for all”– the less technical public facing summary document (Appendix C).
- Integrated Sustainability Appraisal (ISA) – a mandatory document that allows interested parties to evaluate the impact of the draft LTP on factors such as environment, health and accessibility.

The purpose of this report is to seek advance agreement from Cabinet to begin public consultation on the draft LTP and accompanying documents.

The Mayor has requested that public consultation be far reaching, connecting with anyone with an interest in improving transport. It will seek to achieve maximum engagement with, and representation from, all sections of society in the region. The approach will ensure that anyone who wants to contribute feedback on the draft LTP will have the opportunity to do so.

The ISA referred to above is currently being produced and, once a draft is complete, a mandatory pre-consultation step must take place with bodies named in Government guidance before public consultation can begin on the LTP itself. This is expected to be during the autumn. In the meantime, an engagement and communication campaign will begin to explain the purpose and high-level content of the LTP.

In line with the devolution deal, once consultation is complete and feedback has been incorporated, the Mayor will finalise the LTP and accompanying documents in consultation with the Portfolio Holder for Transport and will present them to Cabinet for review.

Recommendations

It is recommended that Cabinet:

1. Endorses the consultation draft of the LTP (Appendix A), Delivery Plan (Appendix B), and summary document (Appendix C);
2. Notes that an Integrated Sustainability Appraisal (ISA) will be independently produced and will be subject to pre-consultation with bodies named in Government guidance prior to the start of public consultation on the LTP.
3. Endorses the proposed LTP consultation approach set out in paragraph 6, and notes the budget allocated for the exercise as described in the financial implications (section D); and
4. Delegates authority to the Chief Executive, in consultation with the Mayor, the Cabinet Member for Transport, and the Monitoring Officer, to finalise all relevant documents and consultation materials and to undertake a formal public consultation on them.

A. Context

1. Background Information

- 1.1 The 2022 North East devolution deal commits the North East Combined Authority to producing a refreshed LTP for the region.
- 1.2 The LTP is made up of a series of inter-related documents:
 - The LTP - a strategic document, setting out what we aspire to achieve and why.
 - The delivery plan.
 - A summary document entitled “Delivering green transport that works for all.”
 - A mandatory Integrated Sustainability Appraisal (ISA).
- 1.3 The draft LTP and the delivery plan have been developed in collaboration with the seven local authorities and Nexus. An LTP steering group was established in 2023 to ensure close working and engagement with key stakeholders at relevant points during the development of the plan.

2. Local Transport Plan (LTP)

- 2.1 The LTP is a statutory plan which sets out the North East CA’s transport priorities up to 2040, including plans to deliver the Mayor’s manifesto commitments for transport, with the aim of creating a fully integrated green transport network that works for all.
- 2.2 Any other transport policy documents that are formally adopted by the North East CA in future will form an extended part of the LTP following a period of consultation.
- 2.3 The LTP holds the principle that making any form of journey in the North East is good, as the movement of goods and people stimulates the economy, and even a trip for leisure purposes can improve health. However greener, more sustainable journeys are even better as they benefit the environment and public health.
- 2.4 The Mayor’s manifesto sets out a vision for a green, integrated transport network that works for all. The Mayor has placed specific emphasis on delivering the greenest transport system in the country, and improving safety for women and girls, and other vulnerable groups. The LTP therefore sets out sustainable travel will be made more attractive, convenient and safer for both the movement of people and freight.
- 2.5 This will have a positive impact on communities in the North East, linking people to employment, education, health care provision, leisure opportunities and other essential services.

3. Delivery Plan

- 3.1 The delivery plan outlines the actions that can be taken by the North East CA and partners to 2040 and sets out what it is proposed will be built, introduced or changed, to deliver the LTP.
- 3.2 The function and purpose of the delivery plan is to:
- Highlight powers and other delivery mechanisms (such as bus reform) which are the tools needed to deliver the LTP.
 - Set out a range of interventions that are costed and set against potential funding options, including specific mayoral manifesto commitments.
 - Align interventions to schemes that can be delivered (subject to funding and powers) in the following time periods:
 - Up to 2027
 - 2028- 2032
 - 2033-2040
- 3.3 The delivery plan will be maintained as a live programme which can evolve as interventions develop, new funding priorities are identified, and we progress through delivery.

4. Summary Document- “Delivering green transport that works for all”

- 4.1 The summary document, which has the title of ‘Delivering green transport that works for all,’ will be the main public-facing document that outlines in non-technical language the key points made in the LTP and delivery plan.

5. Integrated Sustainability Appraisal (ISA)

- 5.1 An independently produced draft ISA is currently being prepared covering the draft LTP. The production of the ISA is a mandatory requirement of Government guidance, to allow interested parties to evaluate the impact of the draft LTP on factors such as environment, health and accessibility.
- 5.2 Historic England, the Environment Agency and Natural England are named in Government guidance as bodies with whom “pre-consultation” must take place regarding the ISA scoping report, before formal public consultation on the LTP itself can begin. The draft ISA will then be subject to public consultation alongside the draft LTP.

6. Consultation and engagement

- 6.1 The Transport Act 2000 requires that a formal public consultation is carried out over any new or amended local transport plan.
- 6.2 The Mayor has requested that public consultation is far reaching, connecting with anyone with an interest in improving transport. A proposed budget has therefore been established at a sufficient level to enable a blend of traditional and innovative techniques to be used, to achieve maximum engagement with and representation from all sections of society in the region. The proposed approach will ensure that anyone who wants to contribute feedback on the draft LTP will have the opportunity to do so.

7. Proposals

- 7.1 It is proposed that the documents that comprise the LTP referred to above and contained in the appendices to this report are finalised and that a public consultation is carried out in the coming months, once the ISA pre-consultation step is complete. In advance of that a consultation and engagement exercise on the LTP and accompanying documents will take place.

8. Reasons for proposals

- 8.1 It is a statutory requirement for the North East CA to have an LTP in place, and for public consultation to have been undertaken on the proposed LTP. It is necessary to update and refresh the LTP from the version inherited by the North East CA from its predecessor bodies, to reflect changes to the political, economic and operating environments affecting transport.

9. Next Steps and Timetable for Implementation

- 9.1 It is proposed that, following the preparation of the draft ISA report mentioned above, a public consultation on the draft LTP takes place. This is currently expected to start in autumn 2024.
- 9.2 In advance of formal public consultation starting, an engagement and communication campaign will begin to explain the purpose and high-level content of the LTP.
- 9.3 Consultation feedback will be analysed and the LTP and accompanying delivery plan will be updated as required.
- 9.4 In line with the devolution deal, once consultation is complete and feedback has been incorporated, the Mayor will finalise the LTP and accompanying documents in consultation with the Portfolio Holder for Transport and will present them to Cabinet for review in March 2025.

B. Impact on North East Combined Authority Objectives

1. The proposals set out within the draft LTP and delivery plan are intended to impact positively on overarching North East CA objectives by:
- Using the North East CA vision and the Mayor's manifesto commitments as the foundation of the approach set out in the draft LTP.
 - Setting out how transport will act as an enabler to help meet each of the five North East CA commitments.
 - Making it clear that improving transport is key to tackling inequality and deprivation by providing access to jobs, education, and healthcare and can also reduce social isolation, enhancing independence, opportunity and wellbeing.
 - Ensuring that the draft LTP and the North East CA Investment Strategy, draft North East Local Growth Plan (LGP) and other key Combined Authority policy documents are aligned.

C. Key risks

1. The LTP public consultation launch date is subject to the completion of the mandatory ISA described in section 5. Delays to the completion of the draft ISA report will delay the start of the consultation and will also affect the timing of the LTP's completion. The independent consultants charged with drafting the ISA are aware of the need for its timely production, and a public communication campaign is planned to take place in advance of the formal consultation on the LTP to prepare for its commencement.
2. Public consultation over the LTP is intended to be extensive, and it is inevitable that respondents to the consultation will hold different opinions. There is a risk that feedback may be complex and time-consuming to fully consider, further delaying the production timescales of the final LTP. This will be mitigated to the greatest extent possible by reviewing feedback as it is submitted, and by having sufficient resources and processes in place to respond to feedback quickly.

D. Financial and other resources implications

1. All costs associated with the consultation process are being met from the North East CA transport directorate core budget and professional services budget in the 2024/25 financial year.

2. The professional services budget was signed off by the Joint Transport Committee, the North East CA's predecessor for transport governance, in July 2023.
3. The cost of the proposed consultation process is part of the North East CA 2024/25 core budget and was signed off by the Joint Transport Committee in January 2024.

Funding	Requirement	Budget (£)	Notes and comments
Transport Core Budget	Design of document suite, explainer video, photography, CGI images	£29,000	All materials required to present the document suite.
Transport Core Budget	Consultation incentives	£1,000	Prizes/gifts to incentivise responses
Transport Core Budget	Analysis software and support	£10,000	For full analysis of consultation
Professional Services Budget	Direct marketing	£30,000	Inclusive of stakeholder activity, door drop/direct phone calls, email campaigns etc.
Professional Services Budget	General paid	£30,000	Inclusive of paid social adverts and digital advertising etc.
Transport Core Budget	General awareness campaign	£20,000	Inclusive of radio/TV advertising, out of home, newspaper print and press campaign etc.
Transport Core Budget	Contingency	£30,000	For flexible activity to be used throughout the campaign to help target any areas lacking through bespoke channels. For example, lacking in young person responses, put budget into SnapChat ads.
Total		£150,000	

E. Legal implications

1. The comments of the Monitoring Officer have been included in this report.

F. Equalities Implications

1. The LTP is intended to positively address equality and diversity issues within the North East by enhancing transport provision for all users. In keeping with the Public Sector Equality Duty, due regard has been shown to the need to advance equal opportunities between people who have a protected characteristic and those who do not. The ISA document will seek to independently verify this.
2. The proposed approach to the consultation has been designed with inclusion in mind, to maximise involvement for all across the North East in the development of the LTP.

G. Appendices

Appendix A – North East Local Transport Plan (name of document following)
Appendix B – Delivery plan
Appendix C – Summary document

H. Background papers

North East devolution deal (December 2022) [North East devolution deal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/north-east-devolution-deal-2022)

North East deeper devolution deal (March 2024) [North East deeper devolution deal - GOV.UK](https://www.gov.uk)
(www.gov.uk)

I. Contact officer(s)

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J. Glossary

LTP – Local Transport Plan
ISA – Integrated Sustainability Appraisal

North East Local Transport Plan

Kim McGuinness
North East
Mayor



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Foreword



The North East deserves a world class transport network and the plan I consult on here sets out my transport promises to the people of this region.

This plan outlines a joined up network - simple and affordable to use with wider reaching infrastructure that is fit for the future. It will be greener, more reliable, and safer. Wherever you are in the region, it will be accessible, both physically and financially.

From job creation to ending child poverty, the North East transport network has a vital role in my plans to create real opportunity across our region. It is a crucial growth lever, but when it goes wrong it is an insurmountable barrier.

That's why, over the next 15 years, I will work with people and organisations across the region to create that network, with real delivery target dates built into these plans as well as measures to track improvement.

For this plan to succeed it has to be a shared plan that reflects the many needs of our region, and I look forward to people across the North East having their say on our joint future.

Kim McGuinness
North East Mayor

1. Executive summary

Executive summary

This consultation draft of the North East Local Transport Plan (LTP) sets out the North East Combined Authority's (North East CA) transport priorities up until 2040 with a list of proposals to create a green, integrated transport network that works for all.

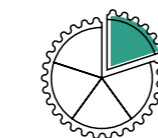
This draft document sets out a vision for what the network should look like, and how the new network will help us tackle our current transport and wider regional challenges. The accompanying delivery plan sets out how the region's priorities will be achieved.

North East CA vision

The **North East CA's vision** is "Our purpose is to champion the full potential of the region. Collaborating with our partners and local authorities, we'll create a better way of life by connecting communities, giving people the skills to succeed, and improving wellbeing for all, so that the North East is recognised as an outstanding place to live, work, visit, and invest."

North East CA commitments

The vision is also supported by five commitments:



A fairer North East



A greener North East



A connected North East



An international North East



A successful North East

This LTP aims to **create a green, integrated transport network that works for all** and will support delivery of the North East CA's vision and commitments. It covers both the movement of people and freight in the region. Delivery of this LTP will benefit our region's economy, environment, and health.

This LTP holds the principle that making any form of journey in the North East is good, as the movement of goods and people stimulates the economy, and even a trip for leisure purposes can improve health. However greener, more sustainable journeys are even better as they also benefit the environment and public health.

By delivering a green, integrated transport network that works for all, sustainable travel will be made more attractive, convenient, and safer for both the movement of people and freight.

This will have a positive impact on communities in the North East, linking people to employment, education, health care provision, leisure opportunities and other essential services.

A green, integrated regional transport network

This LTP will act as the yardstick on which all other networks are judged. It sets out the approach to achieve a green, integrated transport network that works for all with a timeline and plan for delivery up to 2040.

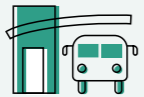
We have used the following five areas of focus to provide an assessment of the current state of transport provision in the region and outlines what an enhanced transport network should look like for the North East going forward:



Planning journeys/ informing users/ supporting customers.



Ticketing and fares.



Reach and resilience of infrastructure.



Safety, especially of women and girls, and other improvements in service quality.



Connections between different transport types.

Expected service standards are provided for each of these five focus areas which sets the framework for the interventions which follow in this LTP's delivery plan.

The North East is a unique region with a diverse range of urban, suburban, and rural communities with different transport challenges and needs. This LTP recognises these differences and will support inclusive economic growth across the whole of the region, helping to attract investment, boost job creation, and overcome inequality by enabling access to opportunity. It will help to protect our environment and tackle climate change as integrated, expanded, green transport will enable people and freight to travel easier across our region and beyond.

Delivery plan

The delivery plan sets out the steps the North East CA intends to take to create a green, integrated network that works for all.

Interventions are separated to show improvements that will be delivered by 2027, 2032, and 2040 and are accompanied by a costed package of funding measures to enable delivery. It is a live programme which will be continually monitored and updated to ensure the most appropriate and beneficial interventions are delivered. This will support progress against the measures of success and Key Performance Indicators (KPIs) highlighted in this LTP.

2. What is the North East Local Transport Plan?

This section will:

- Outline what this document is, its purpose, and what the plan proposes.
- This section also sets out how the North East Local Transport Plan (LTP) can contribute to improving the North East's economy, skills, health, and environment.
- Makes the case that 'travel is good' and helping people to make greener journeys has the potential to positively impact our local economy, the environment, and health of our people.



This North East Local Transport Plan is a statutory plan which sets out our region's transport priorities up to 2040. The plan is centred on creating a better transport network that acts as the yardstick on which all other networks are judged. This involves creating a green, integrated transport network that works for all. We believe this will make sustainable travel options more attractive, convenient, and safer, enabling more people and freight to make greener journeys.

If successfully delivered, the projects and policies will help to enable inclusive economic growth, give people the skills to succeed, achieve better health outcomes, protect our environment, and tackle climate change by providing attractive, seamless, safer, sustainable transport for people and freight across our region.

2.1 What does the North East Local Transport Plan propose?

This document sets out proposals to create **an enhanced and better integrated transport network**, built on five key areas of focus (see chapter 5). The network should have more joined up information, ticketing, and high customer experience standards. **The network should be efficiently designed, simple, and easy to use.**

An enhanced network, that encompasses all types of transport, will enable people to make more greener journeys depending on their personal and journey circumstances. It

will bring together active travel, bus, Metro, rail, the Shields Ferry, and roads under one cohesive identity, signalling that it is accessible and inclusive for all.

This document also supports our local authorities' plans, by promoting place making to ensure that a more joined up and reliable transport network links attractive areas to live with a broader range of good quality job opportunities. It will also support expansion of existing businesses and make relocation to our region a more attractive option through better infrastructure.

This LTP is also aligned with the emerging North East Local Growth Plan (LGP) which sets out how we create the infrastructure of opportunity needed to deliver on the North East CA vision.

We will use this document to highlight opportunities for investment in, and improvements to our transport network. This document will be our foundation for programme development, using existing devolved funding sources and requests for new transport investments to our region from central government and other sources such as Land Value Capture (LVC). It will look at any additional powers that are needed to achieve this programme of activity. **This is the long-term transport strategy for our forward-looking region.**

2.2 Why is a new Local Transport Plan being published?

Under the December 2022 and March 2024 North East devolution deals we have access to a new multi-year financial settlement for transport which is devolved to our region from central government, enabling us to plan and align our transport investments as our region sees fit.

Delivery will be enabled by the suite of transformational funding, powers, and partnerships available to us through the devolution deals including:

- A significant amount of funding devolved to our region.
- Bus reform powers.
- The establishment of a highways Key Route Network (KRN).
- Partnerships with National Highways (NH), Great British Railways (GBR), and Active Travel England (ATE).

Over the coming years, our region intends to build on this by securing further funding and powers to develop a fully integrated transport network. Using this LTP as a guide, the North East will seek:

- Accelerated delivery of existing projects.
- Further strategic powers (railways and highways).
- Surety of funding (revenue and maintenance grants).
- Funding and delivery of major projects (such as Leamside Line, which includes extension to Washington, and Metro signalling).

It is in this context that the North East LTP is being published.

2.3 Making journeys is good

Transport is a means to an end, a way of being able to do the things that make up our lives. We travel to education, to work, to shops, to care for others, and to socialise with friends and in 2022 the **average person in the North East made around 981 journeys a year – the most of any English region.** For businesses, transport enables the opportunity to acquire, move, and sell products and goods and to access a workforce. Making journeys stimulates the local economy and improves the physical and mental wellbeing of our people.

Transport is key to tackling inequality and deprivation by providing access to jobs, education, and healthcare and can also reduce

social isolation, enhancing independence, opportunity, and wellbeing. High quality and integrated transport links (such as efficient connections between different types of transport and integrated ticketing) can help to promote and strengthen tourism, leisure, and regional development.

But how we choose to travel is important as it can leave an impact on our environment, health, and wellbeing. Through this LTP the North East CA aims to support the switch to more sustainable types of transport. Creating a fully integrated transport network will help achieve this.

In 2022 58% of trips in our region were made by car or van as a driver or passenger, the most common of any transport type.

2.4 Sustainable travel is better

Making journeys is good but sustainable travel, whereby people move around in a way which has less impact on our health and environment is even better.

There are extensive benefits that our region could experience if more people decided to make more of their journeys greener.

Little changes have a big impact and even travelling sustainably for one journey a week could potentially have a significant impact.

As part of our region's Making the Right Travel Choice strategy, analysis found that if car users switched one journey a week to public transport, walking, or cycling and people who don't have access to a car continue to travel sustainably this could:

- Potentially save around 214,000 tonnes of CO2 emissions a year.
- Potentially reduce poor health caused by road traffic emissions. It is estimated that poor air quality is responsible for around 360 deaths each year in central Tyneside alone.
- Result in more people becoming active, improving healthy life expectancy (HLE).
- Save petrol and diesel car drivers' money on fuel (approximately £170-£190 per year based on June 2022 fuel prices).

2.5 Helping people to make greener journeys

Supporting and enabling people to make more sustainable journeys around the North East will benefit our region's economy, environment, and public health.

Helping people to make greener journeys will also be one of the most significant ways of ensuring that transport can support the North East CA vision and commitments.

We have created the decision tree overleaf to help people consider the travel options available. The decision tree sets a hierarchy that prioritises active and sustainable travel, whilst also recognising that there is 'no one size fits all' approach and the reasons why people choose to travel are complex, personal, and can be influenced by several factors.

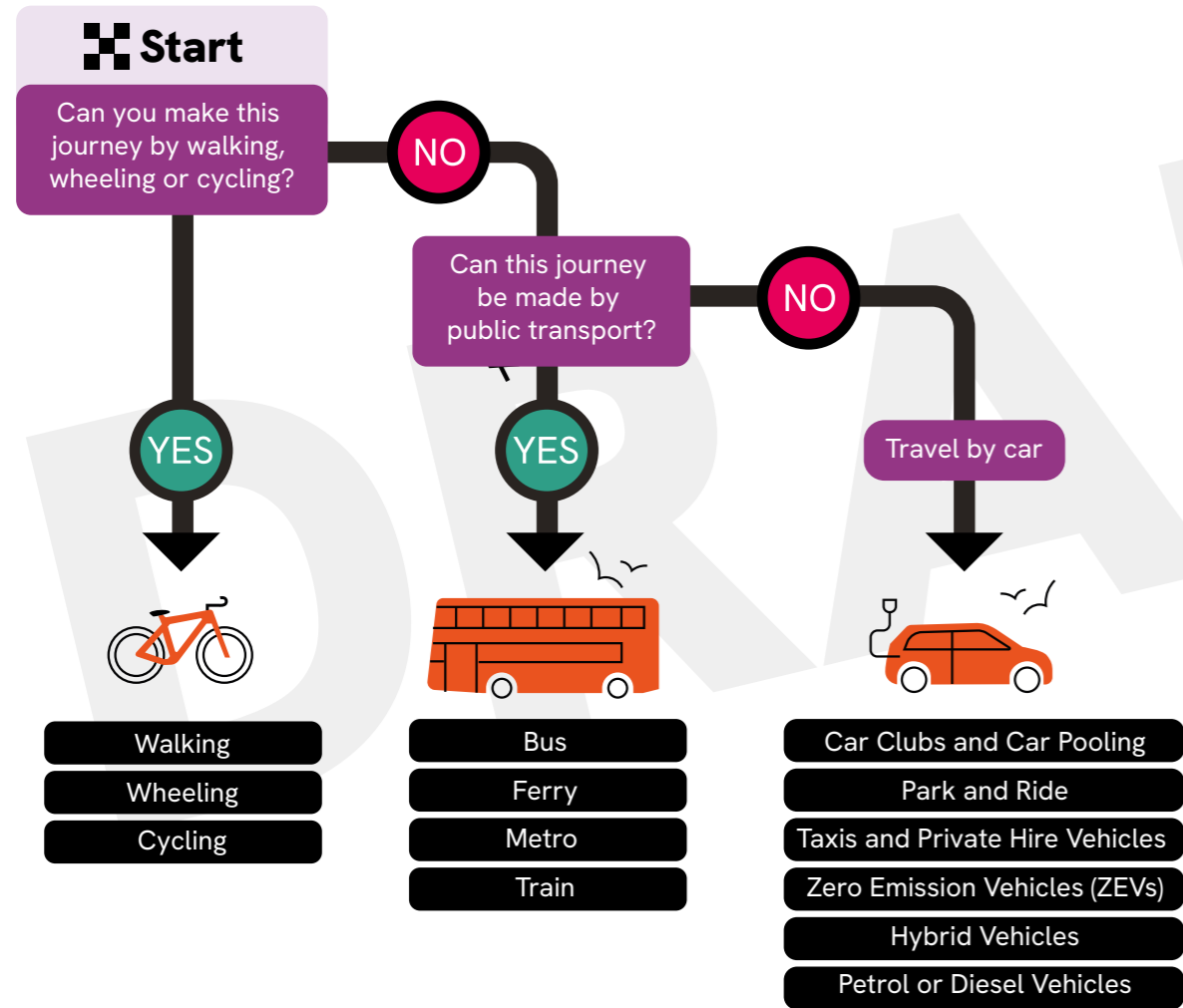
Crucially, the decision tree makes clear that sustainable travel will not be possible for all journeys and there will be times when a car or van will be the most appropriate solution depending on journey and personal circumstances.

The principles of the decision tree (Figure 1) also apply to the movement of freight and logistics. Successful delivery of the LTP could enable more freight to be transported by active travel or rail. More journeys being switched from car to sustainable transport, could also help reduce road congestion, resulting in improved and more reliable journey times for necessary journeys.

Creating a fully integrated transport network based around the five areas of focus could make active travel and public transport more attractive options, enabling more sustainable journeys to be made.



Figure 1 – Greener Journeys decision tree



2.6 Why transport is important to our region

High quality, integrated transport is important for the North East as it enables people to get to work, training, education, health services, meet friends, and for other leisure opportunities.

A more integrated transport network could deliver affordable public transport fares, improves access to opportunities, including education, employment and healthcare and removes transport related social exclusion.

Delivering this LTP will result in our region having an excellent integrated transport network, supporting people to choose active travel and public transport for more journeys, also enabling the efficient movement of freight.

Creation of the integrated network will help to overcome the North East’s long-term challenges including:

- Greater health inequalities than the rest of England.
- 1 in 4 adults are physically inactive, doing less than 30 minutes physical activity per week.
- Childhood obesity levels in reception and year 6 are significantly higher than the England average.

2.7 What this plan covers

This LTP is centred on helping people to make greener journeys. We recommend the creation of a fully integrated transport network bringing roads, Metro, rail, buses, the Shields Ferry, and active travel (walking, wheeling, and cycling) under a cohesive identity. This will signal a truly integrated network that is efficiently designed, simple and easy to use, and part of people’s everyday lives.

Whilst the integrated transport network will evolve over time, up to 2040, this LTP sets out the service standards upon which it will be built. They will collectively make up our improved transport network and set the framework for the schemes which follow in the Delivery Plan.

Following these standards will enable the North East to have an outstanding transport network where people are able to make greener journeys.

- The standards are designed around five key areas of focus:
- Planning journeys/informing users/supporting customers
- Ticketing and fares
- Reach and resilience of infrastructure
- Safety, especially of women and girls, and other improvements in service quality
- Connections between different transport types

- More than one third (35%) of all babies, children, and young people in the wider North East are living in poverty.
- 31% of residents in the North East (622,000 people) are at risk of transport related social exclusion (TRSE).
- A range of transport issues has led to a contrast between rural isolation in our more remote areas and poor air quality and congestion in parts of our cities.
- A slightly larger proportion of residents living in rural areas (19%) than the rest of England (16%), excluding London.
- Many different types of rural and coastal towns and villages across our region with diverse communities, geographies, and economies with different transport challenges and needs.
- Commuting to workplaces is dominated by car travel, so congestion is a significant issue on our roads, which affects public transport access and attractiveness, reduces productivity, and increases inactivity and vehicle emissions.
- Public transport use is falling over the long-term. Since 2014, bus and Metro passenger journeys per head and vehicle miles have both decreased.

- Transport contributes a significant proportion of carbon emissions. Approximately 97% of transport generated greenhouse gas emissions in our region are from roads, with A-roads being the greatest contributor.
- Some areas have significant air quality problems to be tackled.
- Car and van journeys made up 58% of all journeys made in 2022 and car ownership in the North East is increasing, leading to more traffic congestion and vehicle emissions.
- Only 38% of journeys to school are made by active travel, the second lowest region in England.
- Our region receives the lowest number of domestic and international visitors and the lowest amount of spending of any region in England.
- The working age population is set to fall over the next two decades which will have an impact on both economic outputs and future transport requirements.

The provision of an integrated North East transport network can enable seamless transition between different forms of transport as part of the same journey, improving connectivity within our region, with other parts of the UK, and internationally. It can help to deliver a better performing, successful and prosperous regional economy which closes the gap with other parts of England.

The LTP will enable the delivery of an improved, joined-up, co-ordinated, and integrated transport system across our region that works for our people.

This table sets out what information can be found elsewhere outside of this LTP.



Information that can be found elsewhere **Source**

Details of, and decisions about specific bus, Metro, the Shields Ferry, and local rail services such as routes, times fares and ticketing.

www.nexus.org.uk
 www.gonortheast.co.uk
 www.arrivabus.co.uk/north-east
 www.stagecoachbus.com/about/north-east
 www.northernrailway.co.uk
 www.travelinenortheast.info
 www.durham.gov.uk/transport
 www.northumberland.gov.uk/Transport.aspx

Details of and decisions about airport operations, national rail services and seaports such as routes, timetables, and operations.

www.newcastleairport.com
 www.portofblyth.co.uk
 www.portofberwick.co.uk
 www.portoftyne.co.uk
 www.portofsunderland.org.uk
 www.crosscountrytrains.co.uk
 www.lner.co.uk
 www.lumo.co.uk
 www.tpexpress.co.uk
 www.gbrtt.co.uk
 www.nationalrail.co.uk

Local Cycling and Walking Infrastructure Plans (LCWIPs) and Rights of Way Improvement Plans (RoWIPs).

Walking and cycling improvements - Durham County Council
 Durham County Council Strategic Cycling and Walking Delivery Plan 2019-2029
 Durham County Council ROWIP4
 Gateshead Council Transport Strategy



Information that can be found elsewhere **Source**

Local Cycling and Walking Infrastructure Plans (LCWIPs) and Rights of Way Improvement Plans (RoWIPs). Continued...

Newcastle City Council LCWIP
 North Tyneside Cycling Strategy, including LCWIP
 Northumberland County Council LCWIP
 South Tyneside Council LCWIP
 Sunderland City Council LCWIP

Local highway management and investment proposals. (Highway Asset Management Plans, Traffic Asset Management Plans, Highway Design Standards, Parking Standards and car park CCTV, Roadworks management).

How we look after our roads - Durham County Council
 Highways Asset Management Plan - Gateshead Council
 Roads and highways policies and plans | Newcastle City Council
 Highway asset management | North Tyneside Council
 Northumberland County Council - Roads and streets
 South Tyneside Council - Roads, streets and pavements
 Roads, highways and pavements - Sunderland City Council

Tyne Pedestrian and Cyclist Tunnels

www.tynepedestrianandcyclisttunnels.co.uk
 www.tt2.co.uk

Tyne Tunnel toll information

www.northeast-ca.gov.uk/how-we-work/transport/tyne-tunnels

More detailed information on specific transport types (active travel, bus, rail, Metro, the Shields Ferry, zero emission vehicle charging) in the North East.

www.northeast-ca.gov.uk/how-we-work/transport/
 See **section 2.8** for a brief overview of our regional transport sub strategies.



2.8 Regional sub-strategies and policies

Since 2021, we have published our own series of strategies and policies which act as sub-strategies to this Local Transport Plan and are part of the North East CA and aim to improve transport provision across our region, delivery of which will benefit our economy, environment, and health.

These sub-strategies set out our strategic aims for each transport type and provide greater detail and evidence with clear recommendations. Details on these sub-strategies can be found in Appendix 1 and at: www.northeast-ca.gov.uk/how-we-work/transport/. This North East LTP will bring all transport types together as one integrated network and the following diagram shows the sub-strategies and how they link with the LTP.

Figure 2 - North East Local Transport Plan (LTP) linkages with current regional sub-strategies and policies

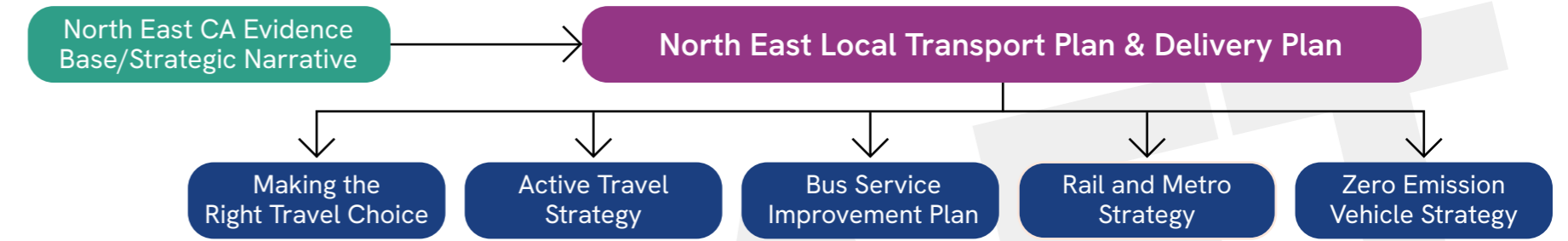


Figure 3 - North East transport sub-strategies and policies summary 2024

Making the Right Travel Choice (2022)	Aims to make it easier for people to travel sustainably. Sets a target of encouraging car users to switch one journey a week to sustainable forms of transport such as walking, wheeling, cycling, or public transport and for people who don't have access to a car to continue to travel sustainably.
Active Travel Strategy (2023)	Aims to make walking, wheeling, and cycling the natural first choice for short everyday trips and to combine them with public transport for longer journeys. It sets a target for over half of all shorter journeys (under five miles) in the North East to be made using active travel by 2035.
Bus Service Improvement Plan (BSIP) (2021-24)	Outlines regional ambitions to make buses more attractive, such as by making them more affordable and a practical alternative to the car. It is refreshed annually and sets out a range of significant proposed improvements and interventions for all aspects of bus services, including timetables and fares.
Rail and Metro Strategy (2022)	Outlines the North East's ambition for its rail and Metro network. Sets key regional priorities including the full reopening of the Leamside Line, expanding our rail and Metro networks into more communities, and boosting capacity on the East Coast Main Line.
Zero Emission Vehicle (ZEV) Strategy (2023) /ZEV Policy (2022)	The strategy builds on the policy and is based on excellent infrastructure + well informed people = increase in ZEVs. It aims to deliver reliable public zero emission vehicle (ZEV) charging infrastructure across our region, wherever people need it. It doesn't aim to encourage people who are already walking, cycling, or using public transport to switch to a ZEV, but promotes the use of ZEVs for journeys which must be made by cars or vans.

2.9 Proposed new and refreshed transport policies

Over the coming years, the North East CA will publish a series of detailed transport policies which will be aligned to the Local Transport Plan.

These will serve as either a refresh of existing documents or be new policies.

Policy	Refresh	New
Greener Journeys Strategy (formerly Making the Right Travel Choice Strategy)	➔	
Active Travel Strategy	➔	
Bus Service Improvement Plan (BSIP)	➔	
Rail and Metro Strategy	➔	
Zero Emission Vehicle (ZEV) Strategy	➔	
Roads Strategy		➔
Intelligent Transport Systems (ITS) Strategy		➔
Customer Experience Strategy		➔

This list isn't exhaustive, and we may choose to launch research pieces to develop our thinking and latest evidence ahead of policy documents.

2.10 Interaction with other policies and strategies

The plan is closely aligned with national, regional, and local policy and strategy. For example, policies, strategies, and Local Plans of our seven constituent local authorities in relation to environmental, economic, regeneration, housing and land, investment, and transport have been considered when developing this document.

The transport strategies, policies and reports of Nexus align to this LTP, with the LTP building on current operational delivery through Nexus, and our region's enhanced bus partnership.

An exhaustive list of strategies and plans can be found in **Appendix 1**.

Key insights from this section:

- Travel is good and helping people to make greener journeys has the potential to positively impact our local economy, the environment, and health of our people.
- We've developed a 'decision tree' to support people to consider the travel options available depending on personal and journey circumstances.
- The LTP proposes the creation of a fully integrated transport network for the people of the North East that is efficiently designed, simple, and easy to use.
- This will help the North East to enable inclusive economic growth, give people the skills to succeed, achieve better health outcomes, protect our environment, and tackle climate change.

3. North East CA vision and commitments

This section will:




- Outline the North East CA vision and five commitments.
- Outline our three strategic themes for transport that will ensure our transport activities will contribute to the North East CA role in improving our economy, skills, health, and environment.


3.1 North East CA vision

"Our purpose is to champion the full potential of our region. Collaborating with our partners and local authorities, we'll create a better way of life by connecting communities, giving people the skills to succeed, and improving wellbeing for all, so that the North East is recognised as an outstanding place to live, work, visit and invest."

This vision sets the foundation of our approach set out in this North East Local Transport Plan (LTP). It represents the scale of ambition that will drive all our transport activities.

3.2 North East CA commitments

Commitment	How transport will support
 A fairer North East We'll help people thrive with aspirational jobs, new skills, and better homes, improving quality of life for everyone. We'll create confidence in the North East by reducing inequalities and improving health.	Our new integrated transport network will deliver affordable public transport fares, improve access to opportunities, including education, employment and healthcare and remove transport related social exclusion.
 A greener North East We'll take inspiration from our industrial heritage and unique mix of urban areas, countryside, coastline, and rivers, to nurture our natural resources - creating green jobs, sustainable industry, and clean energy.	We will deliver an integrated transport network that connects all areas of the North East, including our remote rural and coastal communities and more deprived urban areas. Improved connectivity will also make the transportation of freight easier and more efficient, contributing to economic growth.
 A connected North East We'll get behind businesses so they can improve productivity and connectivity. With better local transport networks and digital infrastructures, the North East will have a global reach, becoming the go-to place for innovative ideas and real-world results.	We will help people to make greener journeys by making sustainable travel easier, more affordable, and more attractive, benefitting the environment. We will encourage the switch away from petrol/diesel cars and vans to zero emission cars/vans which will improve air quality across our region.

Commitment	How transport will support
 <p>An international North East Building on our economic strength, and championing our heritage, culture, arts, and sports, we'll drive our region's ambition to continually attract visitors and investment.</p>	<p>We will improve access to/ from our international gateways making it easier to attract visitors and international investment. The movement of freight to/from our ports and airport will also become more efficient and sustainable.</p>
 <p>A successful North East Together, we'll speak with one voice, and define our own future, cultivating the talent, skills, and innovation that will help grow our existing economy, becoming green industry leaders and a cultural destination - making the North East one of the best places to live, work, visit, and invest.</p>	<p>Our integrated transport network will encourage businesses to invest in our region, helping to stimulate the economy.</p>

This North East LTP has been developed based on the above vision and five commitments of North East CA to reflect the cross-cutting approach that will be required.

3.3 Strategic themes for transport

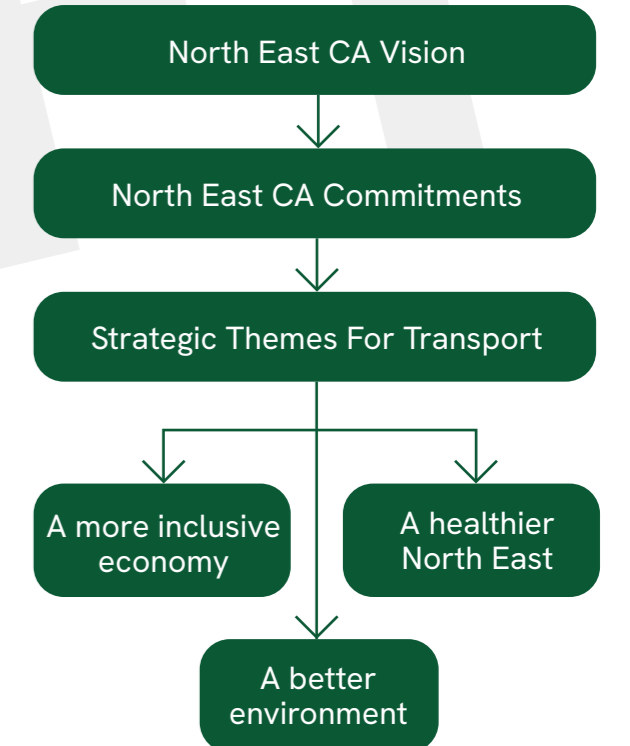
Transport is an enabler to delivering the vision and meeting all five commitments.

We believe that there are three cross-cutting strategic themes for transport which underpin the delivery of the North East CA vision and commitments:

Commitment	
	<p>A more inclusive economy The LTP will enable inclusive economic growth across the North East, helping to attract investment, boost job creation, and overcome inequality by enabling access to opportunity.</p>
	<p>A better environment The LTP will help to protect our environment and tackle climate change by providing an attractive, seamless, and sustainable transport network for people and freight across our region.</p>
	<p>A healthier North East The LTP will help achieve better health outcomes for people in our region by encouraging active and sustainable travel and facilitating better transport access to healthcare and social networks.</p>

We are confident that using these three strategic themes will help us to deliver an integrated transport network which will ensure the North East CA vision and commitments are achieved.

Figure 5 - North East CA vision and commitments linkages with strategic themes for transport



3.4 Link to portfolios

Transport is one function working alongside other North East CA portfolios to deliver against the five commitments and overall vision:



Transport is a true crosscutter – there to enable the success of the others

Key insights from this section:

- This LTP has been developed based on the North East CA vision and five commitments of to reflect the approach that will be required.
- The North East CA vision and commitments have been used to develop three strategic themes for transport that will ensure our transport activities contribute to the North East CA role in improving our economy, skills, health, and environment.



4. Regional context

This section will:

- Set out the context of our region including our geography, economy, environment, and health.
- Introduce how this regional context interfaces with the North East CA vision, commitments, and our strategic themes for transport.
- Make clear that the large and diverse geography creates a variety of transport needs and challenges.



4.1 Regional context

The North East is a unique region with rich history, diverse geography, and beautiful landscapes. Our region is rooted in a strong industrial heritage that was dominated by coal mining and heavy industry until the 21st century.

With a dynamic £40 billion economy, the North East is well situated to build on its engineering, scientific, and creative prowess to thrive in today’s innovation economy. Home to world-class businesses in critical sectors, the North East has an internationally-significant manufacturing and automotive cluster; is leading the UK transition to a greener economy; is increasingly becoming recognised as a vibrant cultural powerhouse; is in a prime location for tech and other knowledge-intensive professional services; enjoys a rapidly growing health and life science businesses; benefits from internationally competitive universities and excellence within the local further education system – and all are alongside a strong public sector, foundational economy and active Voluntary, Community and Social Enterprise (VCSE) organisations.

Our cities, towns, villages, and extensive rural and coastal communities are home to a wide range of leisure, cultural, and historical attractions. UNESCO World Heritage sites of Durham Cathedral and Hadrian’s Wall, and the Glasshouse and BALTIC at Gateshead Quays speak to the area’s significant cultural offer, and the opportunity to expand the visitor

economy. The North East’s number of cultural businesses is growing faster than almost any other UK region.

Our region also includes miles of unspoiled coastline and outstanding scenery including Northumberland National Park, the North Pennines Area of Outstanding Natural Beauty, and Durham Heritage Coast. Our passion and pride are highlighted during events like the Great North Run. Our history, geography, culture, and people make our region an attractive place to live, work, visit, and invest.

The large and diverse geography creates a variety of transport needs and challenges for our residents. These challenges range from areas at risk of isolation, to areas that face significant deprivation.

Whilst our region faces several economic and health related challenges, including widening inequalities, which have been further exaggerated by the COVID-19 pandemic and the rise in the cost of living, there are significant growth opportunities which could deliver new, good, jobs to benefit people across the whole region.

These opportunities will be unlocked by building on existing assets and through a clear focus on transformative and inclusive transport investment which will create opportunities for our people and communities.

Figure 6 – North East regional transport connectivity and assets



4.2 Our geography and people

The North East is home to approximately two million people. It is important to consider where people live and the diversity of our population as this will allow us to understand that different locations and different people have different needs. Connecting our communities is vital to ensure people living in our region can access key locations such as employment sites, access to health provision, public services, and education. It is also important to understand how the North East is predicted to change in the next couple of decades as this will help to inform future transport requirements.

The North East essentially comprises three distinct areas: urban, rural, and the surrounding areas. Each of these areas have different demands and challenges and will require different transport solutions.

4.2.1 Where people live

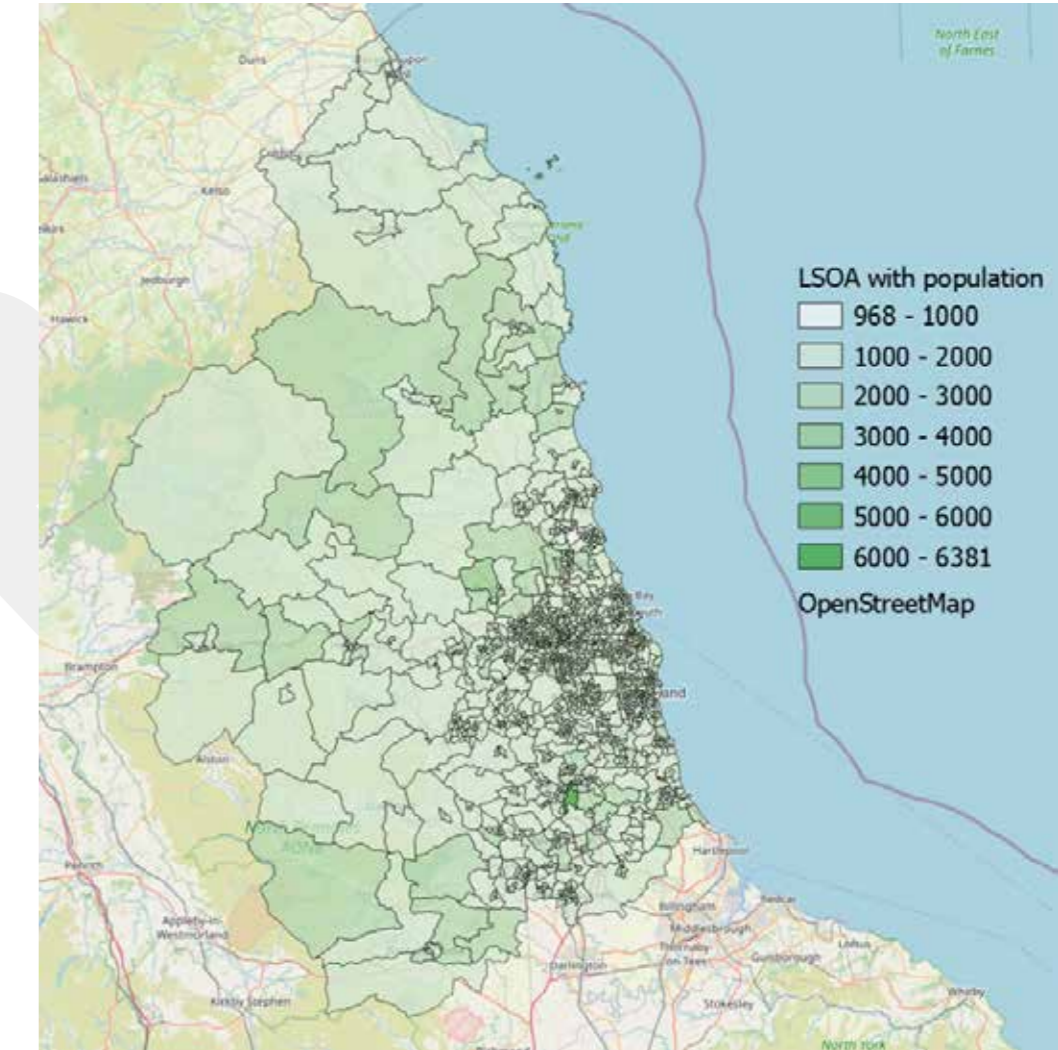
- The North East has a slightly larger proportion of residents living in rural areas (19%) than the rest of England (16%), excluding London.
- The areas with the highest percentage of people living in rural areas are Northumberland and County Durham.

Poor transport provision and infrastructure in rural areas is a significant challenge, restricting both people and freight from accessing employment, services, facilities, and amenities.

Inadequate transport infrastructure affects the visitor economy, movement of freight, and compromises the resilience of the rural road network.

However, it is important to note there is not one type of rural area. There are many different types of rural towns and villages across our region with diverse communities, geographies, and economies with different challenges and needs.

Figure 7 – North East population density map



LSOA – Lower Super Output Area. LSOA provides a more detailed overview of the population in smaller areas.



Table 1 - Where people live, rural and urban split (2022)

Local Authority	Population	% Rural	% Urban
County Durham	528,127	41	59
Gateshead	197,722	6	94
Newcastle	307,565	2	98
Northumberland	324,362	44	56
North Tyneside	210,487	4	96
South Tyneside	148,667	0	100
Sunderland	277,354	1	99
North East total	1,994,284	19%	81%

4.2.2 Housing developments

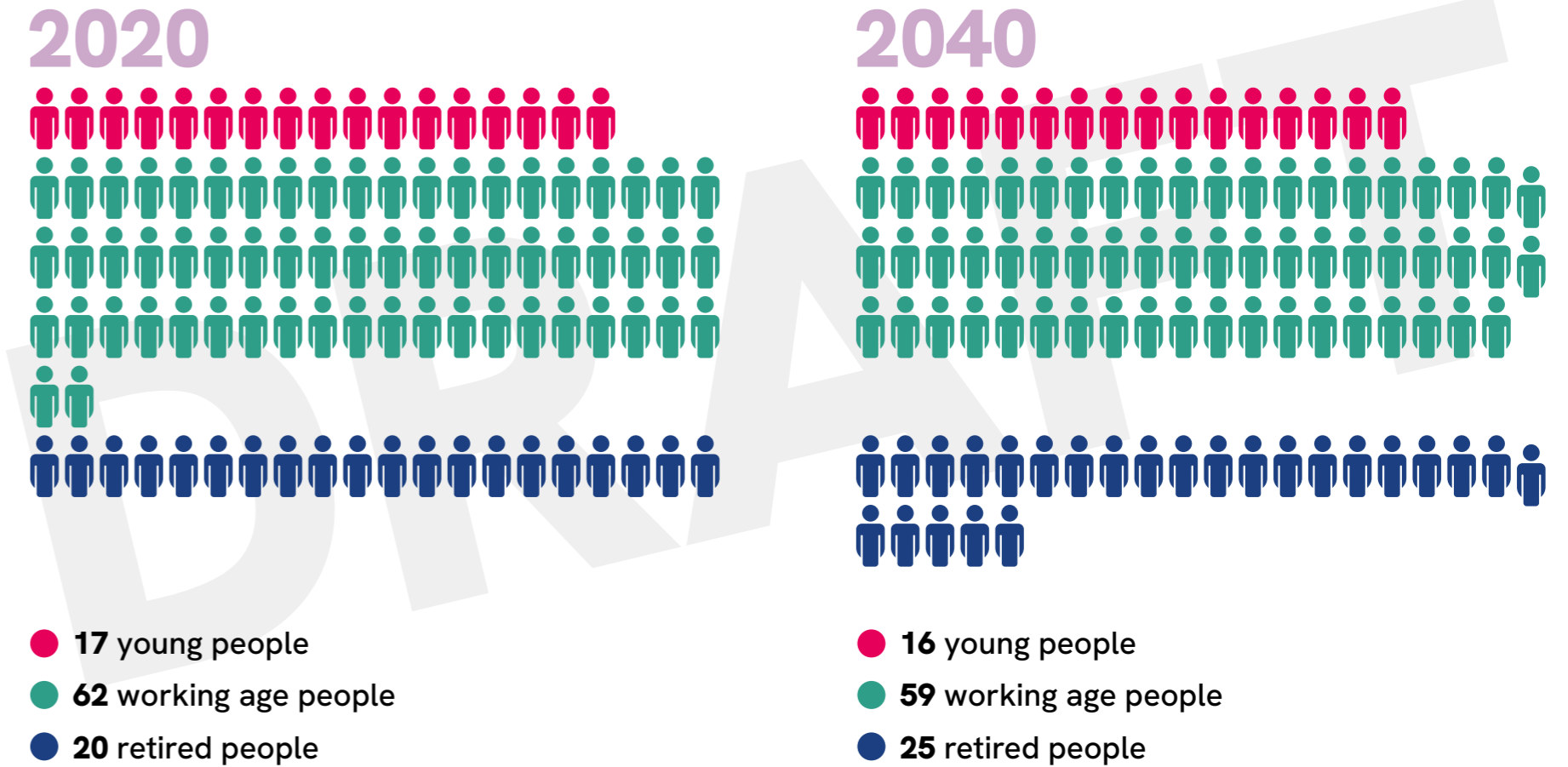
A significant number of new homes are planned in our region by 2040. It is crucial that our region can plan new housing development and transport effectively in a more cooperative way over the coming years.

Opportunities will be identified in the emerging North East Spatial Development Strategy (SDS) to make sure that transport plays a major role.

4.2.3 Age profile

It is important to consider the age profile of our region in this LTP and how it is predicted to change over the coming decades. The North East has an ageing population which will have an impact on both economic outputs and future transport requirements.

Figure 8 - North East age profile 2020s v 2040s



Note 2020 numbers do not sum to 100 due to rounding.

As the graphs show, by 2040, one in four people in the North East will be at retirement age (age 65 and above). As a result, the working age population is set to fall over the next two decades. This will have a direct impact on future transport requirements.

4.3.2 Productivity

In 2021, gross value added (GVA) per hour worked in the North East CA area was £32.02, 11% below the England excluding London equivalent.

Our region has low productivity compared to national averages in total and per head.

We have pockets of productivity though, including across rural and coastal areas. Most of the GVA in the North East is produced in urban areas. In 2021, these accounted for 85% of total output, with 15% being produced in rural areas and 21% in coastal towns.

Some of the issues that affect productivity include low business density, relatively low export value outside vehicle manufacturing and pharmaceuticals, and issues of inequality including distribution of skills and poor health.

Transport plays a key part of this productivity challenge, and poor or weak transport infrastructure limits growth.

4.3.3 Employment and wages

There are significant economic inequalities present within our region. Employment rate is lower than national averages, with higher levels of unemployment and economic inactivity.

Unemployment figures fluctuate month on month, however between May and July 2023, the North East had a higher percentage of people who were unemployed (all aged 16 years and over). In our region, 5.2% of people were unemployed compared to the England average at 4.3%.

For example, in September 2023, South Tyneside unemployment rate was 6.7% the highest across the North East, while North Tyneside had an unemployment rate of 3.5%, the lowest across the North East.

In 2022 60% of families in the North East received at least some form of state support, compared to 52% for the UK as a whole.

The North East also has a high proportion of jobs earning below the living wage. In 2022 14.4% of jobs earned below the Living Wage Foundation rates, compared to 12.3% in England excluding London.

Transport enables people to access and sustain good quality, well-paid work, and is important in unlocking access to opportunity.

Average pay in the North East area is lower than any of the UK's other regions. Our inequalities exist with national averages and within our region.

Median gross weekly earnings (£) in 2023:
North East = £608.40
England = £683.50

4.3.4 Key employment sectors

The North East has a diverse employment sector, including health, education, and manufacturing industries. As of September 2023, the North East had a higher percentage of people (22%) working in the public sector compared to the England average (16.8%).

Retail and hospitality are also big employers in our region which support the Foundational Economy.

In 2022, the health sector was largest sector of employment in our region with approximately 172,000 workers.

We have seen a big rise in knowledge-intensive private services (which include ICT, financial services, and many creative industries), with the sector accounting for more than a third of employment growth in past ten years. Our current sector strengths and future opportunities are based around a number of key sectors and opportunities:

- Offshore wind and renewable energy
- Film and creative content
- Health and life sciences
- Knowledge intensive business services

- Visitor economy
- Battery technology and electric vehicles
- Space and defence

Although film is not a major employment sector currently, Sunderland is expected to have one of the largest filmmaking complexes in Europe, creating over 8,000 jobs in the next decade. It is estimated that this will generate £336 million a year in GVA.

4.3.5 Sector spotlight – the visitor economy

There is good geographic distribution of visitor and tourism activity across our urban, rural, and coastal communities. Worth £6.1 billion, the visitor economy in North East England supports more than 60,000 jobs.

Despite this, our region receives the lowest number of domestic and international visitors and the lowest amount of spending of any region in England.

There are significant growth opportunities with the North East making up a relatively small share of the UK's visitor economy:

- Only 1% of all international visitors to the UK.
- Low average visitor spend, partly due to composition of domestic and international visitors, partly due to a low cost of activities comparable to other areas.
- Low number of visitors in our region for business purposes.

These points can be built upon, and transport is an enabler to supporting growth of our region's visitor economy.

Destination North East England, born out of the first ever regional Destination Development Partnership (DDP) pilot in England, has set out ambitions to double the size of our visitor economy by 2034. This could support the provision of more than 25,000 new jobs in the sector.

In 2023, we welcomed 69 million visitors who brought £6.1 billion into our regional economy.

4.3.6 Education and skills

Our region has a lower qualifications profile than the rest of England. The North East also has a higher proportion of residents with no formal qualifications than the national average, with the gap widening slightly in recent years.

This has implications for transport – we know residents with low and no qualifications are more likely to find it difficult to get a job, and also have a much smaller travel to work area.

The issue of skills availability is felt by employers who identify a number of gaps in what employees and prospective employees offer, and what their business needs. This includes a person’s knowledge and occupational skills as well as soft skills, which are character traits and interpersonal skills that characterise a person’s ability to interact effectively with others. Examples of soft skills are the ability to communicate with clients, mentor co-workers, lead a team, negotiate a contract, follow instructions, and finish a job on time. The largest gap is with specialist skills or knowledge.

4.4 Our environment

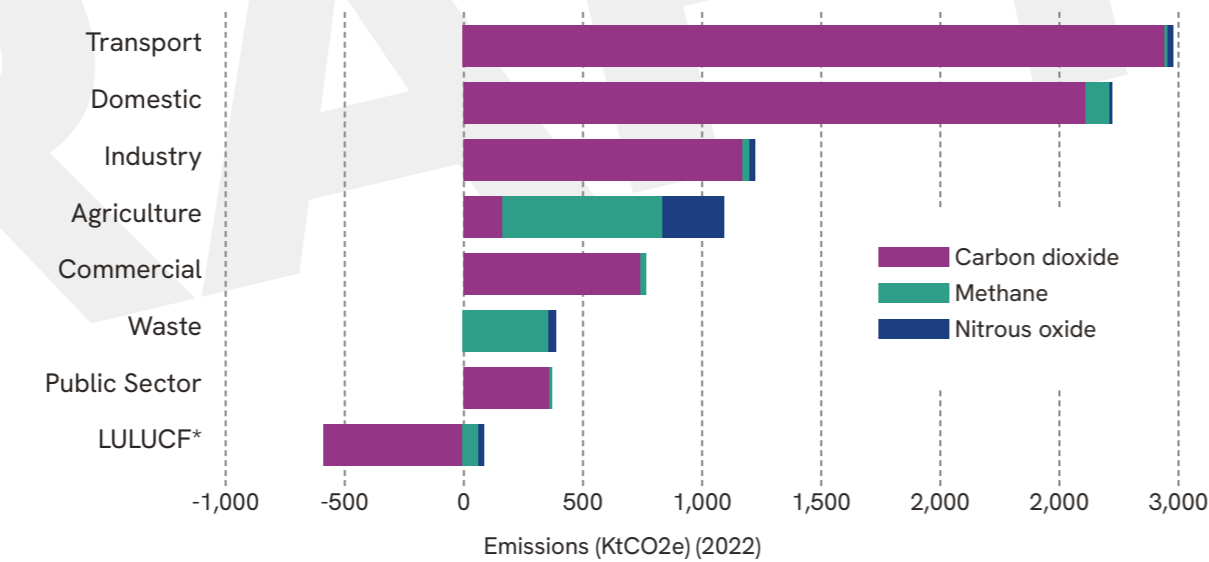
4.4.1 Climate change and greenhouse gases

Fossil fuel-burning transport emits greenhouse gases (GHG) such as carbon dioxide, trapping thermal energy and directly contributing to the warming of our planet. This warming is causing our climate to change which includes both increased temperatures and an increase

in extreme weather events such as storms, droughts, and flooding. Our changing climate also impacts our physical and mental health, as well as wildlife and ecosystems.

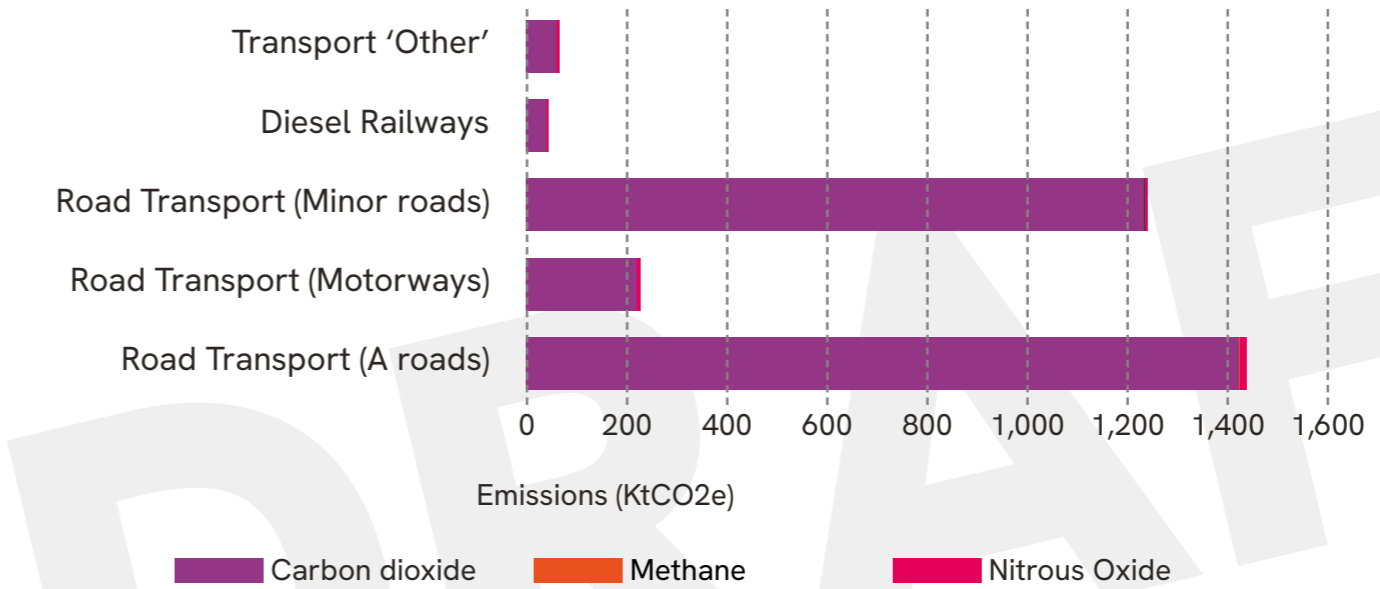
Transport is the largest GHG emitting sector in both the UK and North East. The graph below shows GHG emissions in the North East region by sector and type of gas.

Figure 10 – North East emissions by sector and gas (2022)



* LULUCF – Land use, land use change and forestry

Figure 11 – Transport emissions (greenhouse gases) North East by sub-sector and type of gas (2022)

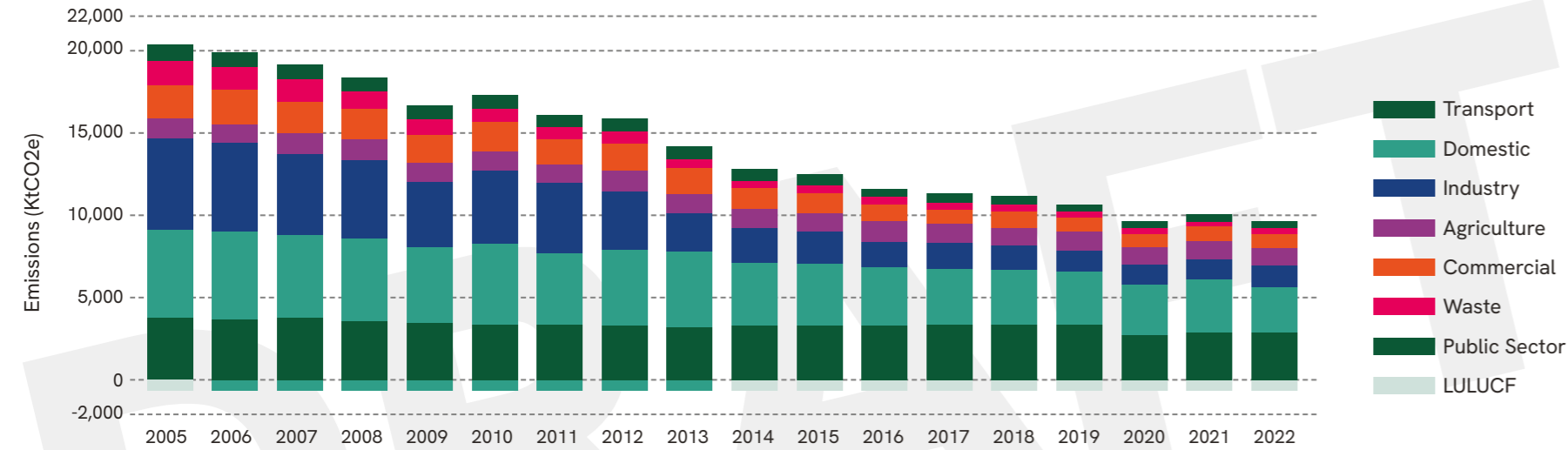


NOTE: These local estimates do not include emissions from aviation, shipping, and military transport. These types of transport are outside the scope of the Local Transport Plan and datasets are not available to estimate these emissions at a regional or local level.

Approximately 97% of transport generated GHG emissions in our region are from roads, with A-roads being the greatest contributor at 48%.

Despite transport being the largest emitting sector, our region has been at the forefront of decarbonisation and developing low-carbon solutions for our transport network, with success in offshore wind technologies and electric vehicles. Transport emissions in the North East in 2022 were about 22% lower than in 2005.

Figure 12 - North East emissions by sector, 2005-2022



Net zero

The UK is committed to reaching net zero by 2050. Net zero means no longer adding to the total amount of GHG in the atmosphere. Not all emissions can be reduced to zero, so those that remain need to be matched by actively removing GHG from the atmosphere. This will require a transformation of the nation's economy, and region's like the North East can benefit as a driving force for that change.

4.4.2 Climate change and health

Our warming planet and changing climate are directly linked to human health and wellbeing. Rising temperatures and increases in extreme weather events impact on human physical and mental health, lead to changes in our planet's life systems such as food and water availability, and change patterns of infectious disease spread. All these changes impact our social systems, affect our livelihoods, and place increased pressure on health and social care services.

Therefore, actions taken to reduce GHG emissions, protect our planet, and reduce the impacts of climate change can also contribute to protecting our health and wellbeing.

4.4.3 Air quality

Air pollution is a mixture of particles and gases suspended in the air that are harmful to our health. Both road and non-road transport are sources of air pollution. The North East has some of the lowest levels of one of the most harmful air pollutants, particulate matter 2.5 (PM2.5), in the country. However, we do have high levels of nitrogen dioxide (NO2) in some of our cities, particularly during peak travel hours.

Private small vehicle use remains the most common type of travel in the North East with 58% of trips being made by car or van driver and passenger. This high level of car and van use results in congestion on some parts of our road network, particularly during peak travel hours.

Whilst the number of zero emission vehicles is growing in the North East, they made up just less than 1% of registered vehicles in our region in Q3 2022.

Our region has multiple Air Quality Management Areas (AQMAs). These include areas where the national air quality objectives are unlikely to be met. In January 2023, a Clean Air Zone (CAZ) was also introduced covering some of Newcastle and Gateshead.

Air quality and health

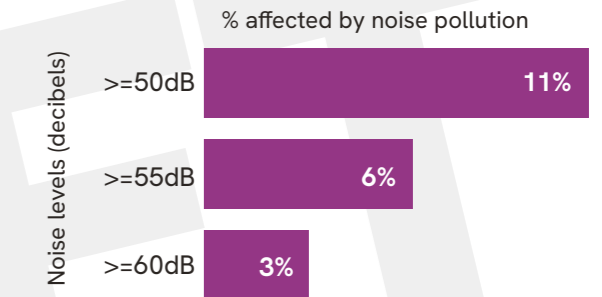
Although poor air quality affects us all, certain groups are more vulnerable to harm such as babies, children, pregnant women, the elderly, and those with pre-existing medical conditions. Poor air quality also disproportionately affects people living in the most deprived areas.

Evidence shows that long term exposure to air pollution is associated with an estimated 28,000-36,000 deaths each year in the UK.

4.4.4 Noise pollution

Transport is a contributor to noise pollution. The unit of measurement used for sound is decibels (dB), the higher the number, the higher the noise level. In our region, 6% of the population live near major road routes and are exposed to more than 55dB of noise at night (see graph below). This level of noise can result in disturbed sleep patterns and increased stress.

Figure 13 - Estimated % of people affected by road noise pollution levels at night in the North East (Department for Environment, Food and Rural Affairs - Noise Exposure data - Round 3 2019).



4.5 Our health

4.5.1 Background

Transport is essential for health and wellbeing as it enables access to healthcare services, employment opportunities, and social networks. It can also be a powerful lever in tackling poor health outcomes and inequalities. Transport plays an important indirect role by enabling people to live good quality lives, by providing accessible infrastructure and services.

The North East, with Tees Valley included*, experiences greater health inequalities than the rest of England and these inequalities are widening both within our region, and between the North East and other regions in England.

4.5.2 Setting the scene: the wider determinants of health

Our health and wellbeing are determined by individual factors, the healthcare we receive and the wider determinants of health. The wider determinants of health are a range of social, economic, and environmental factors.

Figure 14 - The wider determinants of health - Dahlgren and Whitehead, 1991

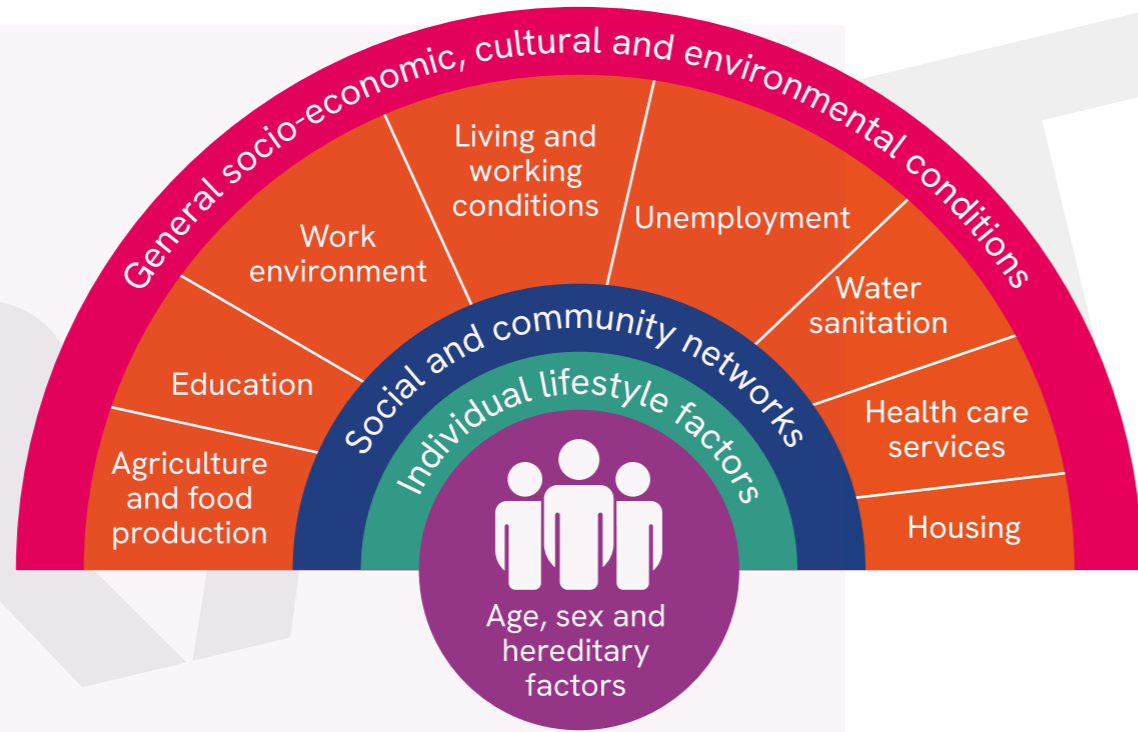
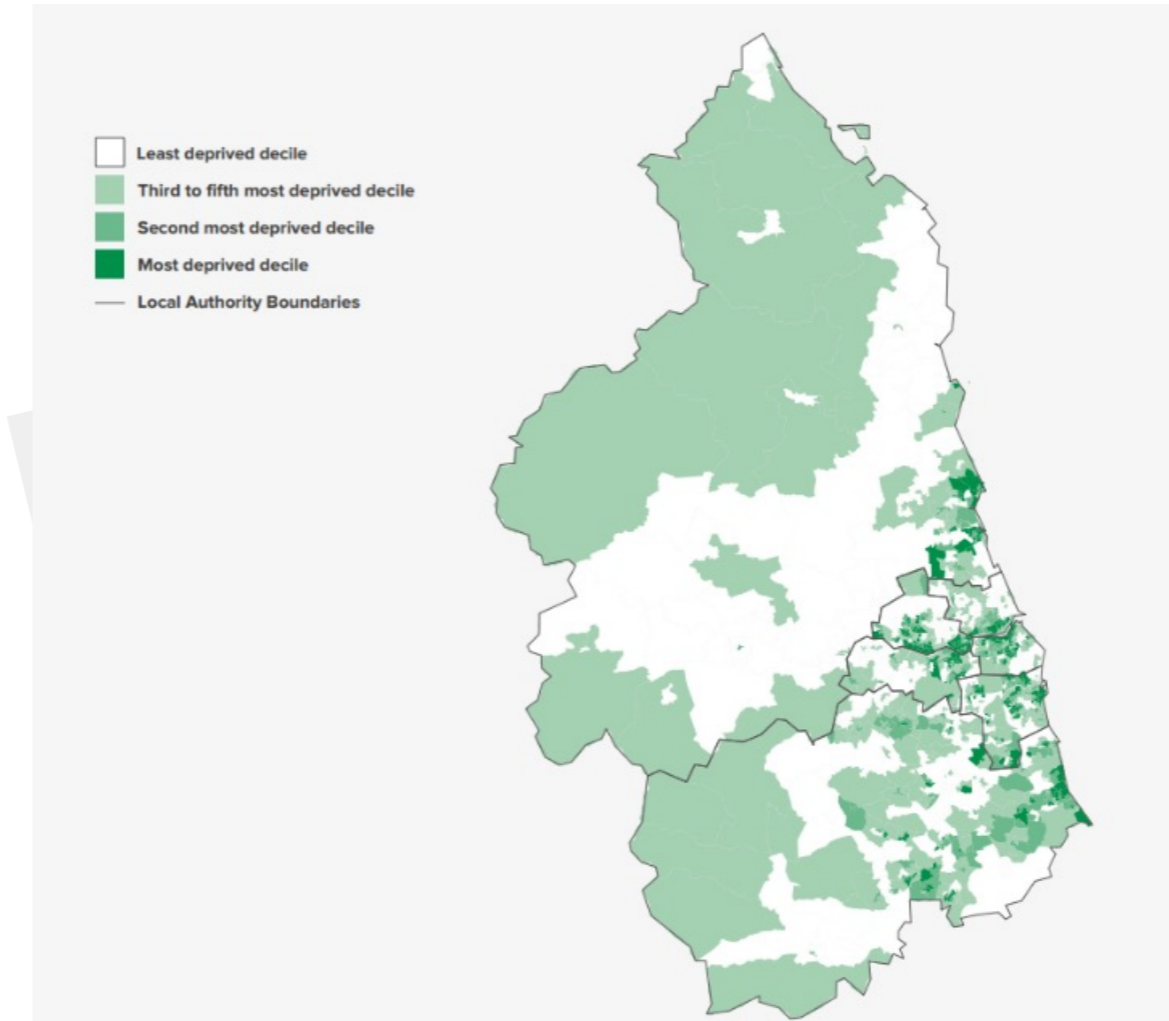


Figure 15 - Index of Multiple Deprivation deciles - North East LSOAs (2019)



4.5.3 Deprivation, inequality, and child poverty

Across the region there are inequalities that influence our health and wellbeing such as income, education, employment, and housing.

Deprivation describes a range of factors in our lives that impact our health and wellbeing. Across our region the most deprived areas are found in urban communities and along the coast, with data showing that when we consider England overall, deprivation is becoming more concentrated in the North East.

More than one third (35%) of all babies, children, and young people in the wider North East are living in poverty - with the region having experienced the country's steepest increases in child poverty over much of the last decade.

Poverty has harmful impacts on children's health, their social and emotional wellbeing, and their education, both in the short term and into their futures.

4.5.4 Life expectancy and healthy life expectancy

A person living in the North East has a lower life expectancy than the average person in England, and males have a lower life expectancy than females.

Figure 16 – Life expectancy at birth for males and females in England and the North East Combined Authority (North East CA) area



Inequalities in life expectancy are the gap in life expectancy between the most and least deprived areas. Males in the North East have an average gap in life expectancy of 11.2 years with the biggest gap being in Newcastle at 12 years. Females have an average gap of 8.9 years with the biggest gap being in Northumberland at 10.1 years. Healthy life expectancy is the number of years someone is expected to live in good health. Both males and females living in the North East have lower healthy life expectancies than the England average, and the lowest of all regions in England.

Figure 17 – Healthy life expectancy at birth for males and females in England and the North East Combined Authority area



4.5.5 Disability

21.2% of people living in the North East, inclusive of Tees Valley, are disabled. Disabled adults take an average of 28% fewer journeys per year than non-disabled adults. For further breakdown please see the Department for Transport’s annual disability and accessibility statistical release.

We know that the proportion of the population who are disabled increases with age, therefore we must consider that as the population of the North East ages faster than other regions, the proportion of people living with a disability in our region may also increase at a faster rate.

4.5.6 Physical inactivity and childhood obesity

(Infographic) One in four adults (25.1%) in the North East is physically inactive (undertaking less than 30 minutes of physical activity per week). Furthermore, levels of overweight and obesity in Reception and Year 6 aged children in our region are higher than the England average, and some of the highest in the country.

4.6 Transport-related social exclusion

Transport-related social exclusion (TRSE) occurs when people are unable to access key services, opportunities, and community life when they need to, and face significant knock-on consequences from travelling. Areas with a high risk of TRSE are concentrated in:

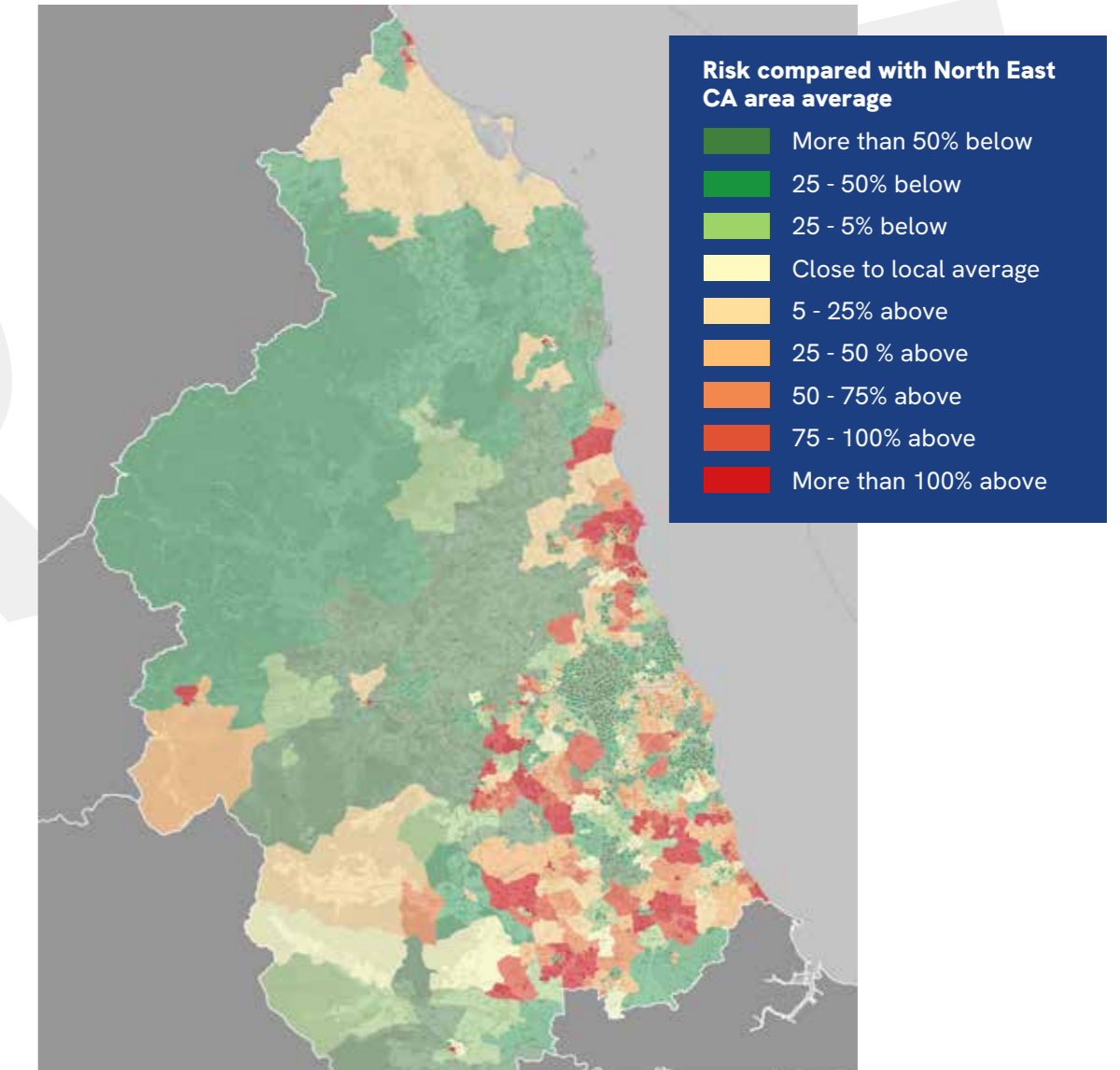
- manufacturing and mining legacy areas
- rural-urban fringes
- smaller cities and towns
- coastal communities: all areas that exist in the North East region.

31% of residents in the North East (622,000 residents) are at risk of transport related social exclusion, compared to 21% of Northern England, and 18% of England.

The map shows how the risk of TRSE varies across the North East. Each area is compared to the average for our region.

Improving connectivity between employment and further education opportunities, as well as public services such as hospitals, libraries and leisure centres alongside improved public transport connectivity can be a factor to counter TRSE.

Figure 18 – Transport-related social exclusion – North East (2022) Transport for the North



4.7 Section summary

Table 2 - Summary of the North East's challenges

Focus area	Key challenges which link to transport
Geography and people	<ul style="list-style-type: none"> There is a rural, urban split in our population. These areas have different demands and challenges and will require different transport solutions. A significant number of new homes are planned by 2040 which could put more demand on transport. We have an aging population. By 2043, a higher percentage of people in our region will be retirement age. The North East has one of the highest levels of digital exclusion and one of the lowest levels of digital engagement. The proportion of people in the North East that are currently 'offline' is approximately 8% whereas the England average is 5%. There are significant disparities in digital connectivity across the region with 12% of Northumberland and 6% of County Durham with no mobile coverage at all.
Economy and skills	<ul style="list-style-type: none"> The North East is performing below the national average with lower rates of GVA per capita. Average pay is lower than any of the UK's other regions. We have a lower employment rate than the national averages. We have a higher percentage of people receiving state support. Our region has a higher percentage of people working in the public sector compared to the England average. We have lower numbers of domestic and international visitors with lower levels of tourism spending. More than one third (35%) of all babies, children, and young people are growing up in poverty. Our region has a lower qualification profile than the rest of England (excluding London). There is a skills gap in a range of technical, specialist, and soft skills.

Focus area	Key challenges which link to transport
Environment	<ul style="list-style-type: none"> Fossil fuel powered transport directly contributes to greenhouse gas emissions and planetary warming, leading to climate change. Climate change presents risks to our livelihoods and health through increased temperatures and extreme weather events. Transport contributes a significant proportion of carbon emissions. 97% of transport generated greenhouse emissions in our region are from roads, particularly our A-roads. Air pollution is harmful to our health and some parts of our cities have high levels of air pollution, particularly during rush hours. Air pollution is also harmful to nature and biodiversity.
Health	<ul style="list-style-type: none"> Our region has high levels of deprivation in some areas and when looking at England overall, deprivation is becoming more concentrated in the North East. We have greater health inequalities (differences in health status and health outcomes) than the rest of England, and this trend is getting worse. People living in our region have a lower overall life expectancy than the average person in England. People living in our region have a lower healthy life expectancy than the average person in England and our region has the lowest healthy life expectancy of all regions in England. Just over one in five people are disabled and will be negatively impacted by barriers to accessing transport. Almost one in three people are at risk of transport related social exclusion, higher than both England and the North of England. One in four adults are physically inactive. Levels of overweight and obesity in Reception and Year 6 aged children are higher than the England average and are some of the highest in the country.



Key insights from this section:

- The North East is an extremely diverse region with a lot of positive characteristics including: a rich history, beautiful landscapes, and a proud industrial heritage.
- Our region faces several long-standing challenges in the form of productivity, wages and income, health outcomes, and deprivation.
- Challenges can also be seen as opportunities to grow and improve. Continuing to develop our transport network will enable us to do this.

Where we want to be – a green, integrated transport network that works for all

This section will:

- Set out the context of our region including our geography, economy, a • Set out our ambitions for transport in the North East up to 2040 to create a single, cohesive network that is efficiently designed, simple and easy to use.
- Outline the concept of a fully integrated North East transport network against five areas of focus:
 - **Planning journeys/informing users/supporting customers.**
 - **Ticketing and fares.**
 - **Reach and resilience of infrastructure.**
 - **Safety, especially of women and girls, and other improvements in service quality.**
 - **Connections between different transport types.**
- Show how having an enhanced regional transport network encompassing all types of transport, will enable more greener journeys to be made.
- Provide standards for the five areas of focus, which collectively make up our improved transport network and set the framework for interventions which follow in the Delivery Plan.

This section sets out the vision for where we want our transport network to be by 2040. This involves creating a green, integrated transport network that works for all, and acts as the yardstick on which all other networks are judged.

A single, cohesive network that is efficiently designed, simple, and easy to use will enable people and goods to make greener journeys.

Developing this network will help our region meet its challenges head on, providing sustainable, integrated links between communities, services, and opportunities, paving the way for growth and further inward investment.

Creating a better transport network should also strengthen our regional economy, environment, and the health of our people, meeting the North East CA vision and five commitments.

Standards for what the network should consist of are provided for each of the commitments below, which collectively make up our improved transport network and set the framework for the interventions which follow in this LTP's delivery plan.





Planning journeys/informing users/supporting customers

1 Information, help, or assistance should be easily available and accessible to everyone before, during, and after a journey.



Information provided on our integrated transport network should be reliable, helpful, consistent, clear, accessible to all, and should be available for every stage of the door-to-door journey. It should also be able to be adapted to suit the individual needs, meeting the varied requirements of people and freight. This should ensure customers feel supported throughout their journey.

There should be more joined-up information informing users about station facilities, and how to access hubs and interchanges by different types of transport.

Enhanced levels of information should make it easier for residents and visitors to travel to and from stations, tourism assets, and employment centres by sustainable transport.

Technology should continuously evolve and improve the customer experience, remaining easy to use, intuitive, and engaging for everyone.

People should be able to easily contact the network to raise queries or feedback compliments, regardless of the transport type. Feedback from network users should be responded to promptly and clearly.

At the end of the journey, people should still be able to interface with the network if they need to do so and people should find it easy to offer feedback about their experience.

People should receive a considered and appropriate response to all queries, complaints, and comments.

Customer support for an integrated network should include everything users need to support them in making a journey, such as information, ticketing, the ability to make complaints, and to report and retrieve lost property.

2 Live journey information should be accurate and consistent wherever and however it is being accessed. It should be presented in a way which is understandable and trusted by people.



People should be informed about how their journey is progressing, and each step should be simple to navigate, improving the customer experience.

As people navigate the network signage should be easy to follow and technological prompts should be available, all of which will continue to evolve as technology develops over time.

Information provision should include comprehensive detail informing users of services and facilities which are available on the network. For example, there should be live information showing the number of available car park spaces, park and ride spaces, the number of available cycle hires docked, cycle storage spaces, as well as the number of available chargepoints for electric vehicles.

Live journey updates should include live information across all forms of transport, highlighting journey times, roadworks, disruption, delays, and congestion. If disruption does occur during a journey, people should be presented with alternative solutions. This should also help support the movement of freight.

The integrated network should provide a new app so that users can better plan journeys. As technology advances, the network should offer personalised journey updates and

alert systems. People should be informed via live journey information if their usual bus is running late, there is disruption on their route or if a connecting service is running late, and the time it can be expected arrive. Journey updates should also include relevant information on onward journeys.

Data from our Urban Traffic Management and Control (UTMC) systems should be increasingly used to provide up-to-date and accurate information directly and instantaneously to vehicles, so people are aware of issues as they happen such as road accidents, roadworks, lane closures, diversions, traffic signal faults, and impacts of extreme weather. UTMC systems should also be used to enable bus services to run to timetable and be more punctual.

Our transport network should be actively managed with live journey data being centrally processed to enhance coordination and consistency, not only allowing information sharing, but also interactively changing the way our network performs through traffic signals on our highways, also improving the efficient flow of freight.

Open data should be used to improve journey planning and improve live journey information for people.

3 The integrated network should have a strong identity to give confidence in the network and encourage people to make greener journeys.



The integrated network should have a strong identity to give confidence in the network and encourage people to make greener journeys.



Ticketing and fares

4 Fares and tickets should be as simple and easy to use as possible

Better integrated ticketing and fares should mean easier journeys. Fare structures and pricing should be convenient and simple with unnecessary complexities being removed.

There should be simple fare bands which are affordable. This should include fare capping with a maximum daily, and weekly fare charge regardless of the number of journeys made. This should also include initiatives for children and young people to ensure fares are affordable, helping to reduce child poverty in the region.

There should be a specific focus on offering great value ticketing and fares products which help people reach education or new employment opportunities previously beyond their reach. In addition to this, there should be specific initiatives to support people getting back into work or training.

Ticketing products and payment methods should allow seamless travel across different types of transport, without the need to purchase separate tickets for each part of a journey, including park and ride, electric vehicle charging, public transport, and cycle hire.

The Pop Card should be expanded beyond bus and Metro so it can also be used on local rail services.

There should be a range of payment methods that can be used to support people who don't use a smart phone or have access to online banking.

People should be able to tap in and out at the start and end of a journey, simplifying payment, and further technological advancements should enhance this experience by making payment even more seamless. A fully integrated public transport system should mean making one payment.

Rewards and incentives should be considered within the network, whereby active travel and public transport use is rewarded.

Ticketing and fares initiatives should also support and promote the North East's tourism assets, making sustainable travel more convenient for tourists visiting our region.

Our ticketing and fare's structure should be perceived as fair, supporting the North East CA vision and commitments.

5 People should be able to travel across the whole region, between rural and urban areas, incorporating bus, Metro, rail, and the Shields Ferry without needing to buy multiple tickets and with payment methods that enable seamless travel.



Unified ticketing and fares should enable people to use a single ticket or payment across different types of transport, making the network simple to use. The ability to make seamless journeys through easy ticketing and payment should be a key feature of the integrated network.

Ticketing and payments should also integrate with wider transport services such as EV charging, Park and Ride, car clubs, and cycle and e-scooter hire, enabling network users to plan and pay for their entire door to door journey through a single offer and platform.

Integrated fares and ticketing should make it easier for people travelling to and from our region's national and international gateways, such as Newcastle International Airport, Port of Tyne's International Passenger Terminal, and mainline railway stations.

The Pop Card should be expanded beyond bus and Metro so it can also be used on local rail services, such as the Northumberland line.



Reach and resilience of infrastructure

6 The geographical reach of the integrated transport network should extend into every community of the North East, including our rural and coastal areas.

The reach of the integrated transport network should be expanded, connecting people to towns, cities, employment, education, housing growth, and essential services.

The coverage of our public transport network should increase throughout our region, regardless of the type of location, in terms of operation times and locations served.

Bus services should be improved to support region-wide efforts to address our region's economic, environmental and health challenges, enabling more people to access work and training opportunities.

In addition to this, the North East CA should also work with the area's local authorities to support and maximise existing bus routes.

Rail partnerships should be established to to meaningfully influence and shape local rail services and investment decisions that affect our communities, enhance the reach and resilience of the network and further integration with the Tyne and Wear Metro.

Expanding the reach of the network should also enable seamless access to our key gateways such as Newcastle International Airport, sea ports and national rail services.

There should be no "one size fits all" approach to the network, ensuring the needs of people living in rural areas are taken into account, helping to address transport related social exclusion (TRSE). For example, the network should have flexible, demand responsive transport, community transport, mobility hubs, and services feeding into stations and interchanges.

Examples of new services that could be made available across the region include bike hire (including electric bikes), car hire and sharing (car clubs), 'Mobility as a service' (MAAS) where digital transport service platforms enable users to access, pay, and get live journey information on a range of public and private transport options and sharing opportunities for freight and other transport. In addition to this, our current cycle network should be expanded so it covers more of the region, including our rural communities.

Our integrated transport network should include 'mobility hubs': visible, safe, and accessible spaces where public transport and active travel are co-located alongside improvements to the public realm, along with community facilities.

There should be a clear 'look and feel' of the network highlighting its comprehensive reach across the North East. Park and ride provision should be comprehensive.

There should be more park and ride provision in our rural areas and remote coastal communities to help link our residents and visitors to the public transport elements of the network.

The North East CA should seek to continue to develop the future Metro and local rail network for more stations and future expansion plans.



How do we get there?

The Leamside Line

Proposals to reopen the Leamside Line and expand the reach and resilience of our Metro network are included as part of the LTP delivery plan.

The full reopening of the Leamside Line in the North East is an integral part of any national programme to upgrade capacity on the East Coast Main Line (ECML). By diverting slow-moving freight traffic, it would enable up to nine passenger trains per hour to run on the congested section of the ECML between Newcastle and Northallerton. This provides the ECML with much-needed capacity, allowing for the expansion of long-distance rail connections between London and Edinburgh via the North East.

Local Connectivity Benefits

The Leamside Line would also provide direct access to the region's rail and Metro network for communities in Washington, Peshaw, West Rainton, Ferryhill, Fencehouses, and a new connection between Sunderland and the East Coast Main Line. Some of these areas suffer from high levels of deprivation, and new connections into Newcastle, central Sunderland and beyond would help foster economic growth and social inclusion.

To date, the North East CA has utilised a combination of its own funding and government grants to develop a business case for the full Leamside Line. In partnership with Nexus, we have also progressed the extension of the Tyne and Wear Metro to Washington using the northern section of the Leamside alignment.

However, a project of this scale and transformational impact will ultimately require access to central Government funding streams. We are therefore calling on the Government to take the full restoration of the Leamside Line forward as a national project, with input from the North East CA as a local partner, as part of a long-term programme to future-proof the ECML.



7 To support the development of the integrated network, there should be a joined-up approach to transport infrastructure investment and spatial planning.



New employment sites and housing should have strong sustainable travel links, such as public transport and active travel. New development such as housing or businesses should also be served by a range of high-quality walking, wheeling and cycling links. Sustainable transport provision should be an integral part of any new development.

There should be enhanced infrastructure to improve freight connectivity and delivery services. For example, improving road freight movements into and out of Newcastle International Airport and our five seaports.

Routes, services, and infrastructure should also directly connect communities to large employment sites, urban centres, out of town business parks, rural coastal communities, and village centres.

Expanding the reach of the integrated network into every community should be developed through engaging with communities to ensure that elements of the network properly meet local needs and circumstances.

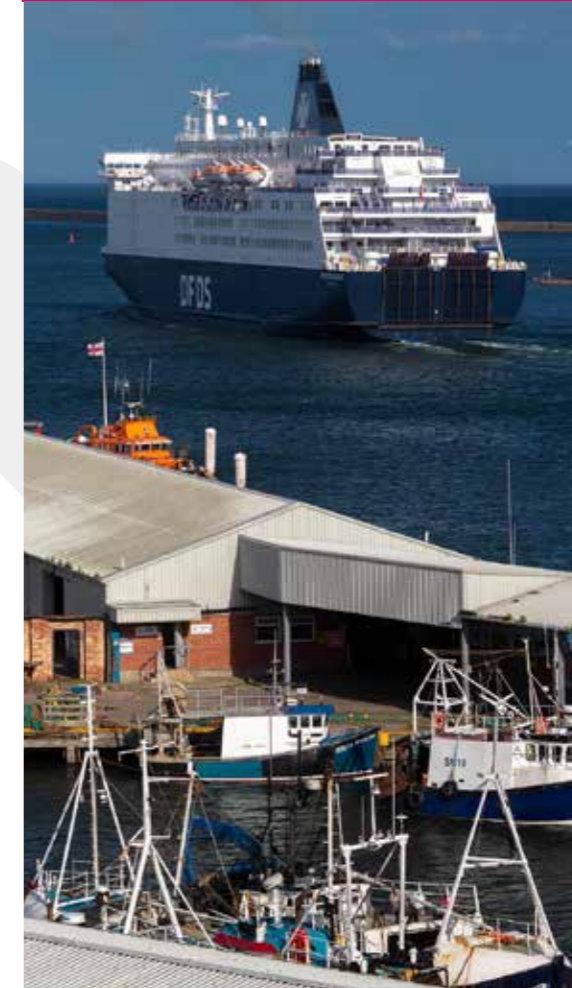
There should be a full review of public transport accessibility as early as possible which will inform where there are gaps and where improvements need to be made. The results from the accessibility review should be used to set out how to make sure all bus and Metro stops are accessible to disabled people, for example, and that transport staff are provided with Disability Equality training.

8 Transport services should meet the demands of people, accommodating shift patterns for work and late evening social activities, enhancing the reach of the network.



More people should be able to access sustainable transport, reducing reliance on cars. People of all ages, especially those without access to a car should benefit from enhanced reach and connectivity of the network. Public transport services should start earlier and end later.

9 There should be strong transport connectivity beyond our boundaries for both people and freight.



More freight should travel sustainably by rail. Our region should have a Strategic Rail Freight Interchange (SRFI) to enable intermodal rail freight services to and from our region. There should be a fair allocation of rail network capacity for both passenger and freight services.

Our region should have a defined Key Route Network (KRN) to support the movement of people and goods, provide direct connections to major transport interchanges and to proposed new development sites. It will also consider which roads in the region are most important for regional road-based freight movements.

Given regional investment priorities for the Major Road network (MRN) are set by Transport for The North (TfN), the North East CA should work with TfN to make the case for investment in the North East and ensure there is a clear route to mitigation of the carbon impacts of its programme.

10 Infrastructure that enables people to walk, wheel, or cycle should be central to the transport network and should link to public transport for longer journeys.

Cycle and walking routes should be joined-up and link together public transport stations, interchanges, and other locations such as key tourist attractions, employment sites, education, essential services, new housing developments, and access to green spaces.

There should be wide, segregated, and well-maintained pedestrian infrastructure with reduced street clutter, dropped kerbs, ramp access provision where needed, and other inclusive infrastructure such as well-designed crossing points. Where possible, in rural areas active travel links between neighbouring areas, services and public transport interchanges should be improved and these routes should have high levels of infrastructure maintenance.

The region should have an affordable and accessible regional cycle hire scheme, also offering electric bikes. This could support first and last mile journeys and help expand the reach of the network.

11 The network should be able to deal with disruptions, accidents, and extreme weather more effectively.



Investment should be made in existing and new services and infrastructure to ensure it is resilient and capable of providing a punctual and reliable service.

Our highways should be managed in a way that provides the best possible improvements for all users within the resources that are available. Prioritising safety enhancements, regular maintenance for all users, including people and freight, should help to improve the resilience of roads.

Resilience should also be a key factor for further improvements to our region's public transport offer and for enhancing the current public transport facilities, including through regular maintenance.

Potholes and surface imperfections on our roads should be addressed and drainage should be regularly maintained to mitigate flooding.

Public transport in our region should be more reliable and able to cope better

with different types of weather and where there is a fault or issue on part of the system.

Our region should be able to effectively secure maintenance funding for different types of infrastructure which make up the transport network.

Our region should have a clear strategy to maintain and improve our transport assets, such as a Transport Asset Management Plan (TAMP), which should deliver strategic investment in our network focusing on long term asset performance and reduced liability for future generations.

Community engagement should take place to ensure that the network quality meets the needs of all its people.

How do we get there?

Metro Signalling

The signalling system used by the Metro to control the safe movement of trains across the network is in urgent need of replacement.

Failure to invest in this project will result in increased failures of the signals which would impact reliability, increase delays, and reduce the attractiveness of Metro as a public transport option. In the long-term would result in sections of track being removed from use for a passenger service.

To overcome these issues, there is a pressing need for a new signalling system from 2030. A main priority will be to develop the business case to replace the signalling system for the Metro network to ensure work can commence on replacing this critical asset by 2025 which will enable plans to expand the Metro network and to deliver a more resilient and efficient Metro network.

A new signalling system to replace the current, outdated system to allow Metro to continue to operate safely, linking with capacity enhancements and expansion of the Metro network is included as part of the delivery plan.

How do we get there?

A19 junctions north of Newcastle

The A19 is a vital route connecting the North East with our border regions, the wider UK, as well as to our international links. It is also a key link for many of the North East's important employment and economic growth sites. Lack of capacity is a significant issue at the junctions north of Newcastle: Moor Farm and Seaton Burn. These pinch points generate congestion, worsen air quality, result in unreliable journey times, and hold back our region's economic growth.

National Highways (NH) is the government-owned company that operates, maintains, and improves the strategic road network (SRN). The North East has been calling on NH to address these issues urgently.

A1 Morpeth to Ellingham

A1 in Northumberland between Morpeth and Ellingham is currently suffering with congestion and safety problems. The planned project of dualling this section of road has been stalled many times at significant costs before it was finally confirmed in May 2024.

National Highways need to deliver on this project at pace and without the delays and postponements that have held up delivery of this important scheme for the North East in recent years.

For the resilience of our strategic road network to meet the needs of its users it is vital that the existing single lane sections of the A1 between Ellingham and Morpeth in Northumberland are dualled and that junction improvements on the A19 north of Newcastle take place. This will help address congestion, improve journey time reliability, and unlock growth opportunities.

Both of these regional interventions are included as part of the LTP delivery plan. We should continue the fight to secure the backing needed to dual the A1 to Scotland.



12 Our highway network should provide essential access to all areas of the region, with particular emphasis on rural and coastal communities, who often bear the brunt of disruptive weather patterns.

Our Strategic and Key Route Network (KRN) should have a built-in resilience. For example, there should be high standards of drainage, lighting, highway surface materials and road conditions. This should allow our region's road network to serve the needs of our region to 2040.

Our UTMC centres should be used to make the integrated transport network more resilient. For example, using Intelligent Transport Systems (ITS) to improve the flow of traffic.

13 Charging infrastructure for Zero Emission Vehicles (ZEVs) should be present across the whole network, including at key stations and interchanges and rapid charging hubs.

People should be able to conveniently and reliably charge their electric vehicles using a public chargepoint wherever they need to regardless of whether they live in urban, sub-urban, or rural locations.

Public chargepoint infrastructure should cover remote rural communities with lower levels of utilisation and urban areas with high deprivation and low car ownership to ensure comprehensive provision.

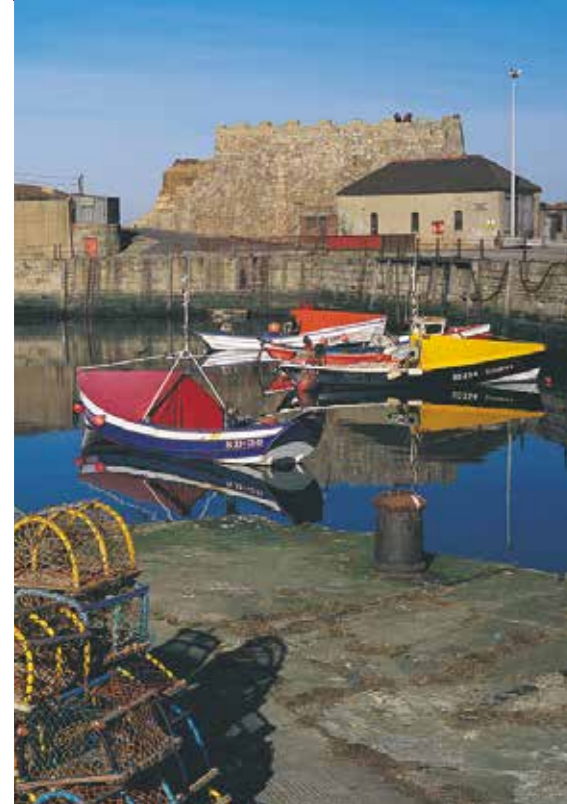
There should be more publicly available EV charging infrastructure throughout our region, including comprehensive coverage at hubs on major routes and at visitor destinations. The provision of rapid EV charging hubs should be supported on major routes and visitor destinations.

Electric vehicle charging should become part of everyday life, just like refuelling a petrol or diesel car or van.

ZEV infrastructure should not be only limited to electric vehicle charging, the development of hydrogen as an alternative zero emission fuel for heavy transport (large vans, heavy goods vehicles, buses, and trains), should have advanced further and form part of the integrated network.



14 Capacity should be boosted on the East Coast Main Line and the Durham Coast Line to meet our need for more long-distance rail passenger and freight services, supporting strong connectivity beyond our boundaries.



Investing in long distance transport infrastructure increasing the capacity and resilience of the East Coast Main Line and Durham Coast Line should improve our region's connectivity. There should also be improved local rail connectivity on the ECML north of Newcastle.

Improved national rail links should also enable the North East to welcome new businesses and organisations to be based here. More people should be able to travel sustainably to and from our region's international gateways from right across the North East, benefitting residents, businesses, and tourists.

There should be strategic investment in our transport links (surface access) to and from all areas of the North East to our five seaports and the airport to support the sustainable movement of both passengers and freight.

New technologies should be trialled and introduced, unlocking investment opportunities, enabling freight to be delivered in new ways.

There should be reduced journey times for the movement of people, and goods between freight centres in our region, those across the UK, and international gateways.

How do we get there?

Improving East Coast Main Line (ECML) capacity and resilience

The East Coast Main Line (ECML) capacity has been a consistent area of focus in the North East's engagement with Government, Network Rail and Transport for the North.

The single most significant barrier to improving the external rail connectivity of the North East is the ECML reducing from four tracks to two between Northallerton and Newcastle which means that only 6 trains per hour can run from and to the North East on this section. Also, on the ECML corridor to Edinburgh having few locations where long-distance services can overtake slow-moving freight, limits growth in potential rail connections.

Without major upgrades in the North East and elsewhere, the ECML will be unable to meet these future demands.

The LTP delivery plan identifies the need to fast-track capacity upgrades to the ECML in the North East, including an intervention to release capacity for more trains to/from London without disrupting existing passenger and freight flows.



Safety, especially of women and girls, and other improvements in service quality

Whilst anyone can have safety concerns when travelling, this issue is far more pronounced for the one million women and girls in our region who have the right to feel safe when they travel. By looking at the root causes of why women and girls can feel unsafe on our network, and taking targeted action to fix them, we can ensure that all people feel safe whilst travelling around the North East.

15 There should be clear and effective channels through which to report harassment and violence against women and girls on the network.



Awareness should be raised of the channels available for women and girls to report any concerns they may have when travelling on the transport network; these channels should be accessible to all. This should include support for those who feel vulnerable before, during, or after journeys and should outline the short and long-term support available.

Detailed guidance should be provided on what to do, and who to contact if anyone feels unsafe, concerned, or if they are a victim of an incident when using the network. This guidance should be developed in collaboration with women and girls to ensure it addresses the relevant issues and helps to build trust that reporting of incidents will lead to an effective

outcome. Women and girls should be confident that the channels through which they report problems ensure that they are heard, provide confidence that action will be taken, and inform them of any outcomes that come from reporting.

There should also be active encouragement for other passengers witnessing a situation to report it to network operators so that action can be taken.

Improved reporting of incidents and concerns should help to identify the types of issues and the scale of the problem, helping to ensure that targeted action can be taken, and resources can be appropriately allocated.

16

Targeted action should be taken and resources should be assigned to prevent violence against women and girls on the region's transport network. This should cover preventing offences from happening but should also look to tackle the root causes of violence and prevent it from developing.



There should be a zero-tolerance policy towards hate crime, anti-social behaviour of any kind or harassment on public transport towards passengers and staff.

Resources should be targeted to ensuring the prevention of offences against women and girls, improving both safety but also people's perceptions of safety and security.

This should include measures directly on the transport network but should also look to target the root causes of issues and educate people.

Additional CCTV, enhanced security on the network and body worn cameras should be widespread to prevent issues before they occur and play a role in catching perpetrators and bringing them to justice. Beyond this however, they should provide reassurance to passengers. Resources should be targeted on areas identified by women and girls in the region as feeling unsafe. This should include days of action to offer a presence in response to identified higher rates of incidents, or circumstances that may lead to the possibility of a higher rate of incidents across the transport network.

Enhanced training should be provided to staff across the network to help prevent and manage violence against women and girls and provide reassurance. Gaps in current

training and safety practices should be identified and filled. There should be greater levels of professional and friendly staffing presence to improve safety, and perceptions of safety, on the public transport element of the integrated network. There should also be close partnership working with the police to maintain a safe network.

Additionally, there should be efforts taken to change behaviour and try to prevent the early causes of violence against women and girls on the transport network and improve safety. This should look to show people how to be active bystanders and provide awareness of inappropriate behaviour and attitudes to help prevent issues from occurring. Education should make people understand what makes women and girls uncomfortable and why, as well as informing about the consequences that could face offenders.

17

Women and girls should have increased trust, confidence, and perceptions of safety on the transport network.



It should be safer and easier to walk, wheel, and cycle to and from key local destinations, for everyday journeys such as for work, healthcare, education, and leisure purposes, and to access other public transport.

Direct action should be taken to create increased trust and confidence in the safety of the network and to improve perceptions of safety. To a degree, the standards outlined above will help to achieve this. Overt and covert days of actions should incorporate enforcement against offenders and improved reporting should help identify offenders exploiting the transport network.

However, there should be further actions taken to improve the perception of safety and allow women and girls to build confidence in using the transport network. Improvements to physical infrastructure should play a significant role in this, including:

- Improvements to public transport stops and stations to make them safer, such as better lighting, removing blind spots and clear safety information, including what to do in an emergency.
- The enhanced network should bring new, safe bus stops, a vital addition that is too often overlooked.
- Better lighting, routes segregated from traffic and improved CCTV should also be present across the active travel network.

Additionally, obstructions such as vegetation should be removed from routes, blind bends should be avoided, and routes should be planned around areas with higher footfall to ensure safe journeys.

- Active travel, taxi and car club infrastructure should be well integrated with public transport to ensure there are not long distances that need to be travelled at night between transport options, and these facilities should also be well-lit.
- Public electric vehicle charging infrastructure should be situated in well-lit locations with high passing footfall where possible.
- Additionally, investment should be directed into placemaking around transport hubs, making them pleasant places to be, increasing footfall and reducing the likelihood of people having to wait by themselves. Our streets should be welcoming and safe spaces for all people, enabling more journeys to be made by active travel and public transport.

Beyond physical interventions, awareness should continually be raised around the issues faced by women and girls on the transport network to ensure it remains a topic of discussion and improvements continue to be made to prevent violence and harassment.

18 Roads should be made safer, with a specific focus on the most vulnerable users.

All road users in our region should feel safe when using the network, including pedestrians, cyclists, wheelers, car drivers, and heavy goods vehicle drivers.

However, there should be a specific focus on making roads safer for the most vulnerable users (defined as pedestrians, cyclists, and motorcyclists).

Our region should aim to reduce the amount of road casualties and fatalities year on year and should aspire for zero road deaths and serious injuries.

With the support of the region's local highway authorities the region should draw up an action plan covering a holistic set of measures to reduce the number of North East road casualties, with the overall ambition for zero road fatalities and serious injuries by 2040, with an emphasis on working to achieve this sooner.

19 Integrated public transport services on the network must comply with legal and policy accessibility requirements, including ensuring services are accessible for all. Drivers and staff should ensure that everyone feels welcome and safe at stations and on services, strengthening confidence in the network.



There should be further accessibility improvements on public transport so it is a truly integrated service and people with additional needs should be supported by staff on the network.

Our communities should not be impacted negatively by vehicular traffic, with volumes, speeds, and any resultant air pollution being kept to a minimum. This includes ensuring heavy goods vehicles avoid residential areas where possible.

Stations and interchanges should have secure car parks and cycle storage, so people have confidence that their vehicle or cycle are safe until they return to it. Cycle storage should allow for a range of cycle types to be stored securely at transport hubs, stations, and interchanges.

20 The customer experience should be transformed setting the highest service standards, where users can expect the provision of safe, reliable, clean, and efficient transport infrastructure.



Our two Urban Traffic Management Control (UTMC) centres should be used to improve the functionality and performance of the integrated transport network. Public transport services should have timely arrivals and departures with minimal delays.

People should be able to easily find pre-journey information on punctuality, customer satisfaction, and safety, increasing confidence in using the network.

The strategic highway network should offer more reliable journey times for the movement of both people and goods. This should help lead to a greater share of journeys being made by sustainable travel, as well as freeing up capacity on road network for essential journeys.

Asset management plans should ensure that future weather patterns do not cause undue disruption.

The use of Intelligent Transport Systems (ITS) incorporating UTMC and live journey time control should be enhanced to improve journey time reliability, reduce congestion and assisting people on the network.

Cleanliness and maintenance

There should be comprehensive cleaning regimes at public transport stations, stops, and interchanges to create a positive first impression for people.

Cleanliness and hygiene standards should be maintained on public transport vehicles, with regular cleaning and maintenance schedules.

Stations and interchanges should have comfortable, secure, well-lit, and clean facilities so people have confidence in using them.

There should be high levels of cleanliness and maintenance of Park and Ride sites, mobility hubs and cycle storage facilities.

EV chargepoint infrastructure for cars, vans and light goods vehicles should be of a consistent standard and well maintained across our region, facilitating confidence for people. Chargepoint infrastructure should be accessible for all users.

Maintenance should be carried out promptly across the whole integrated transport network. Assets should be maintained in the best possible condition to ensure their continued efficiency of operation.

21 The network should have consistent and cohesive branding such as colour schemes, signage, design standards, and quality of service, so that there is a clear 'look and feel' of the network on routes, stops, and stations.

Signage and wayfinding should be consistent across the entire network, regardless of the type of location, including rural and coastal areas. Consistent and cohesive branding should also be applied online.

Existing brands and sub-brands should live harmoniously as part of the integrated network.

A prominent, unified transport network should lead to increased awareness of travel opportunities and help to increase the proportion of journeys made sustainably. This could strengthen our region's economy, environment, and the health of our people, meeting the North East CA vision and five commitments.

22 The North East should set the highest standards for a fleet of green public transport vehicles which must meet premier standards of service quality.



The integrated network must help enable significant reduction in greenhouse gas emissions from transport.

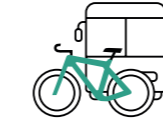
The North East should set the highest standards for a fleet of green, Zero Emission Buses operating as part of an integrated network.

There should also be high quality facilities for HGV drivers, with alternative fuel infrastructure in place to support the decarbonisation of road freight.

23 People should feel a sense of pride in the network and be keen to use it again.



People should be able to provide feedback on their experience, allowing for improved passenger satisfaction and continuous improvement in service quality.



Connections between different transport types

24 Our region should no longer consider different forms of transport as separate networks and move to one integrated and highly interconnected network where people can make seamless door to door journeys.



Seamless travel across different types of transport should help people to make greener journeys depending on their personal and journey circumstances.

25 The integrated network should be based around making it easier to switch between different types of transport including public transport, active travel, taxis, and other transport options such as Park and Ride, micromobility and community transport.

Railway stations, bus and coach stops and stations, Metro stations, taxi ranks, mobility hubs, car parks, and cycle storage should all be places on the integrated network where seamless interchange between different types of transport take place.

This is especially vital for services from rural areas where we need to ensure buses meet trains and vice versa for return journeys to reduce journey times and prevent lengthy wait times.

There should also be sufficient electric vehicle charging points and bike parking at key stations and interchanges. The design and use of this infrastructure should all be planned around seamless integration.

There should also be more infrastructure which supports journeys being made by different transport types. Physical links between different transport types should also be improved so that switching from one form of transport to another is as seamless as possible.

Technology should enable people to automatically pass through gates with no physical interaction, ensuring fare going customers can get to and from Metro and trains more easily and comfortably.

There should be a focus on ensuring there is strong integrated transport options for the beginning or end of an individual journey to or from a transport hub or service.

Transport hubs and interchanges should be more multi-functional spaces that improve the passenger experience and ease the transition from type of transport to another. This could also support greater footfall and use of greener travel.



26 There should be well co-ordinated public transport timetables and services which complement each other and enable seamless and smooth transfer from one type of transport to the next.

Integrated public transport should be provided by interlinking services and timetables provided to make it easier for customers to make journeys this way. More focus should be given to joining up services which should broaden their reach and enable people to get to places to they want to go to by public transport.

Active travel links should feed into key stations, mobility hubs, and interchanges with safe and secure cycle storage enabling transition onto other services.

Timetables for different transport types should join up, creating an improved, integrated, and smooth journey experience. This should include ensuring bus timetables link with rail timetables, especially in rural areas. The public transport network linked to our key gateways such as Newcastle International Airport, and national rail services should be timetabled to reduce wait times for those travelling into and out of the North East.

27 The Shields Ferry should continue to be a vital part of the integrated network, with even better linkages with other types of transport.

The relocation of the Shields Ferry to the North Shields Fish Quay will ensure a direct sustainable river-based transport link between North and South Shields can be maintained. It should enable the transport network in this area to be fully integrated, supporting easy access to active travel routes, Metro, and bus services as well as other key locations on both sides of the river Tyne.

28) Park and ride provision should be comprehensive, enabling people to seamlessly switch onto fast and frequent onward journeys.

There should be further development of park and ride services, better taxi ranks at railway stations, and adequate drop-off and pick up areas, recognising that the car or van may be the only option for certain journeys and personal circumstances.

There should be more park and ride provision in more rural areas to help link communities to the public transport elements of the network.

Summary

We will no longer view different types of transport as separate networks. Instead, we will develop a single, cohesive network which people can use effortlessly. It should seamlessly connect people and freight between different forms of transport. Affordable prices should be charged for transport services, with routes allowing people and freight move easily around the North East as well as in and out of our urban centres, rural, and coastal areas. The integrated transport network will be a system fit for a modern, forward looking North East and will meet the vision of the North East CA.

Having an integrated regional transport network will enable people to make greener journeys, travelling sustainably where possible. This will free up the road network for essential journeys that need to be made by car, van, lights goods vehicles, and HGVs.

Our robust regional delivery plan is a live document based on evidence to meet our aspirations and will be reviewed regularly so that it can be refreshed and updated going forward. It sets out a comprehensive list of deliverable interventions which aligns to the ambition set out in this section.

Types of interventions include:

- New infrastructure projects
- Service improvements (ticketing and fares, vehicles, stations)
- Regulation (land use, vehicle type, financial, planning policy)
- Creation of partnerships
- Promotion and sharing information (marketing, data sharing, workplace engagement)
- Innovation development (planning for the future, trialling ideas, working with organisations across the North East).

Interventions included in the delivery plan have gone through a thorough review and sifting process to ensure they are deliverable rather than just being aspirations, and together will enable us to achieve a truly integrated regional transport network, benefitting our region's economy, health, and environment.

The provision of a single, joined-up and cohesive integrated regional transport network will maximise connectivity, enabling the North East CA vision and commitments to be met.

Key insights from this section:

- We will no longer view different types of transport as separate networks. Instead, we will develop a green, integrated transport network that works for all.
- This section sets out the way forward to create a network that acts as the yardstick on which all other networks are judged.
- We believe this will make sustainable travel options more attractive and convenient, enabling more people and freight to make greener journeys.

6. Current situation and challenges

This section will:

- Show what transport challenges will be addressed by the standards we have set out in the where do we want to be chapter.
- Set out our transport challenges under the five areas of focus:
 - Planning journeys/informing users/supporting customers
 - Ticketing and fares
 - Reach and resilience of infrastructure
 - Safety of women and girls and service quality (punctuality, cleanliness, and safety)
 - Connections between different transport types

The North East's current transport network in numbers

There were an estimated **602,820,000** walking and cycling trips across our region in 2022.

In 2022 there were **over 100 million** bus journeys across our region.

There were **over 370,000** journeys using the Shields Ferry in 2023.

Over 30.5 million Metro journeys were taken in 2023/24.

There were **nearly 15 million** entries and exits at mainline rail stations in the financial year 2022/23.

Over 19 million vehicles travelled through the Tyne Tunnels in 2023.

In 2023 there were **over 700,000** domestic passengers flying from Newcastle International Airport.

Over 9.1 billion miles were travelled on our region's roads in 2022.

Over 1,200 vessels arrived at our region's ports in 2022.

The average person made just **under 1,000** journeys per year across all transport types in 2022.

There were **around 8,000** registered Electric Vehicles (EVs) in our region in 2022.

56 million tonnes of goods transported by road in our region.

1.6 billion miles covered by light goods vehicles.

The North East has made great strides in recent years to improve the region's transport network, ranging from the introduction of more integrated ticketing to major infrastructure developments.

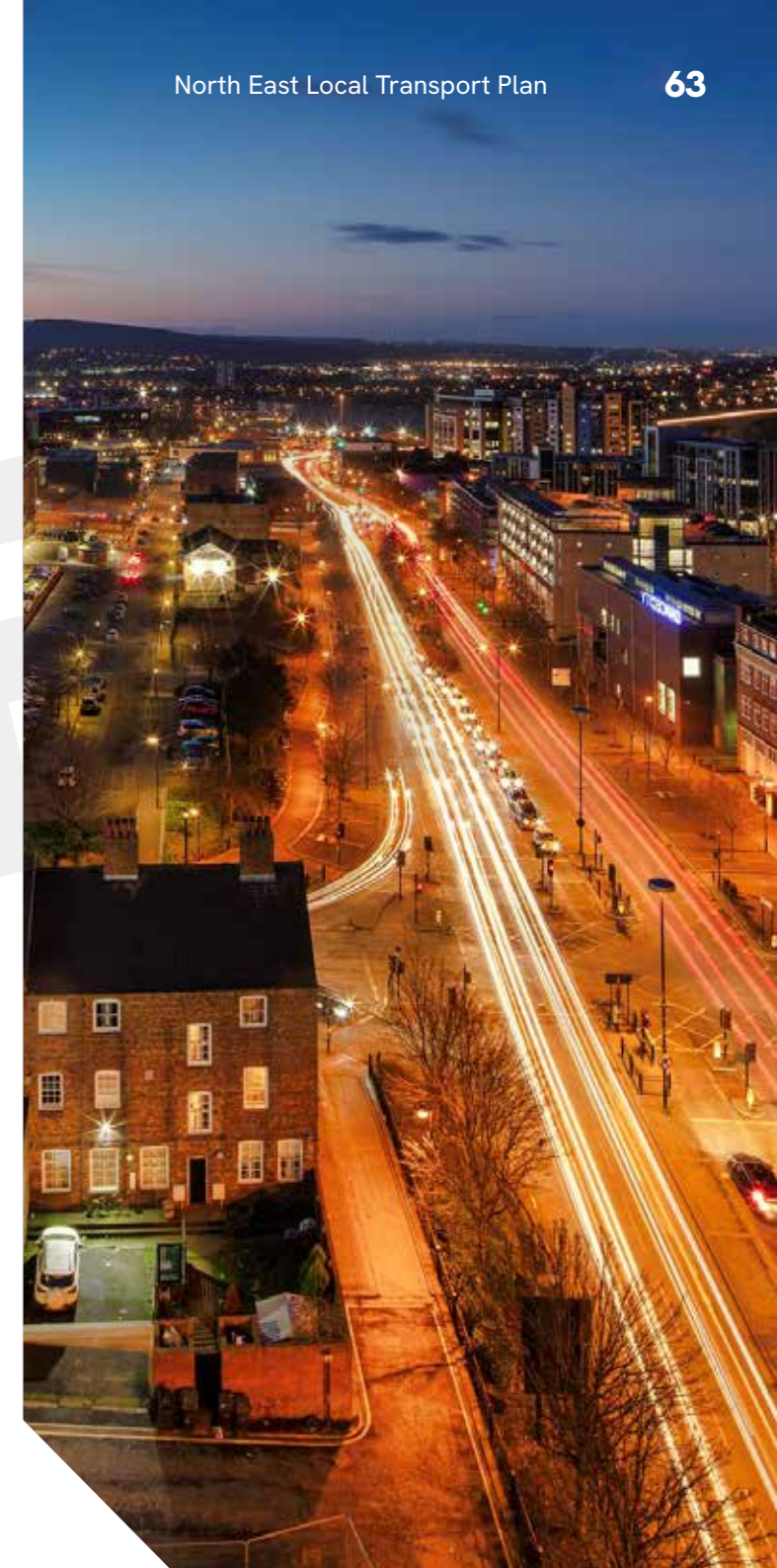
To build on our recent success, we are focusing on addressing the five key areas of focus to create a green, integrated transport network that works for all.

The following sections will describe the current situation of our transport network and the challenges our region faces for each of the five focus areas.

6.1 Summary of the North East's transport challenges

- Car and van journeys made **up 58%** of all journeys made in 2022 and car ownership in the North East is increasing.
- Public transport use is falling over the long-term. Since 2014, Bus and Metro passenger journeys per head and vehicle miles have both decreased.
- 31%** of residents in the North East (**622,000** people) are at risk of transport related social exclusion (TRSE).
- A range of transport issues has led to a contrast between rural isolation in our more remote areas and poor air quality and congestion in parts of our towns and cities.

- Actual and perceptions of violence against women and girls can act as a barrier to use of active travel and public transport.
- Commuting to workplaces is dominated by car travel, so congestion is a significant issue on our roads, which affects public transport access and attractiveness, reduces productivity, and increases inactivity and vehicle emissions.
- Transport contributes a significant proportion of carbon emissions. Approximately **97%** of transport generated greenhouse gas emissions in our region are from roads, with A-roads being the greatest contributor.
- In 2022, only **38%** of journeys to school (5-16-year-olds) were made by active travel, the second lowest percentage of any region in England.





6.2 Planning journeys, informing users, and supporting customers

Public transport operators, Nexus, and Durham County Council all have their own journey planning tools which provide varying levels of information. They are either specific to one type of transport or don't cover the whole region. Apps and websites such as Google or CityMapper can provide journey planning for the whole region however they don't always contain real time information.

Planning journeys, informing users, and supporting customers - current situation

Our region has a variety of measures to support customers when they are planning a journey or looking for travel information.

All public transport stops in our cities, towns, and villages have printed information and/or QR codes which are updated when timetables change.

400 bus stops have digital information screens showing timetable information; however, the availability of real time information is

limited. Updates in technology have created a mismatch between the data feed from transport operators and the region's back-office systems.

Bus stops with minimal use or in very rural areas of the region have limited information available, though their timetable can be downloaded from operator websites subject to appropriate connectivity.

Local rail and Metro stations are fitted with help points that allow passengers to get in contact with staff. Help points can be incredibly useful for customers due to the large number of unmanned stations on the rail network.

Most major interchanges and some larger bus stations, including Durham bus station, are staffed by customer service staff who already help thousands of passengers make journeys in the region. Smaller bus stations generally do not have a customer service staff presence.

Public transport passenger announcements serve as an important information stream for providing passengers with information on current or future network disruption. For example, announcements provided on Metro fall broadly into two categories; network wide pre-recorded message inform passengers of planned disruption or current faults, and personalised messages which can be delivered to selected stations when there is unplanned disruption.

Customers also currently have the choice to use multiple apps or the internet to view real time passenger information:

- Timetables are available on Nexus and Durham County Council public transport websites, as well as from local operators.
- Our regional bus operators each have their own separate websites, apps, and phone lines which provide passengers with bus information and updates. Our bus operators allow passengers to track the live location of their bus.
- Traveline North East, a partnership of councils and public transport operators, provides comprehensive timetable and fare information for all local bus, Metro, train, and ferry journeys.
- Comprehensive live journey planning, timetable, and accessibility information is available on the Nexus website.
- Nexus 'Pop' app for Metro allows passengers to track Metro departures in real time, buy Metro tickets, access journey updates, and see Park and Ride facilities near stations. In 2023, the Pop app was updated to allow both Android and Apple smartphone users to access the app.
- Nexus and local bus operators also have their own social media pages which provide live service updates.

- Durham County Council provides a web-based interactive public transport map with a journey planner as well as timetables and routes for all local bus services. However the current Real Time Passenger Information (RTPI) system is life expired.

Currently, there is also significant use of third-party technology such as Google Maps and Apple Maps to plan a journey and to assist people while travelling. Google Maps was identified in a 2019 Nexus insight panel as the number one stop for public transport information for 29% of respondents. Google Maps allows users to set a start and end location, specifying additional route options such as "Wheelchair accessible" and "Less walking".





A 2023 Nexus Insight Panel found that both the Go North East bus app and the Tyne and Wear Metro app were used by nearly half of respondents that use a public transport app.

Machines located at Metro stations provide ticket information to passengers. Banners above the screen provide a visual map of the fare zones and a list of stations and required tickets, helping passengers in ticket selection.

Current passenger experience standards across the North East's 32 railway stations vary significantly. For example, three local rail stations (Acklington, Chathill, and Pegswood) do not have any ticket machines.

Planning journeys, informing users, and supporting customers - challenges

There are current barriers which passengers face when trying to plan their journey.

For example, information provided to customers is often unreliable, leading to dissatisfaction with services.

Inconsistencies in information are particularly apparent when users need to use more than one type of transport or more than one operator. Whilst multiple online platforms and apps exist, there is no one larger platform that provides all of the real-time transport information for our region. This makes it difficult for passengers trying to plan a door-to-door journey. Users are required to use multiple online sources from different operators to find journey information, view

and purchase tickets and access real-time information. The quality of information provided also differs significantly between transport operators.

Currently, information for passengers relating to planned and unplanned disruption is mixed. There has been a significant rise in social media being used as the primary way to communicate updates. However, this may not necessarily reach all customers as social media is not typically used for journey planning and for customers who do not use social media or have internet access to view online information.



"A single website for users to be able to investigate and map journeys via multiple modes is key. A single quality source of transport information is important. The current situation seems fragmented."

Micro business, Newcastle 'Making the Right Travel Choice' Market Research, Primary Research with Employers April 2022

The complaints procedures face similar issues; with no single place to do so. Customers that wish to make a complaint are required to use multiple online sources from different operators. For buses, each of our region's operators have different complaints teams with their contact details readily available on the relevant operator services and websites.



"I would use sustainable transport more if we had an enhanced network that is simple and easy to understand."

Big Bus Conversation 2023

Our bus operators, along with Nexus, the North East local authorities, Traveline, and Network One have strong individual brand identities. Although these brands are strong with good customer recognition, the lack of a unified identity potentially adds complexity from a user perspective. The quality of public transport signage also varies significantly across our region.

The lack of information and integration between active travel and public transport has also been highlighted as a challenge to planning journeys, informing users, and supporting customers.

Zero Emission Vehicle (ZEV) users face similar issues. The quality of maps showing available chargepoints in our region, whilst improving, is often poor. For example, a popular, chargepoint mapping tool only covers 84% of our region's chargepoints, and there is sometimes no distinction between slow, fast, and rapid chargers, or information on whether the charger is operational or is currently being used by another driver. This causes issues for current EV drivers when planning or making a journey relying on public chargepoints to reach their destination. It also acts as a potential barrier to further ZEV take up.



62% of potential EV drivers were put off buying an EV for their next car due to poor chargepoint availability.

North East Charging Behaviour Study (2020)



"The charging points are always busy, which can again be a barrier." - Large business, South Tyneside

Making The Right Travel Choice Strategy - Employer research (2022)

6.3 Ticketing and fares

Ticketing and fares - current situation

Transport operators across our region offer a wide variety of ticketing products valid on their services, from single and day tickets to weekly passes. The North East’s ticketing offer includes some products that allow interchange between different operators and types of transport, which are summarised in Table 3.

The North East Bus Service Improvement Plan (BSIP) and Enhanced Bus Partnership (EP) has led to the introduction of multi-operator, capped tickets across different types of public transport which have increased customer flexibility to travel around the current network. Despite this strong progress, more needs to be done.

Ticket type	Details
Network One (multi-operator ticketing company in our region)	Network One offers a full range of multi-modal tickets within Tyne and Wear, but only a limited range for the wider region. Multi-modal tickets have historically been priced at a significant premium to single-operator equivalents and the uptake has been relatively low.
Bus Service Improvement Plan (BSIP) and Enhanced Bus Partnership (EP) Initiatives	<p>Through BSIP funding, we have introduced a number of multi-operators. and multi-modal day ticketing options, these are:</p> <ul style="list-style-type: none"> £1 single tickets on buses and £3 day tickets for those aged 21 and under on buses, Metro, Shields Ferry, and the Northern Rail services between Blaydon and Sunderland. All day, anywhere multi-operator daily bus tickets for travel within Durham, Northumberland, and Tyne and Wear. There is also a regionwide day ticket enabling adults aged 22 and over to travel across the entire North East CA region on any bus, the Metro, Shields Ferry, and the Northern Rail services between Blaydon and Sunderland. A discount to the existing Network One Day Rover multi-modal ticket for Tyne and Wear. Free multi-modal travel passes for young people aged 18-25 who grew up in local authority care, with 60% of holders using their pass to make journeys involving interchange. <p>Without these interventions there would be discrepancies and variations between commercial bus fares in the product range across bus operators.</p>

Ticket type	Details
Pop smart payment	<p>Pop is a smart payment system on dedicated cards or android phones which allows customers to load a balance onto their card and pay for their journeys on the Metro, Shields Ferry, and certain bus services.</p> <p>Nexus manages the Pop system and fares are lower for passengers using Pop pay-as-you-go (PAYG) on the Metro and the Shields Ferry compared to purchasing a paper ticket. The system also includes a daily price cap on Metro.</p> <p>An upgraded system Pop 2.0 will launch in autumn 2025 allowing passengers to benefit from a multi-modal daily price cap when using Pop across different modes of transport by tapping on and off on each journey. This development will provide customers with greater flexibility and ease in how they pay for sustainable transport.</p> <p>Pop cards can also be used to carry season tickets for travel on Metro and multi-modal Network One journeys.</p>
Northumberland Line	Passengers on the Northumberland Line will be able to use Pop to make journeys integrated with the Metro at a small premium to rail-only prices. Pop cards can also be used on Northern trains between Newcastle and Sunderland which use the same route as the Metro.
Take the kids for free	Fare paying adults can take up to three children aged 11 and under with them free on Metro and the Shields Ferry, all day, every day. There have also been limited offers from bus companies of a similar nature during school holidays.
Metro Gold Card	People eligible for the English National Concessionary Travel Scheme (ENCTS) can purchase a Metro Gold Card that can be loaded onto their ENCTS card. This extends the concession to include the Metro and Shields Ferry and is priced at £12 a year for Tyne and Wear residents, and £24 a year for non-residents. Around 164,000 Tyne and Wear residents have a Metro Gold Card.

In addition to the above another positive step forward has been made on the new Northumberland Line. Fares will have two options: passengers will have the choice of either purchasing an integrated ticket allowing travel on the Northumberland Line and Metro or be able to buy rail only tickets for travel on the Northumberland Line and the national rail network.

Ticketing and fares – challenges

The complex range of brands and fare offers can cause confusion and passengers might not be aware which ticket offers the best value for money. A 2019 Nexus Insight Panel survey found that 49% of bus users and 69% of non-users found it difficult to understand the different types of available tickets.



“Tickets valid only on one company’s buses does not encourage interchanges across city or region. All bus companies should be integrated into Nexus brand so that you can plan routes easier and only pay a single ticket to travel on multiple buses”.

Big Bus Conversation 2023



“We need better multimodal ticketing, at the moment it’s so complicated.”

Making The Right Travel Choice Strategy – consultation response 2022

A further potential hinderance to seamless integrated ticketing occurs at Park and Ride sites where separate public transport and parking tickets need to be purchased.

Contactless payment options are available on all public transport across our network, however ‘tap on, tap off’ payment and capping is only available on certain types of transport or is limited to a specific public transport operator, preventing passengers making seamless payments between different types of transport and across different geographical areas within our region. Some tickets are also limited by location. For example, not all tickets that offer multi transport type use in Tyne and Wear extend beyond these boundaries.

Some ZEV drivers have also highlighted confusion with current payment methods

at publicly available chargepoints across our region. For example, the need to have numerous cards, membership, and not being able to use contactless card payment at some of our region’s public chargepoints have been cited as barriers to transitioning to a ZEV for those who need to use a car or van.



“The speed of the roll-out of public charging points needs to double. A simple “one size fits all” payment system must be in place to provide access to all chargers regardless of the provider. I have enough Apps already, along with numerous RFID Cards.”

North East Zero Emission Vehicle Strategy Consultation (October 2023)

(RFID) – Radio Frequency Identification

6.4 Reach and resilience of infrastructure

When reach is mentioned, we are referring to how far the network stretches across the entire region.

Resilience refers to the ability of our transport infrastructure to withstand and effectively deal with problems such as congestion, faults, and severe weather events.

There are several factors which mean the North East’s current transport network fails to fully reach and properly connect all areas of our region. There are also elements of the current network which also have significant resilience concerns.

Reach – current situation

The Tyne and Wear Metro was designed to sit at the centre of an integrated transport network, serving much of the urban core of Tyne and Wear and connecting passengers with other services such as buses and the Shields Ferry. Metro connects our region to gateways such as Newcastle International Airport, and the central railway stations of Newcastle and Sunderland. There are currently five interchanges sited on key transport corridors to connect local bus services to fast train routes into the urban core of Tyne and Wear. Other stations are deliberately sited on bus corridors.

The North East’s bus network has a much larger reach across the whole region than Metro. Services are mainly dictated by demand

which results in variable levels of provision throughout our region. Urban areas tend to have higher levels of demand and therefore more options for bus travel, whereas rural and coastal areas have less demand and as a result tend to have less options for bus travel. An example of this would be the West End of Newcastle where high levels of demand lead to frequent services. By contrast, the village of Otterburn in rural North West Northumberland, where demand is lower, is linked to Newcastle city centre by just three services per day.

Rail services and stations are another area where there is strong provision in certain areas but a total lack of options in others. There are 533km of rail lines across the North East that serve both local rail and national rail services. Local rail services include the Durham Coast Line which links Newcastle and Sunderland with destinations in the Tees Valley, and the Tyne Valley Line linking Newcastle, Gateshead Metro Centre, west Northumberland and into Cumbria. National rail services provide vital passenger and freight connections beyond our region to Scotland, Manchester, London and more. However, there are several large areas in the North East not directly served by rail, such as Washington.

Our roads are inherently multi-use and the current network interfaces with every journey we make from door to door daily, whether that be by active travel, bus, motorcycle, car, or van. Our road infrastructure and public transport network provide key links

to our national and international gateways, which is vital for passenger transport, freight movements, and for the economic prosperity of our region.

The North East does have some park and ride provision linking to bus or Metro services which are mainly concentrated around the city centres of Durham, Newcastle, and Sunderland. There are also park and ride sites at a number of train stations including Horden, Durham, Prudhoe.

The Shields Ferry is fully accessible to customers and forms a fundamental connection in the current sustainable transport network in Tyneside. As the nearest River Tyne crossing to the coast, it is an integral part of Route 1 of the National Cycle Network, the England Coastal Path, and EuroVelo 12 (the North Sea Cycle Route). For the communities in the surrounding area, car and van access is relatively low, highlighting the importance of the Ferry for connecting people to onward journeys.

Active travel infrastructure is another area that serves large parts of our region and is fundamental for allowing journeys with multiple types of transport use. Our network includes 16 routes which are part of the National Cycling Network (NCN), a UK-wide network of active travel routes, connecting cities, towns, the countryside, and the coast.



High quality walking and cycling infrastructure are key to increasing uptake of active travel. The active travel network also enables freight transport, including cargo bike companies and bike deliveries for food companies.

The Tyne Tunnels are made up of two traffic tunnels and the pedestrian and cyclist tunnels which run under the River Tyne which provide a vital link between north and south Tyneside. The two road Tyne Tunnels handle large traffic volumes; in March 2024 alone, there were 1.6 million vehicle journeys made that otherwise would have to route through central Newcastle.

Infrastructure is also important for freight. Our five regional ports handle just under 6 million tonnes of cargo per year and Newcastle International Airport handled 2,449 tonnes of air freight in 2022.

Coach companies in our region play a vital role in helping to improve the reach of our current transport network. Coaches are vital for transporting people to, from and around our region every day. The coach industry provides corporate, and tourism travel as well as education trips for schools. There are also scheduled coach services which take passengers beyond our region to other parts of the UK. Current operators include Megabus, National Express and Flixbus. Coach journeys reduce the number of cars on the roads. One

vehicle has the potential to remove 50 cars off the road. Coaches also support sustainable travel, producing lower greenhouse gas emissions per passenger than any other type of transport.

Community transport provision also exists across the region, providing flexible and accessible community-led solutions in response to local transport needs. It often represents the only means of transportation for many vulnerable and isolated people, usually older people, or people with disabilities. Most community transport services are demand responsive, taking people from door to door, but a growing number are scheduled services along fixed routes where conventional bus services aren't available. In late 2022, there were 39 Community Transport Association (CTA) member organisations registered in the North East.

Powered two-wheel vehicles (power-assisted cycles, motorcycles, scooters, and mopeds) also play a role in the transport mix. Whilst these vehicles use less road space, users face many of the same issues as cyclists, particularly with safety, and accident rates are high.

Reach – challenges

There are some major gaps in the reach of our infrastructure. For example, smaller rural communities in the North East are often lacking in adequate public transport provision.

As mentioned previously, the bus market in the North East is largely dictated by customer demand, and where there are socially necessary services, supported by subsidy payments. This results in some areas, particularly isolated and rural communities, having little to no options for public transport.

The lack of reach of the current network isn't just limited to rural areas though and is also experienced in parts of Tyne and Wear. Although most of Tyne and Wear has access to the Metro, there are still areas that aren't directly served. For example, Washington is the fourth largest town in England without a dedicated heavy or light rail service, hindering opportunities for residents and businesses. This results in an over-reliance on the congested road network and economic isolation for people without a car.

At many locations passengers face physical barriers to integrated travel such as long walks from bus stops or between station platforms, a lack of car park spaces, a lack of onward connections, or inadequate bike storage facilities.

Public transport service times across our

region don't necessarily align with the demands of modern daily life, such as work shift patterns and late evening social activities. Service times also hinder sustainable transport access to our national and international gateways.

The freight market in the north of England is heavily dominated by road, with 87% of the tonne kilometres transported by road. The North East does not currently have a Strategic Rail Freight Interchange (SRFI), restricting opportunities for transferring freight onto the rail network. In 2022 it was estimated that HGV and light commercial vehicles travelled over 1.9 billion miles on our region's roads, representing almost 21% of traffic by all road users. This causes congestion, unreliable journey times for all road users, and disruption to communities due to heavy traffic, air pollution, and noise pollution.

There are limitations with our public EV charging infrastructure, which can vary widely based on the location with remote rural areas currently having far fewer chargepoints. This issue has been widely acknowledged in local research.



“How are we expected to make the switch with a chronic lack of infrastructure and investment?”

North East EV Charging Behaviour Study (2020)



“The private sector isn't going to put them in some rural village in Northumberland, so someone has to fill the gaps.”

North East EV Charging Behaviour Study (2020)

Resilience – challenges

Significant work has been undertaken to try to make the region’s current transport network more resilient. For example, in recent years there has been significant infrastructure upgrades across our region’s transport network such as improving especially the flow of roads for freight, the renewal of rail tracks, overhead lines, public transport stops and stations. Despite ongoing progress, a significant number of challenges remain.

There are several resilience issues affecting our current transport network which hinder the efficient movement of people and goods. For example, our road network has some major pinch points, such as A19 junctions north of Newcastle, which generate congestion, contribute to air pollution, hold up buses, displace traffic onto unsuitable roads, and hold back economic and housing growth.

The A1 through Northumberland suffers significant reliability and resilience issues for both local and longer distance journeys, largely due to sections of single carriageway. These resilience issues result in unreliable journey times which can impact both people and freight.

The lack of consistency in existing active travel routes has been found to be an issue, with 45% of cyclists who participated in a 2022 Nexus Insight Panel survey stating that they were

dissatisfied with the condition of cycling routes in the North East. Concerns about poorly maintained existing pavements and cycle paths was also raised as a concern during the North East Active Travel Strategy public consultation (2023).

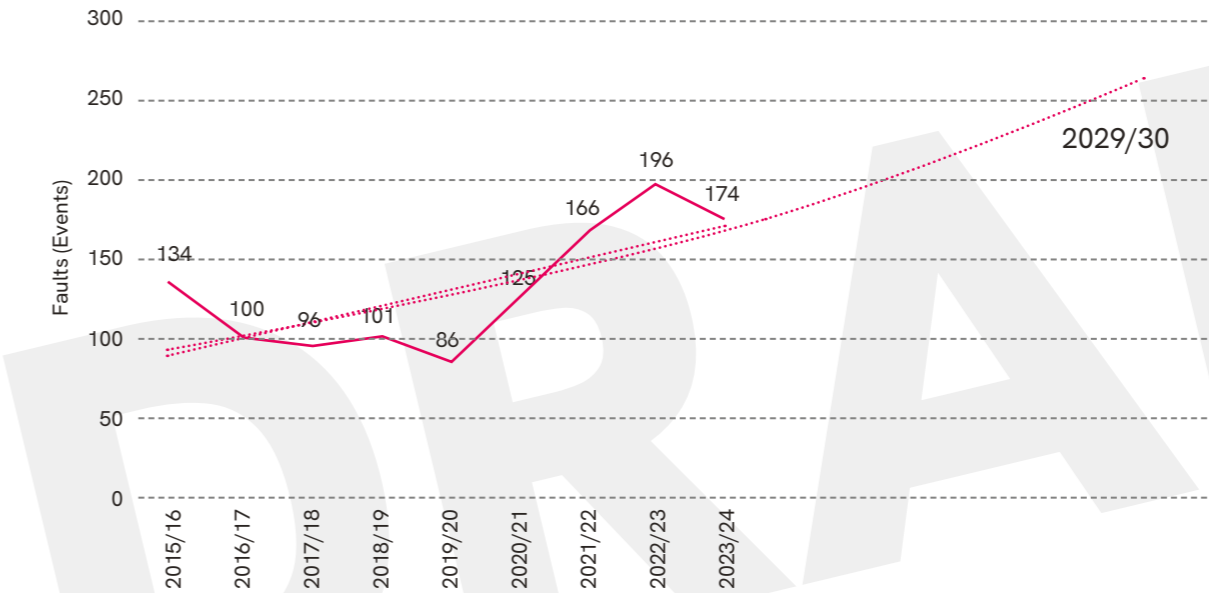
With new weather patterns emerging, maintaining the current transport network against the impacts of climate change is becoming increasingly challenging. Impacts include flood risk, extreme heat, increased winds, and land instability. Maintenance needs in some rural and coastal locations can be different to other areas due to climate impacts and the remote and exposed nature of some of the network in these places. This can have a negative impact on the safety of the network and leave communities isolated. The effects are not limited to roads but equally impact on active travel infrastructure and the rail and Metro network. Climate change impacts place added pressure on the cost of day-to-day operations and improvements to the wider transport network, with resilient solutions often being significantly more expensive.

The region also has publicly funded Urban Traffic Management Centres (UTMC), which can control road traffic signals at key junctions to adapt timings based on demand. However, joint co-ordination with the transport operators is currently limited to major sporting and cultural events.

Significant resilience problems also affect the East Coast Main Line (ECML). The ECML is the primary rail route connecting the North East to London and Edinburgh, and carries a mix of commuters, tourists, business travellers, and freight. Rail infrastructure has had a lack of long-term investment, and, as a result, services often don’t provide a suitable alternative to car travel. Infrastructure in our region will struggle to meet capacity needs for future growth. The ECML is constrained because of fragile infrastructure and a lack of capacity. The combination of its use for long distance, regional, local, and freight traffic is also a contributing factor. Issues on the ECML often have knock on impacts for the rest of the region’s transport network, but also other parts of Britain.

The Metro system is over 40 years old and many of its components are beginning to fail, which reduces performance and restricts growth. Some of the network is built on 180-year-old infrastructure. Failing infrastructure is a particular issue for the Metro’s signalling system, which needs to be upgraded and causes a large proportion of delays on the network. **Figure 19** right shows the number of faults on the Metro caused by the current signalling system. The dotted blue line shows forecasted faults up to 2029/30, demonstrating that the current situation is predicted to get steadily worse without intervention.

Figure 19 – Metro signalling disruption by faults over 9 years + forecast



An asset resilience issue exists for the Shields Ferry, with the North Ferry Landing reaching the end of its functional lifespan and in need of replacement. Whilst these issues are specific to the Metro and the Shields Ferry, like the ECML, they affect the whole transport network and limit its ability to function in an integrated and efficient way, as if one type of transport has problems this can cause knock on impacts for the others.

The lack of revenue funding for the North East impacts on the resilience of infrastructure as it impacts the ability to design resilient schemes and limits the ability to maintain infrastructure once it has been installed.

6.5 Safety, especially of women and girls, and other improvements in service quality

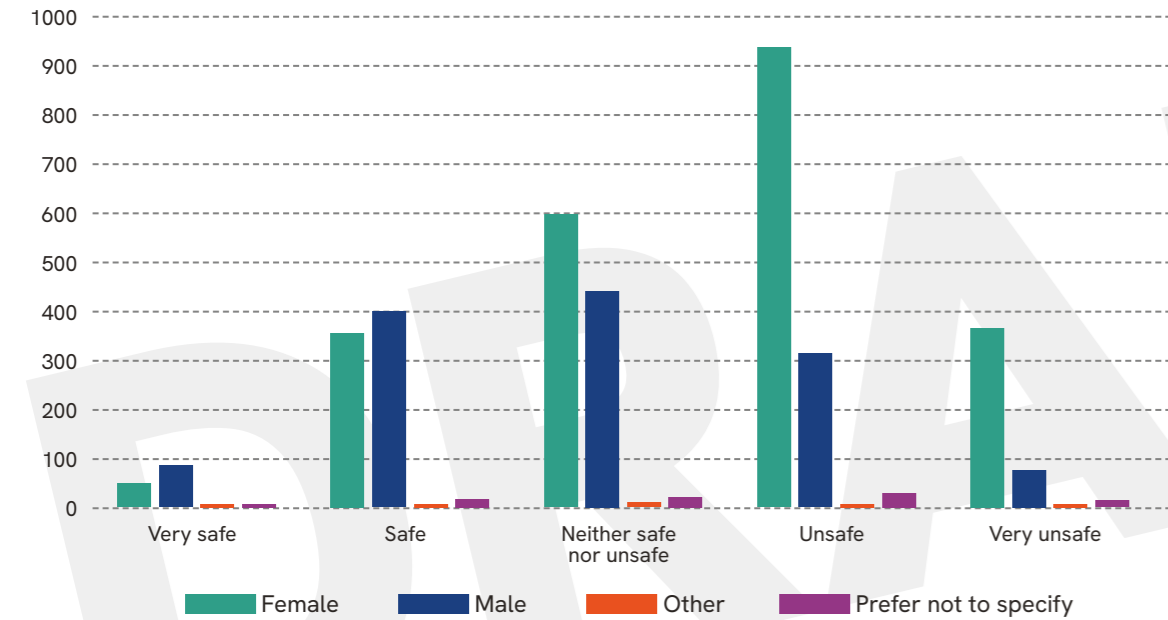
Everyone, especially women and girls have the right to feel safe when they travel. Women and girls often face heightened risks of violence and harassment. Addressing both actual and perceived safety issues is essential to ensure that all transport, particularly, public transport, is accessible, reliable, and safe for all users.

Despite efforts to tackle these issues, such as the introduction of safety measures and campaigns, many women still report feeling unsafe when travelling and using public transport.

Perceptions of safety and its impact on travel behaviour

Research from the North East Travel Survey (2022) found that approximately 1,330 women said they feel unsafe or very unsafe from crime and disorder when walking in the dark, compared to 380 men (please see figure 20).

Figure 20 – 2022 North East Travel Survey Question ‘how safe do you feel from crime and disorder when walking in our region in darkness by gender?’



Whilst the evidence base is limited, these safety concerns may lead to women changing how and where they travel such as avoiding poorly lit or isolated routes or opting to drive instead of using active travel or public transport.

There are a number of factors that impact on the actual and perceived safety of people, especially women and girls while travelling, including:

- Walking and cycling routes to bus stops and stations.
- Low footfall at stations and interchanges.
- Location of a bus stop and facilities at the stop.
- Experience when travelling on public transport.
- Layout of park and ride facilities.
- Presence of staff at stations, interchanges, and onboard vehicles.
- Location of EV charging infrastructure.
- Behaviour of other passengers.

Recent measures that have been undertaken

Significant measures to improve actual and perceived safety, especially of women and girls, on our public transport network have been introduced in recent years with the aim of preventing unwanted behaviours such as harassment and antisocial behaviour.

Measures include:

- A Safer Transport Northumbria App for passengers to download on their smartphones, making it easier to raise concerns and for victims to report crimes.
- Improved CCTV on the Metro network.
- More staff on Metro trains and at stations day and night, with body-worn cameras.
- ‘Not big, not clever, not here’ public awareness campaign to discourage anti-social behaviour on Metro and encourage people to report concerns discreetly.
- A national ‘‘See it. Say it. Sorted.’ campaign to encourage train passengers and station visitors to report any unusual activity or items.
- CCTV fitted on nearly all buses across our region as well as two-way radio communication to allow drivers to easily request for assistance if needed.
- Northumbria Police working with Stagecoach to operate a ‘Trojan’ bus service in November 2023. The bus looked like a normal service with regular stops at bus stations however, plain clothed police officers were on board ready to pick up offenders of harassment and anti-social behaviour.

Despite these measures, safety concerns remain, highlighting that this is a problem that needs to be addressed.

Challenges

Research with underrepresented groups in cycling (2022) found that women had concerns over cycling in the dark stating that they feel vulnerable when cycling alone on remote paths because of the potential to fall off or be exposed to anti-social behaviour.

Safety concerns also included perceptions that in rural areas, there is a lack of pavement space, with narrow roads and high-speed limits (60 mph) along some non-residential roads often shared between motor vehicles, cyclists, and pedestrians.

Table 5 - Road types and concerns

Road type	Safety concerns
Main roads	Volume and speed of traffic; impatient drivers.
Residential roads	Parked cars, causing reduced visibility; drivers not expecting cyclists.
Rural roads	Narrow roads: drivers not expecting cyclists.
Rural roads	Vehicles driving too close and or passing at speed; an absence of dedicated cycle lanes; adverse road conditions, such as potholes.

Additional safety concerns raised from underrepresented groups in cycling in 2022 were:

- **Cycling in the dark:** due to visibility, as well as personal safety. A greater issue in winter months
- **Fumes:** the inhalation of - particularly if cycling in heavy traffic.
- **Vulnerability:** when cycling alone on more remote paths - in case of falling off or exposure to anti-social behaviour. A 2019 Nexus Insight Panel found 68% of respondents felt worried about their personal safety while on board Metro, 21% while waiting for a Metro and 11% when walking to/from stations and stops.

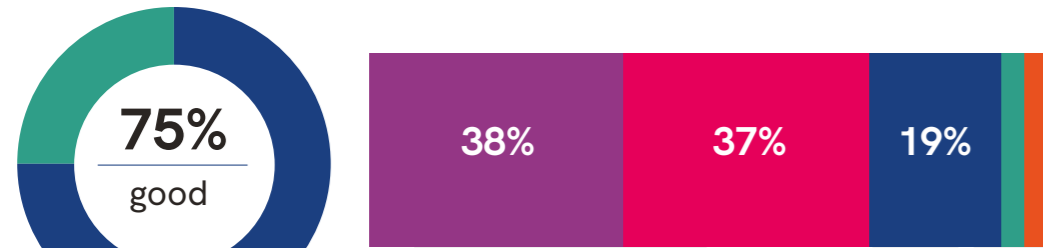
Additionally, 56% of female respondents reported feeling unsafe when using the Metro in the last three months before the panel. These findings reinforce the need for continued efforts to address both actual and perceived safety concerns for women and girls.

75% of women who took part in Transport Focus Bus survey (2023) thought personal safety while at a bus stop in the North East was good, with 84% considering personal safety on the bus to be good.

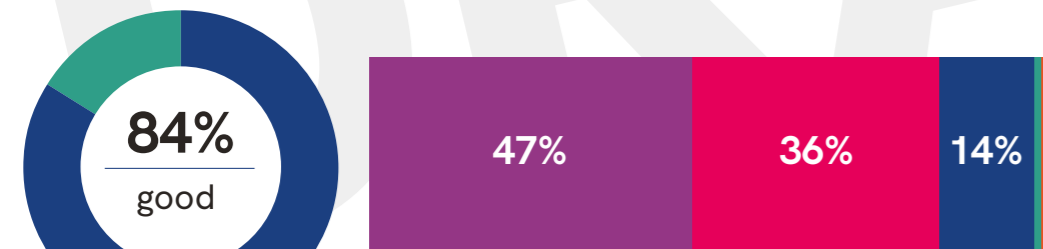
Rowdy behaviour was the biggest concern amongst females both on the bus (41%) and at the bus stop (53%). Abusive or threatening behaviour was also raised as an issue with 17% of female respondents stating that this is a problem on the bus and 15% stating that it is an issue at the bus stop.

Figure 21 - Transport Focus Bus Survey (2023) showing the female response to the questions on personal safety on the bus and while waiting at the bus stop

Personal safety at the bus stop



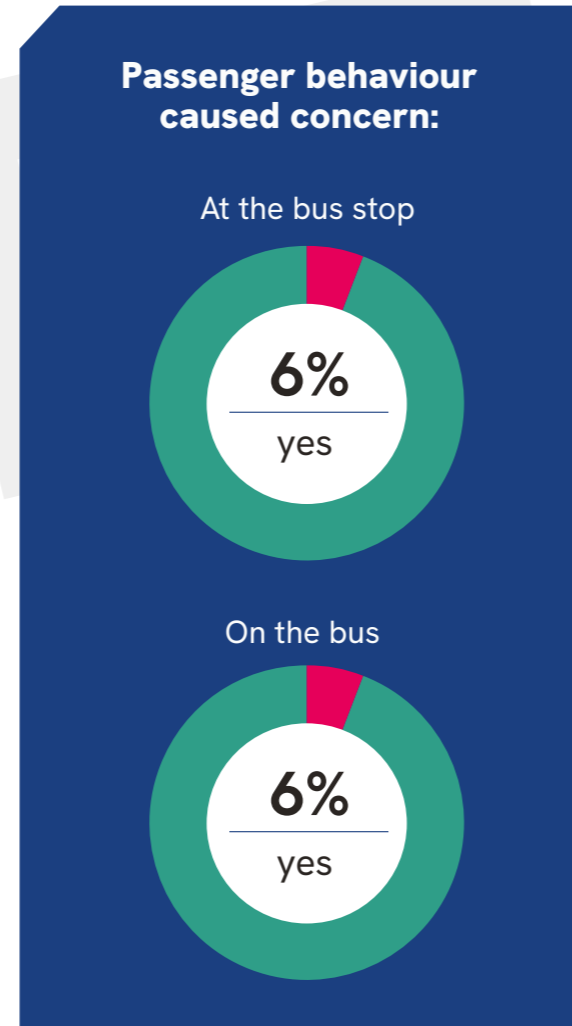
Personal security on the bus



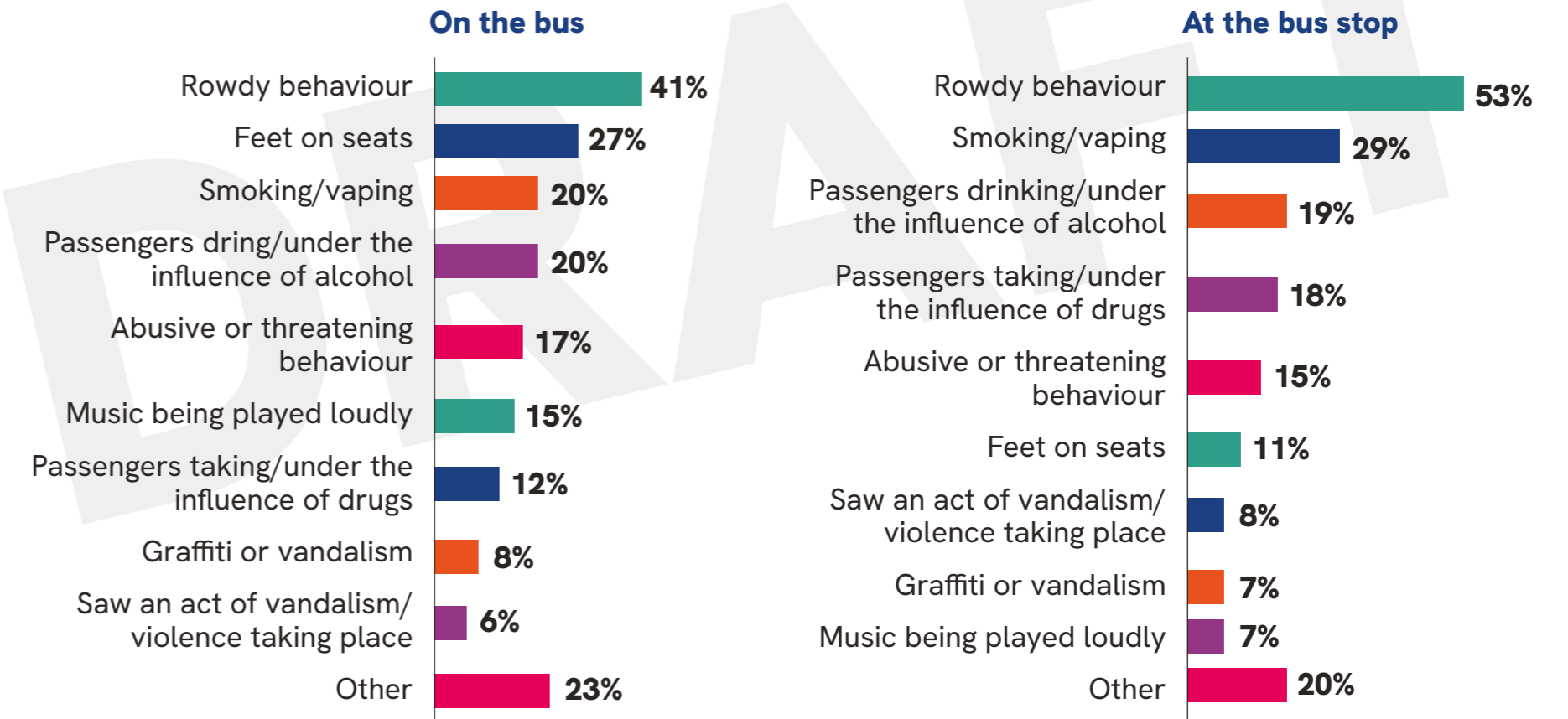
Very good Fairly good Neither good nor poor Fairly poor Very poor

Year: 2023 North East CA area Gender: Female

* Caution - based on 75-99 responses **result hidden as less than 75 responses



Cause for concern (among those with concerns)



Out of the 32 railway stations in the North East CA area, 10 have only partial CCTV coverage and 4 rail stations have no coverage at all:

Table 6 – 14 of the 32 North East CA railway stations have no or only partial CCTV coverage

North East CA area railway station	22-23 Patronage	CCTV coverage
Newcastle	8,402,922	Partial
Durham	2,446,734	Partial
Cramlington	133,834	Partial
Seaham	110,570	Partial
Haltwhistle	77,010	Partial
Sildon	56,968	Partial
Stocksfield	38,864	Partial
Haydon Bridge	38,830	Partial
Riding Mill	24,162	Partial
Bardon Mill	8,270	Partial
Widdrington	2,492	None
Pegswood	1,612	None
Chathill	1,348	None
Acklington	434	None

Actual or perceived inadequate lighting, especially on walking routes to and from stations has created additional safety concerns. Lighting on station access routes is generally good, but there are quite a few exceptions. For example, other stations and platforms such as the Eastbound platform at Blaydon are only accessible through long, unlit routes.

The combination of poor lighting on routes to and from rail stations along with no CCTV coverage are particular concerning at stations with low patronage, with services running late into the evening.

Poorly lit areas, blind corners and areas obscured by vegetation could create the perception that some routes are unsafe and needs to be addressed.

Street clutter is also a safety issue creating barriers to travel. Street clutter is defined as poorly placed or redundant objects on pavements that negatively affect pedestrians or other pavement users. Examples include advertising boards, unnecessary signage, maintenance work, inappropriate cycle and e-scooter hire parking and pavements blocked by cars. The growing issue of street clutter is particular safety issue for visually impaired people, those using mobility aids to move around and those with pushchairs.

Safety concerns also relate to connectivity issues such as no mobile phone coverage in parts of the region. This could potentially hinder peoples’ ability to report incidents in real-time, further affecting people’s sense of safety and security.

Whilst people benefit from 4G and 5G connectivity through their phone contracts on much of the region’s transport network, there are ‘no spot’ areas where mobile signal is weaker, including tunnels, rural and coastal areas. Currently only EE mobile network customers have 4G coverage on the Metro at underground stations and tunnels.

12% of Northumberland and 6% of Durham have no mobile coverage at all. These connectivity issues and ‘no spot’ areas could also affect actual and perceived safety.



There are also gender differences in perceptions of active travel. The 2021 public attitudes to active travel study found that only 25% of females who cycle were willing to cycle on North East roads, compared to 40% of males who cycle. Women stated that safety concerns were the top barrier, particularly the lack of segregated cycle lanes and the perceived high volume and speed of other traffic on roads.

“There’d have to be a direct bike lane from where I was going to my office for me to be able to feel confident to do it – without any parts where there wasn’t a bike lane, as then I’d be uncomfortable.” Female, 35-39 (North East Underrepresented Group in Cycling Market Research, 2022)

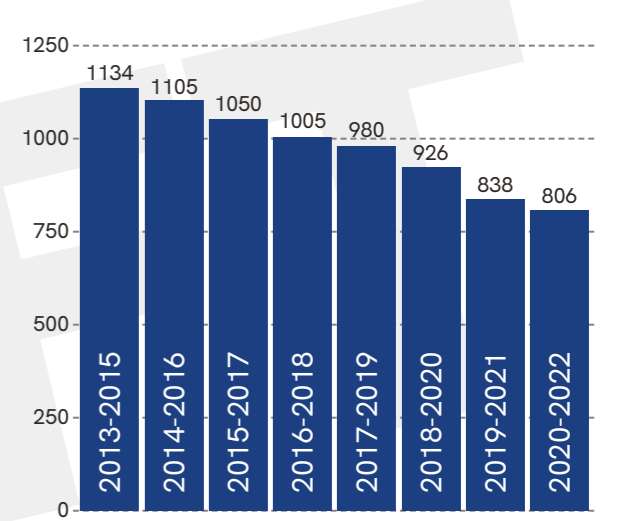
Pedestrians, cyclists, and powered two-wheeler users are among the most vulnerable road users, with higher casualty rates per mile travelled. The 2022 Traffic Accident Data Unit (TADU) statistics showed an increase in injuries and fatalities among these groups, highlighting the need for further road safety measures.

Figure 22 – North East road safety 2022 - vulnerable road users

- **Pedestrians** - large increase in all severities of injury for 2021.
- **Pedal cyclists** - increase in fatalities from both 2021.
- **Motorcyclists** - double the number of fatalities in 2022 than 2021 and increase in killed or seriously injured (KSI) from both 2021.
- **Children** - 3 fatalities in 2022, up from zero in 2021, and increase in total injuries from 2021 and fatalities.
- **Young people** - more than double the number of fatalities in 2022 than 2021 and increase in the number of killed or seriously injured (KSI) from 2021.

Figure 23 outlines the number of active travel casualty figures between 2013 and 2022. Although there has been a steady decline in the figures over the years, any road death is not acceptable.

Figure 23 – North East Active Travel Casualty figures 2013 - 2022



Broader service quality challenges - punctuality and reliability of public transport

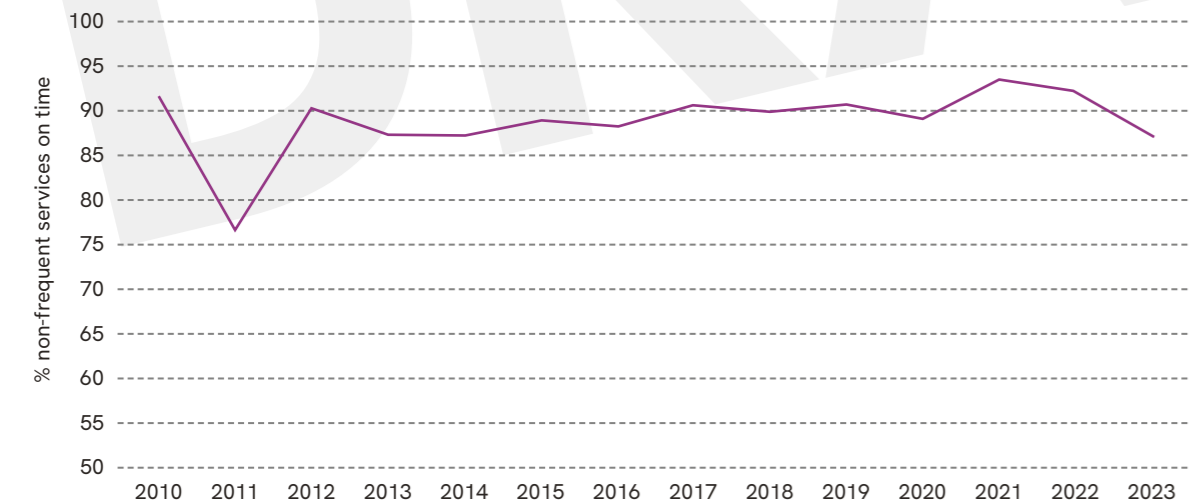
Punctuality, cleanliness, and safety are fundamental hallmarks of a high-quality transport network. These factors influence passengers’ perception of transport, particularly public transport.

Customer satisfaction levels of public transport have been declining in our region across the network. Based on data from Transport Focus, 80% of people using bus in the North East were satisfied with their journey in 2023. This was a substantial reduction from satisfaction levels in 2019 although different methodologies were used. The decrease may be explained by service issues such as unreliability and poor punctuality associated with a national bus driver shortage. It may also have been affected by a long-term reduction in bus routes across our region. In 2023, there were 52.1 million miles operated in the North East – a 30% reduction compared to 2010.

National research from Transport Focus has found that, for rail and bus users, punctuality and reliability are the most important factors contributing to passengers’ overall satisfaction levels and can also act as a barrier to using public transport. Data from a 2019 Nexus Insight Panel survey found that the second biggest barrier to bus travel in Tyne and Wear, coming after ‘buses take too long’ (46%), was that ‘buses are unreliable’ (37%).

“Better reliability. I use my car when I have to be somewhere by a particular time because I can never be sure that the bus will come on time, or at all.”
Big Bus Conversation 2023

Figure 24 – North East historic bus punctuality (Department for Transport)



Metro is currently going through a highly challenging operational period in which service performance is being impacted by ageing trains, as well as the transition towards the new fleet. Just 61% of Metro services arrived on time in the four weeks to 9 December 2023, a record low although the situation has since improved with a figure of 79% reported from 7 January to 3 February 2024. This low punctuality of services can negatively impact onward journeys as it makes it more difficult for customers to arrive on time to connect to other public transport services. This may negatively impact customer confidence in using public transport.

The introduction of the new Tyne and Wear Metro fleet during 2024/25 will mark a new era for our region, improving the reliability of services and the level of comfort for customers.

Service quality challenges – perceptions of cleanliness

Perceptions of cleanliness was also an issue that has been raised relating to some elements of our transport network. When conducting engagement and research with members of the public during the development of the region’s Bus Service Improvement Plan (BSIP), a word often associated with buses was “dirty”.

For Metro, cleanliness often scores highly. This could be due to comprehensive cleaning regimes that are in place at stations and on trains.

The perceived or actual unreliability of some public electric vehicle chargepoints has been raised as a concern for many current EV drivers. Older charging infrastructure can suffer from maintenance issues and occasional technical glitches. This has led to instances where drivers encounter unavailable or malfunctioning chargepoints, hindering their journey plans and causing frustration.

“The thing that is most frustrating about using an electric car is that hardly any rapid chargers in the region actually work. The network isn’t reliable enough to drive somewhere without having at least enough battery left to get back home.”
North East EV Charging Behaviour study (2020)

Evidence outlined in this section (6.5) suggests that safety, especially of women and girls, and other improvements in service quality are needed relating to the region’s transport network.

6.6 Connections between different transport types

Despite steps forward to improve connections between different transport types, a major barrier to enabling people and goods to travel more sustainably is a lack of integration across the transport network. This following section outlines the current situation, highlighting recent progress as well as setting out existing shortcomings and challenges.

Current situation

Active travel is one of the most common methods for passengers to get to and from public transport stops and interchanges. For example, every bus journey generally starts and ends with an element of active travel. As well as this, 31.5% of homes in Tyne and Wear are within walking distance (defined as 800 meters) of a Metro station.

Cycle storage at public transport stations and interchanges has also improved. There are approximately 900 cycle parking spaces across the Metro network. These are made up of around 800 spaces via cycle racks/stands

and over 100 secure, Pop card operated, cycle lockers. All stations apart from Airport have secure bike storage at or close to the station and/or are near bus stops allowing for onward journeys via other sustainable transport types.



There are also some active travel measures in place across our region which benefit bus users. For example, six Go North East routes currently have the capacity to carry two unfolded bikes. The same operator also now provides bike racks on some of its longer distance and express route services which connect our region beyond our boundaries, permitting up to two bikes to be carried securely on board.

The Tyne and Wear Metro system, which opened in 1980, was designed and constructed as the central feature of a fully integrated public transport system. The network includes the Shields Ferry which operates between North and South Shields.

The North Shields landing is currently a ten-minute walk from the Metro station and bus interchange. A bus service financially supported by Nexus connects people to the town centre, with free journeys with any valid Ferry ticket. In South Shields, the Ferry landing is a five-minute walk from the transport interchange and the Ferry also connects passengers with several active travel routes to allow customers to make onward journeys by walking, wheeling, or cycling.

Three major interchange locations with bus and national rail were built at the core of the Metro network to make transition from Metro trains to other types of transport simple. There are also 13 bus and Metro interchanges on the rest of the network, further simplifying the transition between different types of transport. These include new bus specific interchanges at South Shields and North Shields Interchange which were opened in 2019 and 2023 respectively.

The geographic size of our region means that key centres are linked by national rail, including 'intercity' long distance trains. These services coexist alongside well used bus services because buses serve more local places along the way, and more 'first and last mile' origins and destinations.

Our region has park and ride sites at 30 Metro stations, 4 bus sites and 19 regional railway stations, totalling 4,300 spaces. These sites enable drivers to make part of their journey

by public transport. However, these assets are currently underutilised and in 2022 between 07:00 and 19:00 the average occupancy at 11 of these sites was only 14%.

Taxis, including private hire vehicles (PHVs), currently play a vital role in supporting transport provision. They can fill in gaps in the transport network where other options aren't feasible, enabling people with restricted mobility or a disability a door-to-door service. We have just over 8,000 licensed Hackney Carriages and PHVs in our region, with each of our seven councils having its own taxi policies that suit local needs. The key role that taxis play within an integrated network is partly about the gaps that they plug that would not be covered by public transport, but also where they feed into the wider network. For example, in more rural and coastal locations, taxis can provide the connection that allows people to reach local rail or bus services.

Within our region, car clubs also play an active role in enabling people to make a journey by car without owning their own vehicle. Car club vehicles currently exist in a range of areas including some rural communities, inner city locations where parking is restricted, and near railway stations and public transport stations. This helps to connect people to public transport services and can reduce the need to own a car.

Demand responsive transport (DRT) is a form of shared transport for groups and individuals which alters its route based on demand rather than following a fixed route or timetable, these services are most often run via buses or other smaller vehicles. DRT services complement fixed route public transport services and improve mobility in low-density areas and at low demand times of day. Integrated on demand public transport can also be used to feed into the wider public transport network at "hub" points - major bus stops and stations, Metro, rail stations and interchanges.

There are a limited number of DRT solutions across our region. In County Durham there are Link2Work and Link2 DRT services. In West Northumberland there is Dial a Ride. Beyond these, DRT options are minimal, which is a further barrier to those in isolated rural and coastal communities and can contribute to transport related social exclusion.

Connections between different transport types - challenges

Bus Deregulation in the 1980s ended the existing fully integrated system and some bus services now compete with Metro services for passengers on similar routes, involving significant overlap.

At the same time, many local suburban bus routes do not commonly flow into Metro interchanges, reducing the convenience of connections between different transport types when travelling into town and city centres.

Competition rather than collaboration means there is also limited ability to join-up bus and local rail services.

“It’s not very good, the bus service, around here at all. It is reliable, but say I wanted to go further afield, you’re talking 2 or 3 buses to get to your destination. That’s where the car would come in.”
Making the Right Travel Choice – Market Research, Primary Research with Residents April 2022
(Rural North East Resident, Live in village/countryside)

Integration between transport types is often made harder by a lack of complementary timetables. Often different transport timetables lack the coordination passengers require, with approximately two in five North East residents stating that they feel bus timetables do not currently fit with their personal needs and rising to one in two residents in rural areas.

“Connecting transport such as bus and Metro are unreliable and can cause me to miss my train”.
North East Travel Survey 2023

I would use the bus more if buses were on time and punctual, and integrated into the rail network, so changes between buses, or bus and train, doesn’t mean hanging about for ages”.
Moving Buses Forward, 2024

78% of Respondents to the Big Bus Survey 2023 said better integration between different types of transport would help them use the bus more.

Public transport integration with local rail services is currently limited to Northern train services between Sunderland and Blaydon as well as the Northumberland line once it reopens. Other common journeys are not integrated, such as East Coast Main Line (ECML) services between Durham, Newcastle, Morpeth, and Berwick, as well as Northern services between Hexham and Newcastle.

Bus based Park and Ride throughout the rest of the region is limited with significant room for improvement. There is a dedicated Park and Ride site provided within Great Park on the outskirts of Newcastle, but demand is relatively low. There is also Park and Ride in Durham City Centre to help alleviate traffic congestion in the city centre.

There are also car parks provided at some of the main bus/Metro interchanges which primarily serve Metro based Park and Ride. A temporary Park and Ride route has also been established between the Metrocentre and Newcastle/Gateshead to relieve congestion during the Tyne Bridge works, but this is time limited.



“Central planning and integration with other forms of public transport seems to be the way forward, with multimodal contactless ticketing for all types of transport.”

Big Bus Conversation 2023

Transport services are currently painted in a wide array of different colours. The three main bus operators (Go North East, Arriva, and Stagecoach) and the small independent operators each have their own corporate identity. Route based branding is also heavily used by Go North East (GNE) on their core routes. Rail operators also have strong corporate identities.

Our bus operators, along with Nexus, the North East local authorities, Traveline and Network One have strong individual brand identities. Although these brands are strong with good customer recognition, the lack of a unified identity potentially adds complexity from a user perspective.

Nexus has modal branding which is applied to all infrastructure and on-street information

throughout Tyne and Wear, with similar branding used for timetables displayed in Northumberland. The Calvert font for Metro has become the iconic core of the modern Metro brand.

Durham County Council branding is applied to their infrastructure, on-street information, and a small in-house fleet of directly operated buses. Coach stations in the region are mostly owned by coach operators and have distinct branding.

Network One branding is applied to multi-operator tickets. Marketing and advertising for the recent BSIP funded multi-operator tickets has focused on specific ticketing products with the North East CA logo featuring for funding purposes.

Each transport operator currently promotes their own services and fares. There has been some integrated promotion for Network One and BSIP ticketing. However, there is currently no cohesive whole network marketing effort, although introducing this has previously been considered by the Enhanced Partnership.

The following table provides a summary of the challenges our network faces for each of the five focus areas.

Table 7 – Summary of our key transport challenges specifically relating to integration.

Focus area	Key challenges
Planning journeys, informing users, and supporting customers.	<ul style="list-style-type: none"> ▪ Lots of available information but no single source that brings all this together. ▪ Variable quality and availability of wayfinding information across the network.
Ticketing and fares.	<ul style="list-style-type: none"> ▪ Several types of tickets for different operators and types of transport. ▪ Only a few integrated tickets are available. ▪ Lack of widespread smart ticketing with fare capping.
Reach and resilience of infrastructure.	<ul style="list-style-type: none"> ▪ Despite having areas with infrastructure to support integrated journeys there are still significant gaps. ▪ Some types of sustainable transport don't reach all communities, particularly our remote rural areas. ▪ There are several areas where resilience issues are creating limitations and hindering the current network.
Safety, especially of women and girls, and other improvements in service quality.	<ul style="list-style-type: none"> ▪ Perceptions of public transport service quality tend to be quite low. ▪ There are actual and perceived safety concerns that also need to be addressed to increase confidence. ▪ Transport options don't always match up to people's lifestyles, for example the need to travel early morning, late evening, and weekends.
Connections between different transport types.	<ul style="list-style-type: none"> ▪ In some areas there is a lack of supporting infrastructure to facilitate journeys using multiple types of transport. ▪ Timetables and service patterns often don't match up which can make it difficult to use multiple types of transport for a journey. ▪ Strong individual brand identities with good customer recognition, but the lack of a unified identity potentially adds complexity from a user perspective.



For more detailed information on the current challenges relating to each transport type can be found in the region's transport policy and strategy suite as set out in section 2.8.

Key insights from this section:

- We will no longer view different types of transport as separate networks. Instead, we will develop a green, integrated transport network that works for all.
- This section sets out the way forward to create a network that acts as the yardstick on which all other networks are judged.
- We believe this will make sustainable travel options more attractive and convenient, enabling more people and freight to make greener journeys.

7. Measures of success/key performance indicators

This section will:

- Set out our Key Performance Indicators (KPIs) where we can measure progress towards meeting the North East CA vision and commitments and our strategic themes for transport.
- Explain how we will monitor progress towards meeting these KPIs and identify how successful the interventions we set out in this LTP have been.

7.1 Measuring our success

To understand whether our proposals are successful in delivering the North East CA vision and commitments, there is a need to effectively measure progress.

To do this, several measures of performance, or Key Performance Indicators (KPIs), have been identified to capture progress.

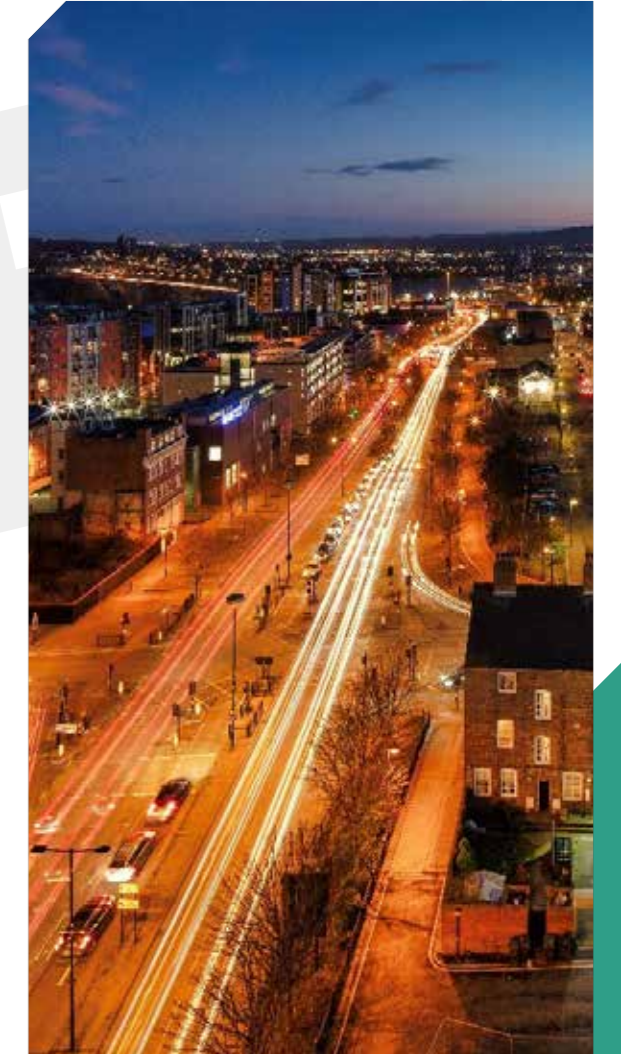
Transport is an enabler to delivering the North East CA vision and meeting all five commitments.

This LTP has unpacked the North East CA vision and commitments and identified three cross-cutting strategic themes for transport:

- A healthier North East
- A better environment
- A more inclusive economy

Using these three strategic themes will help North East CA to deliver an integrated transport network which will ensure the North East CA vision and commitments are achieved.



Furthermore, the selected KPIs compliment the North East CA other transport policies. A table containing the Transport Plan KPIs can be found in section 7.2.







7.2 Key Performance Indicators (KPIs)

Table 8 – Key Performance Indicators

KPI	Strategic themes for transport aligned to	Baseline statistic (Source)	Insight	Aim (direction of travel)
<p>Sustainable travel</p> <p>Percentage of journeys made by walking, wheeling, cycling, and public transport as a percentage of total journeys in our region.</p>	<p>More inclusive economy Healthier North East Better environment</p>	<p>In 2022 approximately 40% of journeys in the North East were made using sustainable travel. <i>(National Travel Survey)</i></p>	<p>Through creating a user friendly, integrated transport network we will encourage more people to use sustainable modes of travel. This in turn will lead to a reduction in harmful emissions and the uptake in more sustainable travel, benefitting both the environment and the health of our people.</p>	<p> Increase the percentage of journeys made by walking, wheeling, cycling, and public transport as a percentage of total journeys in our region.</p>
<p>Public transport accessibility</p> <p>Percentage of households that have access to a hospital, GP, secondary education, a town centre and 10,000 jobs within 45 minutes using public transport.</p>	<p>More inclusive economy Healthier North East Better environment</p>	<p>Approximately 58% of people in the region have access to a hospital, GP, secondary education, a town centre and 10,000 jobs within 45 minutes using public transport.</p>	<p>Through the creation of an integrated network, we will improve public transport accessibility levels. This will increase access to employment and educational opportunities, enhancing the economic inclusivity of our region, whilst generally reducing transport related social exclusion. Furthermore, this will provide greater options for sustainable travel, increasing the associated health and environmental benefits this brings.</p>	<p> Increase the percentage of households that have access to a hospital, GP, secondary education, a town centre and 10,000 jobs within 45 minutes using public transport.</p>

KPI	Strategic themes for transport aligned to	Baseline statistic (Source)	Insight	Aim (direction of travel)
<p>Climate action</p> <p>Annual Carbon Dioxide (CO2) emissions per capita created by transport</p>	<p>Healthier North East Better environment</p>	<p>In 2022 approximately 1.35 tonnes of CO2 emissions per person was produced from transport. <i>(Department for Business, Energy, and Industrial Strategy)</i></p>	<p>Reducing our CO2 emissions per capita remains a key priority as we strive towards a carbon neutral North East, addressing the current climate emergency we find ourselves in.</p>	<p> Decrease the annual Co2 emissions per capita created by transport.</p>
<p>Air quality</p> <p>Annual mean level of Nitrogen Dioxide (NO2) and Particulate Matter 2.5 (PM2.5)</p>	<p>Healthier North East Better environment</p>	<p>In 2022 Nitrogen Dioxide (NO2) levels at selected sites across the region was approximately 26.8 micrograms per cubic metre. Particulate Matter 2.5 (PM2.5) at selected sites across the region was approximately 7.4 micrograms per cubic metre. <i>(Automatic Urban and Rural monitoring network and locally managed automatic monitoring sites)</i></p>	<p>By making it easier to use sustainable forms of transport with an improved, integrated network, we will improve air quality in our region. This will lead to a better environment and improvements in our people's health, reducing demand on health services.</p>	<p> Decrease the annual mean levels of both PM2.5 and NO2</p>

KPI	Strategic themes for transport aligned to	Baseline statistic (Source)	Insight	Aim (direction of travel)
<p>Network performance</p> <p>Percentage of road vehicles using key route network (KRN) travelling above congestion speed.</p>	<p>More inclusive economy Healthier North East Better environment</p>	<p>In 2022 6% of all vehicles across the key route network were recorded travelling below 50% of the free flow speed. <i>(Inrix traffic data)</i></p>	<p>By improving the performance of our network and peak speeds for those who have no other choice but to use roads, we will minimise congestion, reducing both traffic emissions and journey times. In turn, this will improve our regional economy, whilst also creating a healthier North East and better environment for our residents.</p>	<p> Decrease the percentage of vehicles using the KRN travelling at less than 50% of free flow speed.</p>
<p>Road safety</p> <p>Number of individuals killed or seriously injured amongst North East Road users reported to police</p>	<p>More inclusive economy Healthier North East Better environment</p>	<p>Between 2020 and 2022 there were on average 642 individuals killed or seriously injured annually amongst all North East road users. <i>(TADU killed or seriously injured 3 year rolling average)</i></p>	<p>By significantly reducing the number of people killed or seriously injured on our roads we will encourage people to increasingly use more sustainable forms of travel, improving our environment and the health of our people, and consequently reducing the economic burden on our healthcare system.</p>	<p> Significantly decrease the number of people killed or seriously injured amongst North East road users.</p>

KPI	Strategic themes for transport aligned to	Baseline statistic (Source)	Insight	Aim (direction of travel)
<p>Road safety</p> <p>Number of slight casualties amongst all North East Road users reported to police.</p>	<p>More inclusive economy Healthier North East Better environment</p>	<p>Between 2020 and 2022 there were on average 2,288 slight injuries annually amongst all North East Road users. <i>(TADU slightly injured 3 year rolling average)</i></p>	<p>Again, through significantly reducing those slightly injured and improving safety concerns we will encourage people to use more sustainable forms of transport, making the road network safer for those that need to use it.</p>	<p> Significantly decrease the number of slight casualties amongst North East road users.</p>
<p>Uptake in ZEVs</p> <p>Percentage of all licensed vehicles in our region (excluding HGVs) that are ZEV.</p>	<p>Healthier North East Better environment</p>	<p>At the end of 2022 approximately 0.9% of all licensed vehicles (excluding HGVs) were ZEV. <i>(Department for Transport & Driver, Vehicle and Licensing Agency)</i></p>	<p>By increasing the proportion of the vehicle fleet in our region made up of ZEVs we will reduce harmful pollutants associated with traditional combustion engines for journeys that need to be made by car and other vehicles (excluding HGVs).</p>	<p> Increase the proportion of licensed vehicles (excluding HGVs) that are ZEVs.</p>

7.3. Monitoring

Monitoring and evaluating our performance against our KPIs effectively will be crucial to understanding if we are on track to successfully delivering this Local Transport Plan. Critically, it will also help us to understand where things may not be going as well as planned. This monitoring and evaluation will take place on a yearly basis and be publicly accessible via our website. This provides a level of accountability, informs whether our strategies and policies are working, and highlights if our KPIs are moving in the desired direction.

By reporting on a yearly basis, it allows us to incorporate annually published datasets, whilst also mitigating against variables that could influence smaller intervals. We will monitor our KPIs by continuing to collaborate and effectively share data with both regional and national organisations.

These include but are not limited to:

- Nexus
- The Transport Accident and Data Unit (TADU)
- Our two Urban Traffic Management Control Centres (UTMCs)
- Transport for the North
- Central Government Sources:
 - Department for Transport
 - The Department of Business, Energy, and Industrial Strategy
 - The Office of National Statistics
 - Public Health England
 - Government Office for Science
 - Public Transport Operators

It is expected that there will be additional opportunities for primary data collection in relation to these KPIs in the future, enhancing our understanding of our progress.

Due to the infancy of the North East CA, any implementation of specific targets for KPIs is likely to become quickly outdated as our region realises its potential as a combined authority. Therefore, it has initially been decided to move forward with directional targets, with the intention to review and potentially introduce more specific targets in the future.

Key insights from this section:

- To understand how successful our proposals have been we have developed 10 Key Performance Indicators that interface with the North East CA vision, commitments, and strategic themes for transport.
- To understand how successful our proposals have been we have developed 10 Key Performance Indicators that interface with the North East CA vision, commitments, and strategic themes for transport.
- We will monitor and evaluate progress towards meeting these KPIs and report on this on a yearly basis.

Appendix (1) List of National, Regional and Local Policies and Strategie

The following sets out an exhaustive list of national, regional, and local policies, strategies and plans that have been taken into account in the development of the North East Local Transport Plan (LTP).

National

The following national transport policies and strategies were considered when developing the draft Local Transport Plan:

- Bus Back Better (DfT, 2021)
- Electric Vehicle (EV) Infrastructure Strategy (DfT, 2022)
- Future of Freight Plan (DfT, 2022)
- Future of Mobility: Urban Strategy (DfT, 2019)
- Future of Transport: Rural Strategy
- Gear Change (DfT, 2020)
- Levelling Up the United Kingdom (Department for Levelling Up, Housing and Communities, 2022)
- Manual for Streets 1 and 2 (DfT / CIHT, 2007 / 2010) (MfS) & forthcoming MfS3 2024
- National Infrastructure Strategy (HM Treasury, 2020)
- Network Management Duty
- Network North (2023)
- Noise Action Plans
- Plan for Drivers (DfT, 2023)
- School Travel Strategy

- Transport Asset Management Plan
- Transport Decarbonisation Plan (DfT, 2021)
- Williams-Shapps Plan for Rail (DfT, 2021)

The following wider national economic, environmental, social, and spatial plans, policies and strategies were also considered:

- Build Back Better (HM Treasury, 2021)
- Children and Young Peoples Plans (CYPP)
- Clean Air Strategy (Defra, 2019)
- Green Infrastructure Framework (Natural England)
- Levelling Up White Paper (Department for Levelling Up, Housing and Communities, 2022)
- National Park Management Plans and AONB Management Plans
- National Planning Policy Framework (NPPF) (Department for Levelling Up, Housing and Communities, 2012)
- UK's Digital Strategy (Department for Digital, Culture, Media & Sport, 2022)
- UK Hydrogen Strategy, (Department for Business, Energy, & Industrial Strategy, 2021)

Regional

The following regional plans, policies and strategies were considered when developing the draft Local Transport Plan:

Pan-regional (Northern England)

- Transport for the North (TfN) Draft Strategic Transport Plan 2 (2024)
- TfN Decarbonisation Strategy and subsequent action plan (2021)
- TfN Freight & Logistics Strategy and subsequent action plan (2022)
- TfN International Connectivity policy position statement (2023)
- TfN Rural Mobility policy position statement (2022)
- TfN Transport Related Social Exclusion in the North of England (2022)

The North East (North East CA Region)

- The 2021 North East Transport Plan and its sub strategies and policies.
- The North East Devolution Deal (28 December 2022).
- Relevant policies and plans from other organisations that have come together through the North East CA:
- Invest North East England (INEE)
- The North East Local Enterprise Partnership (LEP)
- North of Tyne Combined Authority (NTCA)

- The former North East Combined Authority (NECA)
- The North East Combined Authority (North East CA) portfolios and workstreams:
 - Culture, Creative and Tourism (Durham County Council)
 - Rural and Environment (Northumberland County Council)
 - Economy (Newcastle City Council)
 - Skills, Education and Inclusion (South Tyneside Council)
 - Housing and Land (North Tyneside Council)
 - Transport (Gateshead Council)
 - Investment (Sunderland City Council)
- Rail policies and strategies from neighbouring authorities outside of the North East LA7 area but part of the North East Rail Management Unit (NERMU) geography (relevant to rail partnerships work).

North East Devolution-driven workstreams

The LTP will also act as an enabler to the following devolution driven workstreams:

- Agreement of a Key Route Network.
- Development of a City Region Sustainable Transport Settlement (CRSTS) Business Case including highways asset maintenance plan.
- Bus reform - the development of bus service delivery options available to the Mayor and Cabinet.

- Development and deliver smart integrated ticketing through CRSTS.
- Delivery of a capital programme using CRSTS.
- Partnerships with Great British Railways, National Highways, Active Travel England and Transport for the North (TfN).
- Development of a strategic infrastructure plan.
- Potential for Bus Service Operators Grant (BSOG) to be devolved to North East CA.
- Delivery of a programme of initiatives to help people to make the right travel choice.
- Active travel workstreams such as:
 - The potential for the appointment of an active travel commissioner
 - Creating a regional active travel network by binding Local Cycling and Walking Investment Plans (LCWIPs)
 - Moving forward with a regional bike hire scheme.
- Creation of Institute of Future Mobility.

Local

The transport strategies and policies of Nexus as outlined below should also be aligned to this Local Transport Plan.

Nexus (Tyne and Wear Passenger Transport Executive) Strategy suite

- Customer Experience Strategy (2021)
- Customer Information Strategy (2020)
- Accessing the Public Transport Network Strategy (2020)
- Ferry Strategy (2023)
- Environment and Sustainability Strategy (2022)
- Shields Ferry Economic Value Final Report (2022)
- Market Research Strategy (2023)
- Economic value of the metro and local rail to the North East (2019)
- Social value of the Tyne and Wear Metro (2023)
- Personal safety and security (refresh underway)
- Tyne and Wear Metro strategy (refresh underway)
- Tyne and Wear Bus strategy (refresh underway)

The LTP also interfaces with Local Authority Rights of Way Improvement Plans (ROWIPs) and Local Cycling and Walking Infrastructure Plans (LCWIPs).

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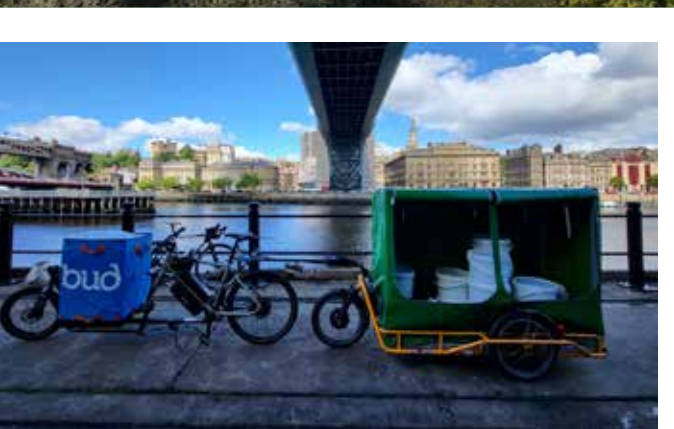
in [the-north-east-combined-authority](https://www.linkedin.com/company/the-north-east-combined-authority)

✕ [@NorthEast_CA](https://twitter.com/NorthEast_CA)

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North East Local Transport Delivery Plan

Kim McGuinness
North East
Mayor



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Executive summary

The North East Local Transport Plan (LTP) sets out the vision for where we want our transport network to be by 2040. This involves creating a green, integrated transport network that works for all, and acts as the yardstick on which all other networks are judged. This Delivery Plan outlines the steps we plan to take to bring the vision of the LTP to life.

The Delivery Plan builds on strong foundations with substantial local investment delivered to date, the North East has a track record of delivering infrastructure to the highest standards including Metro Flow, the Northumberland Line, an ambitious programme of cycling and walking investment, and a raft of ticketing measures that have delivered widespread benefits to our region.

However, key priorities that deliver on the commitments of the LTP, the Mayoral Manifesto and Devolution Deal and which will be delivered in timescales aligned to our capital funding settlements are highlighted below:

However, more must be done to realise our vision of making the North East a better place to live, work, visit, and invest. The interventions outlined in the Delivery Plan will help contribute to this vision and the North East Combined Authority's (North East CA) role in improving our economy, skills, health, and environment.

A full pipeline encompassing **327** separate interventions, outlining what we will build, introduce, and change by 2040 to deliver a green, integrated transport network that works for all, is included in Annex A.



Delivery by 2027

Subject to funding and powers

Between 2025 and 2027 we will deliver:

- **Expanding and improving our network** - Infrastructure improvements including a new North Shields Ferry landing and a package of maintenance and renewals of the network.
- **Making transport safe for women and girls** - Safety and security improvements on public transport including more Metro gatelines, safer stops and shelters, and an accessibility review.
- **Starting the delivery of the largest electric vehicle charging network in the country** - Expansion of the electric vehicle charging network with home based and key destination and station charging.
- **A joined-up walking and cycling network** - including a new bike and e-bike hire network, active travel hubs, bike parking at key stations and interchanges, and the first phase of active travel network improvements.
- **Improving stations and connecting rail to public transport** - Stations will be upgraded and integrated with the wider public transport and active travel network. The Pop card will be brought to local rail services, and we will investigate bringing stations into public ownership.
- **Setting the standards for green buses** - with new zero emission buses rolled out.

- **Working towards a fully integrated public transport network** - including enhanced and supported fares, ticketing and information including account based and contactless ticketing.

Over this time period we will be actively developing:

- Business cases for taking the Metro to Washington and the Leamside Line
- Bus Reform
- Propositions for 2027 and beyond

Delivery by 2032

Subject to funding and powers

Between 2027 and 2032 we will deliver:

- **Bus reform**
- **Taking the Metro to Washington**
- **Free travel for all under-18s**
- **Expanding and improving our network** - the network will continue to be maintained including critical structures and renewals and re-signalling of the Metro.
- **A joined-up walking and cycling network** - the next phase of active travel investment filling gaps in the network to create a cohesive joined up network.

- **Improved rail and road arteries that we need to power our economy** - including continuing investment in network improvements to facilitate housing growth through local network schemes and working with National Highways to deliver upgrades to the A66, A1 dualling to Ellingham, and junction upgrades on the A19 at Moor Farm/Seaton Burn.
- **The delivery of a fully integrated public transport network** - a comprehensive customer experience approach to make it easy and safe to plan and make journeys, continuing to focus on safety for women and girls on public transport and a programme of public transport station improvements.
- **Setting the standards for green transport** - by decarbonising our public transport network.

Over this time period we will be actively developing:

- River crossing proposals
- Further Metro and rail extensions
- Propositions for 2032 and beyond

Delivery by 2040

Subject to funding and powers

Between 2032 and 2040 we will deliver:

- **Improved rail and road arteries we need to power our economy** - including rail, Metro and road enhancements, upgrades to the East Coast Main Line, working with Government to deliver Northern Powerhouse Rail in full, structural renewals and new river crossings.
- **The best connected and greenest network** - a decarbonised public transport network with network enhancements and new routes delivering patronage enhancements.
- **The delivery of a fully integrated public transport network** - transport and digital tools rolled out to improve service quality and new and improved rail and Metro stations.

Over this time period we will be actively developing:

- Propositions for 2040 and beyond including embracing new technology innovations and the way people utilise the transport network.

The sum total of the pipeline of interventions included within the Delivery Plan indicatively stands at **£8.66 billion**, in order to deliver on the scale of this ambition, the Delivery Plan is supported by a funding programme that includes substantial capital funding secured through our Devolution Deal and the opportunity to lever further investment from both the Government and crucially, the private sector.

We will also need to work closely with executive agencies and non-departmental Government bodies such as Network Rail (NR), National Highways (NH), and Active Travel England (ATE) to influence funding decisions within our region. We will be actively engaged in discussions to secure further integrated and devolved funding and we look forward to working in partnership with the Government on this.

Capital investment will allow us to deliver significant improvements to the network through physical interventions, but this alone will not be sufficient to deliver the scale of change that is needed. As a result, we will also be leveraging the strategic powers afforded to the region through Devolution. Making the case for bringing buses back into public control is perhaps the standout example of this, but we will also look to reform our railways and work in deeper partnership with Government to expand the range of powers available to the region.

The North East has come a long way since we published our first LTP in 2021. Through Devolution we now have a viable funding programme and the right delivery mechanisms for bringing forward the pipeline of interventions included within the Delivery Plan, realising the ambition of delivering a green, integrated transport network that works for all.

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Section 1: About the Delivery Plan

The Delivery Plan sets out what we as a region and our partners will build, introduce, and change by 2040 to deliver a green, integrated transport network that works for all. It has been developed in collaboration with our seven constituent local authorities to ensure that transport investments are joined up and support wider development and growth ambitions, providing a coordinated approach towards transport investment.



The Delivery Plan reflects on the challenges and opportunities within the region highlighting the investments, powers, and further reforms that are needed to deliver our priorities in the short, medium, and long-term. It covers the breadth of activity that the North East CA and our partners can take, and therefore does not narrowly focus on capital interventions, but considers new methods of delivery, powers, and policies, including an exploration of the powers made available to the Mayor and North East CA through our Devolution Deal.

The Delivery Plan will be maintained as a live document, which will evolve over time as delivery is progressed, schemes develop, and new funding priorities are identified and explored. We are committed to reviewing and reporting on progress, as such we will publish regular reports tracking the progress of the development and delivery of interventions contained within the Delivery Plan.

A full pipeline of the interventions identified in the Delivery Plan is provided at Annex A. The Delivery Plan has been prepared alongside the North East Local Transport Plan. To read the North East Local Transport Plan please visit: [Transport \(northeast-ca.gov.uk\)](http://Transport.northeast-ca.gov.uk). A glossary of key terms is provided in Annex B. A full list of references is available in the region's evidence log.

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Section 2: Introduction

The North East Local Transport Plan (LTP) is the statutory transport plan for the seven local authorities in North East England: County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside, and Sunderland brought together under the North East Combined Authority (North East CA).

The LTP details the region's transport priorities up to the year 2040, outlining the ambition to deliver a green, integrated transport network that works for all. The Delivery Plan supports the LTP by identifying the specific interventions that could be delivered to achieve the strategic vision set out within the LTP.

The Delivery Plan also supports the plans of the seven local authorities in the North East from a place-making perspective by ensuring that a well-integrated and reliable transport network links pleasant places to live with a wide range of employment opportunities.

An increase in greener journeys, delivered and supported through the interventions included within the Delivery Plan, will help our region meet its challenges head on, providing sustainable, integrated links between communities, services, and opportunities, paving the way for growth and further inward investment. In this way the interventions included within the Delivery Plan are guided by and will contribute towards the North East CA's role in improving our health, environment, skills, and economy.



This section sets out, the policy drivers that have shaped the interventions contained within the Delivery Plan, in addition to highlighting the challenges and opportunities that the LTP and the interventions included within the Delivery Plan pipeline seek to meet.

Policy drivers

The Devolution Deal has provided access to a new multi-year financial settlement for transport which is devolved to our region. We have therefore structured the interventions in the Delivery Plan into time periods that are aligned with our capital funding settlements with interventions for delivery by 2027, between 2027 and 2032, and from 2032 through to 2040.

Delivery of the interventions contained within the Delivery Plan will be enabled by the suite of funding, powers, and partnerships available to the region following the signing of the Devolution Deal, including:

- Devolved funding
- Bus franchising powers
- The establishment of a highways Key Route Network (KRN)
- Partnerships with National Highways (NH), Great British Railways (GBR), and | Active Travel England (ATE)

Over the coming years, our region intends to build on this foundation by securing further funding and powers to develop a fully integrated transport network. Using the LTP as a guide, the North East will seek:

- Accelerated delivery of existing projects
- Further strategic powers (railways and highways)
- Surety of funding (Revenue and maintenance grants)
- Funding and delivery of major projects (such as Metro re-signalling, the Leamside Line and taking the Metro to Washington)

The creation of a fully integrated transport network bringing roads, Metro, rail, bus, the Shields Ferry, and active travel (walking, wheeling, and cycling) under a cohesive identity, is the focal policy objective of the LTP.

Delivery of an enhanced integrated network also includes consideration of access, availability, quality, safety especially for women and girls, and the affordability of transport. These are factors that the LTP establishes as critical to successfully supporting and enabling people to make more sustainable journeys. Helping people to make greener journeys will be one of the most significant ways of ensuring transport can support the North East CA vision and commitments.



North East CA vision and commitments

Transport has a significant role to play in helping the North East realise its potential, the LTP has been developed taking into account the role that transport plays in the delivery of the North East CA's vision and the cross-cutting approach that is required to do so. The North East CA vision and commitments are outlined below:

North East CA vision: Our purpose is to champion the full potential of our region.

Collaborating with our partners and local authorities, we'll create a better way of life by connecting communities, giving people the skills to succeed, and improving wellbeing for all, so that the North East is recognised as an outstanding place to live, work, visit, and invest.

North East CA commitments:

- A fairer North East - We'll help people thrive with aspirational jobs, new skills, and better homes, improving quality of life for everyone. We'll create confidence in the North East by reducing inequalities and improving health.
- A greener North East - We'll take inspiration from our industrial heritage and unique mix of urban areas, countryside, coastline, and rivers, to nurture our natural resources - creating green jobs, sustainable industry, and clean energy.
- A connected North East - We'll get behind businesses so they can improve productivity and connectivity. With better local transport networks and digital infrastructures, the North East will have a global reach, becoming the go-to place for innovative ideas and real-world results.
- An international North East - Building on our economic strength, and championing our heritage, culture, arts, and sports, we'll drive the region's ambition to continually attract visitors and investment.
- A successful North East - Together, we'll speak with one voice, and define our own future, cultivating the talent, skills and innovation that will help grow our existing economy, becoming green industry leaders and a cultural destination - making the North East one of the best places to live, work, and invest.



Strategic themes for transport

The interventions included within the Delivery Plan will act as an enabler to delivering the North East CA vision and meet all five commitments. However, the LTP has identified three cross-cutting strategic themes for transport which underpin the delivery of the North East CA vision and commitments:

A more inclusive economy	The LTP will enable inclusive economic growth across the North East, helping to attract investment, boost job creation, and overcome inequality by enabling access to opportunity.
A better environment	The LTP will help to protect our environment and tackle climate change by providing an attractive, seamless, and sustainable transport network for people and freight across our region.
A healthier North East	The LTP will help achieve better health outcomes for people in our region by encouraging active and sustainable travel and facilitating better transport access to healthcare and social networks.

Table 1: Strategic themes for transport

The Delivery Plan supports the LTP by testing the commitments and the interventions contained within the LTP and Delivery Plan against the strategic themes for transport, to ensure we are pursuing the right interventions, and that transport investment contributes towards the North East CA's role in improving our economy, skills, health, and environment.

Areas of focus

The LTP acknowledges there are several challenges which face the North East, including:

- Car and van journeys made up 58% of all journeys made in 2022 and car ownership in the North East is increasing.
- Public transport use is falling over the long-term. Since 2014, bus and Metro passenger journeys per head and vehicle miles have both decreased.
- 31% of residents in the North East (622,000 people) are at risk of transport related social exclusion (TRSE).
- A range of transport issues has led to a contrast between rural isolation in our more remote areas and poor air quality and congestion in parts of our cities.
- Commuting to workplaces is dominated by car travel, so congestion is a significant issue on our roads, which affects public transport access and attractiveness, reduces productivity, and increases inactivity and vehicle emissions.

- Transport contributes a significant proportion of carbon emissions. Approximately 97% of transport generated greenhouse gas emissions in our region are from roads, with A-roads being the greatest contributor.
- Only 38% of journeys to school are made by active travel, the second lowest region in England.

The LTP explains that the means of overcoming these challenges is through the provision of an integrated network that enables seamless transition between different forms of transport as part of the same journey, improving connectivity within the region, with other parts of the UK, and internationally. Helping to deliver a better performing, successful, and prosperous regional economy and closing the gap with other parts of England.

Whilst we have the initial makings of an integrated network in the North East, having implemented various measures including integrated ticketing and infrastructure improvements, there are still several challenges that people face when travelling around the region. These challenges have been broken down into five key areas of focus within the LTP.



1. Planning journeys, informing users, and supporting customers

- There is no single place that provides all transport information and customers have to use different websites or apps to find information.
- Wayfinding information on how customers can make joined up journeys and/or switch transport type can be poor.

2. Ticketing and fares

- There are several types of tickets available for different transport options and different operators. Limited amounts of tickets are available that allow travel across multiple types of transport or different operators.
- Smart ticketing is not used all of the time.
- There are not many price caps in place that limit the amount customers spend on their daily travel.

3. Reach and resilience of infrastructure

- There are still significant gaps in our transport network.
- Some types of sustainable transport don't reach all places, particularly our remote rural areas.
- There are several areas where resilience issues have a knock-on impact on passengers including disruption, delays, and congestion. Resilience refers to the ability of our transport infrastructure to withstand and effectively deal with problems such as congestion, faults, and severe weather events.

4. Safety, especially of women and girls, and other improvements in service quality

- Perceptions of public transport service quality tend to be quite low, particularly regarding their punctuality and reliability.
- Actual and perceived safety concerns that need to be addressed to increase confidence and ensure that everyone is safe whilst travelling on the network.
- Transport options do not always match up to people's lifestyles, for example the need to travel in the early morning, late evening, and on weekends.

5. Connections between different transport types

- In some areas there is a lack of supporting infrastructure, such as bike storage, to help people make journeys using multiple types of transport. From a freight perspective, there is a lack of facilities that allow freight to be shifted from one type of transport to another.
- Timetables and service patterns often do not match up which can make it difficult to use multiple types of transport for a journey.

Figure 1: Local Transport Plan Key Commitments



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The LTP strives to deliver against these five key areas of focus, as such the interventions included within the Delivery Plan pipeline have been shaped to meet the challenges outlined in the five areas of focus, forming a package of investment that will help realise a truly integrated network.

To ensure that there is strategic alignment between the LTP, the Delivery Plan, the five areas of focus and the North East CA commitments, a policy mapping exercise has been undertaken, and is provided at Annex C. This mapping exercise demonstrates a positive policy alignment between the LTP and the North East CA commitments. This exercise will be revisited in subsequent sections to further demonstrate that the interventions included within the Delivery Plan maintain policy alignment and deliver against the five areas of focus and the North East CA policy commitments

Summary

Overall, this section has set out the guiding policy drivers that have helped to shape the interventions included within the Delivery Plan. This includes, the North East CA vision and commitments, the strategic themes for transport, and the five key areas of focus.



The challenges facing the region which the LTP identifies have been highlighted, and have also informed the interventions included within the Delivery Plan. Subsequent sections of the Delivery Plan will establish an assessment framework to ensure that the strategic benefits of interventions contained within the Delivery Plan are consistent and appropriate, help the region meet its challenges, and contribute towards enabling the delivery of an integrated transport network.

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Section 3: Translating policy and practice into action

Scope

The Delivery Plan covers the breadth of activity that the North East CA and our partners can take, and therefore does not narrowly focus on capital interventions, but considers new methods of delivery, powers, and policies. The Delivery Plan includes interventions that can be delivered by our constituent local authorities, Nexus, and national infrastructure providers such as Network Rail and National Highways, in the period through to 2040.

The Delivery Plan pipeline contains interventions that cover:

- **New physical interventions (infrastructure delivery)**
- **Service improvement (enhanced frequencies, integrating with maintenance)**
- **Regulation (land use, vehicle type, financial, planning policy)**
- **Promotion and sharing information (marketing, data sharing, workplace engagement)**
- **Innovation development (planning for the future, trialling ideas, working with new organisations across the North East).**



However, operational detail and decisions relating to public transport timetables, routes or specific services is excluded from the scope of the Delivery Plan. Further detail, relating to the scope of the LTP is provided at [Transport \(northeast-ca.gov.uk\)](https://www.northeast-ca.gov.uk)

Overview and methodology

The Delivery Plan is supported by a pipeline of interventions which collectively realise the ambition set out in the LTP, this pipeline is provided at Annex A. Each intervention included within the pipeline is developed to a consistent minimum level of detail through completed proformas, hereafter referred to as forms. The forms cover the seven core sections listed below:

- **Section 1: Scheme details**
- **Section 2: Scheme rationale and options**
- **Section 3: Scheme and Local Transport Plan strategic themes**
- **Section 4: Risks and development**
- **Section 5: Funding and costs**
- **Section 6: Powers, consents, and stakeholder views**
- **Section 7: Milestones and monitoring.**

Forms are held centrally and are updated on a regular basis, taking account the progression of scheme development and to ensure the pipeline of interventions remains alive to opportunities including funding bids and programme assembly activities.

Forms were updated by scheme promoters in the preparation of the Delivery Plan in Spring 2024. It is anticipated that the pipeline of interventions contained within the Delivery Plan will grow and develop over time with iteration, as will the forms that underpin the pipeline.

The strategic themes for transport (a healthier North East, a more inclusive economy, and a better environment) are set out in Section 3 of the form and use a mixed qualitative and quantitative approach to demonstrate how schemes address the ambition of the LTP and support the North East CA commitments, as well as wider local authority objectives.

Section 5 of the form which covers funding and costs provides a cost base from Quarter 1 2024 and is reflective of the latest position of interventions, for example, including appropriate levels of risk and contingency.

The milestones and monitoring included in Section 7 of the form enables the intervention to be updated to ensure we reflect realistic delivery proposals.

The North East CA Single Assurance Framework available at [Governance \(northeast-ca.gov.uk\)](https://www.northeast-ca.gov.uk) governs the development, approval, and delivery of the pipeline of interventions.

Future proofing

Whilst the pipeline of interventions included within the Delivery Plan is intended to be delivered by 2040, the effects and benefits of interventions will endure into the future. Interventions within the pipeline have been conceived based on the current understanding of transport demands and challenges, including how these factors may develop over future years as the economy of the region grows and new developments are delivered.

With the absence of an analytical framework including a regional transport model, the Delivery Plan has utilised the travel scenarios set out in the Transport for the North (TfN) Strategic Transport Plan 2024, to test proposed interventions for inclusion within the Delivery Plan and the strategic objectives of the LTP including the five key areas of focus.

TfN's scenarios align to the [Office for Science Futures Toolkit](#) and are provided in the TFN [Future Scenarios Report](#). As emerging future scenarios work develops, the Delivery Plan will be updated to ensure local alignment. The scenarios are set out below:

Just about managing

This scenario sees a state of inertia, although this should not be taken as neutral. It sees a future where people do not alter their behaviours much from today, or give up certain luxuries, although there is a gradual continued trend towards virtual interaction. Economic growth continues at a moderate rate, but it is largely consumption-led and unequal, lacking agility and vulnerable to shocks. This scenario is led by markets, without much increase in political direction, with its biggest driver being economic.

Digitally distributed

This scenario sees a future where digital and technological advances accelerate, transforming how we work, travel, and live. In general, we embrace these technological changes and the move towards a distributed, service-based transport system. Long-term climate change targets are met, but there is slow progress in the short-term due to a general preference for individualised mobility over traditional public transport. This scenario is led by technology, with the biggest drivers being technical advances and a willingness to embrace mobility-as-a-service and shared mobility in the long-term.

Prioritised places

This scenario sees a significant shift in political and economic direction to ensure that no place is left behind. Every area, including cities, towns, rural, and coastal areas, has a bespoke local economic strategy, supported by investment in local assets, specialisms, and economic and social infrastructure. Community, localism and place-making across the North is applied to build a sense of local identity to improve local economies. There is a focus on work-life balance and social equity within and between places. This scenario is led by a change in priorities, with its biggest driver being the push for a fairer redistribution of economic prosperity.

Urban zero carbon

This scenario sees a significant shift in public attitudes towards action on climate change, and a strong national Government response to meet it. There is a boost to economic productivity to levels consistent with the Northern Powerhouse Independent Economic Review, primarily through a combination of urban agglomeration and place-making. Transport users demand and embrace publicly available transit and active travel options, as there is a blurring of the line between 'public' and 'private' with increasing shared mobility systems online. This scenario is led by attitudes to climate action and urban place-making, with the biggest drivers being strong Government policy and trends of urban densification.

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These scenarios will also apply to the decarbonisation assessment that will be applied to the Delivery Plan through the Integrated Sustainability Appraisal (ISA).

It is important to question the need and rationale for investment in the interventions included within the Delivery Plan on an ongoing basis. In establishing a flexible pipeline, we can be responsive to change, recognise uncertainty, and respond to emerging trends. A qualitative matrix has been established to initially test the strategic objectives of the LTP within the five key areas of focus, against the future travel scenarios using a policy 'Stress Test' as defined the UK Government's Futures Toolkit. The results are included in Annex C.

The analysis shows a general alignment to all future scenarios with a limited number of suggested modifications under certain scenarios. As there is no preferred scenario, there is a general conclusion that the LTP can withstand a variety of future trend changes. As the policy foundation is considered to be sound, interventions included within the delivery plan that deliver against the objectives of the LTP are therefore also considered to be sound. However, throughout the development of propositions, we will test how an individual intervention or collection of interventions performs against future travel scenarios.

Rural and coastal proofing

The North East has a larger proportion of residents living in rural areas than the rest of England. The region also has a particularly high percentage of people living in rural towns and fringe areas. This often results in acute challenges such as a lack of connectivity, engagement, productivity, and poorer health outcomes. It is important to recognise and consider the differing demands spatially of both the LTP and the Delivery Plan acknowledging that in some communities the car will be the preferred option for making a journey.

The Delivery Plan has been built collaboratively with local authorities in rural and coastal areas to ensure those needs are properly articulated in the pipeline of interventions. The Delivery Plan therefore acknowledges that operating high frequency public transport operations is more restricted in rural areas, the relative distance between communities can result in implementation challenges, and the ability to make the case for investment using traditional cost benefit analysis can also be limited.

As such the Delivery Plan focuses on providing appropriate solutions to ensure rural and coastal communities are connected and integrated via the most sustainable means possible. We have assessed the interventions included within the Delivery Plan through the technical Integrated Sustainability Appraisal.

Summary

This section has outlined the scope of the Delivery Plan, outlined the methodology for how Delivery Plan pipeline interventions are captured and maintained over time, and considered future proofing and rural proofing to ensure that the Delivery Plan pipeline and interventions within remain robust.



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Section 4: Identifying and testing initiatives

Long listing identification methodology

The North East has a long-standing transport pipeline, which is kept updated as a live document and details all transport interventions across the region. The pipeline underwent a full refresh in Spring 2024 in light of the production of the LTP, in line with emerging transport plan guidance, and with the inclusion of additional data, to allow for the assessment of interventions before inclusion within the Delivery Plan.

As noted in Section 3, each intervention included within the pipeline has its own form which captures high-level details including: proposed deliverables, costs, timescales for delivery, risks, an economic assessment, and a preferred do-minimum and do-maximum scheme option.

The template form was updated ahead of the targeted engagement which took place in Spring 2024, to reflect emerging guidance and incorporate new fields collecting additional information, such as whether a carbon assessment has been undertaken, in addition to outlining how the scheme positively contributes towards social value, health, and inequalities. Partially pre-populated forms were issued to scheme promoters across the region ahead of Spring 2024, to allow for any gaps to be completed and for any new interventions to be identified for inclusion in the Delivery Plan pipeline.

The information provided in the forms has been used to assess the suitability of interventions before their inclusion within the Delivery Plan. Acting as a first stage sift, to establish a long list of eligible interventions, the approach has provided us with the confidence that the initiatives included within the Delivery Plan are deliverable within the timeframe of the LTP.



Options appraisal

Following the long-listing process outlined above, an options appraisal process was developed to assess interventions and whether they were appropriate for inclusion within the Delivery Plan. It is not proposed at this stage to filter any interventions out unless the proposals are:

- Undeliverable within the 2040 timeframe of the Delivery Plan.
- Do not contribute towards delivering the overall vision of the LTP.
- Do not meet the North East CA commitments.

Any interventions which are sifted out on this basis will remain in the wider pipeline until such a time that they become suitable for inclusion within a programme for delivery.

An appraisal matrix has been developed which incorporates both the objectives of the LTP, the deliverability and affordability of the intervention, and the wider requirements as set out in Government guidance, such as carbon reduction and contribution towards social value, health, and inequalities. This matrix is available in Annex D.

The matrix also considers key factors such as the overall deliverability of the intervention and any potential associated risks, including whether an intervention is particularly novel or contentious, to ensure that any intervention included within the Delivery Plan and pipeline is ultimately deliverable, the matrix is provided at

Annex A

In summary, the scoring matrix assess how an intervention performs against the strategic themes for transport, outlined in Section 2:

- A healthier North East
- A better Environment
- A more inclusive economy

With further assessment taking into account intervention specific criteria, including:

- Deliverability within the timeframe of the LTP (2040)
- Delivery risk
- Improving transport for the user
- Affordability
- Value for money
- Carbon reduction

Some criteria will involve a level of subjectivity, whereas others such as value for money will be based on assessments conducted to date. The test is that any element of subjectivity is reasonable in nature, which is validated through consultation with partners.

The scoring matrix is not used to prioritise the interventions contained within the Delivery Plan, instead the scoring has been utilised to ensure that each intervention has an overall positive impact when considering the criteria set out above.

As the pipeline is a live document it will be refreshed on a regular basis, the appraisal matrix will be applied to any new intervention that is brought forward for inclusion within the Delivery Plan, or where there are fundamental changes to an intervention already contained within the Delivery Plan, to ensure that it remains appropriate for inclusion.

Summary

This section has provided an overview of the methodology utilised to identify the longlist of interventions included within the Delivery Plan, including how new information is captured, and how the region's pipeline of interventions is refreshed and kept as a live document.

The section also introduced an appraisal matrix, scoring criteria, and described the process for assessing the interventions included within the Delivery Plan.

Section 5: Summary of Delivery Plan pipeline

Packages of interventions

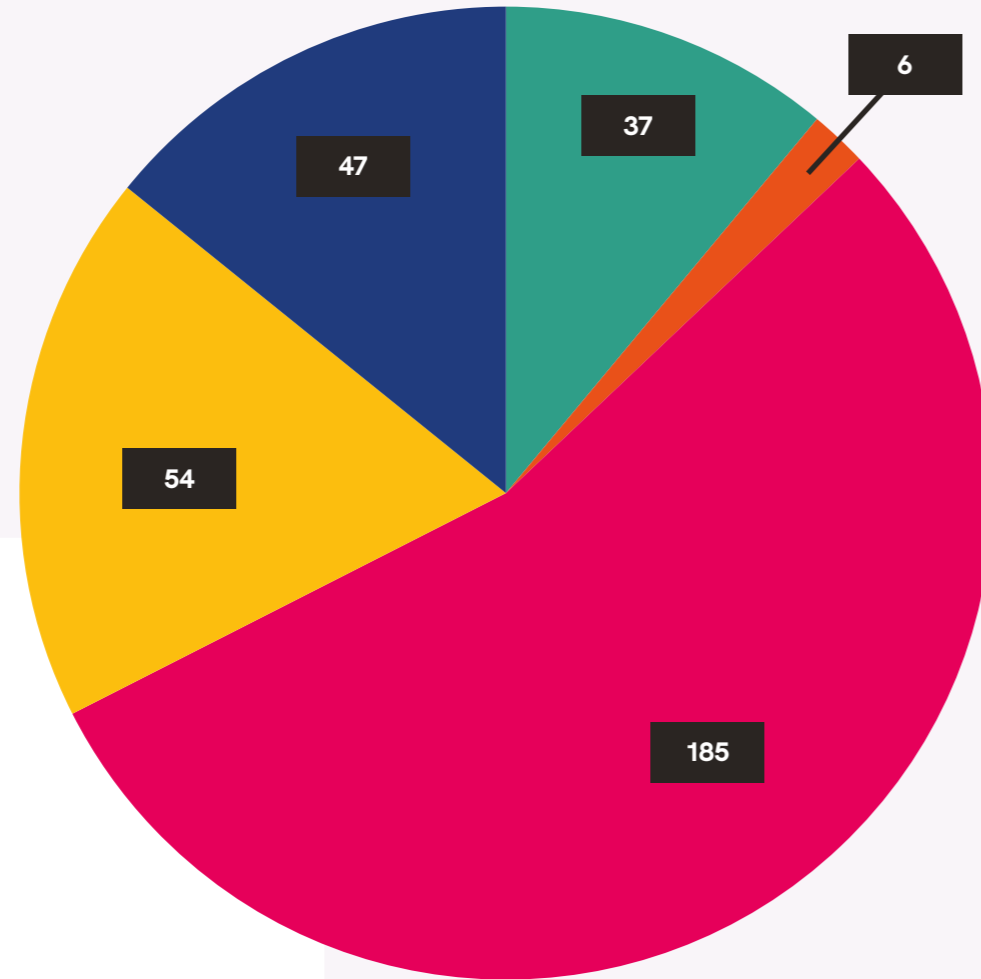
Interventions within the Delivery Plan are at various stages of development, which is reflective of the testing which has been applied to proposals. Led by the five key areas of focus identified in the LTP, packages of interventions have been devised and are set out in the following table.

Planning journeys / informing users / supporting customers	Representing information, navigation of the network, design, and operational projects.
Ticketing and fares	Targeting simplicity in the customer offer around fares and ticketing that represent the best value for money.
Reach and resilience of infrastructure	Delivering vital upgrades to maintain the integrity of the network and connections that bring people closer to opportunities.
Safety, especially of women and girls, and other improvements in service quality	Targeting transport operations and the way people interact with the network including the safety of it.
Connections between different transport types	Delivering focused approaches around connecting transport options together in a seamless way.

Table 4: Intervention packages

As demonstrated in Section 4, we have assessed the performance of each intervention against the objectives of the North East CA and the objectives of the LTP and determined that individually and collectively the interventions contained within the Delivery Plan elicit an overall positive impact.

In total, there are 327 separate interventions included within the Delivery Plan, which are all aligned to one of the packages identified above. Whilst most interventions fall into the reach and resilience of infrastructure category, this category provides the onward platform for a smaller number of highly impactful propositions around ticketing/fares, planning/information, safety, especially of women and girls and service quality and connectivity.



- Planning journeys / Informing users / Supporting customers
- Ticketing and fares
- Reach and resilience of infrastructure
- Safety, especially of women and girls, and other improvements in service quality
- Connections between different transport types

Figure 2: Projects per integration focus area

Delivery timeframe

Interventions will be delivered across the duration of the plan period to 2040, however, we have aligned interventions to delivery periods which reflect our capital funding settlement delivery periods.

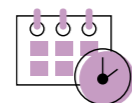
- 2025-2027
- 2028-2032
- 2033-2040



Over the lifetime of the Delivery Plan, circa **£8.460 billion is required** to deliver the Plan in full, this covers revenue and capital propositions as well as interventions that do not require any immediate funding.

Summary of Delivery Plan

A summary of the interventions included within the Delivery Plan, including the strategic benefits that these interventions will deliver cast against the five areas of focus of the LTP are outlined in the following sections.



Planning journeys / informing users / supporting customers.

Within this area of focus the following will be delivered:

From 2027 people will be able to easily access journey planning tools and technologies which offer consistent and clear information about journey options, times, and prices. Online website content is being targeted first with real time passenger information feeds from the bus and metro network integrating, in order to provide consistent data flows.

People will be informed about how their journey is progressing, and each step will be simple to navigate, improving the customer experience. Our Urban Traffic Management and Control centre will use its feeds to deliver informed messaging to the public.

As people navigate the network, signage will be maintained and will be easy to follow and technological prompts will be available, and provision will continue to evolve and improve in the years up to 2040. The network will have consistent and cohesive branding such as colour schemes, signage, standards, and quality of service, so that there is a clear 'look and feel' of the network on routes, stops, and stations. Consistent and cohesive branding will also apply to any websites and associated apps.

Customer experience and engagement activities will ensure people can relate and interface with transport operations at times that are convenient.

We will invest in schemes that support the use of active travel and public transport networks with campaigns, training, and safety schemes, ensuring the information and skills are available to all.

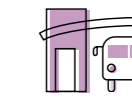
Example interventions from the pipeline that will achieve this change include:

By 2027:

- Active Travel Champion
- Bus information and network identity
- Accessibility Forum
- EV Partnership Steering Group
- Workplace Sustainable Travel Programme

By 2032:

- Bus Reform
- Enhancing Public Transport passenger information
- Sustainable School travel projects including School Streets Programme



Reach and resilience of infrastructure.

Within this area of focus the following will be delivered:

Continued investment in physical infrastructure that connects communities and enables high quality safe and accessible transport means. As our focus is on integration our interventions are built around strong network planning principles ensuring cohesiveness in approaches and linking people to opportunities.

Investment in expanding Active Travel networks, this is exemplified in the emerging City Region Sustainable Transport Settlement and our work with Active Travel England in delivering high quality well designed inclusive infrastructure that encourages sustainable choices. This is for all journeys that are made through walking, wheeling, or cycling.

Ensuring that Metro, rail, and bus stations are connected into their local areas and that those services reach out into new areas, with plans to expand the Metro and rail network first starting with bringing the Metro to Washington and the Northumberland line and working with Government on areas of national importance including the Leamside line.



Ticketing and fares

Within this area of focus the following will be delivered:

Integrated ticketing and fares will be available across all modes of local public transport within the region, delivering seamless travel. Fare capping across contactless payment methods and the Pop card will encourage use, bringing together systems.

We will collaborate with national operators to ease integration at our regional, national, and international gateways.

We will have one eye on the future to deliver integration of payments with wider transport services such as zero emission vehicle charging, National Parking Platform, Park and Ride, car clubs, and cycle and e-scooter hire, enabling people to plan and pay for their entire door to door journey through a seamless platform, this is known as 'Mobility as a Service'.

Example interventions from the pipeline that will achieve this change include:

By 2027:

- Comprehensive ticketing and information package - including single smart transport payment system
- Realtime mapping and information package
- Integrated ticketing initiatives
- Subsidised fares
- New payment technologies for Metro and contactless on Metro

Our network needs to be well maintained, building on regional strategy documents including the Transport Asset Management Plan, and the Rail and Metro Strategy, we will target funding to maintain the network including renewing essential structures and planning proactively for the impacts of climate change to deliver a more resilient network.

Our highways will be managed in a way that provides the best possible improvements for all users within the resources that are available. Prioritising safety enhancements, regular maintenance for all users, including people and freight, improving the resilience of roads.

We will target and invest in our highway network to address critical issues around safety, network performance and economic opportunities. Through partnerships with Great British Railways and National Highways we will secure investment in vital national infrastructure improvements. Our network should be one that enables economic growth in a sustainable way.

Example interventions from the pipeline that will achieve this change include:

By 2027:

- North Shields Ferry Landing
- Enhanced transport maintenance package
- Delivering on gaps in the EV network
- Residential EV charging
- North East active travel network phase 1
- Bringing the Metro to Washington Business Case
- The Leamside Line Business Case
- Decarbonising Public Transport including new green fleet phase 1

By 2032:

- Bus Reform
- Bringing the Metro to Washington
- Metro essential renewals
- Tyne and Wear Metro Re-Signalling
- Improved rail and road arteries that we need to power our economy
- Delivering improved all user connections to Blyth

- A194 White Mare Pool
- North East active travel network phase 2
- Film studio enabling infrastructure
- Reopening of Ferryhill Station and Stillington Line to passenger services to Teesside
- Working with National Highways to deliver upgrades to the A66, A1 dualling to Ellingham and junction upgrades on the A19 at Moor Farm / Seaton Burn
- Decarbonising public transport including new green fleet phase 2

By 2040:

- Metro and local rail enhancements phase 2
- Investigating a new strategic river crossing
- New Metro stations



Safety, especially of women and girls, and other improvements in service quality

within this area of focus the following will be delivered:

People's safety will be central to the network, with a particular focus on the safety of women and girls and other vulnerable groups. Drivers and other front-line staff will be trained / deployed to ensure that everyone feels welcome and safe at stations and on services, strengthening confidence in the network.

Everyone should feel safe when waiting at interchanges, stations, and bus stops, and when travelling on public transport. The specific safety needs of women and girls, and other vulnerable groups, will be taken into account when designing safety features on the network.

People will be able to report concerns and have the confidence that these will be dealt with promptly.

We will continue to improve service quality through charters and partnerships with providers. More staff will be available at stations, and stops will be upgraded to drive up standards of safety and accessibility with adequate lighting and natural surveillance. Opportunities to walk, wheel, and cycle will be built into our environment with access to secure parking and clear wayfinding.

Our interventions will allow us to improve punctuality through physical measures and influence timetabling and information to enable reliability at a time where people need it.

We will enable people access to zero emission technologies through a targeted approach to electric vehicle roll out and investigating other technologies.



Example interventions from the pipeline that will achieve this change include:

By 2027:

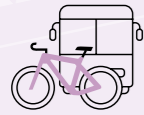
- Metro gatelines upgrades/improvements
- Accessibility audits and training
- Safety and security for women and girls on public transport
- Bus infrastructure measures: stops and stations
- Safety and security on public transport

By 2032:

- Safety and security for women and girls on public transport
- Railway assets review and operating models
- Small Metro station upgrades systemwide

By 2040:

- Timetabling amendments introducing earlier and later local rail services systemwide



Connections between different transport types

Within this area of focus the following will be delivered:

Through integrated network planning our interventions will allow us to look at not just the operation and physical links of transport networks but also people’s perceptions of the network.

We will use information to drive perceptions of the network and engage in the planning and design of interventions. We will work closely with planning departments to deliver high quality options to new developments. We will encourage park and ride use through expanding the offer in the region. We will support tourism with opportunities to arrive at the region’s hotspots by sustainable means including the use of coaches and work to integrate taxi services into interchanges.

Mobility Hubs and mobility as a service will feature to ensure people have ready access to facilities and we have the opportunity to work on bike share and loan schemes to encourage further access and uptake.

Example interventions from the pipeline that will achieve this change include:

By 2027:

- Bike and e-bike hire
- Mobility hubs
- Connected stations including cycling parking and EV
- Customer experience strategy

By 2032:

- Cycle parking and hubs
- Demand responsive micromobility transport trials
- Connected stations – including digitally

By 2040:

- Regional autonomous vehicles testbed
- Ferry - Royal Quays Landing study

Summary of impacts, health, equality, rurality, habitats, and emissions

The integrated Sustainability Appraisal is being concluded in October 2024 its findings will be summarised here.

Summary

The Delivery Plan is focused on integrating transport modes and will be delivered in stages building on previous activity. This section has outlined, in summary, what the interventions included in the Delivery Plan will achieve set against the LTPs five key areas of focus, and highlighted at a high level the interventions that will help to achieve the objectives of the LTP. The full Delivery Plan pipeline is provided at **Annex A**.



Section 6: How will we fund investments.

Funding requirements

At present, the totality of investment required to realise the Delivery Plan in full stands at **£8.46 billion**.

The cost of interventions included within the Delivery Plan will vary with refinement and development over the lifetime of the Delivery Plan and LTP. This will be monitored and refreshed in line with Section 8 – Reporting and refreshing.



Delivery methodology

The Delivery Plan and LTP covers the breadth of activity that the North East CA and our partners can take, and therefore interventions included within the Delivery Plan do not narrowly focus on capital interventions, but also consider new methods of delivery, powers, and policies.

However, the funding requirements of the Delivery Plan span both capital and revenue funding on the basis that:

- Revenue support is required to: operate, maintain, subsidise, and incentivise the use of transport services, grow delivery capacity, and develop capital interventions.
- Capital support is required to: provide long term investment in new assets such as physical infrastructure to grow and improve our network.

Alongside direct funding, the Delivery Plan and LTP will be delivered by leveraging the strategic powers afforded to the region through Devolution and working in deeper partnership with Government to expand this range of powers.



Funding regime

Competitive funding

The North East CA has secured substantial funds via competitive bidding to deliver interventions included within the Delivery Plan. Approximately £344 million of funding has already been secured and is actively being utilised to deliver interventions, including:

- Active Travel Funding: Delivery of new active travel infrastructure across the region inclusive of capability funding to design schemes and undertake engagement and training activities.
- Bus Service Improvement Plan Funding: Funding to invest in the bus network, from new services, fares offers and measures to improve the punctuality and reliability of bus services.
- Zero Emission, Levelling up, and Local Electric Vehicle Funding: Funding to deliver electric vehicle charging and zero emissions buses as part of our commitment towards a greener North East.

- Active Travel Fund Tranche 2
- Active Travel Fund Tranche 3
- Active Travel Fund Tranche 4
- Active Travel Fund Tranche 4E
- Bus Service Improvement Plan Capital
- Bus Service Improvement Plan Revenue
- Bus Service Improvement Plan Additional (2034-2025)
- Zero Emission Bus Regional Areas 2
- Levelling up Fund - Decarbonising Transport

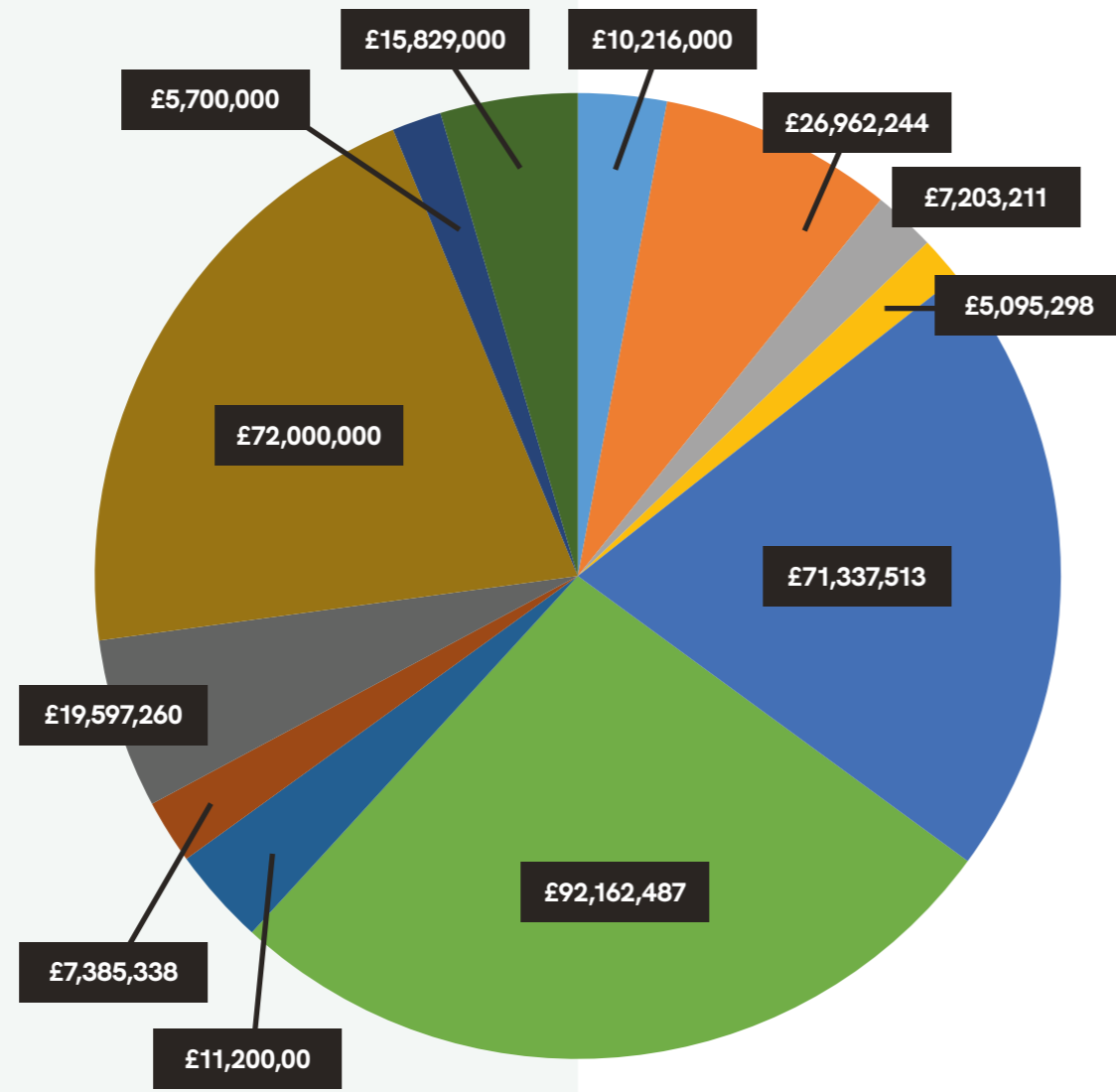


Figure 3: Competitive funds up to 2027

City Region Sustainable Transport Settlement

Further to secured funding via competitive means the North East CA has access to further substantial funding through the devolved funding central Government has made available for sustainable transport investment, in the form of the City Region Sustainable Transport Settlement (CRSTS). This includes:

- A first CRSTS settlement totalling **£563 million** of capital funds over 2024- 2027.
- Local Transport Funding for investment in County Durham totalling **£72.8 million** over 2025-2027.
- A CRSTS revenue grant of **£11.36 million** to support capital delivery.
- A second CRSTS settlement which indicatively stands at **£1.85 billion** over the period 2028 - 2032 inclusive of capital and revenue funds.

Further to the above funding provided by CRSTS, through the Deeper Devolution Deal, Government have committed to moving the region towards a single funding settlement for transport. At a minimum there is an expectation that the funding associated with a single settlement would exceed the second CRSTS settlement in scale. We believe this to be a proportional and affordable share of national transport funding which should be allocated to our region from Government in the period from 2032 to 2040.

Investment fund

Through the Devolution Deal, the North East CA have greater control over funding across the region, including more than £4.2 billion of additional investment over 30 years from 2024. This is provided for via the North East Investment Fund which could also act as a source of capital and revenue funding for investment in the interventions included in the Delivery Plan, subject to prioritisation, agreement, and approval of interventions through the Single Assurance Framework.

Additional funding

In addition to the grant funding immediately available and in the control of the North East CA there are further grant funding avenues available to both the region and its partners to fund Delivery Plan interventions including:

- Direct funding from the Government provided to Nexus specific to operating and maintaining the Metro System.
- Local authority capital funding, from council income or prudential borrowing.
- Competitive funding allocated from Central Government to its executive agencies such as Active Travel England and the Office for Zero Emission Vehicles.
- Leveraging further competitive funding from wider sources than traditional transport funding routes to deliver place-making and connectivity improvements.
- National budgets for Network Rail and National Highways.

Leverage and financial levers

Beyond the sources of grant funding outlined above there are various instruments available to the region and its partners to either fund or finance the interventions included within the Delivery Plan. The below provides a summary of the available levers to the North East CA, for the purposes of the Delivery Plan we have discounted user charges such as fare rises, tolling and levies as a means of generating contributions towards infrastructure investment.



Land Value Capture

Land Value Capture (LVC) provides a financing mechanism that generates funding from an increase in land value that results from public infrastructure investment. As a result of investment in new transport links, roads or public amenities surrounding land increases in value due to being more desirable for development. Typically, there are two ways interventions included within the Delivery Plan could utilise LVC:

- **Developer contributions:** Landowners or developers who stand to benefit from public infrastructure investment contribute to the cost of the infrastructure through direct payments, the provision of land, or the construction of infrastructure as part of their development.
- **Tax Increment Financing:** Increases in property tax revenue that results from rising property values is used to finance the infrastructure, in essence future income is utilised to pay for the cost of the project in the present, typically through prudential borrowing.

Advantages of utilising LVC as a means of funding infrastructure are centred on the notion that LVC ensures that those who benefit the most from public investment make a fair contribution, it provides a means of funding infrastructure that may be unaffordable in the immediate term, and by linking infrastructure funding to development it encourages development in areas that will benefit most from an uplift in public investment.

Property related charges

Property related charges can typically be used by local authorities as a means of generating funds for infrastructure projects, usually this income would provide a means of match funding an intervention to extend the reach of grant funding. Property related charges that will be utilised in the delivery of interventions within the Delivery Plan, include:

- **Community Infrastructure Levy (CIL):** CIL is a charge that local authorities can impose on new developments to raise funds for the infrastructure needed to support the growth that development brings. The levy is calculated based on the size and type of the development and could be utilised to part fund infrastructure such as highways improvements and active travel. Within the North East Newcastle City Council currently have a CIL.
- **Section 106 Agreements (S106):** S106 enables a local authority to negotiate with a developer, as part of the planning system to provide funding for infrastructure as a condition of obtaining planning permission. Typically, this would be for named transport links, that are essential for connectivity, our CRSTS proposals are substantially match funded via S106 agreements.



Private sector investment

Private sector investment can play a crucial role in funding infrastructure interventions acting to complement public sources of funding. Public Private Partnerships (PPPs) are relatively commonplace in the UK, they are collaborative agreements between public bodies and the private sector to finance, build and occasionally operate infrastructure projects, an example of this within the North East is the Tyne Tunnels, which was built and is now operated in partnership with the private sector.

Institutional investors, pension funds and infrastructure funds like the UK Infrastructure Bank also present viable routes towards financing larger scale investments.

In addition, we also have the ability to leverage the region's purchasing power and procurement activity to lever additional private sector investment. A good example of this is in the installation of public EV charging infrastructure (EVCI), although this is predominantly delivered through competitive public funding, when we procure Charge Point Operators to undertake the delivery of EVCI, we do so through a framework established through the North East Procurement Office which has been designed to leverage private sector match investment which could be utilised to bring forward further investment in infrastructure.

Prudential borrowing

Prudential borrowing allows local authorities to fund infrastructure interventions by borrowing funds on the basis that the debt can be serviced without putting undue strain on finances. The North East CA like other combined authorities has specific borrowing powers that allow us to raise funds for infrastructure and other capital investments. The Public Works Loan Board provides loans to local authorities at lower than market interest rates and form an accessible source of borrowing for large scale infrastructure projects. Prudential borrowing remains a financial lever available to the North East CA and its constituent local authorities who frequently fund their own capital programmes via prudential borrowing.



Powers and partnerships

To realise the LTP and the Delivery Plan in full, the North East CA will be required to leverage the range of powers and responsibilities, which the region already benefits from, and make the case to Government for further powers. We must also be cognisant of the need to work in deeper partnership with executive agencies and non-departmental public bodies such as National Highways and Network Rail, as facilitated by our Devolution Deal, whilst seeking for the formalisation of these partnerships through further devolution.

Bus partnership and bus reform

The North East Enhanced Partnership (EP) works together to deliver the National Bus Strategy and the objectives of the Bus Service Improvement Plan (BSIP). So far, the partnership has introduced impactful initiatives using £163.5 million in funding. These include discounted ticketing, with 21 and under £1 single fares, multi-modal adult day tickets, investments in bus services, and new bus priority measures to speed up buses.

Following devolution, we now have access to bus franchising powers under the Transport Act 2000. A bus reform project has been initiated to consider the most effective delivery model for future bus services across our region, including, considering how we can deliver the truly integrated transport network we desire, which will in turn support the delivery of the North East CA commitments and the LTP objectives.

Rail partnerships

Achieving the region's ambitions for rail relies on deeper partnership working with a range of bodies. Currently The North East's Local rail services are operated by Northern Trains Limited and managed through the Rail North partnership (joint DfT/TfN). Some functions are devolved to the North East Rail Management Unit (NEMU), but these are limited. We are keen to explore further devolution of rail functions including the establishment of a formal North East Rail Board.

Our region has a self-contained local rail network covering the wider North East (including Tees Valley). Stations on the local rail network are currently owned by Network Rail and operated by Train Operating Companies (Northern or LNER) with interchanges available at some stations with the Tyne and Wear Metro (Sunderland, Heworth, Newcastle Central) with Northumberland Park due to be delivered in 2024. We are keen to explore the opportunity to bring rail stations under local public control.

As a region we are in a unique position in that we run our own local railway (the Tyne and Wear Metro) through Nexus. Nexus owns and operates 60 stations, 77.5km of track and 89 metro cars along with the associated control systems. Nexus also has functions to identify, plan and deliver rail enhancements. In partnership with Nexus, we will work with Government to deliver business cases that reflect our ambition to upgrade and extend the Metro and reopen lines including the Leamside Line.

We will continue to seek further devolved powers to achieve long-term funding streams for rail, so we have the freedom and flexibility to plan and deliver a more seamless, co-ordinated, and integrated rail service across the North East and are seeking a formal relationship with the Great British Railways (GBR) transition team to better integrate local rail services to operate as one network to better serve our people and businesses.

Highways

As the region's roads are split into differing responsibilities including the Strategic Road Network operated by National Highways and Transport for the North's role in defining the strategy for and improvements on the Major Road Network, the North East CA will work in partnership with our constituent local authorities, National Highways and Transport for the North to ensure that investment on the road network reflects regional priorities. This includes ensuring our road network is safe, accessible, resilient, and well maintained.

We will seek a deeper formal partnership between the North East CA and National Highways, to ensure a joined-up approach towards highways, including securing a greater local say in National Highways discretionary funding and on the investment and prioritisation of interventions on the Strategic Road Network, to ensure local priorities are heard, and growth and capacity improvements are suitably unlocked.

Funding options

Funding options are set out below against the intervention packages outlined in Section 5, demonstrating that there is a range of sources of funding the interventions included within the Delivery Plan pipeline:

Area of focus	Financial requirement	Potential source of investment
Planning journeys / informing users / supporting customers	£89.5 million	Competitive Funding, CRSTS, Other funding sources inc. investment fund, local authority and Nexus contributions, powers, and partnerships.
Ticketing and fares	£116.2 million	Competitive funding, other funding sources inc. investment fund, private sector investment, powers, and partnerships.
Reach and resilience of infrastructure	£7.79 billion	Competitive funding, CRSTS, other funding sources inc. investment fund, local authority and Nexus contributions, National Highways, Network Rail, Land Value Capture, property related charges inc. S106, prudential borrowing, private sector investment powers, and partnerships.
Safety, especially of women and girls, and other improvements in service quality	£394.5 million	Competitive funding, CRSTS, other funding sources inc. investment fund, local authority and Nexus contributions, National Highways, Network Rail, powers, and partnerships.
Connections between different transport types	£272.7 million	Competitive funding, CRSTS, other funding sources inc. investment fund, local authority and Nexus contributions, National Highways, Network Rail, Land Value Capture, property related charges inc. S106, prudential borrowing, private sector investment powers, and partnerships
TOTAL	£8.66 billion	-

Table 5: Funding options

Summary

This section has shown that the Delivery Plan is supported by a funding programme that includes substantial capital funding provided through our Devolution Deal, that there are a range of powers and responsibilities that can be leveraged to deliver the ambition of the LTP and Delivery Plan and that there are notable opportunities to utilise the financial levers available to the region and secure private sector investment and contributions towards the interventions included in the Delivery Plan.

Over the lifetime of the LTP and Delivery Plan we will work closely with executive agencies and non-departmental Government bodies such as Network Rail, National Highways and Active Travel England to influence funding decisions within our region that are not in our direct control and we will actively work with Government to secure a greater local say on how national funding is spent and allocated within our region, including through discussions on further integrated and devolved funding.

In summary, this chapter demonstrates that delivery of the objectives of the LTP and the £8.46 billion required to realise the Delivery Plan pipeline in full is a viable proposition, given the availability of funding immediately available to the region, the potential to leverage further funding and the opportunity to work in deeper partnership through our Devolution Deal, as well as the opportunity to leverage private sector investment.



Section 7: Managing risks, monitoring outcomes and assurance.

Risk management strategy

All interventions included within the Delivery Plan will be subject to potential risk. Risk management enhances strategic planning and prioritisation, assisting in achieving objectives and strengthening the ability to respond to challenges. A risk management strategy minimises the impact of risks and identifies opportunities for improvement.

A consolidated risk approach for all the interventions included within the Delivery Plan has been devised, as the earlier that a risk is identified, and a risk management process applied, the more opportunity there is to influence outcomes and ensure delivery mitigations are in place.

Different techniques have been used to identify risk, including reviewing common risks for similar projects and programmes of projects (for example the region's Transforming Cities Fund Tranche 2 and Bus Service Improvement Plan programmes), risk workshops and ongoing input and discussions with key stakeholders.



High level risk assessment and plan

The primary output of a risk management strategy is the risk register. A high-level risk register has been developed and sits behind the Delivery Plan. This risk register forms the basis of and supports the development of risk registers for individual interventions included within the Delivery Plan.

A summary of the key risks that have been identified is presented below:

Risk	Risk owner	Expected result (no action)	Mitigation
Cost pressures associated with the delivery of individual proposed schemes, and their own risks which accompany each of these	North East CA and regional scheme promoters	This could result in delays to individual intervention delivery, reduction in scope, or full intervention changes to be required. Value for Money may decrease.	Pipeline to be kept as a live document so that costs can regularly be reviewed and refreshed where required. An appropriate level of risks to be added to each intervention to try and mitigate the pressures of any cost increases.
An intervention does not have local political support	North East CA and regional scheme promoters	Delivery would be at risk if the intervention did not have required support.	Local consultation with Members has taken place on all interventions within the Pipeline ensuring support. This exercise will be repeated where there are any changes to members within local authorities.
Not enough resource to develop and deliver interventions resulting in delayed delivery.	North East CA and regional scheme promoters	Delivery of interventions is delayed. Potentially cost implications and delay in realising benefits.	North East CA will monitor the development and delivery of interventions within the Delivery Plan. Revenue funding to be made available where possible and necessary to assist with additional project management and design support. Ongoing discussions with Government on future capital and revenue settlements.

Table 6: Top risks

The risk register will remain a live document and will be fully reviewed and refreshed on a six-monthly basis, or as and when required should any new risks materialise or be dealt with in a way that means they can be removed from the register.

Monitoring and evaluation framework review

To ensure the successful implementation of our Delivery Plan, a Monitoring and Evaluation (M&E) Framework has been developed and is provided in full at Annex E. It is important to consider M&E from the offset, as the principles used for the Delivery Plan can then be carried into the delivery of each of the interventions included within the Delivery Plan. This will also ensure that the required data collection can be done coherently and consistently.

The M&E Framework will be used to monitor the delivery and outputs of the interventions within the Delivery Plan and evaluate their impact and performance against the objectives and Key Performance Indicators (KPIs) set out within the LTP.

Annex E explores the key principles by which the Delivery Plan will be monitored and evaluated and provides a basis under which M&E will operate for the interventions included within the Delivery Plan. As a summary, these key principles are:

- Accountability
- Reporting compliance
- Developing best practice

This approach ensures that as a region we have the capacity and tools required to fully establish the outputs, outcomes and impacts of the pipeline of interventions included within the Delivery Plan.

Approaches to monitoring the plan and interventions.

As examined in the M&E Framework in Annex E, there are a variety of data sets held at a regional and local level which can be used to assist in monitoring the delivery of the Delivery Plan, and the success of achieving the KPIs set out within the LTP. These data sets can then be further explored at an individual intervention level as proposals progress towards delivery.

The North East CA Performance, Insight and Risk Team will play a pivotal role in the success of this exercise, through the collation and analysis of data sets. Input from other key stakeholders within the region to provide the data and insights required to fully understand the impact of the delivery of the LTP and Delivery Plan will also be required. This includes our constituent local authorities, Nexus, bus operators, Traffic Accident and Data Unit and Urban Traffic Management Centre. We will use our long-established relationships with our regional stakeholders and where required liaise with other partners to ensure the success of M&E activities.

The tools needed for effective M&E will be tailored to the specific objectives and requirements of an intervention. We will use a variety of data collection and analysis tools that fit these requirements as necessary. At an LTP and Delivery Plan level, M&E will be the responsibility of the North East CA, whereas on an individual intervention level, this responsibility will lie with the scheme promoter.



Assurance and approval

Assurance will be undertaken in line with the [North East CA Single Assurance Framework \(SAF\)](#). The SAF sets out the robust decision-making and delivery arrangements in place within North East CA, detailing how potential investments will be appraised, and funding allocated. Section 8 of the SAF sets out the processes for transport interventions, with the Delivery Plan and prioritisation process covered in Section 8.3. It notes how the Delivery Plan forms part of the project initiation process for transport interventions, with the intervention forms, as introduced in Section 2 of the Delivery Plan, forming the basis for onward prioritisation and sifting exercises.

The full appraisal process detailed within Section 8 of the SAF, however, in summary:

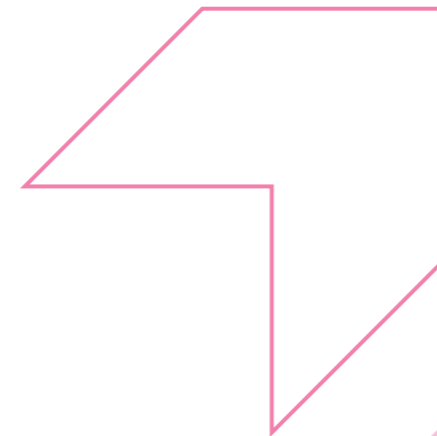
- The appraisal process within the SAF is consistent with the HM Treasury's Green Book and Business Case Appraisal process. For transport interventions, this also includes supplementary and department guidance such as the Department for Transport's TAG appraisal guidance.
- We will ensure Value for Money (VfM) and transparency of transport interventions through the assessment of the Appraisal Summary Report (ASR), Outline Business Case (OBC), and Full Business Case (FBC), With the assessment proportionate to the scale of investment. Greater scrutiny and emphasis on VfM will be undertaken as interventions progress through the business case stages.

- The North East CA will be responsible for ensuring that modelling and appraisal is sufficiently robust and fit for purpose for the intervention under consideration, and that it meets the guidance set out in TAG.
- VfM will be independently scrutinised on behalf of North East CA as part of the appraisal process, either by expertise in house (but with responsibility sitting outside of the business area developing or promoting the business case), or via a commission to a specialist transport consultant, fully independent from the scheme promoters and with no involvement in the development of the scheme being appraised. There is a general expectation that all interventions must endeavour to achieve "high" VfM, where benefits are at least double the costs as set out in DfT guidance, at all stages of the approval process.

Business Case approvals will be taken in line with the Single Assurance Framework, including agreed delegations dependent on scale and level of capital draw down i.e., through our Head of Paid Service (Chief Executive) in consultation with either the Transport Advisory Board or Investment Programme Board.

Summary

This section provides an overview of the risk management strategy and the key risks that have emerged from the development of the Delivery Plan risk register. The Delivery Plan Monitoring and evaluation framework was also outlined, which sets out how the delivery of the interventions within the Delivery Plan will be monitored, and the outcomes evaluated. Finally, the assurance process which describes how an intervention from the pipeline advances towards delivery was summarised.



Section 8: Reporting and refreshing.

Methodology

This section sets out how we will ensure that our Mayor, Cabinet, and stakeholders are kept informed of the progress, development and delivery of the interventions included within the Delivery Plan and how new interventions will be captured and assessed.

Capturing new Interventions and testing

New Interventions will continually emerge over time as a response to the changing needs of the region and its transport network, therefore the Delivery Plan pipeline provided in Appendix X and summarised in Sections 5 and 6, will be maintained as a live programme, to ensure that developing propositions can be added at a later date, and interventions included within the pipeline can be amended as they develop over time.

Any intervention seeking entry into the pipeline will be assessed against the testing outlined in Section 3 and 4.

It is intended to host the Delivery Plan online, so that stakeholders can view real time updates on the progress of interventions, which will include schematics if applicable, key milestones, and any consultation opportunities. This will be investigated within the first year following the publication of the Plan.

Reporting progress

Progress on the Delivery Plan will be reported through North East CA Cabinet on a regular basis to ensure that Members are fully sighted of the advancement and delivery of interventions included within the Delivery Plan, regular progress reports will be published via the North East CA website.

All interventions included within the Delivery Plan will be governed by the regionally agreed Single Assurance Framework, including reporting and decision-making requirements the North East

The outputs and outcomes of interventions included within the Delivery Plan will be monitored in line with the Monitoring and Evaluation Framework provided at Annex E and fed into our business intelligence department, as part of the continued monitoring process.



Annex A: Intervention summary tables.

See separate document

Annex B: Glossary of Terms

Acronym	Definition
ATE	Active Travel England
ATF	Active Travel Funds
BSIP	Bus Service Improvement Plan
CIL	Community Infrastructure Levy
CRSTS	City Region Sustainable Transport Settlements
CRSTS1	The North East's CRSTS Programme for the first submission, covering 2024-2027 (other MCAs 2022-2027)
CRSTS2	The North East's CRSTS Programme for the second submission, covering 2027-2032
DfT	Department for Transport
EATF	Emergency Active Travel Fund
EP	North East Enhanced Partnership
EV	Electric Vehicle
EVCI	EV charging infrastructure
GBR	Great British Rail
GHG	Greenhouse Gas
ISA	Integrated Sustainability Appraisal
KRN	Key Route Network
LCWIP	Local Cycling and Walking Infrastructure Plan
LTF	Local Transport Fund
LUF	Levelling Up Fund
LVC	Land Value Capture
M&E	Monitoring and Evaluation

Acronym	Definition
MCA	Mayoral Combined Authority
Metro	Overground and underground light rail rapid transit system serving Tyne and Wear (Newcastle, Gateshead, North Tyneside, South Tyneside, and Sunderland)
MHCLG	Ministry of Housing Communities and Local Government
MRN	Major Road Network
NBS	National Bus Strategy
NH	National Highways
NR	Network Rail
North East CA	North East Combined Authority
NERMU	North East Rail Management Unit
Nexus	Body of NECA, which is responsible for aspects of public transport within Tyne and Wear including Metro and Ferry
SAF	Single Assurance Framework
s106	Section 106 agreements
SRN	Strategic Road Network, roads where National Highways are the highway authority.
TAG	Transport Analysis Guidance
TAMP	Transport Asset Management Plan
TCF	Transforming Cities Fund
TfN	Transport for the North
TRSE	Transport Related Social Exclusion
ULEV	Ultra Low Emission Vehicle
UTMC	Urban Traffic Management and Control
VfM	Value for Money
ZEBRA	Zero Emission Bus Regional Areas Fund
ZEV	Zero Emission Vehicle

Annex C: Policy mapping and future scenario testing

Policy mapping

Policy mapping - drivers					
Policy commitment	A fairer North East	A greener North East	A connected North East	An international North East	A Successful North East
Planning journeys/informing users/supporting customers					
1) Information, help or assistance should be easily available and accessible to everyone before, during, and after a journey.	1	0	1	0	1
2) Live journey information should be accurate and consistent wherever and however it is being accessed. It should be presented in a way which is understandable and trusted by people.	2	0	1	0	1
3) The integrated network should have a strong identity to give confidence in the network and encourage people to make greener journeys.	2	1	2	0	2

Key: -2 Significant Negative Effects -1 Minor Negative Effects 0 Neutral 1 Minor Positive Impacts 2 Significant Positive



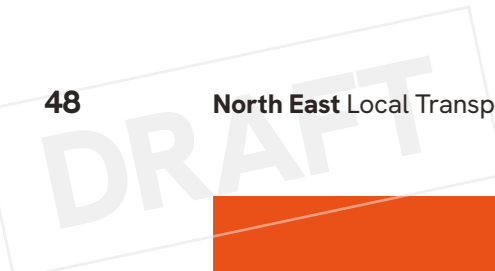
Policy mapping - drivers					
Policy commitment	A fairer North East	A greener North East	A connected North East	An international North East	A Successful North East
Ticketing and fares					
4) Fares and tickets should be as simple and easy to use as possible.	2	1	1	0	2
5) People should be able to make a journey across the whole region, travelling between County Durham, Tyne and Wear, and Northumberland, incorporating bus, Metro, rail, and the Shields Ferry with ticketing products and payment methods which enable seamless travel.	2	1	2	0	2
Reach and resilience					
6) The geographical reach of the integrated transport network should extend into every community of the North East, including our rural and coastal areas.	2	1	2	0	2
7) To support the development of the integrated network, there should be a joined-up approach to transport infrastructure investment and spatial planning.	2	1	2	1	1
8) Transport services should meet the demands of people, accommodating shift patterns for work and late evening social activities, enhancing the reach of the network.	2	1	2	0	2



Policy mapping - drivers					
Policy commitment	A fairer North East	A greener North East	A connected North East	An international North East	A Successful North East
Reach and resilience					
9) Infrastructure that enables people to walk, wheel, or cycle should be central to the transport network and should link to public transport for longer journeys.	1	2	2	0	1
10) The network should be able to deal with disruptions, accidents, and extreme weather more effectively.	0	1	1	0	2
11) Our highway network should provide essential access to all areas of the region, with particular emphasis on rural and coastal communities, who often bear the brunt of disruptive weather patterns.	1	1	2	0	1
12) Charging infrastructure for zero emission vehicles (ZEVs) should be present across the whole network, including at key stations and interchanges and rapid charging hubs.	2	1	2	0	2
13) Capacity should be boosted on the East Coast Main Line and the Durham Coast Line to meet our need for more long-distance rail passenger and freight services, supporting strong connectivity beyond our boundaries.	1	1	1	2	2
14) There should be strong transport connectivity beyond our boundaries for both people and freight.	1	0	1	2	2

Policy mapping - drivers					
Policy commitment	A fairer North East	A greener North East	A connected North East	An international North East	A Successful North East
Safety, especially of women and girls, and other improvements in service quality					
15) There should be clear and effective channels through which to report harassment and violence against women and girls on the network.	2	0	1	1	1
16) Targeted action should be taken, and resources should be assigned, to preventing violence against women and girls on the region's transport network. This should cover preventing offences from happening but should also look to tackle the root causes of violence and prevent it from developing.	2	0	1	1	1
17) Women and girls should have increased trust, confidence, and perceptions of safety on the transport network.	2	0	1	0	2
18) Roads should be made safer, with a specific focus on the most vulnerable users.	2	0	1	0	2
19) Integrated public transport services on the network must comply with legal and policy accessibility requirements, including ensuring services are accessible for all. Drivers and staff should ensure that everyone feels welcome and safe at stations and on services, strengthening confidence in the network.	0	1	1	0	2

Policy mapping - drivers					
Policy commitment	A fairer North East	A greener North East	A connected North East	An international North East	A Successful North East
Safety, especially of women and girls, and other improvements in service quality					
20) The customer experience should be transformed setting the highest service standards, where users can expect the provision of safe, reliable, clean, and efficient transport infrastructure.	2	1	2	0	1
21) The network should have consistent and cohesive branding such as colour schemes, signage, design standards, and quality of service, so that there is a clear 'look and feel' of the network on routes, stops, and stations.	1	0	2	0	1
22) The North East should set the highest standards for a fleet of green public transport vehicles.	0	2	0	1	1
23) People should feel a sense of pride in the network and be keen to use it again.	2	1	2	1	1



Policy mapping - drivers					
Policy commitment	A fairer North East	A greener North East	A connected North East	An international North East	A Successful North East
Connections between different transport types					
24) The region should no longer consider different forms of transport as separate networks and should move to one integrated and highly interconnected network which people can travel through seamlessly making door to door journeys.	2	1	2	0	2
25) The integrated network should be based around making it easier to switch between different types of transport including public transport, active travel, taxis, and other transport options such as Park and Ride, micromobility and community transport.	1	1	2	0	2
26) There should be well co-ordinated public transport timetables and services which complement each other to enable seamless transfer from one type of transport to the next.	0	1	2	0	1
27) The Shields Ferry should continue to be a vital part of the integrated network, with even better linkages with other types of transport.	1	0	2	0	1
28) Park and ride provision should be comprehensive, enabling people to seamlessly switch onto fast and frequent onward journeys	1	0	2	0	1



Future scenario testing

Policy mapping - drivers				
Policy commitment	Just about managing	Digitally distributed	Prioritised places	Urban zero carbon
Planning journeys/informing users/supporting customers				
1) Information, help or assistance should be easily available and accessible to everyone before, during, and after a journey	1	1	1	1
2) Live journey information should be accurate and consistent wherever and however it is being accessed. It should be presented in a way which is understandable and trusted by people	1	1	1	1
3) The integrated network should have a strong identity to give confidence in the network and encourage people to make greener journeys.	1	1	1	1

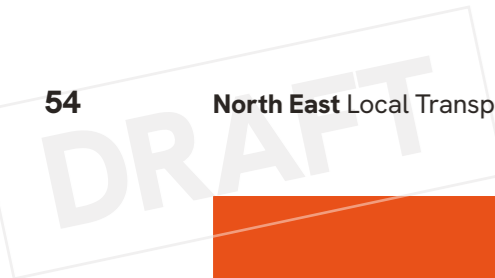
Key: 1 Means the objective is robust in the specified scenario
 2 Means the objective needs modified in the specified scenario
 3 Means the objective is redundant in the specified scenario

Policy mapping - drivers				
Policy commitment	Just about managing	Digitally distributed	Prioritised places	Urban zero carbon
Ticketing and fares				
4) Fares and tickets should be as simple and easy to use as possible.	1	1	1	1
5) People should be able to make a journey across the whole region, travelling between County Durham, Tyne and Wear, and Northumberland, incorporating bus, Metro, rail, and the Shields Ferry with ticketing products and payment methods which enable seamless travel.	1	2	1	1
Reach and resilience				
6) The geographical reach of the integrated transport network should extend into every community of the North East, including our rural and coastal areas.	1	1	1	1
7) To support the development of the integrated network, there should be a joined-up approach to transport infrastructure investment and spatial planning.	1	1	1	1
8) Transport services should meet the demands of people, accommodating shift patterns for work and late evening social activities, enhancing the reach of the network	2	2	1	1

Policy mapping - drivers				
Policy commitment	Just about managing	Digitally distributed	Prioritised places	Urban zero carbon
Reach and resilience				
9) Infrastructure that enables people to walk, wheel, or cycle should be central to the transport network and should link to public transport for longer journeys.	2	1	1	1
10) The network should be able to deal with disruptions, accidents, and extreme weather more effectively.	2	2	1	1
11) Our highway network should provide essential access to all areas of the region, with particular emphasis on rural and coastal communities, who often bear the brunt of disruptive weather patterns.	1	2	1	2
12) Charging infrastructure for zero emission vehicles (ZEVs) should be present across the whole network, including at key stations and interchanges and rapid charging hubs.	2	2	2	1
13) Capacity should be boosted on the East Coast Main Line and the Durham Coast Line to meet our need for more long-distance rail passenger and freight services, supporting strong connectivity beyond our boundaries.	1	2	1	2
14) There should be strong transport connectivity beyond our boundaries for other people and freight.	1	2	2	1

Policy mapping - drivers				
Policy commitment	Just about managing	Digitally distributed	Prioritised places	Urban zero carbon
Safety, especially of women and girls, and other improvements in service quality				
15) There should be clear and effective channels through which to report harassment and violence against women and girls on the network	1	1	1	1
16) Targeted action should be taken, and resources should be assigned, to preventing violence against women and girls on the region's transport network. This should cover preventing offences from happening but should also look to tackle the root causes of violence and prevent it from developing.	1	1	1	1
17) Women and girls should have increased trust, confidence, and perceptions of safety on the transport network.	1	1	1	1
18) Roads should be made safer, with a specific focus on the most vulnerable users.	1	1	1	0
19) Integrated public transport services on the network must comply with legal and policy accessibility requirements, including ensuring services are accessible for all. Drivers and staff should ensure that everyone feels welcome and safe at stations and on services, strengthening confidence in the network.	2	1	1	1

Policy mapping - drivers				
Policy commitment	Just about managing	Digitally distributed	Prioritised places	Urban zero carbon
Safety, especially of women and girls, and other improvements in service quality				
20) The customer experience should be transformed setting the highest service standards, where users can expect the provision of safe, reliable, clean, and efficient transport infrastructure.	2	2	1	1
21) The network should have consistent and cohesive branding such as colour schemes, signage, design standards, and quality of service, so that there is a clear 'look and feel' of the network on routes, stops, and stations.	1	1	1	1
22) The North East should set the highest standards for a fleet of green public transport vehicles.	1	1	1	1
23) People should feel a sense of pride in the network and be keen to use it again.	1	2	1	1
Connections between different transport types				
24) The region should no longer consider different forms of transport as separate networks and should move to one integrated and highly interconnected network which people can travel through seamlessly making door to door journeys.	1	1	1	1



Policy mapping - drivers				
Policy commitment	Just about managing	Digitally distributed	Prioritised places	Urban zero carbon
Connections between different transport types				
25) The integrated network should be based around making it easier to switch between different types of transport including public transport, active travel, taxis, and other transport options such as Park and Ride, micromobility and community transport.	1	1	1	1
26) There should be well co-ordinated public transport timetables and services which complement each other to enable seamless transfer from one type of transport to the next.	1	1	1	1
27) The Shields Ferry should continue to be a vital part of the integrated network, with even better linkages with other types of transport.	1	1	1	1
28) Park and ride provision should be comprehensive, enabling people to seamlessly switch onto fast and frequent onward journeys	1	1	1	1



Annex D: Options assessment matrix

Score					
	-2	-1	0	1	2
North East Local Transport Plan strategic theme					
A healthier North East	Significant Negative impacts in relation to health	Minor Negative Impacts in relation to health	Neutral impact on health	Minor Positive Impacts in relation to health	Significant Positive Impacts in relation to health
A better environment	Significant Negative impacts in relation to the environment	Minor Negative Impacts in relation to the environment	Neutral impact on the environment	Minor Positive Impacts in relation to the environment	Significant Positive Impacts in relation to the environment
A more inclusive economy	Significant Negative impacts in relation to the economy	Minor Negative Impacts in relation to the economy	Neutral impact on the economy	Minor Positive Impacts in relation to the economy	Significant Positive Impacts in relation to the economy
Criteria					
Deliverability within timeframe of the LTP (2040)		Not deliverable within the timeframe of the Transport Plan		Deliverable within the timeframe of the Transport Plan	

Score					
	-2	-1	0	1	2
Criteria					
Delivery risk	Potential major risks e.g., in terms of contention, land requirement, TRO requirement and consultation.	Potential minor risks e.g., in terms of contention, land requirement, TRO requirement and consultation.	No known major risks to delivery.		
Improving transport for the user	Significant Negative Impacts in relation to improving transport users' experience, safety, reliability, and inclusivity.	Minor Negative Impacts in relation to improving transport users' experience, safety, reliability, and inclusivity.	Neutral Impact in relation to improving transport users' experience, safety, reliability, and inclusivity.	Minor Positive Impacts in relation to improving transport users' experience, safety, reliability, and inclusivity.	Significant Positive Impacts in relation to improving transport users' experience, safety, reliability, and inclusivity.
Affordability		No known source of funding available or upcoming within the timeframe of the Transport Plan	Currently no committed funding, but a source is or will be available within the timeframe of the Transport Plan	Funding source is in place	
Value for money	Value for Money which is Very Poor	Value for Money which is Poor	No Value for Money information available at present	Value for Money which is Low or Medium	Value for Money which is High or Very High
Carbon reduction		The intervention negatively impacts on carbon reduction	The intervention has no impact on carbon reduction	The intervention positively contributes to carbon reduction	The intervention positively contributes to carbon reduction and a Carbon Assessment has been undertaken

Future scenarios			
	Score		
	1	2	3
Just about managing	The intervention is robust in the scenario of 'just about managing'	The intervention needs modified in the scenario of 'just about managing'	The intervention is redundant in the scenario of 'just about managing'
Digitally distributed	The intervention is robust in the scenario of 'digitally distributed'	The intervention needs modified in the scenario of 'digitally distributed'	The intervention is redundant in the scenario of 'digitally distributed'
Prioritised places	The intervention is robust in the scenario of 'prioritised places'	The intervention needs modified in the scenario of 'prioritised places'	The intervention is redundant in the scenario of 'prioritised places'
Urban zero carbon	The intervention is robust in the scenario of 'urban zero carbon'	The intervention needs modified in the scenario of 'urban zero carbon'	The intervention is redundant in the scenario of 'urban zero carbon'

The scoring matrix has three main sections: the LTP strategic themes, the set of criteria, and the future scenarios. The first three scores within the matrix are the LTP strategic themes, which were self-scored by the lead promoter within the intervention form. The Future scenarios are as shown in Annex C. The remaining criteria are expanded upon below and were developed alongside available guidance with our stakeholders to ensure that the Government and our wider objectives were also considered when scoring the interventions:

Deliverability within timeframe of the Local Transport Plan (2040)

- This assesses whether the initiative is deliverable by 2040 or not and has a score of either -1 or 1. Any initiative scoring -1 would be deemed inappropriate for inclusion within this Delivery Plan but would remain within the wider pipeline. This considers the delivery risk, as described below.

Delivery risk

- This assesses the potential level of delivery risk for each initiative, considering whether it is particularly contentious or novel. Particular risks considered include whether planning permission is required, if a considerable level of consultation is needed, and whether any third-party land is required. This is scored using the risks explicitly described by the promoters within the proforma, as well as our experience of potential delivery risks for certain scheme types.

Improving transport for the user

- This assesses whether the initiative will provide an improvement to transport for the user, considering the LTP theme of integration. For example, this may consider whether an intervention is resulting in a mode of transport being improved in terms of reliability, frequency or ease of access, or a route is changed to become more direct or safer to use. This will also consider whether the intervention allows for improved integration with other modes of transport and other services.

Affordability

- This assesses whether the initiative has a funding solution in place, does not have a funding solution but one is likely to be available within the timescales of the LTP (by 2040), or no funding source is available now or is likely to be available within the timescales. This considers a wider variety of funding sources, including known and upcoming competitive Government funding, devolution funding, and locally available sources.

Value for money

- This assesses whether the initiative has any Value for Money (VfM) information available, and scores based on the VfM category. If no information is currently available, a score of zero is given, so the initiative is not penalised for this.

Carbon reduction

- This assesses whether the initiative will contribute positively towards carbon reduction and scores the initiative higher if a carbon reduction assessment has also been completed.

Annex E: Monitoring and Evaluation (M&E) Framework

1. Overview

This document sets out a framework and the principles by which the Delivery Plan will be monitored and evaluated. It is vital to set out these principles from the offset to ensure that data collection can be aligned with the objectives and Key Performance Indicators (KPIs) within the Local Transport Plan and Delivery Plan. It also sets a baseline for the interventions within the Delivery Plan as they are further developed and implemented, ensuring a consistent and cohesive approach.

2. Key principles

The three key principles of the M&E framework are as follows:

- Accountability** – this is critical for any public body to demonstrate value for money from public funds and for the accurate recording of benefits of the interventions delivered in our region.
- Reporting compliance** – implementing high-quality monitoring and evaluation processes will allow us to offer more detailed reporting to our stakeholders, including to Government departments where required for grant funding awards. This will also help expand our evidence base for further developing our pipeline and when accessing competitive funds.
- Developing best practice** – through monitoring and evaluation we can ascertain the types of interventions that work well in our region to meet the needs of the people in our region as well as reaching the KPIs set out within the Transport Plan, ensuring we achieve our objectives.

These principles should be considered at both the Delivery Plan level and on a scheme-by-scheme basis, to ensure that there is cohesion in the approaches used.

3. Data requirements

There are a variety of approaches that can be used for the monitoring and evaluation of the Delivery Plan and the subsequent programmes and initiatives within it. The region has a wealth of data sources that we can draw from to monitor the KPIs within the LTP (section X), alongside a few national datasets.

For individual interventions, there are a variety of local data sources and tools that can also be used to obtain location or intervention-specific outcomes, for example pedestrian and cycle counters, air quality monitoring sensors, and public opinion surveys.

The following table summarises these KPIs, and the data sources used to determine the baseline at a LTP level, which can also be monitored to determine whether these have been achieved. This is further supplemented where possible by the potential data sources on an intervention basis, which could be used to demonstrate how individual elements of the Delivery.

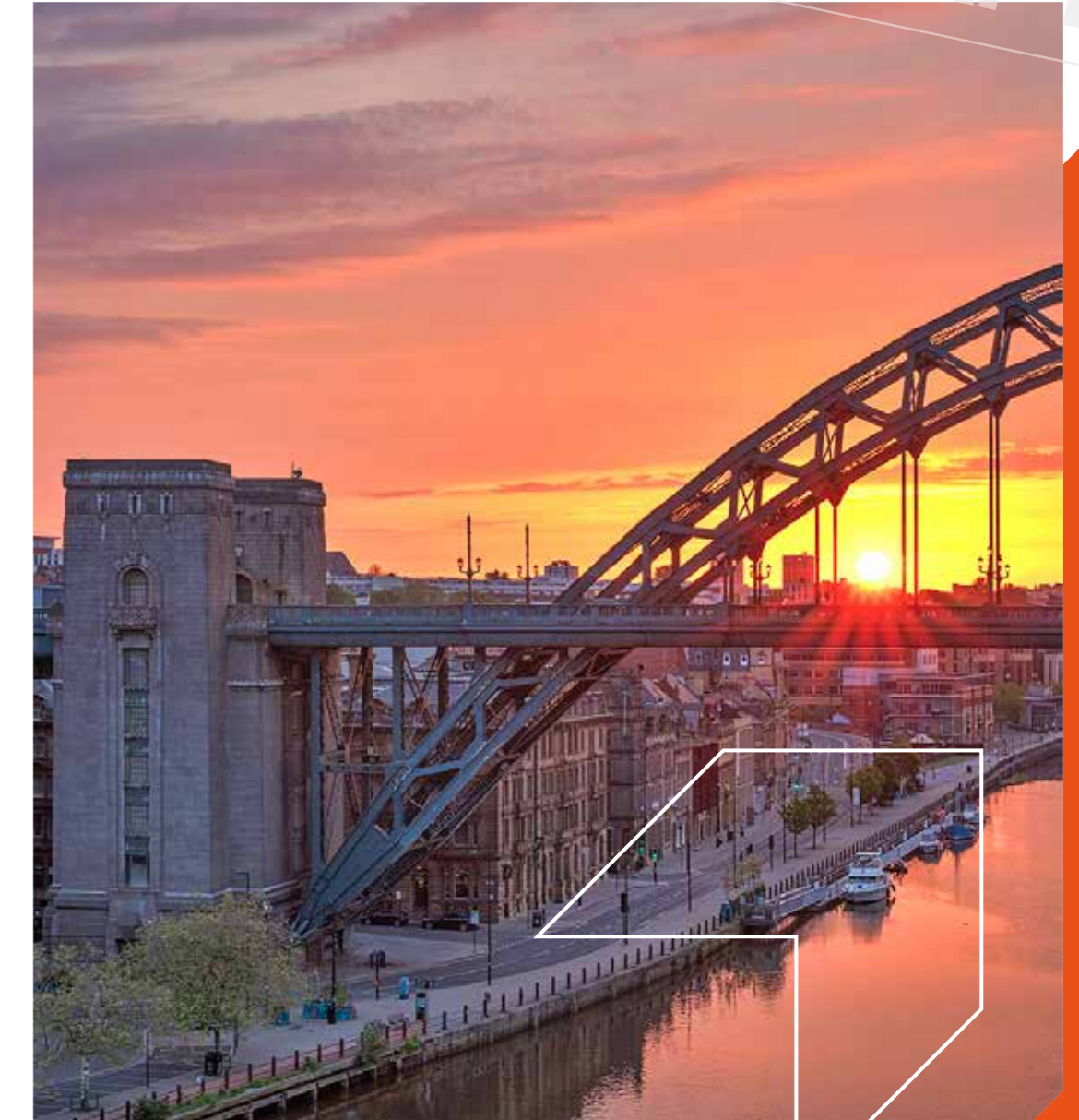
KPI (Direction of Travel)	Baseline Data Source (Transport Plan level)	Baseline Year	Data Sources (at an intervention level)
Sustainable travel (Increase the percentage of journeys made by walking, wheeling, cycling, and public transport as a percentage of total journeys in our region.)	National Travel Survey	2022	Potential for additional localised travel surveys if appropriate
Public Transport Accessibility (Increase the percentage of households that have access to a hospital, GP, secondary education, a town centre and 10,000 jobs within 45 minutes using public transport.)	Public Transport Accessibility Model	2024	
Climate Action (Decrease annual CO ² emissions per Capita created by transport.)	Department for Business, Environment, Innovation and Skills	2021	Local air quality monitoring sensors to the intervention
Air Quality (Decrease mean hourly reading of NO ² and PM2.5)	National Automatic Urban and Rural Network (AURN) sites and locally managed automatic monitoring sites	2022	Local air quality monitoring sensors to the intervention
Network Performance (Increase percentage of vehicles using the KRN and SRN travelling at least 85% of speed limit.)	Inrix traffic data	2022	
Road Safety (Significantly decrease the number of people killed or seriously injured amongst North East road users.)	TADU killed or seriously injured 3 year rolling average	2020-2022	
Road Safety (Significantly decrease number of slight casualties amongst North East road users.)	TADU slightly injured 3 year rolling average	2020-2022	
Uptake in ZEVs (Increase proportion of Percentage of all licensed vehicles in the region (excluding HGVs) that are ZEV.)	Department for Transport & Driver, Vehicle and Licensing Agency	2022	Monitoring usage of EV chargers – existing and new in the vicinity of a new intervention

A mixture of quantitative and qualitative data will be important to develop a full picture of the impact of the implementation of the Delivery Plan. A variety of tools will be used to monitor and evaluate the KPIs and the performance of the individual interventions. These will be dependent on the KPI/intervention and the data source available.

4. Reporting progress

Progress on the Delivery Plan will be reported to North East CA's Cabinet on a regular basis to ensure that Members are kept up to date with the delivery of the initiatives set out within the Delivery Plan, and the progress on the KPIs within the Transport Plan.

Plan are contributing towards the wider KPIs and objectives.



		NE Transport Pipeline - Headline Priorities			
Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
Delivery by 2027					
Safety, especially of women and girls, and other improvements in service quality					
Making Transport Safer and more accessible for women and girls and other vulnerable groups	North East Combined Authority	Package of safety, security and accessibility measures on the public transport network, making transport safer for women, girls and other vulnerable groups developed with initial revenue delivery and longer-term capital delivery through CRSTS 2	£100,000,000	2027	Behaviour Change
Metro Gateline Upgrades and Improvements	Nexus	Improved gatelines at stations on the network to include remote monitoring	£2,500,000	2027	Metro
Making Bus Infrastructure more accessible, safer and a higher standard	North East Combined Authority	Tranche 1: Safe and accessible bus infrastructure. Tranche 2: Upgrading regionwide bus infrastructure to an agreed standard.	£5,000,000	2027	Bus and Last Mile
Integrating the timetabling of services and onward journey information	North East Combined Authority	Actions to manage integrate timetabling, working towards a fully integrated public transport network.	N/A	2025	Information, Ticketing and Technology
Accessibility Audits and Training	North East Combined Authority	Review of the physical accessibility of the network with an emerging action plan and the delivery of a training programme for staff across transport delivery and operations	£100,000	2025	Behaviour Change
Supported Travel Enhancements package in Tyne and Wear.	Nexus	Supported Travel Schemes provided by Nexus on average provide £5.72 of Social Value for each journey completed. Enhancing and/or expanding the current schemes will support more individuals across the region and make travel safer for women and girls.	TBD	2027	Revenue
Rail Reform including North East Rail Partnership	North East Combined Authority	Negotiate rail partnership with GBRTT and DfT, giving NE meaningful influence over local rail (Northern) specification, more say over LDHS timetables, oversight of the regional rail capital programme, expansion of Pop and EMV onto local rail service. Coverage of traction systems and station operations / ownership	N/A	2025	Heavy Rail
Measures to enhance Bus passenger experience	North East Combined Authority	Continue Community Bus Partnerships, inclusive of ambassadorial programmes and funding for local improvements and initiatives raised through them.	TBD	2024	Bus and Last Mile
Supporting, maximising and enhancing existing bus routes and key services	North East Combined Authority	Protecting existing routes and key services and delivering enhancements to the network to deliver greater frequency and accessibility across the network	£35,527,912	2027	Revenue
Connections between different transport types					
Integrated and Connected stations	North East Combined Authority	Connecting stations via public and sustainable means. Delivering an uplift in EV charging and enhanced active travel links. Phase 1 is provided by CRSTS 1 funding. Phase 2 will be developed for future funding opportunities.	£7,500,000	2027	Heavy Rail
Bike and Ebike Hire Programme	North East Combined Authority	Delivery of a regional bike hire programme that is affordable to help people cycle who aren't able to own/afford a bike. Integrated as part of the region's sustainable transport network. Hubs will be located at strategic points around the region (transport interchanges, employment sites, town and city centres, residential areas).	TBD	2026	Active Travel
National Highways Partnership	North East CA	Partnership with National Highways to ensure collaboration and the effective management of the Strategic Road Network	N/A	2027	Road
Planning journeys/Informing users/Supporting Customers					
Bus Reform	North East Combined Authority	Investigate options for Bus Reform	£8,500,000	2027	Bus and Last Mile
Regionwide behaviour change package and campaign	North East Combined Authority	An initial package focused on development of emerging modes of flexible transport e.g. car clubs, electric bikes, and use of digital information to support more sustainable transport use and to support people to make more integrated journeys (e.g. funding to kick-start scheme and support operations for an initial defined period).	£1,493,240	2027	Revenue
Active Travel Champion	North East Combined Authority	Commencing a walking and cycling ambassadorial programme and a region wide behavioural change initiative to cement best practice.	£300,000	2025	Active Travel
Fares communication and promotion	North East Combined Authority	Ensuring passengers get value for money through the most appropriate fare with an awareness raising exercise.	£20,000	2027	Information, Ticketing and Technology

Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
Work-based Sustainable Travel Programme	North East Combined Authority	Working with businesses regionwide to ensure employees and employers have the tools and information to travel sustainably. Including staff travel surveys, personalised travel planning with staff, cycle training, transport hubs, cycle maintenance, work champions, work sustainable travel competitions, business accreditation awards, promotional activities, etc.	£20,000	2025	Behaviour Change
Reach and resilience of infrastructure					
North Shields Ferry Landing	Nexus	Relocation of the Ferry landing on the north bank of the Tyne to tie in with the regeneration of the fish quay area.	£14,500,000	2027	Ferry
Electric Vehicle Charging Network	North East Combined Authority	Starting the delivery of the largest electric vehicle charging network in the country. This project will install approx. 200 EV chargers across the North East. The location of the charging points will be determined through an enabling study, and sites will be chosen based on the requirement for the charging infrastructure to be easily accessible to a range of different users. (Phase 1 is delivered through CRSTS focused on filling gaps in the network with Phase 2 being developed thereafter)	£4,600,000	2027	Decarbonisation
Residential Electric Vehicle Charging	North East Combined Authority	The expansion of our EV charging network focusing on residential areas where there is a lack of off street parking. Initial forecast of the delivery of over 1200 charging points	£15,800,000	2027	Decarbonisation
Delivering improved all user connections to Blyth	Northumberland County Council	Delivery of a relief road for Blyth which will create additional radial capacity for Blyth, reducing congestion, improving bus journey time reliability, and creating the space for high quality segregated cycle corridors identified through the Local Cycling and Walking Infrastructure Plan for the town.	£46,000,000	2027	Road
Bowburn Relief Road	Durham County Council	Reducing the pressure on J61 of the A1(M) and reduce traffic volumes through Bowburn village to facilitate further employment development to the south west of Bowburn village adjacent to the site of the Amazon warehouse and Integra 61. A relief road to bypass the A177 at Bowburn is proposed to intercept traffic travelling between the A688 and the A177 (in both directions)	£26,000,000	2027	Road
Ticketing and fares					
New payment technologies for Metro (EMV)	Nexus	Delivery of contactless solutions on Metro to be delivered by 2027 to allow tap on tap of payment mechanisms	£10,000,000	2027	Information, Ticketing and Technology
Comprehensive ticketing and information package	North East Combined Authority	Sponsoring the delivery of a comprehensive cross modal ticketing, information and planning services solution built in partnership with authorities and operators. Building on work with EMV and Pop 2.0. the project will deliver a single smart transport payment system, real time mapping and will be delivered in phases.	£16,200,000	2027	Information, Ticketing and Technology
Subsidised Fares package including free travel for under 18's	North East Combined Authority	Options to be considered include free travel for under 18's across the network and those leaving care and Travel passes for bus / metro for those getting back into work or training. (Indicative costs provided based on delivery to date)	£40,000,000	2027	Revenue
Delivery by 2032					
Safety, especially of women and girls, and other improvements in service quality					
Railway Assets Review	North East Combined Authority	Commission a study into the assets of the railway to improve conditions for local rail operations including their accessibility, achievement of objectives and potential delivery models including opportunities, costs and risks (would include looking at public control of stations)	N/A	2030	Heavy Rail
Connections between different transport types					
Refurbishing Heworth Interchange bus station	Gateshead Council	Remodelling of Heworth Interchange at a surface level improving connections for buses into and out of the interchange	£10,500,000	2028	Bus and Last Mile
Planning journeys/Informing users/Supporting Customers					
Bus Reform	North East Combined Authority	Implement findings of Bus Reform. Costs will be fully defined following scheme development.	TBD	2030	Bus and Last Mile
Enhancing the supply and quality of Public Transport passenger information	Nexus	The scheme will deliver enhanced public transport information via a range of means utilising digital and physical means integrating with recent investments.	£16,000,000	2030	Information, Ticketing and Technology
Delivering more accessible public Transport Information at stations	Nexus	The NE has existing Visual equipment around the region in the form of Passenger Information Displays at stations and selected stops. This will be upgraded and expanded with additional forms of audio and visual technology to maximise information for all groups in society, including wayfinding, customer and real time information.	TBD	2030	Information, Ticketing and Technology
Sustainable travel projects including school streets	North East Combined Authority	Active Travel and sustainable transport promotion within schools	£5,000,000	2030	Behaviour Change

Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
Access to Active Travel Equipment scheme	North East Combined Authority	Identifying and supporting the development of access to equipment schemes such as cycle grants or loans / cycle to work or education schemes for those not in full time employment. This includes exploring a Cycle to Work Alliance. Ensuring people have the means to travel sustainably.	£140,000	2030	Active Travel
Reach and resilience of infrastructure					
Metro Essential renewals (post 2025)	Nexus	A fully costed 10 year asset management replacement plan. Prioritised so most urgent work done first. Allows for long term approach to capital funding. Inclusive of £5m for track improvement works at Howdon	£255,000,000	2028	Metro
Tyne and Wear Metro Re-Signalling	Nexus	A new signalling system for Tyne and Wear Metro, to replace the current, outdated system to allow Metro to continue to operate safely, linking with capacity enhancements and expansion of the Metro network.	£600,000,000	2028	Metro
Rail Extensions Phase 1 - Washington connected by Metro	North East Combined Authority	Extending the Tyne & Wear Metro to Washington using the Leamside Line alignment from Pelaw to Washington, with a new section of track south of the Viaduct then connecting to the former Durham-Sunderland Railway alignment to join the existing Metro network at South Hylton.	£900,000,000	2032	Heavy Rail
Reopening of Ferryhill Station and Stillington Line to passenger services towards Teesside.	Durham County Council	Reopening of Ferryhill Station	£30,000,000	2030	Heavy Rail
Upgrades to Seaton Burn/Fisher Lane A1/A19 Junctions	National Highways	Upgrades to improve long-term capacity to support economic growth and improve safety	Funding External	2030	Road
Upgrades to Moor Farm Junction	National Highways	Upgrades to improve long-term capacity to support economic growth and improve safety.	Funding External	2030	Road
A1 Dualling to Ellingham	National Highways	Two RIS2 Highways England schemes (Morpeth to Felton, Atwick to Ellingham) to deliver dualling to Ellingham	Funding External	2030	Road
A194 White Mare Pool comprehensive junction solution.	South Tyneside Council	This is a fully comprehensive junction solution that has been developed as part of the Local Plan. Will achieve the corporate objectives and those of others, including National Highways	£25,000,000	2029	Road
Murton Gap Delivering the New Metro station in North Tyneside	North Tyneside Council	Development of new station on the Northern Metro loop, and associated infrastructure/ equipment, linked to key sites in the North Tyneside Local Plan (Murton Gap)	£12,000,000	2030	Metro
Future extensions for the Northumberland Line	Northumberland County Council	Improving accessibility to South East Northumberland by rail through additional stations and investigating extensions	Funding External	2032	Rail
North East active travel network	North East Combined Authority	Delivering a fully joined-up and region-wide active travel network, linking together existing parts of our active travel networks, parks and greenspaces. Designed to a consistent standard with a strong, identifiable brand. Investments will be targeted to extend benefits of existing schemes and existing spaces. Working closely with the community and wider stakeholders to deliver appropriate interventions.	£100,000,000	2030	Active Travel
Film Studio enabling infrastructure	Sunderland City Council	Additional highway infrastructure to accommodate growth. New road layouts, junctions and public transport infrastructure will be required.	£10,000,000	2030	Road
Delivery by 2040					
Safety, especially of women and girls, and other improvements in service quality					
Tyne Valley journey time improvements	Great British Railways	Improving local rail conditions reducing end to end journey times to be more competitive with car based journeys.	Funding External	2034	Heavy Rail
Next Generation Stations programme - upgrading our interchanges	North East Combined Authority	Next generation stations and interchange upgrades programme. A package of upgraded and new interchanges, stations and stops assimilated in partnership with promoters and Operators to test and trial design and technology solutions	TBD	2035	Bus and Last Mile
Reach and resilience of infrastructure					
Major upgrade to the East Coast Mainline - Leamside Component	Great British Railways	Major upgrade via East Coast Main Line (and Leamside) to include provision 9tph high speed passenger services - Open up access to one of the least served areas by rail in the North East and provide approx. 1 million residents with suburban rail access Incorporates:	Funding External	2035	Heavy Rail
A19 junction improvements and capacity upgrades in North Tyneside, South Tyneside, Sunderland and County Durham	National Highways	-A19-A193 Howdon interchange signalisation; -A19 junction and on-line improvements between Killingworth interchange and Coast Road/Silverlink interchange -A19/A1056 Killingworth Bridge improvements at Hylton Jarrow - Lindisfarne Improvements	Funding External	2035	Road
A69 route improvements	National Highways	A69 route improvements to improve safety and network performance including potential dualling and/or climbing lanes and targeted junction improvements west of Hexham (including the B6351 Hexham west junction)	Funding External	2035	Road

Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
Sunderland Station capacity improvements and track layout improvements	Sunderland City Council	Indicative proposal to reopen the second island platform and increase the number of tracks running through the station to four and increasing National Rail services calling at Sunderland Station	£50,000,000	2035	Heavy Rail
Durham Coast Line (route upgrade and service improvements)	Great British Railways	Durham Coast Line (route upgrade and service improvements) to facilitate local rail connectivity to Darlington and York	Funding External	2035	Heavy Rail
Delivery of East Gateshead Station	Gateshead Council	Station to serve Gateshead centre and Quays	£20,000,000	2040	Heavy Rail
New Metro Stations	Nexus	Develop new stations, in line with Metro expansion corridors to improve access and connectivity to the system. A programme of these will be developed in line with Metro demand studies.	£79,000,000	2040	Metro
Improvements in zero carbon public transport options	North East Combined Authority	Securing funding and considering alternative funding and finance options to support the greater roll out of low emission vehicles and vessels, incorporating electric, gas and hydrogen solutions. This package focuses specifically on Bus.	£50,000,000	2035	Decarbonisation
Metro and Local Rail Enhancements (Phase 2)	North East Combined Authority	Local Rail Enhancements package for the existing rail network delivering improvements to existing network, to enhance frequency, punctuality and deliver journey time savings	£2,500,000,000	2035	Heavy Rail
Riverside Sunderland Low level Pedestrian bridge	Sunderland City Council	A moveable or opening non motorised user bridge at the lower level of the River Wear	£30,000,000	2035	Active Travel
Investigating new Strategic River Crossings within the region.	North East Combined Authority	Delivery of new river crossings to support resilience of structures	£40,000,000	2040	Road
Delivering Northern Powerhouse Rail in Full	Great British Railways	Improvement connectivity and journey time between the North East, West Yorkshire and North West through the delivery of Northern Powerhouse Rail in full	Funding External	2040	Rail
Completing the A1 Dualling to Scotland	National Highways	Completion of the dualling of the A1 from Ellingham north into Scotland	Funding External	£2,040.00	Road

			Transport Pipeline 2024-2027 (Wider Schemes)			
New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
Connections between different transport types						
CA24	Customer Experience Strategy and delivery of measures to support an integrated network	North East Combined Authority	To help our residents and visitors undertake integrated journeys we need an integrated transport network which meets users' needs and is attractive. A integrated transport network which is simple and easy to use, affordable and gets people to where they need to be will key in encouraging people to travel sustainably where possible, freeing up the road network for essential journeys that need to be made by car or van. This customer support strategy will set out measures to support customers at each stage of their journey, from the point of deciding to travel right through to arriving at their end destination and a series of first phase measures that will be invested in.	£5,050,000	2026	Behaviour Change
DU02	Walking & Cycling Improvements in Durham City	Durham County Council	Creating and improving links to key employment, education and tourism sites across the City and to wider urban settlements to create a feasible alternative to a private car journey.	£10,000,000	2027	Active Travel
DU03	County Durham Accessible Routes	Durham County Council	Improvements to walking and wheeling routes across the County	£1,000,000	2027	Active Travel
DU04	Aykley Heads Connectivity	Durham County Council	Connecting Aykley Heads to wider transport (bus stops, cycle links and railway station links) as well as making existing routes fully accessible.	£1,500,000	2030	Active Travel
DU11	Horden Active Mode streetscape improvement in residential areas.	Durham County Council	Active mode improvements in the Horden Area with public realm and landscaping improvements.	£4,000,000	2027	Active Travel
DU27	Durham City Approaches: Bus Priority Measures.	Durham County Council	Considers bus priority measures to improve key radial commuter routes into Durham City to improve the reliability of the bus services and encourage a modal shift. Includes: A177 Shincliffe, A181 Gilesgate and A690 Nevilles Cross	£5,000,000	2027	Bus and Last Mile
DU29	Funding for development and potential DCC match swap	Durham County Council	A fund to safeguard current major projects.	£5,000,000	2027	Revenue
DU30	Durham Northern Approaches. (Active Travel)	Durham County Council	New College Durham to Arnison Centre in 2 phases (Rotary Way then Framwellgate Front Street) making the current arrangements permanent	£2,500,000	2025	Active Travel
DU31	Baths Bridge - Create an active mode link across the Wear linking residential, employment and education sites.	Durham County Council	Replace the footbridge over the Wear for pedestrians and cyclists.	£5,000,000	2027	Active Travel
GA26	Mobility Hubs	Gateshead Council	Across the funding period will install 5 multi-modal mobility hubs, strategically integrated into the public transport network	£1,500,000	2027	Behaviour Change
GA31	MetroGreen Intermediate schemes	Gateshead Council	Facilitating development in the area action plan area of Metro Green through sustainable transport improvements	£10,000,000	2027	Active Travel
GA37	Gateshead Quays (masterplan outcome measures and active travel infrastructure)	Gateshead Council	Further transport infrastructure is required in the Quays area to support the regeneration of the area	£5,000,000	2027	Active Travel
GA39	Traffic monitoring infrastructure	Gateshead Council	There is an established need for data collection and monitoring of vehicular traffic and the use of active modes across the North East. This requires counters to be installed and maintained at strategic points on the network. These counters regularly need to be updated and renewed.	£500,000	2027	Active Travel
NE09	Connected Communities	Newcastle City Council	Delivery of community based active travel opportunities	£20,000,000	2027	Active Travel
NE11	Central Newcastle - Walking, Cycling and Public Transport improvements	Newcastle City Council	Investment in public transport, walking and cycling to enable a zero carbon central Newcastle	£25,750,000	2027	Active Travel
NO19	Blyth to St Mary's Active Travel Scheme	Northumberland County Council	Delivering a segregated high quality active travel route from Blyth to the North Tyneside border	£7,500,000	2027	Active Travel
NO17	Recreational cycle network development in Northumberland	Northumberland County Council	Capital investment targeted at improving the walking and cycling networks in Northumberland to support greater opportunities for recreational cycling and accessing the visitor attractions across the county by active modes.	£3,000,000	2028	Active Travel
NO20	Connected Stations - Delivery of elements in Northumberland.	Northumberland County Council	1. Bedlington - Bus connectivity, sympathetic to the LUF walking and cycling corridor. 2. Station signage - All stations, improved signage for onward connectivity, details on bus connections, walking and cycling routes. 3. Morpeth and Hexham - Brompton e bike storage. 4. Cycle storage - Morpeth, Prudhoe, Haltwhistle. 5. Station facilities audit - Station audits, a research study.	£5,000,000	2027	Heavy Rail
NT03	Delivery of the transport elements of the North Shields Fish Quay Plan	North Tyneside Council	Improve sustainable links between Fish Quay, town centre and active travel routes and complement wider regeneration	£10,000,000	2027	Active Travel

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
NT06	Improving Wallsend town centre public realm delivery and improve accessibility for all users	North Tyneside Council	Improve public realm and accessibility in the Wallsend town centre area, building on earlier regeneration work	£4,500,000	2027	Active Travel
NT07	Improving Whitley Bay town centre public realm delivery and improve accessibility for all users	North Tyneside Council	Improve public realm and accessibility in the Whitley Bay town centre area, complementing wider regeneration work	£5,000,000	2027	Active Travel
NX21	Callerton Park and Ride Extension	Nexus	Expand Car park and improve all facilities	£4,200,000	2027	Park and Ride
ST01	Improved Cycling Links to Tyne Pedestrian Tunnel	South Tyneside Council	Improved connections on both the South and North side of the Tyne Pedestrian Tunnel	£2,000,000	2025	Active Travel
ST15	Micro Mobility Hub	South Tyneside Council	Delivery at South Shields Interchange of a 16 bay automated bike hire machine.	£300,000	2025	Active Travel
ST20	South Shields Town Centre Active Travel Route	South Tyneside Council	The proposed route would provide a direct and dedicated route over 1.4km between the Ferry Landing to the South Shields Foreshore along King Street providing seamless access to South Shields Town Centre, Public Transport Interchange and Ferry Terminal. This is in addition to providing access for the proposed South Tyneside college relocation into the Town Centre.	£2,989,471	2027	Active Travel
Planning journeys/Informing users/Supporting Customers						
CA10	Regional Transport Model and Monitoring package	North East Combined Authority	Development of a regional transport model for analysis and decision making together with monitoring tools	£500,000	2026	Information, Ticketing and Technology
CA15	Sponsoring cycle training in schools	North East Combined Authority	Sponsoring Cycle training programmes in schools and available in the community with group rides	£70,000	2025	Active Travel
CA16	Improved mapping and promotion of the Active Travel network	North East Combined Authority	Sponsoring the development of outward facing promotional material, including an interactive map perhaps integrated with an app development and highlighting a network of servicing locations for equipment. Also includes a common approach to monitoring and evaluating use on the active travel network, linked to a placed based management approach	£1,150,000	2025	Active Travel
CA17	Integrating health and transport planning with active travel prescriptions	North East Combined Authority	A clear action plan for initiatives between the NHS, Public Health Directors and the North East CA including spend to save initiatives	£50,000	2025	Active Travel
CA29	Regionwide Infrastructure Mapping Application	North East Combined Authority	Deliver a Regional infrastructure and asset map which enables connectivity solutions to unlock further strategic growth sites (housing and employment) to be realised. This will include an online platform to enable local trade, deliveries and international exports	£250,000	2026	Information, Ticketing and Technology
CA44	North East active travel partnership board	North East Combined Authority	The creation of this Board will provide a strategic steer on the direction of Active Travel in the region.	N/A	2025	Active Travel
CA45	Accessibility Forum	North East Combined Authority	The creation of an EV Infrastructure accessibility Forum, including local stakeholders and disability groups. This scheme will make sure those with disabilities and mobility issues are heard when developing the public charging network.	N/A	2025	Road
CA46	EV Partnership Steering Group	North East Combined Authority	Setting up an EV Partnership group with the public/private sector and Distribution Network Operators (DNOs) to support, build, and grow the EV charging infrastructure across the North East.	N/A	2025	Decarbonisation
CA52	Active Travel Infrastructure Design Training	North East Combined Authority	Active travel route infrastructure design training for local authority officers and members	£20,000	2025	Active Travel
CA57	Influence the National NPPF Transport Working group to integrate transport	North East Combined Authority	Delivering change in ensuring positive approaches to the NPPF when it comes to the integration of transport	N/A	2027	Behaviour Change
CA59	North East Travel Plan Accreditation Scheme	North East Combined Authority	Travel plan accreditation scheme, where businesses are encouraged to have an up-to-date travel plan in place, where they can evidence the measures in the travel plan they have accomplished. Can be based on gold, silver and bronze standards (or similar) with some sort of incentive (such as funding to provide on site cycle parking facilities, press coverage, etc	TBD	2027	Revenue
CA60	Regionwide Travel behaviour change package and campaign	North East Combined Authority	Creation of a behaviour change team within NECA, a regional promotional campaign for EV, EV charge points, public transport and active travel, and a gamification pilot. Also includes fares marketing, school journey planning education, Travel Plan accreditation and travel planning bond.	£100,000	2027	Revenue
CA63	Real Time Passenger Information Screen replacements	North East Combined Authority	RTPi screen upgrade / new screen roll out programme	£1,000,000	2025	Information, Ticketing and Technology
DU01	Digitising Traffic Regulation Orders	Durham County Council	Digitising all countywide TROs in line with government and DfT aspirations	£1,000,000	2027	Information, Ticketing and Technology
GA28	School Streets within Gateshead	Gateshead Council	Seeking to support Active Travel as the preferred means of travel to school - reducing growing traffic congestion around schools which adversely impacts road safety, air quality and health	£1,000,000	2027	Active Travel
GA32	Tyne Bridge Sustainable Maintenance (Interim Measures)	Gateshead Council	Sustainable transport measures associated with the Tyne Bridge restoration works	£6,500,000	2027	Active Travel
ST19	Traffic Signal Improvements in South Tyneside along Strategic Corridors	South Tyneside Council	Traffic Signal Improvements in South Tyneside along Strategic Corridors Locations include the following - A185 / Jarrow Slake / Port of Tyne - Jarrow, A185 - Station Road - Hebburn, Station Road / Glen Street - Hebburn,	£1,000,000	2025	Maintenance
SU36	Social Prescription for Active Travel	Sunderland City Council	Expansion of the self-funded Active Travel Prescribing project carried out in the city	£5,000,000	2025	Behaviour Change

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
UTMC01	Bus Priority and Urban Traffic Management and Control (UTMC) System	Newcastle City Council	The UTMC operates within Tyne and Wear and Durham and requires maintenance to ensure it can continue to meet the needs of the region in managing the signals across the network and delivering bus network improvements in respect of punctuality and reliability	£2,500,000	2027	Road
Reach and resilience of infrastructure						
CA07	Fund replacement and upgrade of existing EV infrastructure	North East Combined Authority	Plug funding gap to replace and or upgrade EV legacy equipment.	£600,000	2027	Decarbonisation
CA35	Creation of a North East road and highways strategy for all users	North East Combined Authority	Create a regionwide road strategy and road safety strategy for the Strategic, Major and Key Road networks	£50,000	2027	Road
CA36	Increasing Strategic Maintenance budgets	North East Combined Authority	Secure additional strategic highways maintenance budget harnessing technology to monitor, deliver targeted improvements to keep the network operating smoothly for all	£60,000,000	2027	Road
DU05	Bishop's Gateway	Durham County Council	Create a link road from A688 to Jocks Bridge which will facilitate parking associated with tourism events.	£20,000,000	2027	Road
DU06	Capacity Improvements to Tindale Triangle	Durham County Council	Improve capacity around the Tindale Triangle area to allow a second phase of development to come forward.	£6,000,000	2025	Road
DU07	Durham Digital Twin	Durham County Council	Utilise data collection technology including cameras and traffic signals to improve public transport reliability and air quality and reduce congestion and environmental impact.	£5,000,000	2030	Information, Ticketing and Technology
DU08	Road safety, capacity and pedestrian connectivity improvements at J60 A1(M)	Durham County Council	Road safety, capacity and pedestrian connectivity improvements at J60 A1(M)	£7,000,000	2027	Road
DU09	Improvements to the National Cycle Network Route 1 in County Durham	Durham County Council	NCN1 Improvements in Durham - a series of works to improve the quality of the route including upgrading to take into account biodiversity and appearance of a section of National Cycle Network Route 1 which runs between Seaham and Stockton.	£2,000,000	2025	Active Travel
DU10	Active mode connectivity , public transport reliability and capacity improvements at A693 Stanley	Durham County Council	The proposal focuses on improvements to the A693/Oxhill and A693/Asda junctions. The junctions adjoin the Stanley A693 Bypass, which is a 40-mph dual carriageway, through the town. The A693 links North West Durham (including the settlement of Consett) and the A1M (J63) at Chester-Le-Street, offering a key west to east link. A693 from Oxhill signal junction to Asda roundabout, which would be signalised and include a pedestrian phase across roundabout, negating use of subways. Includes active travel linking to C2C route	£17,000,000	2027	Road
DU12	Junction 63 A1(M) capacity improvements	Durham County Council	Improve capacity on the northbound merge and southbound diverge lanes at J63, Chester Le Street to safeguard future developments and to reduce the impact on surrounding DCC highway network. Regional benefits.	£5,500,000	2027	Road
DU14	Toft Hill and High Etherley Bypass	Durham County Council	Create a new bypass between The Smiths Arms and High Etherley by re-routing the A68 and creating a new bypass to divert large HGV % of traffic away from Toft Hill Village bringing environmental benefits in terms of air, noise, dust and vibration	£15,000,000	2027	Road
DU15	A689 Sedgefield to Wynyard active mode route improvements	Durham County Council	Upgraded/new off carriageway track connecting Sedgefield and Wynyard growth area	£6,000,000	2027	Active Travel
DU16	A177 cycling improvements, linking Coxhoe with Net Park	Durham County Council	A177 cycling improvements, linking Coxhoe with Net Park employment site and Sedgefield	£3,500,000	2027	Active Travel
DU17	Belmont to Newton Hall active mode route improvements	Durham County Council	Cycling route improvements via Belmont Viaduct, linking North and east Durham employment sites	£25,500,000	2027	Active Travel
DU21	A690 Stabilisation	Durham County Council	Planned: Maintain the A690 from Gilesgate Roundabout to A1(M), a key commuter route into and out of the City.	£17,985,000	2025	Maintenance
DU23	Electrification of P&R fleet	Durham County Council	To reduce vehicle emissions within the city, it is proposed to convert Durham County Council's Park & Ride bus fleet from diesel to electric.	£5,000,000	2027	Decarbonisation
DU24	Bishop Auckland EV Charging Station	Durham County Council	EV charging opportunity relating to visitors	£4,000,000	2030	Decarbonisation
DU25	Net Park Sustainable Infrastructure.	Durham County Council	Create and improve sustainable access to Net Park	£9,500,000	2027	Active Travel
DU26	Bishop Auckland Walking & Cycling Improvements	Durham County Council	Create and improve an active travel route from West Auckland to Bishop Town Centre routing through the town centre, passing multiple key employment and retail areas.	£5,000,000	2027	Road
DU28	A167/A690 Durham City Capacity Improvements	Durham County Council	SCOOT and ITS - A167/A690 UTMC roll out on all approaches from the north and west of the City, linking to existing ITS/SCOOT systems. Systems to include pedestrian and cycle crossing connectivity, signalising Sniperley roundabout and introduce SCOOT from A690 Stonebridge through A167 Nevilles Cross and A690 Crossgate to A690 North Road roundabout, creating an improved public transport corridor.	£27,000,000	2027	Road
GA02	Small scale cycling improvements (Gateshead)	Gateshead Council	Package of small scale improvements and additions to the cycle network across Gateshead assisting to deliver the Council's Cycling Strategy.	£3,000,000	2027	Active Travel
GA08	Highway structures major maintenance	Gateshead Council	Major maintenance works to highway structures across Gateshead	£5,000,000	2027	Maintenance

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
GA12	High Spen to Greenside cycle route	Gateshead Council	Provision of 3m wide off road shared use path between High Spen and Greenside alongside Spen Lane to provide sustainable transport routes in the outer west	£700,015	2027	Active Travel
GA17	Derwent Cycle Route Improvements	Gateshead Council	Various cycle improvements linked to housing development in west Gateshead	£394,865	2027	Active Travel
GA21	Road network maintenance including on unclassified roads.	Gateshead Council	Unclassified roads make up over 85% of the overall road length in Gateshead, with a total of 782 kilometres to be maintained. This is a maintenance package.	£5,000,000	2027	Maintenance
GA27	Birtley town centre active travel improvements	Gateshead Council	Provision of walking and cycling facilities up to LTN 1/20 standards.	£7,499,112	2027	Active Travel
GA29	Askew Road West cycleway	Gateshead Council	Askew Road (between the Redheugh Bridge junction and the junction with West Central Route) is presently urban dual carriageway. The scheme would repurpose one of the carriageways for use as a dedicated two way cycle route with the other side being converted to standard single way carriageway in either direction.	£2,840,606	2027	Active Travel
GA30	A694 corridor improvements	Gateshead Council	Changes are needed to several junctions, the bus lane and cycling facilities along this corridor due to housing development in Core Strategy (South Chopwell).	£1,800,000	2026	Active Travel
GA33	Albany Road widening and active travel	Gateshead Council	Increased capacity to ensure the safe and efficient flow of vehicular traffic to and from the new arena complex. This scheme specifically makes provision for pedestrians and cyclists with segregated facilities along the length of the road	£900,000	2027	Road
NE15	Delivery of local walking and cycling improvements across Newcastle	Newcastle City Council	Investment in top priority LCWIP routes and junctions	£37,539,000	2027	Active Travel
NE16	Coast Road	Newcastle City Council	Consideration of the potential for active and sustainable solutions on the Coast Road	£16,000,000	2027	Active Travel
NO03	Critical Rural Road (U and C Class) Maintenance Programme	Northumberland County Council	To repair and strengthen key roads underpinning the rural and regional economy including access to key tourist destinations (Hadrian's Wall World Heritage site, Northumberland National Park including International Dark Skies Park), timber extraction and quarrying.	£10,000,000	2027	Maintenance
NO13	Northumberland LCWIP	Northumberland County Council	Capital investment targeted at improving the walking and cycling networks in the 12 main towns of Northumberland. Proposed schemes will vary from town to town and would involve physical segregation of road users; traffic calming and road safety measures; providing dropped kerbs and tactile paving and improved crossing facilities, essentially improving the safety and convenience of walking and cycling and supporting a shift in the way we travel.	TBC	2027	Active Travel
NT01	Improvements to key sustainable routes in North Tyneside	North Tyneside Council	Sustainable improvements at various locations on key strategic sustainable routes within the borough	£20,000,000	2027	Active Travel
NT04	A191 all user improvements	North Tyneside Council	Improvements for all users in the A191 corridor in North Tyneside	£2,000,000	2027	Active Travel
ST02	Highway Maintenance Resurfacing Backlog in South Tyneside	South Tyneside Council	The council's Highway Asset Plan indicates a backlog of maintenance of over £80m, in order to improve this position and to reduce the backlog further investment is required.	£5,000,000	2025	Maintenance
ST03	Commercial Road Multi-Modal Corridor Improvements	South Tyneside Council	Strategic Transport Improvements throughout Commercial Road to facilitate development at Holborn Riverside.	£2,500,000	2025	Road
ST04	A185 upgrade to support the Port of Tyne	South Tyneside Council	Congestion relief at Howard Street at A19 entry. This will improve severe congestion at the A19/Tyne tunnel especially during peak times.	£2,500,000	2025	Road
ST05	A19 Southbound Lane Gain / Lane Drop	South Tyneside Council	Introduction of an additional carriageway between the A185 and A194 junctions on the A19 Southbound to alleviate congestion. This scheme also benefits Non Motorised Users and is intrinsically linked to the operation and performance of Port of Tyne and IAMP.	£10,000,000	2025	Road
ST06	A185 / Howard Street Multi Modal Corridor Improvements	South Tyneside Council	Consideration to strategic junction improvements at the Howard Street / Tunnel Portal to improve traffic movements.	£25,000,000	2025	Road
ST09	Strategic Corridor Improvements between Testo's and Boldon Asda junctions	South Tyneside Council	Scheme will involve the significant remodelling of the junction and some of the wider area in order to prioritise bus movements and journey times. Additional effects will include improved road safety and general journey time optimisation.	£3,500,000	2026	Road
ST10	Abingdon Way / Hedworth Lane Multi Modal corridor improvements	South Tyneside Council	Abingdon Way / Fellgate Avenue / Hedworth Lane Junction Improvements	£1,000,000	2025	Road
ST11	A194 Multi-Modal Corridor Improvements	South Tyneside Council	The A194 is the major access road to South Shields Town Centre. The purpose of this scheme will be to local at multi-modal improvements along the A194 between the junction with West Way and Crossgate, South Shields to deliver improvements to all modes.	£3,500,000	2025	Active Travel
ST12	A1018 Multi-Modal Corridor Improvements	South Tyneside Council	This scheme will focus on the A1018 between South Shields and Sunderland. It will involve a corridor approach in order to deliver multimodal improvements with a view to improving accessibility for sustainable transport.	£5,000,000	2026	Active Travel

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
ST13	A183 Strategic Transport Corridor (NCN 1 - Phase 2) - Connecting to Sunderland Boundary - Souter to Whitburn	South Tyneside Council	This scheme will complete the upgrade of NCN1 from South Shields to Sunderland. Focussing specifically on a section through Whitburn. We will upgrade to LTN1/20 standard a route to allow seamless, long distance and cross boundary travel.	£3,000,000	2026	Active Travel
ST16	Major Highway Structural Maintenance Improvements (Heugh Street, Newcastle Road, Jarrow Slake).	South Tyneside Council	Significant Capital Investment is required to ensure that the Bridge Assets are maintained to the expected requirements.	£15,000,000	2025	Maintenance
ST18	National Cycling Network - Route 14 Improvements	South Tyneside Council	This scheme will complete the upgrade of NCN14 from South Shields to Gateshead. Focussing specifically on a section through Hebburn and Jarrow. We will upgrade to LTN1/20 standard a route to allow seamless, long distance and cross boundary travel.	£3,500,000	2026	Active Travel
SU01	Sunderland Strategic Transport Corridor SSTC4 - Upgrades to Wessington Way / A19 junction	Sunderland City Council	The scheme consists of improvements to the A1231 between the north bridgehead of the Northern Spire Bridge (Sunderland Strategic Transport Corridor Phase 2) and the junction with the A19, developing interface improvements with the Highways England network. This will include upgrading of existing roundabouts with traffic signals and the creation of additional capacity at the current A19/A1231 junction. The scheme will also add new provision for non-motorised users.	£29,000,000	2026	Road
SU03	St Michael's Way/High Street West journey time improvement and congestion pinch-point relief to improve road safety, bus priority and improve pedestrian safety	Sunderland City Council	Removal of congestion pinch point on St Michaels Way, providing journey time saving and congestion relief.	£2,900,000	2027	Road
SU09	Improving Strategic Cycle Networks in Sunderland A690 - City centre to Silksworth	Sunderland City Council	To deliver a 4.23 km route, comprising of a combination of improvements to existing route and new sections of route forming connections. New crossings will be provided.	£3,000,000	2027	Active Travel
SU10	SSGA to Ryhope Village Cycle Route	Sunderland City Council	Potential for a high-quality connection between SSGA/Ryhope and Hendon/City Centre, with scarcely interrupted journeys and exit points to key junctions along the route; Wide new road with long straight sections lends itself to dedicated cycle Lane provision; South end of this route taps into the eastern end of the major housing development of the city including doorstep market to the South of Saint Nazaire Way, and Cherry Knowle housing development; This link runs parallel to the rural coastal band of South Sunderland, which includes the 'England Coast Path' National Trail on the Durham Heritage Coast.	£2,200,000	2025	Active Travel
SU25	Inner Ring Road Western Section St Michael's Way/Chester Road Junction	Sunderland City Council	Remodelling of the existing junction and replacement with a new signalised junction utilising C-ITS technology which will link to adjacent junctions with new bus priority lanes and new, improved crossing facilities for non-motorised users.	£4,300,000	2027	Bus and Last Mile
SU26	Inner Ring Road Western Section Park Lane Interchange Entrance from Stockton Road	Sunderland City Council	The scheme provides bus priority on a key corridor approaching Park Lane Interchange. The scheme will include a new signalised junction and improved approaches which will improve journey time consistency for all users. The scheme will improve access for non-motorised users by providing new crossing facilities. The new access and route into the Interchange will lead to the removal of buses on heavily pedestrianised areas in the city centre which will improve safety and should lead to increased footfall in the city centre.	£4,680,000	2027	Bus and Last Mile
SU31	Improving Strategic Cycle Networks in Sunderland - Ryhope Road Strategic Cycle Route	Sunderland City Council	A 2.12km section of fully segregated cycleway linking the Grangetown area to the south and the city centre to the north	£4,700,000	2026	Active Travel
SU32	Improving Strategic Cycle Networks in Sunderland A690 - City centre to Silksworth Phase 2	Sunderland City Council	To deliver a 924m route, connecting the proposed comprising of a combination of improvements to existing route and new sections of route forming connections. New crossings will be provided.	£800,000	2027	Active Travel
Safety, especially of women and girls, and other improvements in service quality						
CA03	Bus Priority Infrastructure	North East Combined Authority	Including 17 strategic bus corridors bus priority measures package as identified through the North East Bus Priority Measures Study.	£20,000,000	2027	Bus and Last Mile
CA11	Hotspot funding to improve conditions for active travel users on the network.	North East Combined Authority	Identify and Sponsor a hotspot fund to quickly react to changing demands on the network and progress against any design faults	£1,400,000	2025	Active Travel
CA19	Coach Action Plan	North East Combined Authority	Developing a coach action plan by 2025	£30,000	2026	Bus and Last Mile
CA28	Innovation Challenge Fund for Smart Places	North East Combined Authority	Creation of an innovation challenge fund to develop and trial smart place applications with SMEs, start-ups and social enterprises	£250,000	2026	Information, Ticketing and Technology
CA41	Supporting, maximising and enhancing existing bus routes and key services	North East Combined Authority	Protecting existing routes and key services and delivering enhancements to the network to deliver greater frequency and accessibility across the network	£35,527,912	2027	Bus and Last Mile

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
CA62	Active Travel Design Review Panel	North East Combined Authority	The set up and running of a design review panel for the Combined Authority - to review all active travel scheme designs, ensuring they align with the latest guidance and ensuring "design for all" is considered.	£20,000	2024	Active Travel
DU18	Stanley Bus Station Improvements	Durham County Council	To improve the quality and functionality of the building, reduce the fear of crime with improved CCTV equipment and an improved facility improving bus travel. BSIP2	£908,178	2027	Bus and Last Mile
DU19	Consett Bus Station Improvements	Durham County Council	To improve the quality and functionality of the building, reduce the fear of crime with improved CCTV equipment and an improved facility improving bus travel. BSIP2	£1,147,896	2027	Bus and Last Mile
DU20	Peterlee Bus Station Improvements	Durham County Council	To improve the quality and functionality of the building, reduce the fear of crime with improved CCTV equipment and an improved facility improving bus travel. BSIP2	£920,217	2027	Bus and Last Mile
GA20	A195 Bus Lane in East Gateshead.	Gateshead Council	The bus lane is on a section of the A195 Lingey Lane providing the main bus connection between IAMP/Follingsby and Heworth Interchange.	£1,200,000	2027	Bus and Last Mile
GA42	Modelling, surveys and analysis	Gateshead Council	Need for robust data and modelling to inform scheme identification and development.	£500,000	2027	Revenue
NE08	Scotswood Road Bus Priority	Newcastle City Council	Bus lanes and priority for Scotswood Road in conjunction with any new strategic crossing in the West	£1,000,000	2027	Bus and Last Mile
NO08	New Blyth Bus Station	Northumberland County Council	Construction of a new fit for purpose Bus Station and associated facilities.	£6,000,000	2027	Bus and Last Mile
NO15	Enhanced service between Berwick and Newcastle	Northumberland County Council	The proposal is for a new hourly service to serve stations between Newcastle and Berwick-upon-Tweed on the East Coast Mainline.	£15,790,000	2027	Heavy Rail
NO18	Average speed camera initiative	Northumberland County Council	Improving road safety for pedestrians and cyclists by reducing excessive speeding	£200,000	2027	Road
NT05	Coast to Airport through train - Metro service	North Tyneside Council	Operate through Metro services	TBC	2027	Revenue
NX04	Regent Centre Interchange Upgrade	Nexus	The preferred scheme will see the existing multi-storey car park will be updated, refurbished and repurposed for a wider range of uses. This will involve making the building brighter and safer for all users, and focusing on improved facilities for cyclists, Blue Badge users and EV users. The facility will be promoted to offer local park and ride facilities for people using retail and leisure facilities along Gosforth High Street which is an area with poor local air quality. The bus station will benefit from removal of the overbearing entrance canopy and from new shelters and information provision. The Metro station elements of the scheme will improve the user experience for all customers.	£8,000,000	2027	Metro
ST14	The Nook Strategic Junction Improvements	South Tyneside Council	Delivery of strategic junction improvements to benefit public transport and active travel users, at a key congested junction.	£5,000,000	2025	Bus and Last Mile
SU28	Chester Road (A183) Bus Corridor Improvements Springwell Road Junction	Sunderland City Council	Improvement of an existing section of Chester Road (A183) to the east of the A19. Provides journey time saving and facilitates access to the A19 and city centre promoting development and economic growth in the area. Scheme includes signalisation of junctions and construction of direct access to regeneration sites. Provide Public Transport and Cycle priority at junctions.	£3,000,000	2027	Bus and Last Mile
SU39	Sunderland Station Central Entrance.	Sunderland City Council	Central Entrance to Sunderland station delivered to connect with Sunderland Riverside	£12,684,051	2027	Heavy Rail
Ticketing and fares						
CA40	Bus Service Improvement Plan - existing ticketing projects	North East Combined Authority	Under 19 ticketing projects (single and daily, multi-modal cap). Adult multi-modal day ticket (zonal options as well as a region-wide ticket). Care leaver provision. Take the Kids for Free extensions.	£40,000,000	2027	Information, Ticketing and Technology

			Transport Pipeline 2028-2032 (Wider Schemes)			
New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
Connections between different transport types						
CA23	Demand Responsive Micromobility Transport trials	North East Combined Authority	Innovation - Demand Responsive Transport – investigating and testing micromobility solutions with New forms of last mile connectivity integrated into our transport network	£4,311,500	2030	Information, Ticketing and Technology
CA39	Park and Rides	North East Combined Authority	Proposed package of strategically placed, Park and Ride sites to make it easier for people to join the bus and rail network. Sites will be identified by LAs in both suburban and rural areas and will act as hubs for connections between new Demand Responsive Services and the wider bus network.	£3,500,000	2030	Bus and Last Mile
DU39	Newton Aycliffe active mode improvements	Durham County Council	The project would enhance and improve cycling and walking routes across Newton Aycliffe linking the town centre with key employment locations, rail and bus infrastructure, green open space and residential areas by delivering the priority phases of the Local Cycling and Walking Infrastructure Plan for Newton Aycliffe.	£7,150,000	2030	Active Travel
DU42	Park and Pedal	Durham County Council	Car parks on the radial routes to the City within a 5 mile radius to allow users to park and then cycle into the City.	£1,000,000	2030	Park and Ride
DU43	Cycle super routes (5miles radius of Durham City)	Durham County Council	Improve active mode offer on key commuter routes into the City Centre (A167 Chester le Street, A691 Langley Park, Witton, Consett, A690 Meadowfield etc)	£10,000,000	2030	Active Travel
DU44	Pop up P&Rs	Durham County Council	Improving or creating small car parks near key residential areas, close to public transport infrastructure to encourage the 'last miles' into the City via bus.	£5,000,000	2030	Park and Ride
DU45	Milburngate Footbridge	Durham County Council	Introduce a footbridge over the River Wear between Penny Ferry Bridge and Milburngate Bridge, linking Freemans Reach and Framwellgate Waterside.	£5,000,000	2030	Active Travel
DU49	Secure cycle parking across the DCC building sites.	Durham County Council	Improving the cycle storage offer at DCC buildings across the County.	£1,000,000	2030	Active Travel
DU50	Connectivity for stations and secure cycle parking (Chester le Street)	Durham County Council	Provide and improve cycle storage facilities at existing and future Railway Stations.	£250,000	2030	Active Travel
DU52	Bus priority pinch points.	Durham County Council	Undertake a detailed design and cost plan for public transport pinch points across the County as identified in coordination between bus operators and DCC public transport.	£5,300,000	2028	Bus and Last Mile
GA25	Park and Ride	Gateshead Council	Continued congestion through central Tyneside caused by traffic accessing the key employment, shopping and leisure opportunities in the area. Three potential bus-based P&R schemes are identified in the Council's Local Plan and also promoted by the Council through the BSIP process.	£20,100,000	2030	Bus and Last Mile
GA34	Liveable neighbourhoods	Gateshead Council	Lack of alternatives to car use for certain communities to access essential services	£1,000,000	2028	Active Travel
GA36	Riverside Park transport improvements	Gateshead Council	Riverside Park (between Askew Road and the River Tyne in the area around the Redheugh Bridge, extending to Dunston Staithes and also on to the Derwent Walk in future phases) is identified in the urban core strategy as an area requiring stronger links through to Windmill Hills and beyond to Gateshead town centre and the Quays, and links to the riverside/Keelmans Way cycle route with good links to Newcastle Quayside. Objectives would be to improve connectivity and environment for active travel, improve permeability by bus with stops and to make this a destination	£1,000,000	2028	Active Travel
NE17	Sustainable permanent mitigations for the Tyne Bridge	Newcastle City Council	Access arrangements at Cowhill, Jesmond, New Bridge Street and Pilgrim St for Buses, cyclists and pedestrians.	£3,000,000	2030	Active Travel
NT14	Coastal Connectivity	North Tyneside Council	Extension of high quality active travel links and public realm enhancements linking to local district and town centres	£7,000,000	2030	Active Travel
NX13	Cycle Parking & Hubs at Nexus sites	Nexus	A network of secure cycle lockers that are smart enabled across Metro stations, bus interchanges and rail stations. Development of a series of secure cycle hubs at public transport interchanges/Metro stations	£5,000,000	2030	Active Travel
SU30	Riverside Sunderland footbridge approach improvements	Sunderland City Council	New footbridge over a ravine to form a closer link with Sheepfolds developments and the Stadium of Light area New connecting cycle links from the near Wear footbridge to Newcastle Road and the Dame Dorothy Street cycle route (under construction)	£4,200,000	2030	Active Travel
SU33	Mobility Hubs in Sunderland.	Sunderland City Council	To provide mobility hubs at a proportionate scale in Sunderland city centre, Sunderland North, Sunderland West, Washington and Coalfields areas	£5,500,000	2030	Behaviour Change

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
SU35	St Mary's Boulevard - Bus Priority and Pedestrian movements	Sunderland City Council	A number of new developments are planned or in the process of delivery on the Riverside Sunderland site. To reduce severance for pedestrians between the city centre and the Riverside Sunderland site it is proposed to realign the existing St Mary's Boulevard to a more pedestrian friendly arrangement.	TBC	2030	Active Travel
Planning journeys/Informing users/Supporting Customers						
CA32	Upgrades to the two Urban Traffic Management Control Centres for command and control of the network	North East Combined Authority	Upgrades to the two Urban Traffic Management Control systems to: integrate and link with neighbouring areas and National Highways	£2,000,000	2030	Road
CA42	School Streets Development and Delivery across the region	North East Combined Authority	School Streets as an initiative is supported within the NE Transport Plan and active travel strategy as a means of providing safer, cleaner environments outside of the school encouraging uptake in sustainable journeys.	£10,000,000	2030	Active Travel
DU46	Chester le Street ITS/light touch SCOOT	Durham County Council	Linking signalised junctions with SCOOT infrastructure to include a bus priority provision.	£5,000,000	2030	Information, Ticketing and Technology
DU51	Primary and Nursery secure cycle parking	Durham County Council	Providing cycle parking facilities at schools and nurseries across the County to encourage modal shift.	£1,000,000	2030	Active Travel
DU55	Permanent counter sites	Durham County Council	Improve pre and post intervention survey abilities with counters to establish better benchmarking to justify future interventions and to better monitor the road network	£200,000	2032	Information, Ticketing and Technology
DU56	Upgrading Pay and Display infrastructure in County Durham	Durham County Council	Improve the pay and display offer across the County to be more inclusive and more accessible. The improved facilities will include cash, card and phone payments and consider solar powered machines.	£1,000,000	2032	Information, Ticketing and Technology
NE07	Newcastle Smart Corridors	Newcastle City Council	North East Smart Corridors: upgrade to arterial corridors to Tyneside which would incorporate active traffic control with ANPR. Potential to integrate with air quality sensors to have innovative traffic control and public transport priority	£13,000,000	2030	Information, Ticketing and Technology
Reach and resilience of infrastructure						
CA22	Transport and Future Energy Solutions across the region	North East Combined Authority	A regional energy package focused on generating energy on our transport assets, depots, stops and stations	£1,000,000	2030	Decarbonisation
CA33	Addressing Severance of the Road network through targeted approaches	North East Combined Authority	Targeted approaches to reduce the severance of the road network. Linked to severance and active travel initiatives look to undertake a review of crossing facilities and a package of Designated Fund measures	£20,000,000	2030	Road
CA34	Integrate taxi services with other public transport provision	North East Combined Authority	Integrating taxi services with other public transport provision	£50,000	2030	Road
CA37	Freight consolidation	North East Combined Authority	Freight consolidation to reduce duplicated road miles and promote alternatives road freight distribution	£120,000	2030	Road
CA38	Increased Lorry Parking and Servicing opportunities across the region	North East Combined Authority	Work with Highways England to study the need for more service provision, including lorry parking, on or adjacent to the region's Strategic Road Network	N/A	2030	Road
DU32	Delivery of improved active travel infrastructure, signals upgrades and measures on the A692 in Durham and Gateshead	Durham County Council	Corridor based improvement work along the A692 in Gateshead and Durham to improve safety	£6,000,000	2030	Road
DU33	Delivery of improved active travel infrastructure, signals upgrades and bus capacity on the A694 in Durham and Gateshead	Durham County Council	Corridor based improvement works along the A694 in Gateshead and Durham comprising a package of small scale measures aimed at relieving congestion, improving road safety and improving sustainable transport movement.	£6,000,000	2030	Road
DU34	Corridor based improvement works along A167 in Durham and Gateshead to deliver improved access to housing development by sustainable modes, enhanced active travel infrastructure, bus lane extensions and signals upgrades.	Durham County Council	Corridor based improvement works along A167 Durham Road between Gateshead and Chester le Street with the principle aim of improving sustainable transport movement along the corridor.	£12,000,000	2030	Road
DU35	Walking and cycling improvements countywide	Durham County Council	Because of the rural nature of the county, upgrading or providing new active mode links to the network enables more people to walk and cycle more often everyday giving better transport options to residents enabling them to travel actively and sustainably for both work and leisure purposes. 11 adopted Local Cycling and Walking Investment Plans	£30,000,000	2030	Active Travel
DU36	Durham City Park & Ride Expansion	Durham County Council	Extend Durham City's offer for P&R including a potential new site.	£7,500,000	2030	Park and Ride
DU37	Great North Cycle Route improvements in County Durham.	Durham County Council	A167 from Blyth to Darlington is being delivered piecemeal given its length to create a continuous route through Durham.	£20,000,000	2030	Active Travel

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
DU40	Three towns active mode improvements	Durham County Council	Lack of active mode infrastructure: Limited infrastructure for active modes in the Three Towns is inhibiting mode choice for residents who wish to travel between Willington, Crook and Tow Law. Current provisions are intermittent, and there is limited access to the NCN, which provides connectivity further afield to places like Bishop Auckland and the City of Durham. This project will seek to connect the towns with high quality active mode networks.	£11,600,000	2030	Active Travel
DU41	North West Durham active mode improvements.	Durham County Council	Improved active mode connectivity in North West Durham	£12,000,000	2030	Active Travel
DU47	Bishop Auckland Attraction Electric Bus	Durham County Council	Fleet of electric buses to connect tourism sites	£5,000,000	2030	Decarbonisation
DU48	Electrification of subsidised fleet	Durham County Council	Introduce EV to subsidised contract fleet	£7,500,000	2030	Decarbonisation
EX13	Autonomous vehicle tests on the strategic network	National Highways	Autonomous vehicle tests on the strategic network	N/A	2030	Information, Ticketing and Technology
EX14	Enhancing the Electric Vehicle offer on the strategic road network	National Highways	Enhancing the EV offer on the strategic road network	N/A	2030	Road
EX16	A66 Dualling	National Highways	Dualling of the A66 between Scotch Corner and Penrith	N/A	2030	Road
GA01	Future of Gateshead Bridgeheads	Gateshead Council	To address active travel, bus and vehicle routing for river crossings .	£2,000,000	2030	Active Travel
GA03	Gateshead Central Integrated Transport Improvements	Gateshead Council	Reconfiguration of road network in and around Gateshead town centre to reduce severance and dominance of road traffic	£90,000,000	2030	Road
GA40	Access to Tyne Marshalling Yards	Gateshead Council	To address potential active travel and road access issues for the Tyne Marshalling Yard	£5,000,000	2030	Active Travel
GA05	Traffic signals repair across Gateshead	Gateshead Council	Traffic signals across the network are in need of repair	£5,000,000	2028	Maintenance
GA07	West Tyneside cycle route (bridge over ECML)	Gateshead Council	New bridge over East Coast Main Line between Chowdene and Team Valley	£10,000,000	2030	Active Travel
GA09	Gateshead Local Cycling and Walking investment proposals	Gateshead Council	Corridor upgrades for walking, wheeling and cycling	£31,704,000	2028	Active Travel
GA10	Portobello to Washington footbridge access improvements	Gateshead Council	Improve approaches to the bridge on both sides of the A1 to make the route more open and inviting to users, whilst also providing a ramped access for cyclists and street lighting	£7,500,000	2030	Active Travel
GA13	Upgrading the National Cycle Routes in Gateshead	Gateshead Council	Upgrading of NCN cycle routes to meet current standards	£2,500,000	2030	Active Travel
GA15	A195 Follingsby Roundabout Improvements	Gateshead Council	Improvements to ensure access for all users to the employment area at Follingsby, including potential future park and ride	£10,500,000	2030	Road
GA18	New Bridges to remove severance e.g. Blaydon / Newburn, A194M/Follingsby, A1 Coalhouse	Gateshead Council	New Bridges over key motorway / A road infrastructure	£5,000,000	2030	Road
GA19	Small Scale Highways Improvements / Junctions	Gateshead Council	Measures are aimed at relieving existing problems on the network associated with existing junctions. These will provide benefits to general traffic, but are targeted at relieving identified problems for bus operation and also cycle and pedestrian movement	£1,000,000	2030	Road
GA22	EV Charging Improvements	Gateshead Council	Provision of convenient EV charging facilities in car parks owned by Gateshead Council	£1,000,000	2028	Decarbonisation
GA24	Coatsworth Road improvements	Gateshead Council	Enhancements in area around Coatsworth Rd	£1,000,000	2028	Active Travel
NE02	Maintenance to Urban Core Distributor Route and all user improvements	Newcastle City Council	Package of maintenance and junction improvements to roads on the Urban Core Distributor Route.	£20,000,000	2030	Maintenance
NE03	Ponteland Road Corridor sustainable and housing improvements	Newcastle City Council	Upgrades to junctions on key roads to West of Newcastle in order to enable development	£7,350,000	2030	Road
NE04	Scotswood Bridgehead accessibility improvements in Newcastle	Newcastle City Council	Upgrades to northern end of Scotswood Bridgehead	£4,200,000	2030	Road
NE05	Rotary Way junction upgrade and cycling improvements`	Newcastle City Council	Investment and upgrade around the A1-Rotary Way-Great North Road junction to enable local plan development	£12,000,000	2030	Road
NE06	Newcastle Station : Enhanced capacity and Links	Newcastle City Council	Investment to unlock the potential around Newcastle Central Station, including access improvements to Stephenson Quarter (Southern Entrance)	£45,000,000	2030	Heavy Rail
NE10	Skinnerburn Road Maintenance	Newcastle City Council	Structural Maintenance scheme on Skinnerburn Road	£12,000,000	2028	Maintenance
NE12	Flood and Climate Resilience (Newcastle citywide)	Newcastle City Council	Maintenance of highway structure, gullies and culverts to provide greater resilience to climate change	£6,000,000	2030	Maintenance
NE13	A696/A167 and Airport Junction upgrade	Newcastle City Council	Improvements to junctions to account for growth at Airport and nearby housing sites	£5,000,000	2030	Road

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
NO06	Delivering improved all user connections on this route (A1068 Fisher Lane) between South East Northumberland and Tyne and Wear.	Northumberland County Council	The scheme involves the upgrading of the remaining single carriage section of the A1068 Fisher Lane (approximately 1 mile) to dual carriageway standard between the C366 Blagdon Lane and the A19 Seaton Burn junction, a segregated cycleway from Seaton Burn to Cramlington linking to the new development areas, cycleways and a new roundabout at the A1068/Blagdon Lane junction, removing a congestion pinch point on this key strategic route into Tyne & Wear, improving cycle provision, bus journey time reliability and access at the A1068/Blagdon Lane junction.	£9,000,000	2030	Road
NO16	Future extensions for the Northumberland Line	Northumberland County Council	Improving accessibility to South East Northumberland by rail.	TBC	2032	Heavy Rail
NT02	River Tyne Economic Corridor (NEIZ) Enabling Works	North Tyneside Council	Bridge strengthening works and works such as removal of highway obstructions and barriers to improve highway resilience and capacity	£4,750,000	2028	Road
NT08	Local sustainable routes in North Tyneside	North Tyneside Council	Improvements within and around town and district centres to sustainable routes with a focus on 'last mile' connectivity into town centres	£3,000,000	2028	Active Travel
NT09	A193 Wallsend Road Bridge deck replacement and repairs	North Tyneside Council	A193 Wallsend Road bridge forms a crucial component in the local strategic highway network, linking North Shields and Tynemouth to the A19.	£5,000,000	2030	Road
NT13	Sustainable access improvements North West of North Tyneside	North Tyneside Council	Improvements to public realm and infrastructure for cycling, walking, wheeling and horse riding to support accessibility as part of the regeneration of the North West of North Tyneside.	£6,000,000	2030	Active Travel
NT15	Weetslade Bridge – major concrete repairs and re-waterproofing	North Tyneside Council	Major maintenance, principally concrete repairs and re-waterproofing	£2,000,000	2030	Maintenance
NT16	Highway and structural maintenance work to address the maintenance backlog	North Tyneside Council	Expand the delivery of highway and structural maintenance works in accordance with the North Tyneside HAMP to stabilise the highway maintenance backlog	£5,000,000	2030	Maintenance
NX07	Car Park Maintenance Programme	Nexus	Park and Ride and car park maintenance and improvements are key components of the recovery plans to attract customers back and to forge new markets. 'Consideration to extending park and ride facilities at multi-modal interchanges across the North East region. Not just limited to metro stations, but also bus / train stations. With improvements required at Hebburn, Tyne Dock, East Boldon and Fellgate within South Tyneside.	£28,000,000	2028	Park and Ride
NX11	Creating Electric Vehicle charging points across Nexus car parks	Nexus	Proactively identify site suitable for charging points and install a comprehensive network, aligned to the wider regional strategy	£5,000,000	2027	Information, Ticketing and Technology
NX12	Installing Solar panels at Nexus infrastructure	Nexus	A comprehensive, integrated programme of PV installations across the Metro network at locations of maximum efficacy and where power can be best redistributed for Nexus' use.	£1,100,000	2027	Information, Ticketing and Technology
NX23	Howdon Viaduct	Nexus	Replace the current track support system with a ballasted construction. Ensure the viaduct is suitably strengthened to accommodate the additional loading of ballast and concrete sleepers.	£18,500,000	2027	Metro
RTS01	North East Traffic Signals Resilience and Decarbonisation	Newcastle City Council	Delivering the latest signal technology across the North East. 1/ Climate change targets have led to Tungsten Halogen (TH) lamps used in the traffic signals industry becoming obsolete. This will eventually lead to equipment becoming obsolete. 2/ To reach net zero targets, more energy efficient systems will be deployed.	£20,000,000	2030	Road
ST17	Mill Lane Metro Station	South Tyneside Council	This scheme, subject to design will provide a new Metro Station at Mill Lane	£25,000,000	2030	Metro
SU02	A690 all user highway improvements including at North Moor Lane Barnes Gyratory Grindon Lane and B1286 junction	Sunderland City Council	To provide bus priority measures, improve journey times and reliability, and reduce junction delays.	£20,000,000	2030	Bus and Last Mile
SU06	Continued improvements to access the IAMP area including off-road cycle facilities to accommodate expected increase in traffic and stimulate economic development (IAMP Infrastructure Phase 2)	Sunderland City Council	Additional highway infrastructure to accommodate growth. New road layouts, junctions and public transport infrastructure will be required Road bridge over the A19 may be required depending on modelling outcomes Road bridge over Leamside line may be needed to facilitate growth to the north west of the site.	£35,000,000	2030	Road
SU08	Upgrading existing traffic signals in Sunderland	Sunderland City Council	Deliver modern, intelligent, networked equipment and design, there would be substantial gains in efficiency for highway users by reduction of delays/stopping/speed alterations. Additionally, modern LED aspects use substantially less energy, leading to reduced revenue costs as well as measurable carbon savings.	£7,500,000	2030	Information, Ticketing and Technology
SU11	A183 Whitburn Road Roker Ravine Cycle bridge	Sunderland City Council	Improving the pedestrian and cycle route and reduce their conflicts on existing section of shared use area on Roker Ravine bridge. To improve the shared section and bring it up to LTN 1/20 standards for Active Travel purposes.	£2,005,500	2030	Active Travel

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
SU12	Active Travel Improvements in Sunderland - Route 2 - Newcastle Road	Sunderland City Council	Segregated Cycle lane from Wearmouth Bridge Northern Bridgehead travelling along A1018 Newcastle Road towards boundary with South Tyneside	£6,500,000	2028	Active Travel
SU13	Active Travel Improvements in Sunderland - Route 3 - West (Barnes Park Greenway)	Sunderland City Council	Two-way cycle route heading into city centre from the west, starts to the east of the A19 and runs through residential areas and schools Upgrade of existing facilities Includes new street lighting and CCTV Downgrade speed limits and reconfigure road layout on Springwell Road	£11,500,000	2028	Active Travel
SU14	Active Travel Improvements in Sunderland -Route 4.1 - SSGA to Spire Bridge	Sunderland City Council	Narrow traffic lanes and repurpose existing footway to provide segregated uni directional cycle facility with floating bus stops. Road roundabout layouts to be reconfigured to provide continuous cycle facilities along the route. Tie into proposed active travel scheme on European Way.	£4,500,000	2028	Active Travel
SU15	Active Travel Improvements in Sunderland - Route 4.2 - Route 3 to South Hylton Metro	Sunderland City Council	Two way cycle route connecting Route 3 from the south to South Hylton Metro station to the north	£4,000,000	2028	Active Travel
SU16	Active Travel Improvements in Sunderland - Route 5.1 - SSGA Link to Nissan IAMP	Sunderland City Council	Widening existing tracks where applicable, improving the route adjacent to the A19 and a new access to an improved crossing point over the River Wear	£8,500,000	2029	Active Travel
SU17	Active Travel Improvements in Sunderland - Route 5.2 - NC70 to North	Sunderland City Council	New Cycle route in residential area connecting National Cycle Network Route 70 in the south to Route 5.1 and Route 3 to the north	£4,000,000	2029	Active Travel
SU18	Active Travel Improvements in Sunderland - Route 6 - West Link Hetton to Nissan/IAMP	Sunderland City Council	Widening existing tracks where applicable, combined with new routes improving the route adjacent to the from Hetton Town Centre, through Houghton le Spring and an improved crossing point over the River Wear into Washington and onwards towards Nissan/IAMP	£16,000,000	2029	Active Travel
SU24	Sunderland Inner Ring Road Western Section St Mary's Boulevard / St Michael's Way roundabout Junction improvements	Sunderland City Council	Removal of congestion pinch point on St Michaels Way, providing bus priority on route to Park Lane Interchange, journey time saving for all users	£7,250,000	2028	Bus and Last Mile
SU27	Sunderland Inner Ring Road Western Section - Esplanade Gyratory	Sunderland City Council	The scheme intends to replace the existing gyratory with a new two-way system with new crossing points, new footways installed and existing footways widened. A new bus priority lane will be included for southbound buses leaving Park Lane Interchange.	£5,320,000	2030	Bus and Last Mile
Safety, especially of women and girls, and other improvements in service quality						
CA05	Small scale local rail reliability measures networkwide	North East Combined Authority	Through line of route improvements plans implement small scale improvements to improve service reliability.	N/A	2030	Heavy Rail
DU38	Newton Aycliffe bus station and surface car park	Durham County Council	Demolish existing MSCP and replace with a bus station and surface level car park in the town centre.	£15,500,000	2030	Bus and Last Mile
DU53	Bus stop improvements: County wide (road markings refresh, replace timetable casings)	Durham County Council	Improve the bus stop infrastructure along various routes and corridors across the County.	£250,000	2030	Bus and Last Mile
DU54	Balance bikes for road safety	Durham County Council	Procurement of balance bike equipment.	£10,000	2032	Active Travel
EX12	Addressing the severance of major infrastructure working with infrastructure providers;	National Highways	Addressing the severance of major infrastructure working with infrastructure providers 1b) Continuing to mitigate the impacts of major infrastructure schemes through a clear package of designated fund schemes	n/a	2030	Road
GA23	Bus Service Improvement Plan Corridor Improvements in Gateshead	Gateshead Council	Bus Priority on identified corridors as included in the BSIP	£4,225,000	2028	Bus and Last Mile
GA35	Stella Road bus lane in Blaydon	Gateshead Council	Bus priority measures around Blaydon	£1,000,000	2028	Bus and Last Mile
GA38	Bus priority measures in Gateshead	Gateshead Council	This project will provide bus priority infrastructure in locations throughout Gateshead and extends the BSIP programme.	£5,000,000	2030	Bus and Last Mile
GA41	Speed Management Interventions in Gateshead	Gateshead Council	Reducing inappropriate speed and speed-related incidents on the road, creating a safer and more pleasant environment for all road users	£4,000,000	2030	Road
NO05	Cramlington Station improvements	Northumberland County Council	Infrastructure improvements required to facilitate improved frequency of service from station and better station facilities.	£250,000	2030	Heavy Rail
NO07	New Alnwick Bus Station	Northumberland County Council	Construction of a new fit for purpose Bus Station and associated facilities.	£4,000,000	2028	Bus and Last Mile
NT11	Killingworth underpass	North Tyneside Council	Provision of route crossing the A19 to better link strategic housing development into the local transport network	£14,500,000	2030	Active Travel
NX01	Gateshead Interchange Refurbishment	Nexus	Demolition of the whole interchange site and the redevelopment of a bus station on a smaller footprint, redesigned to address safety and security limitations, new retail, office and accommodation space, reconfiguration of the Metro station to make better use of the space and create better integration between public transport and the retail	£34,000,000	2032	Bus and Last Mile
NX02	Upgrading Heritage Stations on Tyne and Wear Metro	Nexus	Upgrading of Cullercoats, Whitley Bay, Monkseaton and West Monkseaton Metro stations with a distinctive historical lineage dating back to the North Eastern Railway/LNER.	£2,000,000	2032	Metro

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
NX03	Monument Metro Station Refurbishment	Nexus	Redesign and expansion of the station footprint, including improved accessibility, greater connectivity with the public realm, integration with adjacent leisure and retail, new leisure and retail opportunities. Improved step free accessibility, improved passenger facilities	£10,000,000	2032	Metro
NX08	Small Metro Station Upgrades systemwide	Nexus	Comprehensive station refurbishment, improving the customer experience, including information and waiting facilities, addressing accessibility and where necessary installation of gatelines	£23,000,000	2030	Metro
NX10	Airport Metro Station Refurbishment	Nexus	Comprehensive refurbishment of the existing station at its current location with the emphasis on accessibility and the establishment of a signature building at this important regional gateway.	£9,000,000	2032	Metro
NX24	Four Lane Ends Interchange redevelopment	Nexus	Redevelop the full site to maximise the available space. This would help fully utilise the interchange as key P&R site for both Metro and Bus.	£12,000,000	2032	Metro
SU29	A183 Royalty Junction	Sunderland City Council	Removal of the existing gyratory layout for buses to allow two-way movement for public transport	£3,500,000	2030	Bus and Last Mile
SU34	Wearmouth Bridge NMU resurfacing	Sunderland City Council	The shared footway/cycleway on Wearmouth Bridge is in poor condition due to high volume of pedestrians and cyclists. To encourage use and to improve safety standards a full resurface of both sides is required	£7,000,000	2030	Active Travel

			Transport Pipeline 2033-2040 (Wider Schemes)			
New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
Connections between different transport types						
CA31	Regional Autonomous Vehicles testbed	North East Combined Authority	Increase regional capability and capacity in data analytics to support data-led connectivity initiatives including an autonomous vehicle testbed	£1,000,000	2035	Information, Ticketing and Technology
CA51	Unified open data for regional transport	North East Combined Authority	A unified open data operation for regional transport so it is fully accessible to all and do data provided for different types of transport is in a similar format	N/A	2035	Information, Ticketing and Technology
GA04	Blaydon station to town active travel link	Gateshead Council	Potential improvements at Blaydon rail station.	£12,000,000	2035	Active Travel
GA11	Bill Quay pedestrian link to a future Metro Station	Gateshead Council	Pedestrian link from Gullane Close in Bill Quay to proposed Metro Station at Mill Lane	£100,000	2040	Active Travel
NX20	Ferry - Royal Quays Landing study	Nexus	To explore a Ferry Landing at Royal Quays	£14,000,000	2035	Ferry
Reach and resilience of infrastructure						
NE01	Airport access upgrades to facilitate housing growth and the onward success of the airport	Newcastle City Council	Development of a link road to Newcastle Airport between A696 and Brunton Lane, to enable development of Newcastle Airport Enterprise Zone and Newcastle housing sites	£15,000,000	2035	Road
CA25	Freight Gauge Clearance	North East Combined Authority	Freight gauge clearance -Work closely with Network Rail and private sector to improve line speeds along freight routes	£10,000,000	2035	Heavy Rail
CA27	Transport Maintenance	North East Combined Authority	Continued transport maintenance funding and targeting decarbonisation solutions and maximising technology for asset management;	£600,000,000	2035	Revenue
DU57	Bishop Auckland to Barnard Castle active mode route improvements	Durham County Council	Upgraded/new off carriageway track connecting Bishop Auckland and Barnard Castle Feasibility study only to review opportunities to reopen the former railway line between Barnard Castle and Bishop Auckland as an active mode route.	£27,000,000	2040	Active Travel
DU58	Barnard Castle Local Traffic Improvements	Durham County Council	Measures in and around Barnard Castle, discouraging non essential traffic away from the Town Centre bringing associated environmental, road safety, and air quality benefits to the Town.	£30,000,000	2040	Road
DU59	Public transport connectivity improvements between Consett and Tyneside	Durham County Council	Connectivity improvements along the Derwent Valley Line. Connectivity improvements between Consett and Newcastle, the highest performing option of the SOBC identified the former Sunderland Line having best patronage and links to tourism (Beamish), retail (Team Valley) and employment (Newcastle).	£800,000,000	2040	Heavy Rail
DU60	Wearsdale Railway - commercial passenger route from BA to Stanhope	Durham County Council	Opening the tourist Bishop Auckland Railway Line for commercial passenger travel from Darlington to Eastgate, considers a new spur to Crook. Include upgrades and improvements to Bishop Auckland Railway Station	£87,000,000	2040	Heavy Rail
DU61	Leamside Line	Durham County Council	Reopening the Leamside Line, improving East Coast Mainline capacity and creating Tyneside to Tees and Sunderland to Durham connections.	TBC	2035	Heavy Rail
DU62	West Auckland Bypass	Durham County Council	Potential second phase of Toft Hill scheme from Spring Gardens to A68.	£30,000,000	2035	Road
EX06	A1(M) Barton to Chester-Le-Street widening (J56-J57 and J60-J63)	National Highways	Requires further studies but looking at capacity improvements on the A1 between Barton and Chester Le Street	TBC	2035	Road
EX15	Ensuring targeted investment in digital connectivity when making physical alterations to works	DfT	Ensuring targeted investment in digital connectivity when making physical alterations to works	N/A	2035	Information, Ticketing and Technology
GA16	New Derwent Walking and Cycle Crossing at Metrogreen	Gateshead Council	New crossing of River Derwent at Metro Green	£1,000,000	2035	Active Travel
NE14	New PT Route delivered to the West of Newcastle	Newcastle City Council	New Westbound public transport from Central Station/St James, either using Forth Banks alignment or any other	£40,000,000	2040	Metro
NO01	Facilitating growth of Ponteland and addressing congestion	Northumberland County Council	The A696 is part of the Primary Road network in Northumberland. The scheme objectives are to provide an alternative route for through traffic including heavy goods vehicles thus reducing delay to traffic through the village.	£80,000,000	2040	Road
NO09	Facilitating the growth of Newbiggin and Ashington, improving public and active travel routes, capacity and addressing congestion	Northumberland County Council	Road network improvement scheme - provision of a new link road between Newbiggin and Ashington	TBC	2035	Road
NO10	Facilitating the growth of Morpeth, improving public and active travel routes, capacity and addressing congestion	Northumberland County Council	Limited east west connectivity through Morpeth resulting, specifically in capacity constraints at A197/A192 Mafeking roundabout. This has a significant impact on journey time reliability on what is a key strategic bus route	TBC	2035	Road
NO11	Facilitating the growth of Cramlington, improving east west public and active travel capacity and addressing congestion	Northumberland County Council	Proposed route consists of two separate lengths of road the north of the town centre which would complete the link from Station Road roundabout in the west to the B1505 or A189 Spine Road in the east. This can link into the existing extensive network of cycle connections across the town.	TBC	2035	Road
NO12	Facilitating the growth of Cramlington, improving public and active travel capacity and addressing congestion	Northumberland County Council	Road network improvement scheme- provision of a new link road at Lancastrian Road Cramlington.	TBC	2035	Road

New Scheme No	Scheme name	Promoter	Scheme description	Total cost	Delivery Year	Scheme Type
NO14	Belford Station	Northumberland County Council	The proposal is to construct a new station to serve the village of Belford and the surrounding catchment area of north Northumberland.	£14,070,000	2036	Heavy Rail
NT12	New rail station on East Coast Main Line - North West of North Tyneside	North Tyneside Council	Provision of a rail station on the East Coast Main Line in the North West of North Tyneside, and associated infrastructure	TBC	2035	Heavy Rail
NX16	South Shields Ferry Landing Renewal and Replacement of both vessels	Nexus	Renewal of the South Shields ferry landing, replacement of the Pride of the Tyne with an ultra-low/zero emissions vessel, longer-term replacement of Spirit of the Tyne or retrofitting to ensure improved environmental performance	£20,000,000	2035	Ferry
SU05	Kier Hardie Way All user improvements	Sunderland City Council	As above, intervention has not been fully finalised as of Spring 2024. However the intention is to convert the A1290 Kier Hardie Way running from the Camden Street gyratory in the west to the junction with the A1018 in the east into a dual carriageway.	£50,000,000	2035	Road
SU07	Queen Alexandra Bridge (A1231) / Camden Street Gyratory improvements. To provide congestion relief and bus priority	Sunderland City Council	Removal of gyratory system and replaced with a new two-way system between Wessington Way and Kier Hardie Way Improvements to non-motorised user route that runs adjacent to the route.	£6,000,000	2035	Information, Ticketing and Technology
SU19	Inner Ring Road Eastern Section Southern bridgehead Junction	Sunderland City Council	Remove roundabout and install new signalised junction to accommodate changes in traffic flows and use	£8,000,000	2035	Bus and Last Mile
SU20	Inner Ring Road Eastern Section High Street West junction	Sunderland City Council	New signalised junction with dual carriageway approach	£6,000,000	2035	Bus and Last Mile
SU21	Inner Ring Road Eastern Section Borough Road Junction	Sunderland City Council	New signalised junction with dual carriageway approach	£6,000,000	2035	Bus and Last Mile
SU22	Inner Ring Road Eastern Section Hendon Road/Lawrence Street junction	Sunderland City Council	New signalised junction with dual carriageway approach	£4,000,000	2035	Bus and Last Mile
SU23	Inner Ring Road Eastern Section - A1018 / A1231 Junction	Sunderland City Council	Replacing existing roundabout at A1018/A1290 junction with a new signalised junction with bus priority and new crossing facilities for non-motorised users. Increase lane width on approaches.	£6,000,000	2035	Bus and Last Mile
Service quality (Punctuality, cleanliness and safety)						
EX11	Local rail Diesel fleet replacement – regional	Great British Railways	Support Northern in bid to secure funding for carbon zero fleet	N/A	2035	Heavy Rail
CA04	Short term Timetabling amendments Introducing earlier and later local rail services systemwide	North East Combined Authority	Delivering timetable amendments to deliver greater connectivity including first and last train times to ensure they meet user needs	N/A	2035	Heavy Rail

Delivering green transport that works for all

Kim McGuinness
North East
Mayor





Foreword

The North East deserves a world class transport network and the plan I consult on here sets out my transport promises to the people of this region.

This plan outlines a joined up network - simple and affordable to use with wider reaching infrastructure that is fit for the future. It will be greener, more reliable, and safer. Wherever you are in the region, it will be accessible, both physically and financially.

From job creation to ending child poverty, the North East transport network has a vital role in my plans to create real opportunity across our region. It is a crucial growth lever, but when it goes wrong it is an insurmountable barrier.

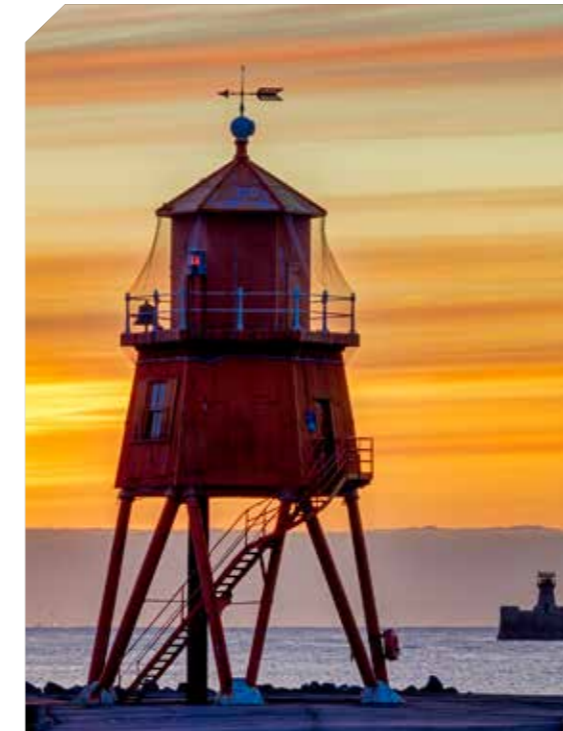
That's why, over the next 15 years, I will work with people and organisations across the region to create that network, with real delivery target dates built into these plans as well as measures to track improvement.

For this plan to succeed it has to be a shared plan that reflects the many needs of our region, and I look forward to people across the North East having their say on our joint future.

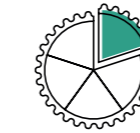
Kim McGuinness
North East Mayor

North East Combined Authority vision

Our purpose is to champion the full potential of our region. Collaborating with our partners and local authorities, we'll create a better way of life by connecting communities, giving people the skills to succeed, and improving wellbeing for all, so that the North East is recognised as an outstanding place to live, work, visit, and invest.



This vision represents the scale of our ambition that will drive all our transport activities. Our vision is also supported by our five commitments:



A fairer North East



A greener North East



A connected North East



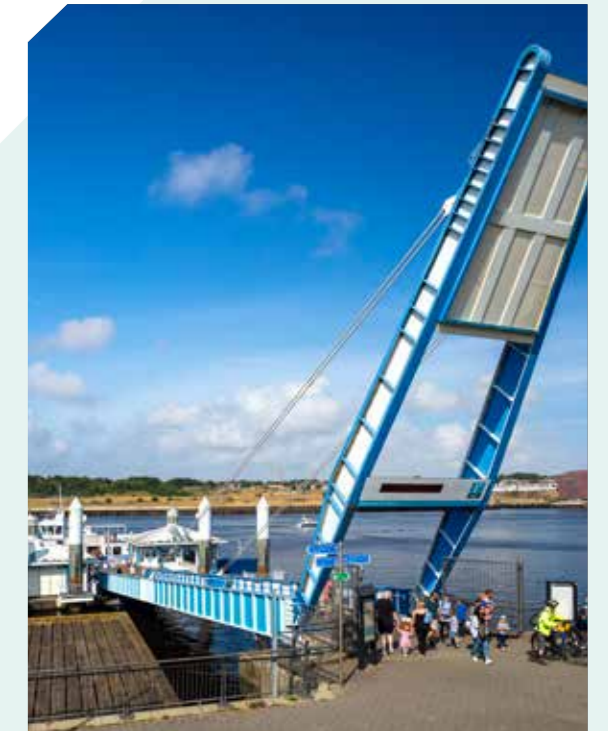
An international North East



A successful North East

Our transport activities will contribute to the North East Combined Authority's role in improving our economy, skills, health, and environment.

Making journeys is good as it benefits our economy. However, greener journeys are even better as they also benefit our environment and health. We are confident that the above themes will help us to deliver a fully integrated green transport network for the North East and support people to make greener journeys. Achieving this aim will support the delivery of our vision and five commitments.





Where we want to be

To help achieve our vision we ultimately need to address the transport challenges currently being experienced in the region, ensuing better sustainable journeys and creating a network that acts as the yardstick on which all other networks are judged.

This involves creating a green, integrated transport network that works for all. We believe this will make sustainable travel options more attractive and convenient, enabling more people and freight to make greener journeys.

This will help our region meet its challenges head on, providing sustainable, integrated links between communities, services, and opportunities, paving the way for growth and further inward investment.

Below we have set out an ambitious set of service standards that we would expect to see in this improved network, to help tackle the transport challenges we're currently experiencing.

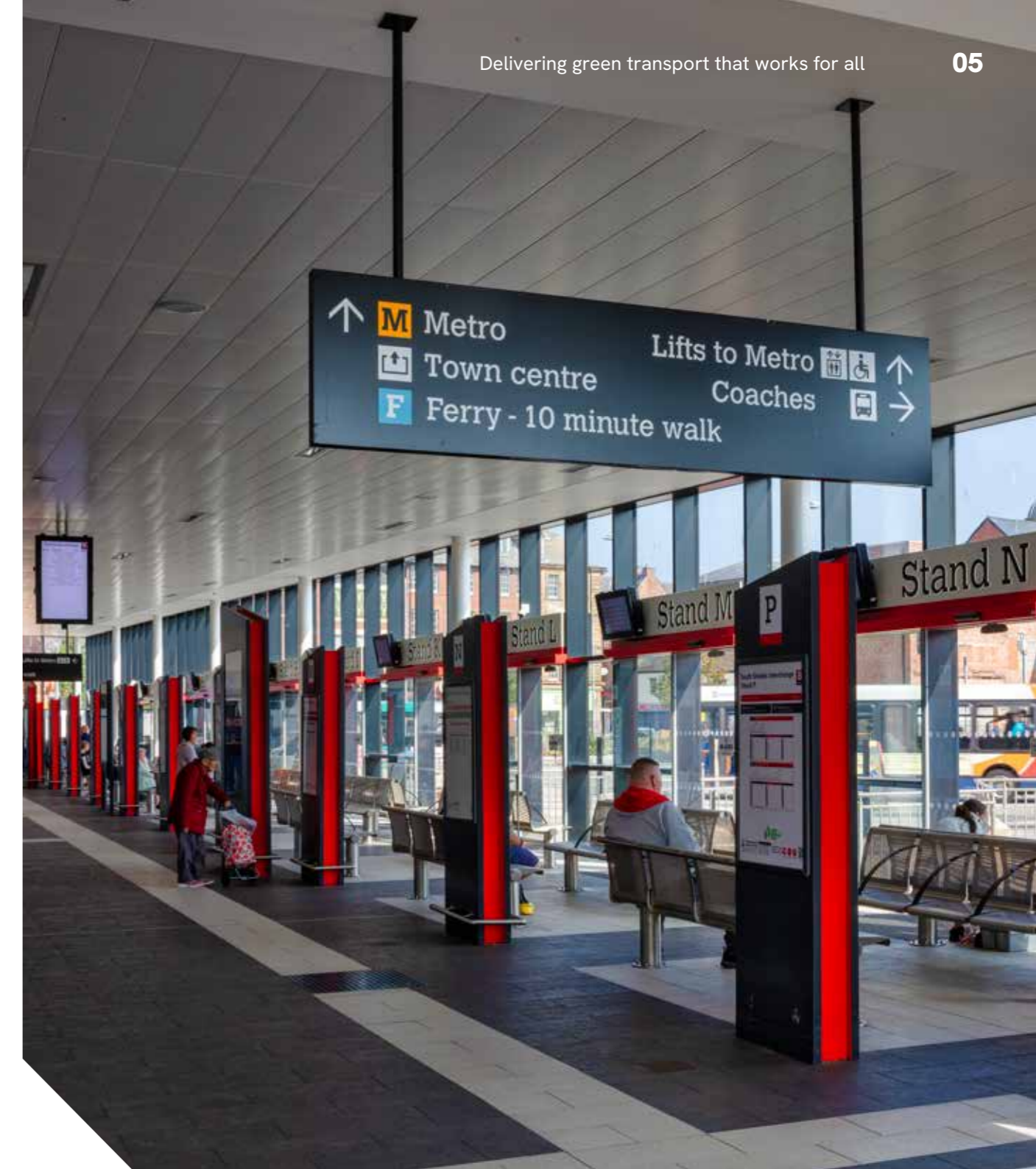


1 Planning journeys, informing users, and supporting customers:

- Information, help, or assistance should be easily available and accessible to everyone before, during, and after a journey.
- Live journey information should be accurate and consistent and should be presented in a way which is easily understandable and trusted by people.
- The integrated network should have a strong identity to give confidence in the network and encourage people to make greener journeys.

This will help us tackle our current transport challenges:

- No single place that provides all transport information and customers have to use different websites or apps to find information.
- Wayfinding information on how people can make joined up journeys and/or switch transport type can be poor.





2 Ticketing and fares:

- Fares and tickets should be as simple, affordable, and as easy to use as possible.
- People should be able to travel across the region, and via different types of transport, without needing to buy multiple tickets.

This will help us tackle our current transport challenges:

- There are several types of tickets available for different transport options and different operators. A limited amount of tickets are available that allow travel across multiple types of transport or different operators.
- Smart ticketing is not used all of the time.
- There are not many price caps in place that limit the amount customers spend on their daily travel.



3 Reach and resilience of infrastructure:

- The integrated network should extend to all areas of the region where it is needed, not just where is profitable, this is particularly important for our rural and coastal areas. There should also be strong transport connectivity beyond our boundaries for both people and freight.
- Transport services should meet the demands of people, accommodating shift patterns for work and late evening social activities.
- Resilience refers to the ability of our transport infrastructure to withstand and effectively deal with problems such as congestion, faults, and severe weather events and the network should be able to avoid disruption and mitigate against extreme weather and other events effectively.

This will help us tackle our current transport challenges:

- There are still significant gaps in our transport network.
- Some types of sustainable transport don't reach all places, particularly our remote rural areas.
- There are several areas where resilience issues have a knock-on impact on passengers including disruption, delays and congestion.



4 Safety, especially of women and girls, and other improvements in service quality:

- People's safety should be central to the network, with a particular focus on the safety of women and girls and other vulnerable groups. Drivers and other front-line staff should ensure that everyone feels welcome and safe at stations and on services, strengthening confidence in the network.
- Everyone should feel safe when waiting at interchanges, stations and bus stops, and when travelling on public transport. The specific safety needs of women and girls, and other vulnerable groups, will be taken into account when designing safety features on the network.
- People should be able to report concerns and have the confidence that these will be dealt with promptly.

- The customer experience should be transformed setting the highest service standards, where users can expect the provision of safe, reliable, clean, and efficient transport infrastructure. People should feel a sense of pride in the network and be keen to use it again.
- The North East should set the highest standards for a fleet of green public transport vehicles.
- Accessibility should be at the heart of the network and its services; it should be accessible for all people and ensure that those with disabilities are not excluded.
- The enhanced network should bring new, safer bus stops.

This will help us tackle our current transport challenges:

- Low perceptions of public transport service quality, particularly regarding their punctuality and reliability.
- Actual and perceived safety concerns that need to be addressed to increase confidence and ensure that everyone is safe whilst travelling on the network.
- Transport options do not always match up to people's lifestyles, for example the need to travel in the early morning, late evening, and on weekends.



5 Connections between different transport types:

- Our region should no longer consider different forms of transport as separate networks and move to one integrated and highly interconnected network where people can make seamless door to door journeys.
- The integrated network should be based around making it easier to switch between different types of transport.
- There should be well co-ordinated public transport timetables and services which allow for smoother journeys.

This will help us tackle our current transport challenges:

- In some areas there is a lack of supporting infrastructure, such as bike storage, to help people make journeys using multiple types of transport.
- From a freight perspective, there is a lack of facilities that allow freight to be shifted from one type of transport to another.
- Timetables and service patterns often do not match up which can make it difficult to use multiple types of transport for a journey.

Delivery plan

This section sets out a snapshot what we will build, introduce, and change by 2040 to deliver a green, integrated transport network that works for all.

The full list of schemes can be found in our Delivery Plan, along with details of what mechanisms we will use to deliver, fund, and finance these interventions.

The key commitments are outlined below, broken down into respective time periods:



Improvements we will deliver by 2027*

We will deliver:

- **Expanding and Improving our Network** - Infrastructure improvements including a new North Shields Ferry landing and a package of maintenance and renewals of the network;
- **Making Transport Safe for Women and Girls** - Safety and Security improvements on Public Transport including more Metro Gatelines, safer stops and shelters and an accessibility review;
- **Starting the delivery of the largest electric vehicle charging network in the country** - Expansion of the Electric Vehicle Charging Network with home based and key destination and station charging;
- **A joined-up walking and cycling network** - including a new bike and e-bike hire network, active travel hubs, bike parking at key stations and interchanges and the first phase of active travel network improvements;

- **Improving stations and connecting rail to public transport** - Stations will be upgraded and integrated with the wider public transport and active travel network. The Pop card will be brought to local rail services, and we will investigate bringing stations into public ownership;
- **Setting the standards for Green buses** - with new Zero Emission Buses rolled out; and
- **Working towards a fully integrated public transport network** - including enhanced and supported fares, ticketing and information including account based and contactless ticketing.

We will be actively developing:

- Business Cases for **Connecting Washington by Metro and the Leamside Line**;
- **Bus Reform**; and Propositions for 2027 and beyond.

* Subject to funding and powers



Improvements we will deliver by 2032*

We will deliver:

- **Bus Reform;**
- **Washington connected by Metro;**
- **Free travel for all under-18s;**
- **Expanding and Improving our Network** - the network will continue to be maintained including critical structures and the re-signalling and renewals of the Metro;
- **A joined-up walking and cycling network** - the next phase of active travel investment filling gaps in the network to create a cohesive joined up network;
- **Improved rail and road arteries we need to power our economy** - including continuing investment in network improvements to facilitate housing growth through local network schemes and working with National Highways to deliver upgrades to the A66, A1 dualling to Ellingham and Junction upgrades on the A19 at Moor Farm / Seaton Burn;

- **The delivery of a fully integrated public transport network** - a comprehensive customer experience approach to make it easy and safe to plan and make journeys, continuing to focus on safety for women and girls on public transport and a programme of public transport station improvements;
- **Setting the standards for green transport** - decarbonising our public transport network

We will be actively developing:

- **River crossing proposals**
- Further **Metro and Rail extensions including the Leamside Line**
- **Propositions for 2032 and beyond**

* Subject to funding and powers

Improvements we will deliver by 2040*

We will deliver:

- **Improved rail and road arteries we need to power our economy** Including Rail, Metro and Road enhancements, upgrades to the East Coast Mainline, working with Government to deliver Northern Powerhouse Rail in full, structural renewals and new river crossings;
- **The best connected and greenest network** - Decarbonised public transport network with network enhancements and new routes delivering patronage enhancements;
- **The delivery of a fully integrated public transport network** - Transport and digital tools rolled out to improve service quality and new and improved rail and Metro stations.

We will be actively developing:

- Propositions for 2040 and beyond including **embracing new technology innovations and the way people utilise the transport network.**

* Subject to funding and powers



Useful links



[North East Local Transport Plan](#)




[Delivery Plan](#)

[Integrated Sustainability Appraisal](#)

Kim McGuinness
North East
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Title: North East Combined Authority Child Poverty Reduction Unit
Report of: Dr Henry Kippin, Chief Executive
Portfolio: Education, Inclusion and Skills

Report Summary

This report proposes the in-principle establishment of a new Child Poverty Reduction Unit for the North East Combined Authority (North East CA) region. This is a clear Mayoral manifesto commitment, and an important step to build a strategic, long-term and collaborative approach to addressing child poverty in the region.

The report shows how devolution can deliver better outcomes for children and families; using the powers, resources and convening potential of the North East CA and the Devolution Deal, working in close collaboration with the voluntary sector, business, constituent local authorities and public sector partners.

The North East can be the most fantastic place to grow up and to raise a family, but poverty is limiting the life chances and outcomes of too many children and families across the region - and their ability to benefit from everything it has to offer. It is holding the whole of our region back. Addressing and preventing child poverty is a critical social and economic goal for the region, and a fundamental part of our economic growth mission. Giving all children a better start in life will improve life chances, unlock the economic potential of people with major barriers to learning, working and living full lives, and reduce the pressures on public services.

We know that this is a long-term mission which requires a collective effort and a fundamentally cross-sector approach. The determinants of child poverty are complex and multi-generational - so any new approach will need to understand this history, build on existing best practice and work closely with those already working in this space at a local level.

That is why our first step is to establish the Child Poverty Reduction Unit – to create a convening and delivery function that can marshal the evidence, bring partners together, accelerate our work with central government and influence how North East CA investment in areas like job creation, skills, transport and housing more directly impacts on the people who need it the most.

Recommendations

Cabinet is recommended to:

1. Agree to the convening of a Child Poverty Reduction Summit which will bring together stakeholders as part of a cross-regional call to action and the scoping of a long-term approach.
2. Approve the establishment in principle of a North East Combined Authority Child Poverty Reduction Unit and authorise officers to work with stakeholders on its design and delivery agenda.
3. Agree to an indicative early budget allocation of £500k – specific investments from which are delegated to the Chief Executive in consultation with the Mayor, Portfolio Holder and Finance and Investment Board, in line with the Single Assurance Framework.

A. Context

1. Introduction

- 1.1 Addressing the determinants of child poverty is fundamental to the Mayor's manifesto and the North East Devolution Deal. It is both a social and economic imperative for the region and a first-order issue for our constituent authorities. Child poverty is causing material harm now and limiting the future life chances and outcomes of too many children and families across the region in turn causing

long-term problems for our stretched public services. It is also a deeply economic issue – posing a fundamental barrier for people to live, study and work; and removing too many people from our future workforce. It is holding the whole of our region back. That is why it is a priority issue for the region.

- 1.2 Specific commitments to this end have already been made. The Mayor’s manifesto commits to lifting children in the North East out of poverty through a long-term, structural approach; proposing potential interventions such as: ensuring every investment decision has a measurable impact on child poverty; developing Sure Start-style children’s services; and developing a Mayoral childcare grant. The North East Devolution Deal commits to investing in regional interventions to address child poverty in school, workplace, and family settings. These commitments add to a long history of efforts to address the impacts of child poverty within local settings – lessons from which will need to be embedded within any new approach.
- 1.3 In June 2024 the North East Combined Authority committed funding to deliver a programme of work across all seven constituent Local Authorities – building on three years of work with schools, the voluntary sector, local authorities and families themselves. This complements serious, long-term provision led by our Local Authorities working alongside the numerous organisations and community groups who have been at the front line of this issue for many years.
- 1.4 In July 2024, Mayor and Cabinet approved seven Portfolio Development Plans investing in growth, transport, housing and skills projects that will make a real difference to this issue across our region. Through these portfolios, the North East CA will deliver an integrated agenda that can make a material impact on child poverty through the functional powers and investments that we make. For example, through lower fares on the transport network; more targeted skills provision; and better access to housing for those who need it. The devolution agenda is also one of job and opportunity creation – providing those work and skills opportunities for people and lowering the barriers to accessing them.
- 1.5 The North East approach is also in alignment with Government – recognising that many of the levers for poverty reduction must be underpinned by larger scale change in the economy, national investment and systemic changes from national to local level. In July 2024, the new Government announced the launch of a Ministerial taskforce to kickstart work on a national child poverty strategy. Our own plans for the North East will enable us to be as proactive and engaged as possible in these national policy efforts with a clear story about what our region needs and how it can best be delivered collaboratively and locally. We will actively seek to pilot and trial new national initiatives as part of this approach.

2. The Data

- 2.1 A snapshot of the data tells a powerful story about the negative impact of child poverty. Over the past 25 years, child poverty has almost always been higher in the North East than the UK on average. The child poverty rate in the North East in 2021/22 was 35% compared to a national rate of 29% - it is very widely spread and touches households in most of our communities. Ultimately the consequences that are driven from child poverty – the inability of families to meet their basic needs and participate fully in society, is what matters – and these consequences include poor health, mental health and nutrition; exclusion from social activities; reduced educational attainment and constrained life chances at a crucial and formative early age.
- 2.2 Of the children living in poverty in the region around 7 in 10 are from working families and more than one in five children (21.5%) in households with all parents in work are in poverty. This demonstrates that both improvements in the quality and conditions of employment are needed, in addition to improving access to employment for our most deprived communities where we continue to have the highest proportion of children living in ‘workless’ households (15.2%) and long-term ‘workless’ households..
- 2.3 The impact of this in later life is grave. According to work by the Joseph Rowntree Foundation children growing up in poverty face significant negative impacts on their job prospects, and as a

result lower earnings in adulthood, with fewer hours worked than those growing up above the poverty line; an increased prevalence of physical and mental health conditions leads to lower healthy life expectancy. While it is recognised that not all children growing up in poverty are destined to fall behind their peers – there is a strong correlation between child poverty, poorer outcomes on average across a number of domains, and impacts that are concentrated in specific communities and groups as the long term scarring effect on individuals, on families, on communities compounds across generations.

2.4 Local Authorities report dealing with the impact of supporting increasing numbers of residents experiencing poverty. To build on the strong work of our constituent authorities (Cabinet members, DCSs and DPHs) and the VCSE sector in this space, a bespoke strategy is required to address these long-term regional issues.

3. A North East Child Poverty Reduction Unit

3.1 Addressing and preventing child poverty is a long-term and cross-sector task. It will take time, determination and a mix of national, regional and local interventions – not all of which we will have the levers to influence consistently. We know that a ‘unit’ itself will not solve the problem – but is an important starting point because it enables:

- *A clear and accountable policy focus* – with Mayoral and Portfolio Holder oversight – which will ensure we are always focused on the impact of all of our work on child poverty, and things we can do to support prevention.
- *A convening post for data and evidence* – such that we are bringing the latest data, policy insight and creative provision to bear – including from our Universities and expert bodies – with a panel of experts advising on how we do this.
- *A mechanism for targeted commissioning and delivery* – focusing CA resources to reduce child poverty and grow the economy, in line with evidence and the Mayor’s manifesto commitments.
- *A targeted route in to Government* – linking closely with the new national Unit and providing a ready test-bed to make sure the North East is well positioned and able to act quickly.
- *An innovation lab that can pilot new initiatives* – giving us the best possible chance to use CA resources on innovative approaches that can be adapted and scaled.
- *A way of strongly influencing policy outcomes* – through ensuring that major investments – such as transport, housing and skills – do as much as possible to help address and reduce child poverty, its determinants and consequences.

The bullet points above will shape a formal Terms of Reference for the Unit which will be shaped alongside regional partners. We will also ensure that there is strong engagement from the children’s services, public health and political teams across the region (reflecting the degree of experience and expertise this can bring to bear, as well as the key voluntary and community sector partners.

3.2 In establishing a Child Poverty Reduction Unit we will also build on lessons from previous approaches within this policy space (such as the Social Exclusion Unit that led to development of SureStart Centres), and of ‘delivery’ and ‘innovation’ unit type approaches (such as the Prime Minister’s Delivery Unit or NESTA’s Innovation Labs) which seek to create policy focus and stimulate innovation. The Unit and its objectives, work programme and delivery plans will be developed with the aim of lifting a significant percentage of children out of poverty in our region as the primary outcome, including as a result of influencing regional and national policy on poverty prevention.

3.3 The Unit will add value to the independent organisations that already gather evidence and practice around child poverty for the region – such as the North East Child Poverty Commission, the Child of the North annual report and survey, and existing datasets from our Local Authority partners. A core remit of the Unit will be to synthesise these datasets for the first time and use them to generate an actionable evidence base to inform targeted interventions. To facilitate this, leaders from each of these organisations will be involved in the development process.

4. Practical next steps

- 4.1 We propose to begin this work by convening a **Child Poverty Reduction Summit** – which will bring together key partners to involve them in the long-term workplan for the new Unit. Work will begin on convening this event immediately. In parallel, we will begin work on the form and function of the Unit. This will be designed to be focused, value-additive and co-productive. It will design and develop strategies and interventions in partnership with those currently leading work in this area from our constituent authorities and voluntary and community sector – and ensure that we maximise the real-world impact of any resources we allocate. In terms of governance, the Unit will advise the North East Combined Authority Education, Inclusion & Skills Advisory Board, and work in concert with the emergent national Ministerial Child Poverty Taskforce.¹
- 4.2 It is proposed that the unit be chaired by Mayor Kim McGuinness, with Cllr Tracey Dixon (North East CA Education, Inclusion and Skills Portfolio holder) as Deputy Chair. We will engage local and national representatives from education and children’s services, alongside policy experts and residents with lived experience of poverty. Acknowledging the expertise we have in our region, reciprocal membership will formalise the working relationship between the North East Child Poverty Reduction Unit and the North East Child Poverty Commission, who have a shared mission albeit covering different geographical footprints.
- 4.3 Following the Child Poverty Reduction Summit, the Unit will begin work as quickly as possible to publish a strategy that highlights key priorities, early deliverables and longer-term approaches based on regional data and the local/national context. The strategy and subsequent delivery plans will include mapping of existing provision to ensure this work adds value to the existing system and will set out clear priorities for intervention including opportunities to optimise services, co-commission or trial interventions for greater impact.
- 4.4 An example of an early priority – which will be brought through as a more detailed business case via the Unit – would be to develop an innovative programme to support parents (especially women) back in to work. Building on the evidence base and policy recommendations of the North East Child Poverty Commission, the scheme could target those parents on the edge of free/statutory provision who want to be in employment and who, with targeted and focused support, could overcome those short term financial barriers to doing so.
- 4.5 This is an example of the short and long-term economic benefits of addressing child poverty and its determinants. Evidence suggests that high and rising childcare costs are freezing parents out of work. The most recent Coram childcare report calls for efforts to further extend funded early education and increase childcare funding for low-income families to help parents move into work and out of poverty.² Single parent families and families with under-5s are disproportionately affected by poverty in our region, a part-time nursery place for a child under two now costing an average of £148 per week, and working parents facing an average bill of £175 per child per week for childcare during school holidays. Working with partners, the Unit could develop a scheme reducing these barriers to work and supporting children and families in a way that adds value to the existing childcare landscape.

B. Impact on North East Combined Authority Objectives

1. By establishing a Child Poverty Reduction Unit and a Childcare Grant scheme, this work will contribute to the North East CA commitments to achieve a fairer, successful North East, helping people to thrive and reducing inequalities.

¹

https://assets.publishing.service.gov.uk/media/66bcd86bc32366481ca490d5/Child_poverty_taskforce_terms_of_reference.pdf

² https://www.coram.org.uk/wp-content/uploads/2023/07/Childcare-Survey-2023_Coram-Family-and-Childcare.pdf

C. Key risks

A risk for any programme of work addressing the complex issue of poverty is the potential for duplication. This risk will be fully mitigated by ensuring strong collaboration with constituent local authorities, VCSE organisations and other regional and national stakeholders. Subsequent key risks for programmes emerging from the Child Poverty Reduction Unit recommendations will be identified in due course.

D. Financial and other resources implications

1. This proposal is requesting an initial allocation of £500k which is proposed to fund capacity to develop business cases and administer the Unit and initial delivery of early business cases.
2. The Business case development work will proceed through the Assurance Framework with the expectation of an early pilot in respect of the Mayoral Childcare grant to be the first call to be considered.
3. Following the publication of the North East Combined Authority Child Poverty Reduction Strategy, subsequent delivery funding requests will be presented to Cabinet for consideration.

E. Legal implications

1. The comments of the Monitoring Officer have been incorporated in this report.

F. Equalities Implications

1. A Child Poverty Reduction Unit will contribute to the North East CA equality objectives, including deepening our understanding of the inequalities faced by residents in our region and the impact of those on people's lives.
2. A Child Poverty Reduction Unit will use evidence to drive action to address inequalities and promote inclusion and identify and mobilise opportunities to address inequalities across the North East CA region.

G. Consultation and engagement

1. Consultation has taken place with officers at constituent local authorities and the North East Child Poverty Commission. It is anticipated that further consultation and engagement will take place once specific policy areas are identified by the Child Poverty Reduction Unit.

H. Appendices

None

I. Background papers

None

J. Contact officer(s)

Adrian Dougherty, Head of Public Service Innovation
Joanna Unthank, Senior Programme Manager, Child Poverty Prevention

K. Glossary

North East CA North East Combined Authority

Title: Unlocking Finance for North East Businesses to start and to grow.
Report of: Henry Kippin, Chief Executive
Portfolio: Economy/ Finance and Investment

Report Summary

This paper sets out ambitious proposals for the creation of new strategic funds to provide regional businesses with the investment they need to start and to grow. The resulting investment will unlock growth, build confidence in our SME base, turbo-charge university spin-out and ensure the make region is a great place to scale a business.

The proposed funds include equity and loan products for regional businesses underserved by the mainstream market. These gaps have been identified by an independent review of the supply and demand for finance in the region, which has identified a persistent gap in investment available to regional businesses of up to £19m per annum. It is proposed that the funds are pump-primed by £70m of investment by the NE Combined Authority, which would be re-cycled multiple times over 15 years; as a result, it is anticipated that £390m will be invested in regional SMEs, including private sector co-investment of £170m.

Whilst the proposed financial commitment by the Combined Authority is significant, the expected impact is also large, with an expectation that 3,000 jobs will be supported as a result of equity investment in and loans to companies; furthermore, this investment is phased over the first five-year investment period of the Combined Authority. Once the initial investment is made, the fund is materially self-sufficient for a further ten years. Due to the returnable nature of the investments made through the fund – the net legacy expected to be available at the conclusion of the fund, after funding is returned through loan repayments by investees, the sale of equity stakes taken in early-stage companies, and after all economic benefit has been delivered, is expected to be £13m – more if external borrowing is not required and interest savings can be re-invested.

All funds will be operated by the holding company The North East Fund Ltd (NEF Ltd), of which the seven constituent local authorities of the North East Combined Authority are members.

Cabinet is asked to make a headline financial allocation to support the priorities set out in this report, and to approve the launch of a procurement exercise to be undertaken by the NEF Ltd, which will identify fund managers to mobilise the funds set out in this report. The award of funding to the NEF Ltd will be subject to a further decision to be taken by Cabinet once procurement for fund managers is completed and preferred bidders are identified. Final proposals will be reviewed by the Technical Officers Group and the Finance and Investment Board, and this will result in a report seeking authorisation to award funding, including any legal matters, and final outputs and outcomes to be contracted. Procurement of the fund managers is expected to begin in late September and is scheduled to complete in January 2025.

Recommendations

Cabinet is recommended to:

1. Endorse the approach to unlocking finance for North East businesses to start, and to grow, as set out in the report, which has been recommended for approval by North East CA Finance and Investment Board.
2. Allocate £70m of North East CA Investment Fund, which is expected to unlock over £350m of investment in regional businesses over 15 years, to implement these proposals.
3. Authorise the Chief Executive, in consultation with the relevant portfolio holders, to undertake the next steps and take decisions relating to implementation of the proposals, in line with the parameters approved by North East CA Finance and Investment Board, which include:

- finalisation of the investment strategy and funding arrangements for the fund(s); and
 - overseeing required procurement processes to be conducted by the North East Fund Limited, in consultation with the Monitoring Officer
4. On conclusion of the procurement, and prior to award of contracts to successful bidders, to receive a proposal for approval and award of funding, setting out the outputs and outcomes which will be achieved.
 5. Receive a future report on the overall status of financial arrangements now under the control of the North East CA, including legacy arrangements, and proposals on how they may be streamlined in terms of their operation, including any required changes to the governance structures of the North East Fund Ltd to facilitate the approach set out.

A. Context

1. Strategic Context and SME Demand for Finance in the North East (NE)

- 1.1 The region has historically suffered from low availability of investment to support business growth. While this is an issue facing most regions, the issue in the NE is particularly acute – in part because of our lack of proximity to London, and the significant institutional investment there, which despite efforts to spread investment more evenly across the country, still tends not to ‘travel’; our relatively small scale, which results in exciting, but on average smaller investment opportunities; and the relative lack of venture fund and investor presence in the region.
- 1.2 The region has a history of investing in local approaches to address the main gaps left as a result of this reduced activity by the mainstream market, and the North East Fund is the latest fund established by the region in 2018 – since then it has provided £152m of investment and has generated significant economic development outputs, provided significant growth funding for SMEs who would otherwise have been underserved, created and safeguarded thousands of jobs for the region, and generated legacy funds for re-investment. The current North East Fund reaches the end of its planned investment period in December 2024 – it will continue to generate legacy returns for years to come that can be re-invested a successor arrangement.
- 1.3 Continuing availability of funding for businesses, particularly where this isn’t available from the mainstream offering, is critical in delivering the region’s ambitions for growth across the whole economy. These ambitions are set out in the devolution deal, trailblazer deal, recent Portfolio Strategic Priorities agreed by Cabinet in July and the mayor’s commitment to support new and growing business across the region to help create jobs and grow our regional economy. The importance of access to investment to support business innovation and growth is also recognised in the Government’s Plan for Small Business.
- 1.4 In finalising the proposals in this report, we have:
 - Undertaken an externally commissioned market assessment, which included dialogue with financial professionals, economic development experts, and investment managers, which has shaped the development of the ambitious proposals to meet the gaps in finance for regional businesses identified set out in this report.
 - Developed a business case for investment, which has been assessed in line with the Single Assurance Framework and recommended by Finance and Investment Board for Cabinet Approval.
 - Undertaken dialogue with regional universities on the creation of an early-stage equity commercialisation and spinout fund, a co-invested approach to meeting the finance needs of early-stage spinout companies, and to unlocking the economic potential and innovation benefits for the region.

Current Business Finance Landscape

- 1.5 In March, Hatch Associates Ltd were commissioned to undertake an SME Finance Market Assessment within the region, this review was overseen by a cross-regional steering group and the region's Economic Directors group.
- 1.6 This review identified the size and nature of the current gap in supply of finance in the region - including assumptions on how existing funds and new national Government schemes, such as the Northern Powerhouse II Fund (NPIF II), will impact the region. The market assessment has shown an overall gap between demand and available supply of investment of £23-28m per annum, where there is a clear rationale for public investment support.
- 1.7 The most significant gaps relate to early-stage equity funding, where the investor takes an ownership stake in the company in return for investment (£8-9m pa) and loan-based funding for established SMEs which is repaid with interest (£10-12m pa). Once estimated NPIF II investment of £8.95-12 million per annum in SMEs in the NE is accounted for, the residual gap is c. £12-19 million per annum over the next five years.

Specific gaps for investment in Research and technology commercialisation

- 1.8 The Devolution Deals, outline Local Growth Plan, emerging Industrial Strategy, Investment Zone and draft Investment Framework prioritise the objective of driving innovation and R&D investment in the North East - new and growing innovation intensive companies in the region are critical to achieving this objective, and company spinout from research and innovation intensive institutions in the region is a key source of these high-growth potential companies.
- 1.9 The market assessment highlighted significant gaps in very early-stage investment for companies with potential to turn innovative research and novel technologies into scaling businesses based in the region. A particular shortage of patient investment with a relatively high-risk tolerance was identified – this type of investment is critical in supporting high-growth potential early-stage ventures, many requiring investment before they have generated any revenues, but with strong Intellectual Property underpinning them as a result of commercialisation of research and innovation activity in our universities, NHS and Catapults.
- 1.10 Critically, gaps in finance availability are apparent across the spectrum, from businesses in the foundational economy seeking modest organic growth, to highly innovative businesses with significant scale-up potential. A gap of this scale, within a regional economy with already subdued start-up, growth and innovation rates, reinforces existing structural barriers to the NE reaching its economic potential and must be addressed, as part of a wider inclusive industrial strategy and refreshed approach to business support.

2. Proposed Objectives

It is proposed that our access to finance priorities are to:

- deliver significant economic impact from direct combined authority investment in improving access to investment for start-up and growth for regional businesses, by meeting identified market gaps.
- seek to return initial combined authority investment in-tact, after significant economic impact is delivered, and where possible seek to generate legacy funding to sustain the model in future.
- achieve a minimum economic fund scale, which is critical to attain necessary impact and operating efficiency and a mix of funds (equity and loan) that meets market requirements, while minimising pump priming capital required to initiate the model.
- ensure local fund managers' presence to provide regional coverage, as understanding of local economic development needs is deemed essential based on previous experience of driving take-up of funding across the region.

- Attract net additional and new flows of capital into the region and continue to position the region well to respond to national opportunities including Government policy to create a National Wealth fund and optimise regional investment.

3. Specific Proposals

3.1 This report asks Cabinet to make an allocation of £70m to support a strategic and long-term approach to the access to finance needs of the area which will lead to significant re-cycling of investment over a 15-year investment period. This will ensure funds can accommodate more patient investment required by early-stage businesses – which is a key gap in the market currently. It will also allow for greater re-cycling of legacies and ensure an optimum period for any borrowing by the Combined Authority to be repaid, without detrimental impact on the funding available to regional businesses.

3.2 **To meet the gaps identified in section 1 of the report, there are two main proposals which have been endorsed by North East CA Finance and Investment Board.** Each proposal will result in a number of legally distinct sub-funds, to sit within the NEF Ltd Holding Company, which is currently owned by the constituent local authorities of the North East Combined Authority.

A. A successor to the current North East Fund

3.3 The First fund proposed responds to the main gap in available finance which will emerge when the current North East Fund ceases investing in December 2024.

This fund will be in the region of £90m in size, made up from £60m of Combined Authority investment (borrowing and grant) and £30m of legacy funding to be recycled from previous regional funds). This fund will meet ongoing gaps in investment available for regional businesses and is likely to include three sub-funds:

- An actively managed Venture Fund – late seed and series A equity and Proof of Concept type convertible loans.
- An actively managed Development Capital Fund - predominantly loans and mezzanine with some equity investments; and
- A passive co-investment fund - any instrument subject to pari passu terms with co investors.

B. University co-invested early-stage equity commercialisation and spinout fund.

3.4 The second proposed fund will target risk tolerant and patient investment at relatively high-risk, high-growth potential early-stage ventures, starting up because of commercialisation of research and innovation activity in our universities, NHS and Catapults. The demand for this type of finance is reflected within the Hatch market assessment and the commercialisation pipelines from our universities, which have been shared with the Combined Authority.

3.5 This fund will be in the region of £28m, made up from £10m of Combined Authority investment and co-investment from regional universities. This fund will provide early-stage funding to turn innovative research and novel technologies into scaling businesses based in the region, and is likely to include two sub-funds:

- An actively managed early-stage equity fund – pre-seed, seed and Proof of Concept type convertible loans; and
- A co-investment Fund - any instrument subject to pari passu terms with co investors.

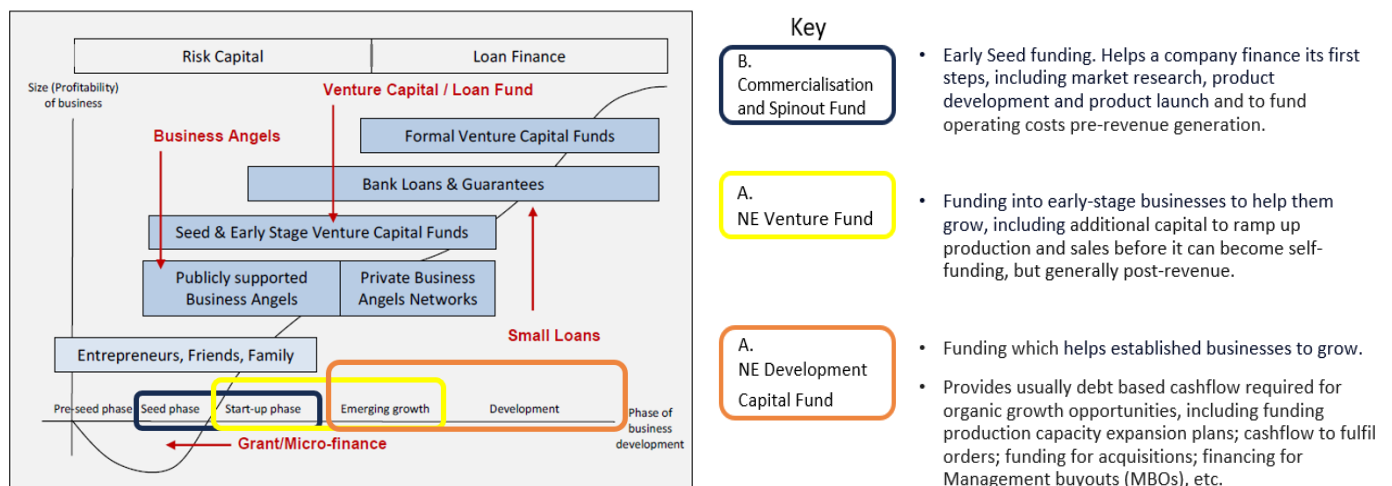
**** the commercialisation and spinout fund remains subject to investment committee approvals from co-investing institutions.***

3.6 The creation of innovative companies and scalable ventures built on technology and Intellectual Property through this fund is important in ensuring long term pipeline for our strategic sites and

innovation districts including Aykley Heads, the Helix, NetPark and IAMP, and for catalytic investments including the North East Space Skills and Technology Centre at Northumbria University, and the creation of the Heath Innovation Neighbourhood in Newcastle.

4. Summary of overall approach

4.1 The diagram below illustrates the different types of funding businesses require at different stages of their maturity, and the typical sources of that funding. Many businesses will access the funding they need from mainstream sources – however the proposals for Combined Authority investment are designed to enhance the system, where the market is failing to meet regional needs. The key illustrates how the proposals set out above fit into the overall funding environment for businesses and the main ways in which the funding provided to businesses is used:



4.2 Over 15 years, through the proposals set out in this report, £390m will be invested in regional SMEs which includes initial recyclable investment, including private sector co-investment of £170m. This is expected to generate potentially 3,000 jobs as result of investment in/loans to companies, particularly where the mainstream market is not providing funds on practical or affordable terms and as a result the activity will be unlikely to happen in the absence of regional investment.

5. Delivery Arrangements

- 5.1 The funds described in this report will be under the control and day to day management of the NEF Ltd, which is a company limited by guarantee whose members are the seven constituent Local Authorities of the North East Combined Authority area.
- 5.2 The NEF Ltd will operate the holding funds and undertake the role of ‘implementing body’ which includes the procurement and management of fund managers, in line with the Objects of the company.
- 5.3 This management approach enables economies of scale and value for money, whilst facilitating co-investment by strategic partners, including regional universities. The funding arrangements between the Combined Authority and NEF Ltd will govern the release of funding to NEF Limited and the Combined Authority’s requirements as to the operation of the funds.

6. Next Steps

- 6.1 Subject to Cabinet approval, a procurement process will be launched by the NEF Ltd to identify Fund Managers; procurement is likely to begin in late September and is scheduled to complete in January 2025. Technical Officer Group and the Finance and Investment Board will be asked to consider the outcome of this process, prior to a report to be taken to Cabinet seeking approval to award funding.
- 6.2 In addition to taking the necessary practical next steps to implement the proposals set out in the report, a review of all current financial arrangement under the control of the North East Combined Authority will be led by the Director of Finance and Investment; this will include funds which have transferred from the North of Tyne Combined Authority and the North East Local Enterprise Partnership. An overview and recommendations will be brought to a future meeting.

B. Impact on North East Combined Authority Objectives

All the activity described above supports the strategic aspirations of the North East Combined Authority as described in the North East Devolution Deal (December 2022), the Deeper Devolution Deal announced in March this year and the interim Corporate Plan.

In addition, the activity has direct impact on priorities set out within the Mayoral Manifesto, in particular priorities relating to 'strong economic foundations' and 'world class arts and culture'. The recent Portfolio Strategic Priorities agreed by Cabinet in July also set out priorities directly related to the proposals in this report, including within the Economy Portfolio and Finance and Investment Portfolio where a joint priority to "bring forward the next access to investment programme for local businesses" and "tackle gaps in the availability of finance (loan and equity)" were agreed. Within the Culture, Creative, Tourism and Sport portfolio priorities to support culture and creative industries investment were identified and within the Environment, Coast and Rural portfolio the production of a comprehensive Environmental Stewardship, Coast and Rural Growth Investment Plan is proposed, which will include meeting the investment needs of SMEs.

C. Key risks

The risks associated with this proposal are being fully considered through the Combined Authorities Assurance Framework and will be set out in full at the point a funding decision is requested in January 2025. Financing of this proposal includes the requirement for £30m borrowing by the North East CA. At this point this is a risk due to the delay in securing non-transport borrowing powers for the North East CA. The delay being due to the General election being called.

D. Financial and other resources implications

Total Funding requested in this paper is £70m. This would be taken from North East CA Investment Fund, borrowing undertaken by the Combined Authority and NTCA Investment Fund Reserve, in the case of £10m of resources which have previously been approved by NTCA Cabinet in March 2024.

	2025-6	2026-7	2027-8	2028-9	2029-30	Total
Borrowing	10m	8m	7m	5m		30m
Grant	10m	8m	7m	5m		30m
Grant 2 (NTCA Reserve)	2m	2m	2m	2m	2m	10m
Total	22m	18m	16m	12m	2m	70m

It is proposed that this fund is pump-primed by £70m of investment by the North East CA, which would re-cycle multiple times and over 15 years £390m will be invested in regional SMEs, including private sector co-investment of £170m.

Whilst the proposed financial commitment by the Combined Authority is significant, the expected impact is also large, with an expectation that 3,000 jobs will be supported as result of equity investment in and loans to companies; furthermore this investment is phased over the first five year investment period of the Combined Authority and once the initial investment is made the fund is materially self-sufficient for a further ten years. Due to the returnable nature of the investments made through the fund – the net cost, after funding is returned through loan repayments by investees and the sale of equity stakes taken in early stage companies - the net cost to the combined authority after all economic benefit has been delivered is up to £13m, less if external borrowing is not required and interest savings can be re-invested.

E. Legal implications

The comments of the Monitoring Officer have been included in this report.

F. Equalities Implications

The North East CA complies with the Public Sector Equality duty and is conscious of the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024 the North East CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader. There are no direct equalities implications arising out of the recommendations in this report.

G. Consultation and engagement

Consultation has been undertaken with the Chief Executive, the Mayor and Cabinet and with Local Authority Economic and Finance Director Groups.

H. Appendices

None

I. Background papers

None

J. Contact officer(s)

Mark Stamper, Head of Economic Delivery. Mark.stamper@northeast-ca.gov.uk

K. Glossary

CA	Combined Authority
NEF LTD	The North East Fund Limited
North East CA	North East Combined Authority
NE	North East
NHS	National Health Service
NPIF II	Northern Powerhouse Investment Fund two
R&D	Research and Development
SME	Small and Medium Sized Enterprise

Title: Audit Update
Report of: Director of Finance and Investment
Portfolio: All

Report Summary

The purpose of this report is to present to Cabinet the Annual Report 2023/24 of the former North of Tyne Combined Authority's Audit and Standards Committee and the Internal Audit Annual Report 2023/24 in relation to the former North East Combined Authority and Joint Transport Committee, provide an update on the establishment of the North East CA's Audit and Standards Committee and to recommend the appointment of the local auditor for the North East CA.

Recommendations

Cabinet is recommended to:

1. Receive and note the former North of Tyne Combined Authority's Audit and Standards Committee Annual Report 2023/24;
2. Receive and note the Internal Audit Annual Report 2023/24 in relation to the former North East Combined Authority and Joint Transport Committee;
3. Note the progress made by the North East CA in establishing its Audit and Standards Committee and its intention to prepare and present to Cabinet an Annual Report at the conclusion of 2024/25;
4. Agree that Public Sector Audit Appointments Ltd be asked to appoint a local auditor for the North East CA and authorise the Director of Finance and Investment to take all necessary steps to formalise the appointment of a local auditor.

A. Context

1. Annual Report 2023/24 of the former North of Tyne Combined Authority's Audit and Standards Committee

- 1.1 Combined authorities are required to appoint an audit committee as a key component of the governance framework. Whilst the Cabinet has overall responsibility for governance, an audit committee provides independent and objective oversight on the adequacy of governance, risk and control arrangements. The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.
- 1.2 The former North of Tyne Combined Authority (NTCA) appointed an Audit and Standards Committee each year to exercise these functions. At the conclusion of 2023/24 the Committee prepared an Annual Report which sets out its role and functions, summarises the substantive business considered by Committee throughout the year and details the outcomes from a review of the effectiveness of the Committee. The review concluded that the Committee continues to operate effectively with a good level of performance and there are no significant matters arising from the work of Committee which need to be brought to the attention of Cabinet.
- 1.3 The purpose of this report is to provide the Cabinet with an opportunity to hold the Committee to account for its performance and provide assurance that the arrangements in place are effective. The Annual Report is attached as Appendix 1. The Independent Chair of the Committee, David Willis OBE, has accepted an invitation to attend today's meeting to present the report and to answer any questions.

2. Former North East Combined Authority and Joint Transport Committee - Internal Audit Annual Report 2023/24

- 2.1 The Internal Audit Annual Report 2023/24 sets out the areas of work undertaken by Internal Audit and provides information on the performance of Internal Audit in relation to the former North East Combined Authority (NECA) and the Joint Transport Committee (JTC) for 2023/24 for 2023/24. The report concludes that in 2023/24 the former North East Combined Authority continued to have a sound system of internal control in place. The Annual Report is attached as Appendix 2 to provide Cabinet with further assurance that the arrangements in place are effective.

3. North East CA Audit and Standards Committee

- 3.1 At its meeting on 11 June 2024 the Cabinet agreed to appoint its own Audit and Standards Committee to exercise the functions described in paragraph 1.1 within the new Authority. The Committee is made up of 14 elected members with each of the 7 constituent councils appointing 2 members. The Cabinet also agreed to appoint David Willis OBE, the former Chair of the NTCA Audit and Standards Committee as its independent Chair.
- 3.2 Since then, members of the Committee and their substitutes have been offered induction training relating to the role of the Committee and the operation of the Authority. Further training will be delivered based on members' needs identified by a skills audit. The Committee met for the first time on 9 July 2024, when it agreed a work programme and began the task of reviewing and assessing the financial affairs and governance arrangements of the Authority and its predecessor organisations.
- 3.3 The Committee intends to continue the practice of self evaluation and will prepare an Annual Report at the conclusion of 2024/25 for consideration by Cabinet.

4. Appointment of Local (External) Auditor

- 4.1 The Local Audit and Accountability Act 2014 makes provision for the appointment of a local auditor. Normally such an appointment is required to be made by 31 December before the financial year which will be covered by the accounts to be audited but as the North East CA did not exist at 31 December 2023 it is necessary to progress that appointment now.
- 4.2 The North East CA has two options to consider in terms of the approach which could be taken to the appointment of a local auditor. It can either (a) carry out a procurement exercise to appoint a new local auditor, or (b) 'opt-in' to the national scheme for appointing local auditors operated by Public Sector Audit Appointments Ltd ("PSAA Ltd").
- 4.3 To make a stand-alone appointment, the North East CA would be required to establish an independent Auditor Panel. The Panel must be made up of a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees – for the North East CA this excludes all current and former elected members (or officers) and their close families and friends. This means that elected members would not have a majority input into the process for the assessment and appointment of the firm of accountants to provide the CA external audit. A newly established and independent Auditor Panel would be responsible for selecting the auditor.
- 4.4 PSAA Ltd is recognised as an "appointing person" under the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. The North East CA can choose to "opt-in" to the PSAA Ltd. contract. If opted in, PSAA Ltd. could therefore appoint a local auditor for the North East CA, set the fee level for the contract and manage the contract with the appointed audit firm. Given the significant challenges and lack of capacity in the local audit market and the need to maintain a high quality of external audit provision, there is a strong case that this option will produce better outcomes and will be less burdensome for the CA, compared to procurement undertaken locally. Set out below are more details of why this is the preferred option being recommended to Cabinet.

- collective procurement (ie through the PSAA Ltd. contract) reduces overall costs for the sector and for individual authorities compared to smaller local procurements and contract management arrangements;
- there is no requirement to establish a specific CA auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract;
- supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term; and
- it is the best opportunity to secure the appointment of a qualified, registered auditor.

4.5 Key features of the PSAA approach are:

- contracts let under the PSAA opt-in normally run for five years. Should the North East CA take the decision to “opt-in,” the contract would run to 2027-28, i.e. four years;
- contracts between PSAA and the audit firms will require the firms to deliver audits compliant with the National Audit Office (NAO) Code of Audit Practice;
- the number of firms eligible to undertake local public audit is regulated through the Financial Reporting Council and the Recognised Supervisory Bodies (RSBs). Only appropriately accredited firms will be able to bid for appointments;
- PSAA will manage current and potential future conflicts of interest, rather than the CA having to re-procure contracts should such conflicts arise;
- Opting-in to the PSAA scheme will remove the need to set up an auditor panel in addition to the North East CA Audit and Standards Committee;
- In addition to working with the Local Government Association (LGA), a stakeholder advisory panel with representative organisations for councils, police and fire bodies ensures ongoing influence and engagement with PSAA;
- PSAA is a not-for-profit organisation whose costs are around 4% of the scheme with any surplus distributed back to scheme members;
- scale fees will vary in line with the additional work needed which reflects risk and complexity and will be set following consultation with opted-in bodies;
- PSAA will manage variation requests and approve where appropriate; and
- This approach is supported and endorsed by the LGA.

4.6 The main downside to this approach to local auditor appointment is the inability to determine the evaluation criteria used for procurement. However, given that the audit approach is mandated through standards and guidance, there is minimal flexibility in the scope of work requested.

4.7 The PSAA route for 2023-2028 was adopted by 462 bodies including all of the North East CA constituent authorities and Nexus.

4.8 The contract fee will need to be paid by the North East CA, in common with all other audited ‘relevant authorities’. Guidance sought from PSAA Ltd in respect of the duration of the contract has been that the 2023 appointments made by PSAA for accounting periods beginning from 2023/24 were for five years, meaning contracts awarded as part of that tranche are due to end in 2027/28. It is likely that, if PSAA are requested to appoint a local auditor for the North East CA, the same contract period would apply, i.e., the auditor would be in place up to 2027/28.

4.9 Given the time which would be involved in carrying out a procurement exercise at this stage (which would include the need for North East CA to seek the views of its Independent Auditor Panel), it is proposed to follow the PSAA Ltd route to secure the appointment of a new local auditor as expeditiously as possible. If the PSAA Ltd route is chosen, there is no need to convene the Independent Auditor Panel to participate in the appointment. The independence requirement would be met by participation in the national scheme.

B Impact on North East Combined Authority Objectives

1. The Authority’s governance framework is concerned with the systems, processes, culture, values and activities through which it directs and controls resources to deliver its ambitions and priorities.

C Key risks

1. The local auditor and the Audit and Standards Committee are essential components of the Authority's governance framework and their appointments ensure that the Authority complies with its statutory obligations.

D Financial and other resources implications

1. Provision has been made in the initial 2024-25 Corporate Budget for the Local Auditor fee in line with estimates.

E Legal implications

1. The Monitoring Officer has been consulted and has no comments to add.

F Equalities Implications

1. There are no direct equalities implications arising out of the recommendations in this report.

G Consultation and engagement

1. Consultation has been undertaken with the Chair of Audit and Standards Committee, the Chief Executive, the Mayor and Cabinet. In addition, consultation has been undertaken with PSAA Ltd.

H Appendices

Appendix 1 – Annual Report 2023/24 of the former North of Tyne Combined Authority's Audit and Standards Committee

Appendix 2 – Former North East Combined Authority and Joint Transport Committee Internal Audit Annual Report 2023/24

I Background papers

None

J Contact officer(s)

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K Glossary

JTC Joint Transport Committee

NECA Former North East Combined Authority

NTCA North of Tyne Combined Authority

PSAA Public Sector Audit Appointments Ltd.

**NORTH
OF TYNE**
~~~~~  
**COMBINED  
AUTHORITY**

# **Audit and Standards Committee – Annual Report 2023/24**

**June 2024**

Newcastle  
City Council 



 Northumberland  
County Council

## **Introduction from the Chair of the Audit and Standards Committee**

I was appointed into the independent Chair's role on North of Tyne Combined Authority's Audit and Standards Committee in November 2022. Over the last 12 months, the Committee has undertaken a more challenging, yet supportive role and especially as the new North East Combined Authority was developing. I have enjoyed being part of the evolving role of the Committee within a developing organisation.

The Authority was established in 2018, and the development of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes whilst it takes time to implement and develop, has now matured. The provision of independent assurance to the Authority on its changing and evolving risk profile has, arguably, never been more important in the light of the international situation, the UK economic position and the emergence of the new Combined Authority.

Looking back to 2023/24, the challenge for the Committee was twofold. Firstly, to focus on the practicalities of the delivery of the Authority's objectives and the risks associated with this delivery. For example, the longstanding backlog of Annual Accounts needed to be tackled. The role of risk management, internal and external audit and the control environment was essential, with the structured risk review work being an integral part of the audit focus supporting the achievement of these objectives. Secondly, that the longer-term development of the devolution deal, and the new North East Mayoral Combined Authority, potentially, could have created larger regional risks and opportunities which this Authority's objectives considered, and which featured at every Audit and Standards Committee.

At their core, audit and standards committees can play a vital role in supporting and maintaining a culture and environment to support the integrity of governance arrangements and the provision of information for decision making for the organisation. I have found that the Committee members have shown great interest and understanding of the role and asked many challenging questions. At times of uncertainty, transparency can be of heightened importance, so I hope this annual report from Audit and Standards Committee on its work and how it has met its agreed Terms of Reference is a useful source of assurance to the new Combined Authority Cabinet. One success worth reporting is that traditional issues of quoracy were not a factor in 2023/24, I believe this has been successfully addressed.

In addition to summarising highlights from the substantive business considered by Committee, this report details the outcomes from reviewing our Audit and Standards Committee arrangements and its effectiveness. The report details the progress we have made, with regard to reflecting good practice recommended by the Chartered Institute of Public Finance and Accountancy, and developments identified to improve effectiveness.



An annual report to Cabinet on the work of the Committee is one action identified and I am pleased to provide this annual report to Cabinet on behalf of the Audit and Standards Committee. I hope that this report is of interest and helpful to Cabinet and any views from Cabinet can be used to help guide the work of the new Audit and Standards Committee to ensure it can continue to develop and provide a vital assurance link for the organisation and in turn, residents, businesses, and all those who live or work within the broader North East.

**David Willis OBE**  
**Independent Chair of Audit and Standards Committee**

## **Section 1: Role of an Audit Committee**

### **Introduction**

- 1.1 Whilst as a Combined Authority the prevailing legislation for Audit Committees is the Cities and Local Government Devolution Act 2016 and the subsequent Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017, good practice guidance for the sector is provided by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.2 CIPFA's 'Audit Committees – Practical Guidance for Local Authorities and Police', last updated and published in October 2022, sets out good practice guidance covering the role, functions, and operation of Audit Committees. CIPFA's Position Statement on Audit Committees in Local Authorities and Police 2022 sets out the principles they recommend committees should follow.
- 1.3 Audit and Standards Committee have adopted the principles of the Position Statement as amended accordingly for legislation directly relevant to Combined Authorities. These are set out in paragraphs 1.4 – 1.16.

### **Purpose of the Audit Committee**

- 1.4 Audit Committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.
- 1.5 In the Combined Authority, the Cabinet is the body charged with governance, and whilst audit committee may be delegated some governance responsibilities, they are accountable Cabinet.
- 1.6 The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

### **Independent and Effective Model**

- 1.7 The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.
- 1.8 The committee should:
  - be directly accountable to the authority's governing body.
  - be independent of both the executive and the scrutiny functions.

- have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups.
- have rights to request reports and seek assurances from relevant officers.
- be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.

1.9 The audit committee should also include at least one member who is an independent person in accordance with the appropriate legislation.

## **Core Functions**

1.10 The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained. The specific responsibilities include:

### **Maintenance of governance, risk and control arrangements**

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

### **Financial and governance reporting:**

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

### **Establishing appropriate and effective arrangements for audit and assurance**

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- in relation to the authority's internal audit functions:
- oversee its independence, objectivity, performance and conformance to professional standards.
- support effective arrangements for internal audit.
- promote the effective use of internal audit within the assurance framework.
- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk

management or control, and monitor management action in response to the issues raised by external audit.

- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

## **Audit Committee Membership**

1.11 To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

1.12 Characteristics of audit committee membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
  - promoting apolitical open discussion.
  - managing meetings to cover all business and encouraging a candid approach from all participants.
  - maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise and interest in the work of the committee.

1.13 While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance. The appointment of co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.

## **Engagement and Outputs**

1.14 The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

- 1.15 To discharge its responsibilities effectively, the committee should:
- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public.
  - be able to meet privately and separately with the external auditor and with the head of internal audit.
  - include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the head of resources (where such a post exists). These officers should also be able to access the committee members, or the chair, as required.
  - have the right to call on any other officers or agencies of the authority as required.
  - support transparency, reporting regularly on its work to those charged with governance.
  - report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

## **Impact**

- 1.16 As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance. The committee should evaluate its impact and identify areas for improvement.

## **Section 2: Review of North of Tyne Combined Authority's Audit and Standards Committee**

- 2.1 In line with good practice, Audit and Standards Committee undertake an annual review of the effectiveness of our arrangements.
- 2.2 For 2023/24, the Committee completed a self-assessment against the current CIPFA good practice guidance and the results were presented and agreed by the Audit and Standards Committee at its meeting in April 2024.
- 2.3 The self-assessment concluded that the Committee continues to operate effectively with a good level of performance against the practice recommended by CIPFA and no significant areas of development required.
- 2.4 The Audit and Standards Committee also undertook skills assessment of members during the year and training and development workshops were undertaken to address identified skills gaps.
- 2.5 The workshops were facilitated by officers from services including Finance, Risk, Governance and Internal Audit, and the main subjects covered were:
- A detailed look at the Accounts for 2021/22 and 2022/23.
  - The work of the Combined Authority including the governance model
  - Risks around transition to the new North East Combined Authority.

## **Section 3: Audit Committee Substantive Business – Key Highlights**

3.1 The Committee have conducted their business, where possible, in line with the agreed work programme and reports relevant to responsibilities as set out in its Terms of Reference were received. A summary of reports received by the Committee is set out in Annex A. Key highlights from the Committee's work during the year<sup>1</sup> are detailed below.

### **Internal Audit**

3.2 Committee received and discussed the Chief Internal Auditor's Annual Opinion report on the Framework of Governance, Risk Management and Control for the 2022/23 financial year. The report provided a 'satisfactory' opinion which represented a positive assessment of the Combined Authority's control environment.

3.3 Committee received, discussed and agreed the Annual Internal Audit Plan for 2023/24 and received quarterly update reports from Internal Audit which detailed progress against the plan and summaries of audit assignments completed. Across the year a number of challenging questions were asked about internal audit work and its findings within the update reports.

### **Finance and External Audit**

3.4 Committee received a number of reports from the Chief Finance Officer and External Audit in relation to the Statement of Accounts and spanning a number of financial years.

3.5 Committee have robustly challenged External Auditors and the Chief Finance Officer around the continued delays in signing off accounts, been kept up to date with the national technical issues around valuation of infrastructure assets and consultation around a potential backstop position for completion of delays and the implications this would have for the Combined Authority.

3.6 The external audits of the Statement of Accounts for both 2020/21 and 2021/22 were concluded during the year, and unqualified opinions were issued for both years.

3.7 The External Audit Completion Report in respect of the Statement of Accounts for 2022/23 was presented to Committee in April 2024. Whilst the External Auditor advised they were anticipating an unqualified opinion and value for money assessment there was a significant adjustment made to the draft accounts. This was to correct errors in accounting for capital loans. Committee were appraised of this matter by the Chief Finance Officer and provided assurances this had been addressed for 2023/24.

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<sup>1</sup> Due to the establishment of the new Combined Authority on 7 May 2024, the financial year for the existing combined authority was officially extended to 6 May 2024. Therefore this annual report on the work of Audit and Standards Committee covers the period 1 April 2023 to 6 May 2024.

3.8 In April 2023, Committee agreed a refreshed approach for compiling the 2022/23 Annual Governance Statement (AGS) following recommendations by the Risk Adviser. The draft 2022/23 AGS was subsequently presented to, discussed and approved subject to reporting of any changes between the date of production and agreement of the final accounts. No significant weaknesses were identified, and the Chair highlighted the importance of ethical governance as a responsibility of the Committee.

## **Risk**

3.9 The Committee considered and endorsed the Risk Management Policy and Strategy for 2023/24 following an annual review.

3.10 The Committee received and considered updates on the strategic risk and opportunities register at each meetings. The Committee obtained assurance that the most significant risks and opportunities had been identified, were being monitored and measures were being taken to mitigate them.

3.11 Updates on strategic risks and opportunities were supplemented by more detailed management presentations on key risks around devolution and transition arrangements into the new Combined Authority. There was challenge from Committee members, in particular relation to the impact the that transition risks had on the operation of the existing Combined Authority. Assurances were obtained around key areas which included, but were not limited to, the following:

- Updates from the chief Finance Officer around progress and management of transition risks as part of a standing agenda item for each Committee meetings.
- Ensuring that business as usual would not be significantly negatively impacted by transition.
- The process and arrangements for undertaking financial year-end given this would be concluded after the existing Combined Authority, and its committees, had ceased to operate.
- The legislative arrangements in place to ensure that existing contracts, funding, and work in progress automatically transferred to the new Combined Authority.

## **Standards**

3.12 There were no standards issues reported to Committee in year.

## **Section 4: Conclusion**

- 4.1 The Committee has fulfilled its responsibilities under the terms of reference and received sufficient information and reports to enable it to do so and operated effectively in line with good practice.
- 4.2 There are no significant matters arising from the work of Committee which need to be brought to the attention of Cabinet.
- 4.3 Audit and Standards Committee is pleased to present this annual report detailing its work during the 2023/24 financial year.



## Reports Considered by Audit and Standards Committee during 2023/24

| <b>Meeting</b>                      | <b>Governance Matters Considered</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 2023                          | <ul style="list-style-type: none"><li>• Final Statement of Accounts 2020/21 &amp; 2021/22 Update</li><li>• Preparation of the 2022/23 Annual Statement of Accounts</li><li>• Accounting Policies to be used in Annual Statement of Accounts 2022/23</li><li>• Draft Annual Governance Statement 2022/23</li><li>• Strategic Risk and Opportunities Register – Update</li><li>• Internal Audit - Quarterly Update</li><li>• Review of Audit and Standards Committee Arrangements 2022/23</li><li>• Audit Committee Work Programme 2023/24</li><li>• Internal Audit Plan 2023/24</li></ul> |
| July 2023                           | <ul style="list-style-type: none"><li>• Annual External Audit Report 2020/21 &amp; 2021/22 Update</li><li>• Opinion on the Adequacy and Effectiveness of the Framework of Governance, Risk Management and Control 2022/23</li><li>• Internal Audit Charter</li><li>• Internal Audit - Quarterly Update</li><li>• Strategic Risk and Opportunities Register – Update</li><li>• Draft Annual Governance Statement 2022/23</li><li>• Draft Statement of Accounts 2022/23</li></ul>                                                                                                          |
| September 2023                      | <ul style="list-style-type: none"><li>• External Audit Update:<ul style="list-style-type: none"><li>○ Audit Certificate 2020/21</li><li>○ Completion Report Update &amp; Draft Annual Audit Report 2021/22</li><li>○ Audit Strategy Memorandum 2022/23</li></ul></li><li>• Statement of Accounts 2021/22</li><li>• Strategic Risk Review</li><li>• Risk Management Policy and Strategy</li><li>• Internal Audit - Quarterly Update</li><li>• North East Mayoral Combined Authority - Transition Update</li></ul>                                                                         |
| January 2024 (NB meeting inquorate) | <ul style="list-style-type: none"><li>• Internal Audit – Quarterly Update</li><li>• Strategic Risk and Opportunities Register – Update</li><li>• External Audit Update – Statement of Accounts 2021/22 &amp; 2022/23</li><li>• North East Mayoral Combined Authority - Transition Update</li></ul>                                                                                                                                                                                                                                                                                       |
| April 2024                          | <ul style="list-style-type: none"><li>• External Audit Completion and Annual Report 2022/23</li><li>• Audited Statement of Accounts 2022/23</li><li>• Audit and Standards Committee Self-Assessment of Effectiveness</li><li>• Internal Audit – Quarterly Update</li><li>• Strategic Risk and Opportunities Register – Update</li><li>• Preparation of the Statement of Accounts 2023/24</li><li>• Accounting Policies to be used in Annual Statement of Accounts 2023/24</li><li>• Draft Annual Governance Statement 2023/24 – Update on approach</li></ul>                             |

## Internal Audit Annual Report 2023/24

### 1 Purpose of the Report

- 1.1 To consider the areas of work undertaken by Internal Audit for the North East Combined Authority (NECA) and the Joint Transport Committee (JTC) for 2023/24, and the internal audit opinion regarding the adequacy of the overall system of internal control. The report also provides information on the performance of Internal Audit for 2023/24.

### 2 Background Information

- 2.1 In April 2023 the NECA Audit and Standards Committee agreed the Internal Audit Plan for 2023/24, which included one audit for the Coordination of the Audit Certificate for the Local Transport Grant Claim.
- 2.2 In April 2023 the Joint Transport Committee Audit Committee agreed the Internal Audit Plan for 2023/24, which included four audits for completion during the year. The agreed audits were:
- a) Bus Services Improvement Plan.
  - b) Capped Bus Fare Scheme.
  - c) Bus Partnership Agreements.
  - d) Scheme Development Allocations.
- 2.3 All of the planned audits have been completed, each with an audit opinion of Substantial assurance.

### 3. Performance of Internal Audit

- 3.1 Appendix 1 shows Internal Audit's performance against the performance indicators, activity directly relevant to NECA/JTC is shown where it can be.

### 4. Compliance with the Public Sector Internal Audit Standards

- 4.1 Internal Audit continues to comply with the Public Sector Internal Audit Standards through the standards being built into audit working practices. This was confirmed in April 2024, following an independent review of the service by the Head of Internal Audit at Northumberland County Council.



North East Combined Authority

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#### **4. Conclusion**

- 4.1 From the Internal Audit work undertaken during the year it is considered that the North East Combined Authority continues to have a sound system of internal control in place.

#### **Background Papers**

NECA Internal Audit Plan 2023/24 – 11<sup>th</sup> April 2023

Joint Transport Committee Internal Audit Plan 2023/24 – 5<sup>th</sup> April 2023

| Internal Audit - Overall Objectives, Key Performance Indicators (KPI's) and Targets for 2023/24                                          |                                                                                                                 |                                                                                          |                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Efficiency and Effectiveness                                                                                                             |                                                                                                                 |                                                                                          |                                                                      |
| Objectives                                                                                                                               | KPI's                                                                                                           | Targets                                                                                  | Progress                                                             |
| 1) To ensure the service provided is effective and efficient.                                                                            | 1) Complete sufficient audit work to provide an opinion on the key risk areas identified.                       | 1) Complete sufficient audit work to provide an opinion on the organisational risk areas | Achieved                                                             |
|                                                                                                                                          | 2) Percentage of draft reports issued within 15 days of the end of fieldwork.                                   | 2) 90%                                                                                   | Ahead of Target – 100%                                               |
|                                                                                                                                          | 3) Percentage of audits completed by the target date (from scoping meeting to issue of draft report).           | 3) 85%                                                                                   | Ahead of Target – 100%                                               |
| Quality                                                                                                                                  |                                                                                                                 |                                                                                          |                                                                      |
| Objectives                                                                                                                               | KPI's                                                                                                           | Targets                                                                                  | Progress                                                             |
| 1) To maintain an effective system of Quality Assurance.<br>2) To ensure recommendations made by the service are agreed and implemented. | 1) Opinion of External Auditor                                                                                  | 1) Satisfactory opinion                                                                  | Achieved                                                             |
|                                                                                                                                          | 2) Percentage of agreed high, significant and medium risk internal audit recommendations which are implemented. | 2) 100% for high and significant risk. 90% for medium risk                               | High and significant risk – N/A<br>Medium risk – ahead of target 93% |
| Client Satisfaction                                                                                                                      |                                                                                                                 |                                                                                          |                                                                      |
| Objectives                                                                                                                               | KPI's                                                                                                           | Targets                                                                                  | Progress                                                             |
| 1) To ensure that clients are satisfied with the service and consider it to be good quality.                                             | 1) Results of Post Audit Questionnaires                                                                         | 1) Overall average score of better than 1.5 (where 1=Good and 4=Poor)                    | On target - 1                                                        |
|                                                                                                                                          | 2) Results of other Questionnaires                                                                              | 2) Results classed as 'Good'                                                             | N/A                                                                  |
|                                                                                                                                          | 3) Number of Complaints / Compliments                                                                           | 3) No target – actual numbers will be reported                                           | None in year                                                         |

**Title:** The North East Combined Authority Risk Management Framework and Strategic Risk Management  
**Report of:** Janice Gillespie, Director of Finance and Investment  
**Portfolio:** Finance and Investment

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## Report Summary

This report provides an update on the work that has been undertaken in respect of risk management within the Combined Authority, including development of the North East Combined Authority's Risk Management Framework and current strategic risks.

## Recommendations

Cabinet is recommended to:

1. Agree the North East Combined Authority's Risk Management Framework
2. Agree the current strategic risks, scoring and proposed management actions.

### A. Context

#### 1. Introduction

- 1.1 Risk is inherent in the type of activities the Combined Authority engages to deliver high quality services. It is acknowledged that the Combined Authority cannot be wholly risk adverse and must take some risks to be successful and achieve our ambitions and priorities. Effective and meaningful risk management is critical to ensure a balanced approach to managing risks and seizing opportunities. It is also an integral part of good corporate governance and control arrangements.
- 1.2 The Mayor and Cabinet has overall responsibility for ensuring effective risk management arrangements are in place, agreeing the approach to risk management, setting the risk tolerance which determines the level of risk we are prepared to accept and ensuring risk and opportunities are appropriately considered as part of all decision-making processes as defined in the Single Assurance Framework.
- 1.3 The Combined Authority's Risk Management Framework has been developed and sets out the governance and approach of risk management arrangements.
- 1.4 In line with the Risk Management Framework, risk officers and Senior Leadership Team have undertaken an exercise to identify, assess and score an initial list of strategic risks for Cabinet to consider.

#### 2 The Risk Management Framework

- 2.1 The Risk Management Framework governs the way in which the Combined Authority identifies and manages its risks and opportunities, supporting the requirements of the Single Assurance Framework and delivery of our strategic objectives. The framework has taken into consideration the Government's Orange Book (Central Government Risk Management Framework) and good practice from similar risk management frameworks adopted by other Combined Authorities.
- 2.2 The framework documents the processes to be used in the identification and management of risks within the Combined Authority. It sets out key roles and responsibilities, the levels of risk (project,

programme, corporate programme and project, directorate and strategic) and the relevant reporting lines.

- 2.3 The Combined Authority is committed to embedding risk management and will ensure it operates effectively, as part of our planning and decision-making process, identifying and managing risks to support delivery.
- 2.4 Risk Management will be championed by Cabinet and the Senior Leadership Team, ensuring it is embedded into our ways of working. This includes all employees understanding their role in respect of risk, being familiar with risk management policies and clear on how to identify and manage risks in their work areas.
- 2.5 Our approach to managing risk will be subject to regular review, with a focus on continuous improvement through learning and experience.
- 2.6 The Risk Management Framework was reviewed by Audit and Standards Committee at its meeting in July 2024 and their feedback has been incorporated into the version presented today.
- 2.7 The Risk Management Framework is available in Appendix 1.

### 3. Approach to Managing Strategic Risk

- 3.1 In line with the Risk Management Framework, work has been undertaken across the Combined Authority to identify, assess, score and develop action plans for our current strategic risks. This initial exercise has identified 7 strategic risks for consideration.
- 3.2 Audit and Standards Committee have a role to review and assess the effectiveness of risk management arrangements, the risk profile of the organisation and to receive and review risk reports, which include the Strategic Risk Register. The Committee is scheduled to review the strategic risks detailed at Appendix 2 and summarised in Table 1 below at its meeting on the morning of 17 September 2024. Officers will provide a verbal update to Cabinet on any feedback from Committee when presenting this report.

**Table 1 – Summary of Strategic Risks**

| Risk Ref | Corporate Risk (Unique Ref. No.)              | Risk Owner (Senior Officer) | Risk Scores   |               |
|----------|-----------------------------------------------|-----------------------------|---------------|---------------|
|          |                                               |                             | Current Score | Target Score  |
| St001    | Transport – funding and scale                 | Tobyn Hughes                | <b>C2 (R)</b> | <b>D3 (G)</b> |
| St002    | Transport – operational                       | Tobyn Hughes                | <b>E1 (A)</b> | <b>F2 (G)</b> |
| St003    | Inclusive Growth                              | Rob Hamilton / Leigh Mills  | <b>E2 (A)</b> | <b>D3 (G)</b> |
| St004    | Net Zero                                      | Rob Hamilton                | <b>C3 (G)</b> | <b>D3 (G)</b> |
| St005    | Political and Policy Change                   | Henry Kippin                | <b>B3 (A)</b> | <b>E3 (G)</b> |
| St006    | Operational Capacity & Resources              | Jacqueline Laughton         | <b>D2 (A)</b> | <b>E3 (G)</b> |
| St007    | Accessing Data to allow Performance Reporting | Jacqueline Laughton         | <b>A4 (A)</b> | <b>E4 (G)</b> |

- 3.3 Whilst strategic risks are owned collectively by the Mayor and Cabinet, a responsible senior officer within the Combined Authority has been assigned as risk owner and is responsible for ensuring controls and actions are kept up to date.

#### **4. Risk Reporting**

- 4.1 The ongoing management and reporting of risk will form a key component of the Combined Authority's governance arrangements.
- 4.2 Cabinet will next receive a formal update on strategic risks at their meeting planned for 11 March 2025 and on a 6 monthly basis following this. This will provide assurance that action is being taken to identify and manage risks effectively across the Combined Authority, that the records remain relevant to the current context and risk are managed in line with our risk appetite.
- 4.3 Whilst formal updates are provided to Cabinet, risk and opportunities will be considered as part of all decision-making and portfolio holders will be part of risk discussions within their portfolios which will inform risk management at all levels across the organisation.

#### **B. Impact on North East Combined Authority Objectives**

1. The North East Mayoral Combined Authority (the Combined Authority) is clear on its ambition to catalyse sustainable inclusive economic growth, making the North East one of the best places to live, work and invest. The Risk Management Framework will support delivery of our vision, ambitions and priorities.

#### **C. Key risks**

1. Without an effective approach to risk management the Combined Authority will not be able to manage risk in a disciplined, co-ordinated and proportionate way. This could prevent effective mitigation against potential risks which may impact on delivery or prevent us taking risk within our risk tolerance that would allow us to seize opportunities and increase the impact we make.

#### **D. Financial and other resources implications**

1. The introduction of an effective approach to risk management will support sound financial management of projects and programmes.
2. Work associated with embedding our risk management approach will be covered through current budgeted resources within the Combined Authority.

#### **E. Legal implications**

1. The introduction of an effective approach to risk management will support the Combined Authority to meet its statutory obligations and deliver in line with the Single Assurance Framework.

#### **F. Equalities Implications**

1. There are no direct equalities implications arising out of the recommendations in this report. However, the introduction of an effective approach to risk management will support the Combined Authority to meet its obligations in respect of its Public Sector Equality Duty.

#### **H. Consultation and engagement**

1. Audit and Standards Committee have reviewed the Risk Management Framework and their comments have been incorporated.

2. The approach to developing the Risk Management Framework and Strategic Risks has included ongoing engagement with the Senior Leadership Team and Heads of Service within the Combined Authority.

**I. Appendices**

Appendix 1: The North East Combined Authority Risk Management Framework

Appendix 2: The North East Combined Authority Strategic Risks

**J. Background papers**

[The North East Combined Authority Single Assurance Framework](#)

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**L. Glossary**

None



# North East Combined Authority Risk Management Framework

September 2024

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## 1.0 Introduction and Overview

- 1.1 The North East Mayoral Combined Authority (the Combined Authority) is clear on its ambition to catalyse sustainable inclusive economic growth, making the North East one of the best places to live, work and invest. The Risk Management Framework is designed to govern the way in which the Combined Authority identifies and manages its risk, supporting the requirements of the [Single Assurance Framework](#) and delivery of our strategic objectives.
- 1.2 Effective management of risk is an integral part of good corporate governance and control arrangements and forms a key component of the Combined Authority culture, supported at all levels through our values and behaviours.
- 1.3 Risk is inherent within the type of activities the Combined Authority engages to deliver high quality services. It is also acknowledged that the Combined Authority cannot be wholly risk adverse and be successful. Effective and meaningful risk management is important in taking a balanced approach to managing opportunity and risk.
- 1.4 The Combined Authority is committed to embedding risk management and ensuring it is operating effectively, as part of its planning and decision-making process, identifying and managing risks to support successful delivery.
- 1.5 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational and strategic risks to the Authority. This should include the proactive participation of all those associated with planning and delivering services.
- 1.6 The Senior Leadership Team (SLT), and individual directors, will champion the management of risk and ensure appropriate arrangements are in place, maintained and reported upon on a regular and ongoing basis.
- 1.7 All employees have a part to play in the effective management of the organisations risk. They will be familiar with risk management policies, understand how to identify and evaluate potential/actual risks and escalation / de-escalation processes.
- 1.8 The Combined Authority's approach to managing risk will be subject to regular review with a focus on continuous improvement through learning and experience.

## 2.0 Framework Purpose

- 2.1 The purpose the Risk Management Framework is to:
  - Set out clear standards of risk management to protect the Combined Authority and stakeholders.
  - Support the Cabinet, Chief Executive, Statutory Officers and Senior Leadership Team in the embedding of a robust but proportionate risk culture within the organisation by setting out clear risk management practices and requirements.
  - Support those with responsibilities to identify and document the risks faced by the organisation in a clear and consistent way.
  - Document the key roles and responsibilities of officers (the lines of defence)

- Specify risk management accountabilities and responsibilities for key roles.
  - Describe the governance of risk within the Combined Authority
- 2.2 The Risk Management Framework applies to the whole organisation and includes our partnerships and collaboration with other organisations. Risk management activity will be aligned to all corporate and business plan aims, objectives and priorities.
- 2.3 Political leaders and senior management within the Combined Authority are responsible for implementing this framework with their areas of responsibility and for the escalation of risk to the Strategic Risk Register as appropriate.
- 2.4 The Risk Management Framework implements section 6.3 of the Single Assurance Framework. It has been developed in line with the principles of [HMT Orange Book](#) and applies the three lines of defence model.

|                      |                                                         |
|----------------------|---------------------------------------------------------|
| 1 <sup>st</sup> Line | Management Control<br>Internal Control Measures         |
| 2 <sup>nd</sup> Line | Functions that oversee or specialise in risk management |
| 3 <sup>rd</sup> Line | Internal Audit                                          |

### 3.0 Management of Risk

- 3.1 There are many definitions of risk, which fundamentally have at their heart that risk is the effect of uncertainty on objectives. The technical recording of risk is expressed in terms of the cause(s), potential event(s) and the consequence(s).
- Cause - the underlying reason or condition that has the potential to lead to risk(s) or an event, i.e. the source and this can be structured as ‘due to’.
  - Event - what could go wrong, i.e. something planned that doesn’t happen or something unexpected which may happen, and this may be structured as ‘there is a risk that’ or ‘leads to’.
  - Consequence, the outcome of an event affecting objectives, and this may be structured as ‘results in’.

An example is included below to demonstrate how these definitions can be used in practice:

*There is a risk that the project is not delivered on time due to difficulties recruiting sufficiently skilled individuals which results in not meeting statutory or contractual deadlines, increases financial costs and external criticism.*

- *Risk (Event) – The project is not delivered on time*
  - *Cause - Difficulties exists recruiting sufficiently skilled individuals*
  - *Consequences - Increased costs, contractual dispute, criticism from regulator / funder.*
- 3.2 Management of risk is the co-ordinated activities designed and operated to manage risk and exercise internal control within an organisation.

- 3.3 It should be noted that a risk can be based on a threat or an opportunity.
- 3.4 The Combined Authority defines risk into five different levels / groups to effectively implement the risk management strategy. These risk groups are:
- **Project Risks:** those risks specifically related to delivering an individual project and impacting the outcome of the project or achievement of its objectives.
  - **Programme Risks:** those risks related to delivering a programme, which may consist of multiple projects, and impacting the overall outcome of the programme or achievement of its objectives.
  - **Corporate Project and Programme Risks:** those risks arising from change initiatives within the organisation.
  - **Directorate Risks:** those risks that are particular to the operations of directorates and would impact on the achievement of objectives within the various directorates. These may include both operational and project risks relevant to the directorate.
  - **Strategic Risks:** the most significant risks within / faced by the Combined Authority, which would have a significant impact on its ability to achieve strategic objectives, meet statutory obligations and commitments if they were to materialise, operate as a fit for purpose organisation etc.
- 3.5 Escalation is the promotion of risks through the different levels where the impact of the risk starts to have wider implications, e.g. where a project risk no longer impacts just the project but potentially delivery of a whole programme or where a directorate risks takes on wider significance to the whole organisation and becomes a strategic risk.

#### 4.0 Roles and Responsibilities

- 4.1 The table below summarises roles and responsibilities in respect of the Risk Management Framework.

Table 1: Roles and responsibilities

| Group   | Responsibility/ Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cabinet | <ul style="list-style-type: none"> <li>• Setting the tolerance level for risk within the Combined Authority</li> <li>• Ensuring effective risk management arrangements are in place.</li> <li>• Approve, and keep under review, the Risk Management Framework.</li> <li>• Collective ownership of the Combined Authority’s strategic risks.</li> <li>• Receive risk reports, at least twice a year, which enables oversight of strategic risks and review of the effectiveness of risk management arrangements.</li> <li>• Receive an annual report from the Chair of Audit and Standards Committee which provides commentary on its assessment of risk management arrangements.</li> </ul> |

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      | <ul style="list-style-type: none"> <li>• Ensuring risk and opportunities are appropriately considered as part of all decision-making reports.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Audit and Standards Committee                        | <ul style="list-style-type: none"> <li>• Review and assess the effectiveness of risk management arrangements and the risk profile of the organisation.</li> <li>• Receive and review risk reports, which include the Strategic Risk Register, on a quarterly basis and obtain assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations.</li> <li>• Consider the Risk Management Framework on an annual basis and make appropriate recommendations to Cabinet should it feel changes are required.</li> <li>• As required, initiate assurance reviews to consider the effectiveness of risk and issue management.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Investment Board                                     | <ul style="list-style-type: none"> <li>• Oversight, review and challenge of performance and management of strategic risk at an investment programme level.</li> <li>• Make appropriate recommendations to Senior Responsible Officers and Cabinet on risk tolerance and escalation.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Senior Leadership Team (includes Statutory Officers) | <ul style="list-style-type: none"> <li>• Ensuring that risk management is an integral part of their management processes and activities within their respective areas of responsibility.</li> <li>• Assign clear roles and responsibilities for managing risk.</li> <li>• Ensuring that a register of significant risks is maintained, reported, and monitored.</li> <li>• Ensure that risk considerations are embedded into planning and decision-making processes.</li> <li>• Allocate risk management resources to areas of identified priority.</li> <li>• Maximise risk management opportunities that can impact positively on the Authority’s reputation, aims and objectives.</li> <li>• Ensure managers and Officers are equipped with the necessary skills to manage risk effectively.</li> <li>• Ensure that strategic partners and service providers are aware of the importance of risk management.</li> <li>• Report the risk implications of recommended strategies, policies, and service delivery options to Members of the Authority.</li> <li>• Oversight and management of strategic risks and regular reporting of progress against mitigating actions and escalating / de-escalating matters as appropriate.</li> </ul> |

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | <ul style="list-style-type: none"> <li>• Individual directors - oversight, escalation and de-escalation as appropriate of directorate risks and corporate programme / project risks for which they are the assigned Senior Responsible Officer.</li> <li>• Make appropriate recommendations to Senior Responsible Officers, Investment Board and Cabinet in respect of risk management, the escalation/ de-escalation of risks.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Internal Audit                                          | <ul style="list-style-type: none"> <li>• Ensure that internal audit plans are risk-based and take into consideration the risk profile and identified risks of the Authority.</li> <li>• Consider the effectiveness of risk management arrangements within areas reviewed as part of the internal audit plan.</li> <li>• Provide an annual opinion on the adequacy and effectiveness of risk management, control and governance processes based upon the work they have undertaken.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Director of Operations                                  | <ul style="list-style-type: none"> <li>• Manages risks that impact on business performance and transition.</li> <li>• Monitors and reports on business performance issues that may require the attention of the programme during transition.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Director of Finance and Investment (Section 73 Officer) | <ul style="list-style-type: none"> <li>• Works closely with the Chief Executive to ensure Risk Management is being completed to the appropriate standard in line with the Risk Management Framework.</li> <li>• Ensures risk reviews are effectively managed and coordinated, ensures risk information is available and reported to support effective decision making.</li> <li>• Manages and coordinates the resolutions of risks relating to operational performance and benefits achievements.</li> <li>• Identifies operational issues and ensures that they are managed by the programme.</li> <li>• Identifies opportunities from the business areas and raises them for inclusion in the programme.</li> <li>• Contributes to impact assessments and change control.</li> <li>• The S73 officer will review and sign off all funding decisions.</li> <li>• Ensure proper administration of the financial affairs of the Combined Authority, which includes risk management.</li> <li>• The risk management policy statement, which may be prepared by a nominated officer, promoting the risk management policy framework throughout the Combined Authority.</li> <li>• Providing or procuring independent assurance on the effectiveness of the risk management</li> </ul> |

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | <p>framework and the associated control environment.</p> <ul style="list-style-type: none"> <li>• Providing or procuring independent examination of the organisation’s performance and how this affects the Authority’s control environment and its exposure to risk.</li> <li>• Report, and provide assurance, to the Audit and Standards Committee in relation to the Combined Authority’s risk management and assurance arrangements.</li> </ul>                                                                                                                                                                                                                                                                                                   |
| Risk Service provider    | <ul style="list-style-type: none"> <li>• Maintain the Risk Management Framework.</li> <li>• Maintain the Strategic Risk Register through liaison with officers.</li> <li>• Prepare and present Strategic Risk Update Reports to Audit and Standards Committee twice a year.</li> <li>• Prepare and present Strategic Risk Update Reports to Cabinet twice a year.</li> <li>• Provide advice and guidance to the Combined Authority as requested.</li> </ul>                                                                                                                                                                                                                                                                                           |
| Risk Team                | <ul style="list-style-type: none"> <li>• Working to the Director of Finance and Investment (S73 Officer), manage and coordinate the Risk Framework and Risk Management System</li> <li>• Facilitate maintenance of the risk and issue registers for all Directorates and Programmes, supporting a consistent approach across the organisation.</li> <li>• Leads on risk reporting at a Directorate and Programme level to support Senior Leadership Team, Cabinet, Boards and Committees.</li> <li>• Provides support to the Risk Service provider in respect of the Strategic Risk register.</li> <li>• Provide support and guidance to officers within the Combined Authority responsible for the identification and management of risk.</li> </ul> |
| Programme Assurance Team | <ul style="list-style-type: none"> <li>• Provide second line of defence assurance through the appraisal of business cases, claims and monitoring processes.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Project Managers         | <ul style="list-style-type: none"> <li>• Oversight, escalation and de-escalation of project risks as appropriate.</li> <li>• Maintain risk and issue registers for their projects.</li> <li>• Provide risk reports to managers on project level risks.</li> <li>• Identify patterns and trend across projects within programmes of activity.</li> <li>• Ensure the Senior Responsible Officer is sighted on any significant risks which may require escalation to directorate or programme risk registers.</li> </ul>                                                                                                                                                                                                                                 |



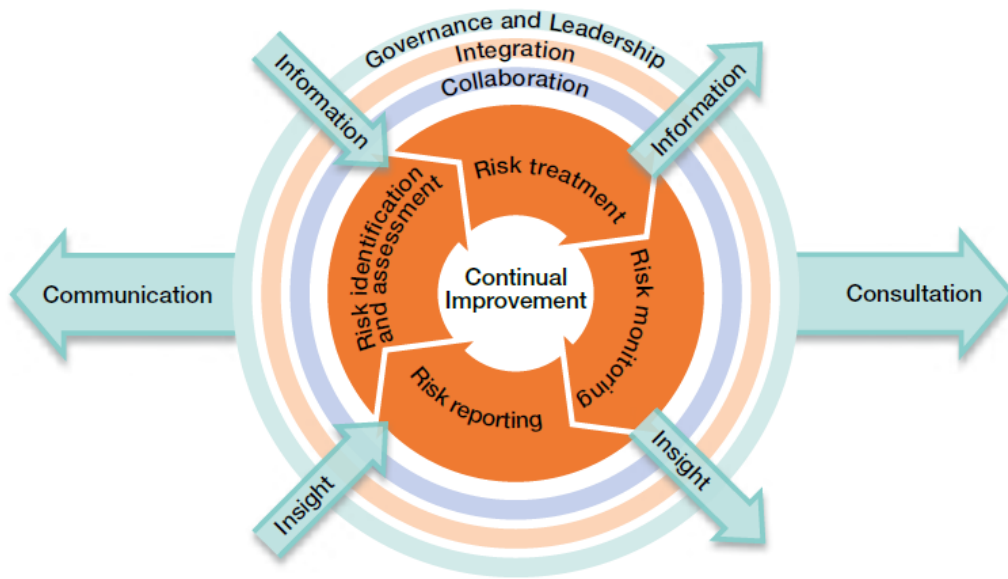
4.2 The Assurance Framework states that Senior Officers of the Combined Authority are responsible for the identification and management of risk. In NECA the Risk team within the Finance and Investment Directorate will support with this activity.

**5.0 Risk Assessment**

The Risk Management Framework ensure risks are assessed and effectively managed across the organisation at all levels and escalated as appropriate.

Diagram 1

**Risk Management Framework**



**5.1 Risk Identification**

5.1.1 Risk identification starts with consideration of risk causes and uncertain events arising from these being articulated as threats or opportunities. The Combined Authority will consider and categorise risks against the agreed level as defined in section 3.4.

5.1.2 Identification of risk draws on various sources of information and uses a variety of techniques, including:

- Risk Gap Analysis – using a list of common risks as a discussion point in risk reviews.
- Workshops and Brainstorming – collection and sharing of ideas that could impact on delivery of the objectives.
- Audits and Inspections – undertaken through our annual audit plans, agreed monitoring arrangements or on an adhoc basis.
- SWOT analysis – considering the strengths, weaknesses, opportunities and threats associated with delivery of the project/programme/ objectives.

Opportunities and threats are usually external risks while strengths and weaknesses tend to be internal.

- PESTLE analysis – considers the potential risk sources across six areas: political, economic, social, technological, legal and environment (PESTLE).
- Lessons learnt – this could be from internal experience and/or external events.
- Root Cause Analysis – involves asking why five times to identify the cause to be addressed.
- Business planning and objectives setting – ensuring the management of risk is at the heart of all organisation activity.

## 5.2 Risk Assessment

5.2.1 Risk is assessed in terms of how likely it is that a risk or opportunity might materialise and what impact this would have. These are defined as likelihood and impact:

- **Likelihood** – the probability of an event occurring and when they might happen.
- **Impact** – the potential severity of the consequences (positive and negative) should such an event occur.

5.2.2 The following table sets out likelihood and impact descriptors to support this process.

Table 2: Likelihood vs Impact definitions

| Likelihood |                                                                                  |
|------------|----------------------------------------------------------------------------------|
| <b>A</b>   | Almost certain - this event is expected to occur soon (81-99%)                   |
| <b>B</b>   | High likely - the event will probably occur in most circumstances (61-85%)       |
| <b>C</b>   | Likely – the event is likely to occur given time (31-60%)                        |
| <b>D</b>   | Possible – the event may occur under certain circumstances (16-30%)              |
| <b>E</b>   | Unlikely – the event is not likely to occur under normal circumstances (6-15%)   |
| <b>F</b>   | Almost impossible – event may occur but only in exceptional circumstances (0-5%) |

| Impact   |                                                                                 |
|----------|---------------------------------------------------------------------------------|
| <b>1</b> | Major – consequences result in extensive loss / gain and long-term effects      |
| <b>2</b> | Significant – consequences result in significant loss / gain                    |
| <b>3</b> | Moderate – consequences result in considerable loss / gain                      |
| <b>4</b> | Minor – consequences result in minor loss / gain but have little overall effect |

5.2.3 When discussing the impact (positive or negative) a risk can have the risk level, the Combined Authority will consider, but not be limited to the following criteria:

- Financial – impact on revenue and capital expenditure, income, budget, value for money etc.
- Regional economy – impact on businesses, economic growth and conditions, skills, inward investment, citizen finances etc
- Ambitions / Priorities – impact on ability to deliver ambitions and priorities.
- Health, Safety & Wellbeing – impact on health and wellbeing of citizens, safe working conditions, safeguarding etc.
- Operational impact – impact on day-to-day operations of the business, disruption to delivery, ability to meet statutory duties, ability to plan effectively etc.
- Reputational impact – impact on confidence of Government, partners and the public in the organisation etc.

5.2.4 At levels below the strategic level the Senior Responsible Officer will determine the specific criteria against which impacts will be assessed. Whilst assessing risks against these criteria they will also have regard to the strategic criteria to determine whether or not the risk they identify should be considered for escalation to the strategic level. In such circumstances, whilst the likelihood assessment should not change the impact assessment may change to reflect that a risk may, for example, be critical to a project’s outcome but that project may not be critical to the Combined Authority’s outcomes as a whole.

5.2.5 Once every risk has been given a score against likelihood and impact, it is given an overall score and corresponding RAG status (Red Amber Green Rating).

Table 3: Overall RAG Status

|            |   | Impact |    |    |    |
|------------|---|--------|----|----|----|
|            |   | 4      | 3  | 2  | 1  |
| Likelihood | A | A4     | A3 | A2 | A1 |
|            | B | B4     | B3 | B2 | B1 |
|            | C | C4     | C3 | C2 | C1 |
|            | D | D4     | D3 | D2 | D1 |
|            | E | E4     | E3 | E2 | E1 |
|            | F | F4     | F3 | F2 | F1 |

5.2.6 The RAG rating is used as an indicator of the severity of the risk and supports the Combined Authority to prioritise resources and actions as follows:

- Red – require action plan(s) to be developed immediately setting out actions to manage risk to an accepted level. These should be monitored closely and regularly by the SRO.
- Amber – require action plan(s) to be developed setting out actions to manage risk to an acceptable level and/ or the risk is closely monitored as appropriate.
- Green – can be “accepted” and may not require an action plan but still require appropriate monitoring.

5.2.7 When developing action plans and / or putting mitigations in place this is done with regard to the Risk Tolerance, i.e. the measure of the degree of uncertainty the Combined Authority is prepared to accept to achieve its objectives.

5.2.8 All risks will be regularly and appropriately monitored to consider if there are any changes which may affect likelihood or impact, to ensure controls remain in place to manage them, to identify any new controls or further actions and to determine if escalation is required.

5.2.9 Risks may also decrease over time with the right mitigation or change in circumstance.

5.2.10 Risks are recorded on the project/ programme risk register, Strategic risks are recorded on the Strategic risk register. At a programme and Directorate level these risk registers are owned by the SRO, regular review will be undertaken within the Finance and Investment Directorate who will have oversight of risk across the organisation and lead on the reporting of risk to Senior Leadership, Cabinet and/ or relevant Boards.

### 5.3 Mitigation and Risk Control

5.3.1 Once risks are identified and an initial risk assessment has been undertaken, mitigating controls and improvement actions will be determined. This includes:

- Determine what can be done to reduce the probability of the risk occurring (reducing the likelihood)
- Determine a plan and set aside contingencies to manage the risk if it becomes realised (reducing the impact)

5.3.2 An example showing a risk event and planned response is shown below in Table 4:

| Risk                                                                                         | Causes                                                                                                                                                              | Consequences (Impact)                                                                | Mitigating controls and improvement actions                                                                              |
|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Insufficient capacity in delivery organisations to manage timely delivery of capital project | Organisation facing resource pressures in terms of the quantity/quality of staff and skills, or ability to bring in third party support, to effectively deliver the | Project poorly managed and may not deliver to time, budget or contracted objectives. | 1. Regular communication with delivery organisations to identify challenges early.<br><br>2. Budget for the provision of |

|  |                                            |  |                                                                                                                                                                                       |
|--|--------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | project in line with contracted timeframe. |  | <p>additional funding to support delivery where necessary.</p> <p>3. New projects – detailed assessment of management capability and project costings prior to approval of funds.</p> |
|--|--------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

5.3.3 Each risk is assessed inherently, prior to any controls being applied, and again after the application of existing control to reach a residual risk score. The current or residual risk score enables risks to be ranked, identifying those which pose the greatest threat or opportunity to the organisation. This will form the basis for escalation and reporting.

5.3.4 All risks recorded will have an identified ‘risk owner’ responsible for the management and control of the risk assigned to them.

5.3.5 All improvement actions will have a named officer responsible for implementing the risk response actions (this can be a different person to the risk owner), and a deadline by when the action is to be completed. Risk owners, Directors and the Senior Leadership Team can monitor and review risk, controls and track actions through to completion.

5.3.6 Once the risk is recorded, controls are established, and a residual risk score defined a decision will be required on what to do next. The following risk treatment options will be considered:

- Treat – take action to further reduce the risk to an acceptable level, i.e. within our risk tolerance.
- Tolerate – accept the risk, taking no proactive action other than ensuring monitoring processes are in place.
- Transfer – pass responsibility for the risk outside of the organisation e.g. insurance.
- Terminate – change the project scope, approach or avoid activity altogether.
- Take up – to maximise an opportunity. This can include taking proactive steps to enhance the probability of the opportunity being available to exploit or changing the scope to achieve extra benefits.
- Together – Seek partners who can actively capitalise on the circumstances and share the risk e.g. public private initiatives/partnerships (PPI/PPP)

5.3.7 It is recognised that the response may have the potential to generate new risks, and these will need to be considered.

5.3.8 Where a risk can no longer be mitigated and is realised it becomes an “Issue”. This requires a different management strategy, refer to Appendix B.

## 5.4 Risk Appetite

5.4.1 The residual risk score will be related to the level of risk the Combined Authority has agreed it is willing to accept.

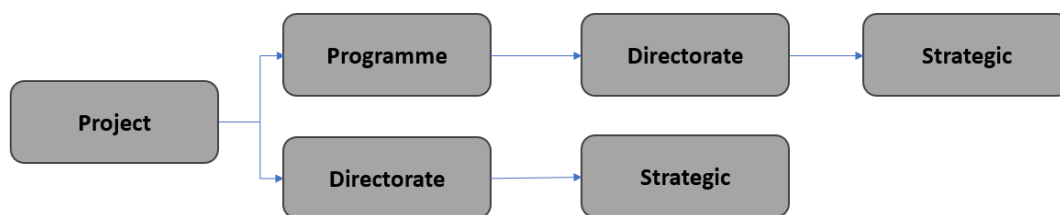
- 5.4.2 The expectation is that that a risk owner will manage each risk to the lowest practical level, where this is not possible it will be escalated through the organisational reporting structure.
- 5.4.3 Risk appetite is the level of risk that the Combined Authority is prepared to tolerate or accept in the pursuit of its objectives. Risk owners are required to consider the appetite for at the different levels at which risks are identified and managed and take practical, proportionate and reasonable steps to manage each risk accordingly. Where the ability to control a risk lies outside the Combined Authorities control then this may still be tolerated and should be recorded accordingly.
- 5.4.4 For each individual risk the risk owner will determine in line with the Combined Authority's risk tolerance the relevant risk appetite which are as follows:
- Averse - not prepared to take any risks to achieve objectives and aim to avoid any uncertainty.
  - Cautious- prepared to accept a small amount of risk / take a small amount of risk to seize an opportunity but preference for the safe option(s) which limit exposure.
  - Open - prepared to consider all options, in a responsible and considered manner, where there is an acceptable level of benefit, reward, value for money etc.
- 5.4.5 The expectation is that that a risk owner will manage each individual risk to the lowest practical level in line with the risk appetite. Where this is not possible it will be escalated through the organisational reporting structure.

## **5.5 Risk Escalation**

- 5.5.1 All risk registers will be subject to regular review.
- 5.5.2 At a project level risk the risk register will be owned by a nominated Project Manager.
- 5.5.3 For Programmes the Senior Responsible Officer (SRO), a Director within the Combined Authority, will be responsible for ownership of the risk register. Regular reviews will be undertaken by the SRO, with support provided from the Risk team based within the Finance and Investment Directorate.
- 5.5.4 The decision to escalate a risk from a project to a programme risk will be taken by the Programme SRO. A risk should be promoted from a project to a programme risk when the project risk is deemed to have an impact on the programme.
- 5.5.5 This could occur if delivery of an output/s in one projects impact on another project/s within that programme and their ability to successfully deliver their expected objectives. There may also be instances where at a risk at a project level has limited impact however when combined with other risks across projects in the programme it can produce a significant impact on the programme, wider programmes or the organisation.

- 5.5.6 Project, programme and directorate risks can:
- Accumulate to critical loss and/or damages.
  - Grow, where the sum of the risks is bigger than the individual parts.
  - Reduce, where the sum of risks is smaller than the individual parts.
- 5.5.7 As project risks move up the escalation process to programme, directorate and ultimately strategic risk, there is also opportunity for a project risk to go directly to directorate level.

Diagram 2: Risk Escalation Process



- 5.5.8 It is the decision of the Risk Owner to decide to promote the risk. All risks proposed for escalation to the strategic risk register will be discussed by the Senior Leadership Team and relevant Cabinet Member to ensure appropriate consideration across all business areas.
- 5.5.9 There may be instances where a risk is deemed to have project, programme, directorate and strategic significance therefore may stay on all four risk registers with different levels of action / mitigation and different risk owners.
- 5.5.10 No matter where the risk sits it is important that the risk is effectively managed and regularly reviewed to ensure no escalation.

**6.0 Monitoring and Review**

- 6.1 Monitoring and review activities are continuous and applied across all levels of risk management within the Combined Authority. This provides assurance that processes are working effectively and leads to improvements through the monitoring of risk activity, learning from experience and the incorporation of best practice.
- 6.2 The objectives of our monitoring and review process are as follows:
- Ensure the controls are effective in design and operation.
  - Obtaining further information to improve risk assessment.
  - Analysing and learning lessons from previous events
  - Detecting changes in the external and internal context
  - Identifying emerging risks.

- 6.3 The risk management framework will be subject to an annual review, which aligns with the Single Assurance Framework review. However, any identified opportunities for improvement can also be incorporated within year.
- 6.4 No significant changes will be made without prior approval of Cabinet following consultation with Senior Leadership Team, Cabinet and the Audit and Standards Committee. However, minor changes will be agreed by the Director of Finance and Investment (S73 Officer) and reported to Cabinet and Audit and Standards Committee within the next routine reporting cycle

**7.0 Risk Reporting**

- 7.1 Regular reporting is central to success, to demonstrate that action is being taken to identify and manage risks and that records remain relevant to the current context. It allows the Combined Authority to be responsive to events as they arise, implement mitigating action to avoid risks becoming issues.
- 7.2 This forms a key component of the Combined Authorities Governance arrangements; the Combined Authorities risk reporting schedule is included below.

Table 4: Risk Reporting Schedule

| Group                                                | Report Owner                       | Frequency                                                               | Risk Report                                                                             |
|------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Cabinet                                              | Director of Finance and Investment | Six Monthly                                                             | Report on Strategic Risks                                                               |
| Audit and Standards Committee                        | Director of Finance and Investment | Quarterly                                                               | Report on Strategic Risks                                                               |
| Investment Board                                     | Director of Finance and Investment | Quarterly                                                               | Programme Risk as part of Performance Update Report                                     |
| Senior Leadership Team (includes Statutory Officers) | Director of Finance and Investment | Quarterly                                                               | Report on Strategic Risks<br>Programme level Risks as part of Performance Update Report |
| Programme/ Project Steering groups                   | Programme/ Project SRO             | Quarterly as a minimum (may vary in line with ToR and meeting schedule) | Programme/ Project Risk Report                                                          |

- 7.3 Project Level Risks will be reported to the Programme Assurance Team, second line defence, as part of the quarterly claims and monitoring process.



## 8.0 Issue Management Strategy

### 8.1 Introduction

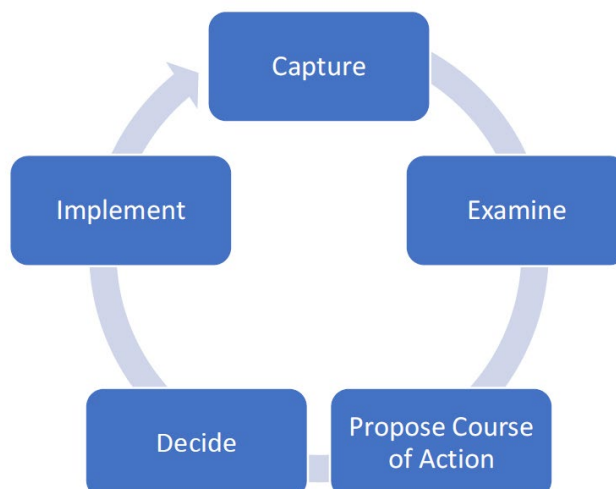
- 8.1.1 An issue is a challenge or a problem that has already occurred or is currently happening and requires management actions. Issues can arise from identified risks in the risk management strategy or from new challenges that weren't anticipated. Issues are different from risks in that it is only negative and is happening now, they need immediate action to reduce negative impact.
- 8.1.2 Issue management is the process of identifying and resolving issues. Examples of issues could include supply chain problems, technical failures or resourcing challenges, these would all have a negative impact on project and/or programme delivery if unresolved.
- 8.1.3 For strategic and directorate level risks, when a risk materialises and becomes an issue, it will be managed under business as usual with the relevant SLT officers responsible for taking action.

### 8.2 Issue register

- 8.2.1 Issues are recorded in the Issue Register (Appendix B), a repository that focuses on all identified issues that have occurred. When identified risks become issues, they are recorded on the appropriate risk register as "realised". Once risks are realised, they are migrated to the Issues Register.
- 8.2.2 The Issues register ensures NECA:
- Has a safe and reliable method for the team to raise issues.
  - Has clear lines of ownership for agreed actions.
  - Can analyse and prioritise issues.
  - Has a record of issue resolutions, incorporating lessons learnt into NECA processes?

### 8.3 Issue Management

- 8.3.1 The issue management is a cycle with five steps, shown below:



- 8.3.2 **Capture.** The first step is to undertake initial analysis to determine the type of issue that has been raised. When capturing the issue, it should be assessed by its severity and impact on the project/programme and allocated to a nominated officer for examination.
- 8.3.3 When allocating an issue, the initial decision might be to direct the issue to where it can most appropriately be managed. Some issues will be managed by the programme, and major issues might need to be managed at Directorate Level when outside the authority of the programme. Smaller issues might need to be managed at project level.
- 8.3.4 **Examine.** As part of the examine stage impact analysis need to be undertaken. The analysis should consider the impact that the issue, and the options for its resolution, will have on:
- Performance of the project and/or programme e.g. how will benefits realisation be affected?
  - The project/ programme business case
  - The project/ programme risk profile – the impact on the overall risk exposure.
  - The operational performance of the organisation and existing plans
  - Supplier contracts or service level agreements.
- 8.3.5 Impact analysis must include a broad consideration of the issue, this may require looking wider than the effect on individual project including any impacts to the programme, the operations and strategic objectives of the Combined Authority. As a minimum an issue should always be assessed against the impact on the project/programme objectives and benefits.
- 8.3.6 **Propose course of action.** Options should be considered prior to proposing a course of action. Actions should provide an acceptable balance between the benefits and the impacts on costs, time and risk. Impacts on the programme or other operational areas should also be considered and considered prior to making a final decision on approach.
- 8.3.7 **Decide.** The roles and responsibilities in terms of risk and issue management are as described in section 4.0, table 1.
- 8.3.8 The programme/ project risk owner may be able to resolve or delegate minor issues without reference to the Director/SRO for a decision. Some issues, however, may need to be referred to the Strategic Risk Owner, Director/SRO or seek specialist advice e.g. from the Monitoring Officer or Section73 Officer.
- 8.3.9 Decisions made will require an identified issue owner, a nominated officer to lead on recorded actions and a response plan. The issue register will be updated.
- 8.3.10 **Implement.** The decision and response will need to be communicated to stakeholders, to ensure parties that may be affected are informed of the action and any related change. This also demonstrates effective management of the project/ programme. Again the issue register will need to be updated to reflect the current position.

8.3.11 Once the action is implemented the impact will be monitored and regularly reviewed. Lessons learnt will be captured and used to support future issues management.

8.3.12 This is a continuous cycle and should be subject to regular monitoring and review to ensure compliance.

**9.0 Appendices**

|          |                                 |
|----------|---------------------------------|
| <b>A</b> | <b>Risk Register Template</b>   |
| <b>B</b> | <b>Issues Register Template</b> |

## The North East Combined Authority Strategic Risks

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                            |                                            |                                                                                                                                                                                    |                        |                                                                                       |                                 |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------|---------------------------------|---|
| <b>Risk Subject:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                            | <b>St001 - Transport Funding and Scale</b> |                                                                                                                                                                                    | <b>Risk Owner:</b>     |                                                                                       | <b>Tobyn Hughes</b>             |   |
| <b>Risk Detail:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                            |                                            |                                                                                                                                                                                    |                        |                                                                                       |                                 |   |
| There is a risk that funding may not be sufficient to deliver the commitments set out in the Transport Programme and Local Transport Plan or is constrained because of Government funding conditions on funding use.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                            |                                            |                                                                                                                                                                                    |                        |                                                                                       |                                 |   |
| <b>Opportunity:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                            |                                            |                                                                                                                                                                                    |                        |                                                                                       |                                 |   |
| There is an opportunity through further devolution to work with the Government to have access to a more stable longer-term funding stream for transport, whose prioritisation and conditions of use are determined by the North East CA.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                            |                                            |                                                                                                                                                                                    |                        |                                                                                       |                                 |   |
| <b>Links to Corporate Plan:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                            |                                            |                                                                                                                                                                                    |                        |                                                                                       |                                 |   |
| Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Environment Coast and Rural                                                                                                | Economy                                    | Culture, Creative, Tourism and Sport                                                                                                                                               | Finance and Investment | Housing and Land                                                                      | Education, Inclusion and Skills |   |
| X                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | X                                                                                                                          | X                                          | X                                                                                                                                                                                  | X                      | X                                                                                     | X                               | X |
| <b>Cause of Risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                            |                                            |                                                                                                                                                                                    |                        |                                                                                       |                                 |   |
| <p>This risk has been raised to reflect the scale and breadth of the Transport Programme and its overarching impact across the North East CA. Transport Programme deliverables often act as enablers for other portfolios to deliver against their ambitions.</p> <p>Government itself is fiscally constrained, and its historical approach has been to provide “stop-start” funding allocations for transport to deliver central Government policy initiatives, resulting in transport funding being time-bound, its use and conditions closely managed by civil servants, and has often required competitive bidding.</p> <p>The ability to draw down future Government funding for transport is often dependent on the successful expenditure of existing funding within Government-defined criteria and delivery periods, thus creating a circular problem. Insufficient resources or time to prepare projects for delivery and major changes to schemes in the agreed delivery programme by partners can both lead to under-delivery by the North East CA as a whole and result in Government reducing the resources it makes available to the North East CA in future.</p> <p>This risk therefore arises from the quantum of Government funding to deliver the Transport Programme, its conditions, and the quality of the North East CA’s delivery.</p> |                                                                                                                            |                                            |                                                                                                                                                                                    |                        |                                                                                       |                                 |   |
| <b>Consequences of the risk materialising and risk indicators:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                            |                                            |                                                                                                                                                                                    |                        |                                                                                       |                                 |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Trigger</b>                                                                                                             |                                            | <b>Consequence</b>                                                                                                                                                                 |                        | <b>Supporting Trend Data</b>                                                          |                                 |   |
| <b>NECA finances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>Failure to deliver within funding window</li> </ul>                                 |                                            | <ul style="list-style-type: none"> <li>Impact on future award of funding</li> <li>Potential clawback of funding if requirements not met.</li> <li>Impact on added value</li> </ul> |                        | <ul style="list-style-type: none"> <li>Budget monitoring</li> </ul>                   |                                 |   |
| <b>Local economy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>Non delivery of key schemes</li> </ul>                                              |                                            | <ul style="list-style-type: none"> <li>Constraint of growth</li> <li>Impact on future investments in the region /leverage</li> </ul>                                               |                        | <ul style="list-style-type: none"> <li>Evaluation</li> </ul>                          |                                 |   |
| <b>Programme / Project</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Milestones not met</li> </ul>                                                       |                                            | <ul style="list-style-type: none"> <li>Impact on Programme Plan</li> </ul>                                                                                                         |                        | <ul style="list-style-type: none"> <li>Programme monitoring and evaluation</li> </ul> |                                 |   |
| <b>Health, Safety &amp; Wellbeing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Non delivery of schemes</li> <li>Reduced uptake</li> <li>External events</li> </ul> |                                            | <ul style="list-style-type: none"> <li>Impact on safety and security</li> <li>Impact on wellbeing</li> </ul>                                                                       |                        | <ul style="list-style-type: none"> <li>Programme monitoring and evaluation</li> </ul> |                                 |   |

|                                                                       |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>NECA Plan / Our Values</b>                                         | <ul style="list-style-type: none"> <li>• Non delivery of schemes and ambitions</li> <li>• Lack of cross organisational engagement</li> </ul>                                                                                                         | <ul style="list-style-type: none"> <li>• Impact on North East CA Cabinet and Mayoral priorities</li> <li>• Impact on other portfolio ambitions due to Transport being an enabler for other ambitions to be delivered successfully</li> </ul> | <ul style="list-style-type: none"> <li>• Performance reporting</li> </ul>                                                                                                                                                                                                                                                      |
| <b>Morale</b>                                                         | <ul style="list-style-type: none"> <li>• Insufficient funding to deliver schemes</li> <li>• Criticism of the North East CA for lack of delivery</li> <li>• Pressure from partners competing for inadequate funding</li> </ul>                        | <ul style="list-style-type: none"> <li>• Low retention rates and high staff turnover</li> </ul>                                                                                                                                              | <ul style="list-style-type: none"> <li>• Poor staff survey results</li> </ul>                                                                                                                                                                                                                                                  |
| <b>Reputation</b>                                                     | <ul style="list-style-type: none"> <li>• Non delivery</li> <li>• External events</li> <li>• Overview &amp; Scrutiny Committee</li> <li>• Perception of corporate responsibilities</li> </ul>                                                         | <ul style="list-style-type: none"> <li>• Adverse impact on reputation</li> </ul>                                                                                                                                                             | <ul style="list-style-type: none"> <li>• Media coverage</li> <li>• Complaints</li> </ul>                                                                                                                                                                                                                                       |
| <b>Legal / Regulatory</b>                                             | <ul style="list-style-type: none"> <li>• Tendency towards non-compliance with funding conditions</li> </ul>                                                                                                                                          | <ul style="list-style-type: none"> <li>• Adverse impact on reputation</li> <li>• Possible legal challenge</li> <li>• Reduced future funding allocations</li> </ul>                                                                           | <ul style="list-style-type: none"> <li>• Poor audit results</li> <li>• Assurance framework compliance failures</li> </ul>                                                                                                                                                                                                      |
| <b>Existing Controls:</b>                                             | <b>How does it reduce the risk?</b>                                                                                                                                                                                                                  |                                                                                                                                                                                                                                              | <b>Senior Officer:</b>                                                                                                                                                                                                                                                                                                         |
|                                                                       | <b>How are we assured of the control in place?</b>                                                                                                                                                                                                   |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                |
| 1. Ongoing performance monitoring against programme delivery          | This will be reported to Programme Board, SLT and Cabinet and will highlight any areas of concern that needs to be addressed                                                                                                                         |                                                                                                                                                                                                                                              | Jonathan Bailes                                                                                                                                                                                                                                                                                                                |
|                                                                       | <b>Assurance Source:</b> <ul style="list-style-type: none"> <li>• Relevant agenda, reports and minutes</li> </ul>                                                                                                                                    |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                |
| 2. Resources and allocation of funding agreed to develop proposals.   | £4.7m CRSTS funding was allocated for business case development and professional services to enable delivery of programme ambitions last year and Cabinet has approved the allocation of £8.5m for the franchising scheme assessment for Bus Reform. |                                                                                                                                                                                                                                              | Philip Meikle / Jonathan Bailes                                                                                                                                                                                                                                                                                                |
|                                                                       | <b>Assurance Source:</b> <ul style="list-style-type: none"> <li>• JTC agenda, reports and minutes (June 23)</li> <li>• Cabinet agenda, reports and minutes (July 24)</li> </ul>                                                                      |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                |
| <b>Current Score of Risk (as at new risk raised on 24 June 2024):</b> |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                |
| Likelihood:<br>A,B,C,D,E,F                                            | Impact:<br>1,2,3,4                                                                                                                                                                                                                                   | Full: RAG                                                                                                                                                                                                                                    | Reasons:                                                                                                                                                                                                                                                                                                                       |
| C                                                                     | 2                                                                                                                                                                                                                                                    | C2 (R)<br>(Red)                                                                                                                                                                                                                              | Likelihood of transport funding availability to meet ambitions would be diminished, and service provision may be impacted. The impact can be diminished to an extent through effective partnership and planning. Ongoing liaison with DfT Ministers and civil servants, including collective case-making alongside other MCAs. |

| New Controls:                                                                                        |                    | How will it reduce the risk?                                                                                                                                                                        |                                                                                                     | Senior Officer:                   | Date new control will be in place: |
|------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| 1. Transport representation in portfolio advisory board                                              |                    | This will enable Transport work with other portfolio leads to align linked plans within the constraints of transport funding.                                                                       |                                                                                                     | Tobyn Hughes                      | September 2024                     |
| 2. Allocation of funding to develop resources to enable the delivery of ambitions more broadly       |                    | Will allow for resources and funding to be allocated to the development of staff and commissioning of external expertise to allow ambitions to be delivered successfully in line with expectations. |                                                                                                     | Jonathan Bailes                   | Ongoing                            |
| 3. Establish formal liaison route with DfT on funding settlement and programme delivery              |                    | Will allow for greater devolution of transport funding and greater local determination on expenditure                                                                                               |                                                                                                     | Tobyn Hughes                      | Ongoing                            |
| 4. Develop a finance/funding strategy for the programme, including sources of private sector finance |                    | By giving greater visibility of future needs and only embarking on projects when sources of finance and the timing of their availability are understood                                             |                                                                                                     | Jonathan Bailes / Eleanor Goodman | Ongoing                            |
| Target Score of Risk:                                                                                |                    |                                                                                                                                                                                                     |                                                                                                     |                                   |                                    |
| Likelihood:<br>A,B,C,D,E,F                                                                           | Impact:<br>1,2,3,4 | Full:<br>RAG                                                                                                                                                                                        | Reasons:                                                                                            |                                   |                                    |
| D                                                                                                    | 3                  | D3 (G)                                                                                                                                                                                              | The introduction and embedding of new controls should enable the risk to reduce in score over time. |                                   |                                    |

New risk raised: 24 June 2024  
New risk raised by: Jonathan Bailes  
Agreed by SLT: 31 July 2024

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                      |                                                                                                                                                                                                                                          |                                      |                                                                                       |                     |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------------------------|---------------------|---------------------------------|
| <b>Risk Subject:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>St002 - Transport - Operational</b>                                                                                                               |                                                                                                                                                                                                                                          |                                      | <b>Risk Owner:</b>                                                                    | <b>Tobyn Hughes</b> |                                 |
| <b>Risk Detail:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                      |                                                                                                                                                                                                                                          |                                      |                                                                                       |                     |                                 |
| There is a strategic and reputational risk for the North East CA that transport operations and projects are delivered through a complex array of bodies, some of which are outside the North East CA's direct sphere of influence.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                      |                                                                                                                                                                                                                                          |                                      |                                                                                       |                     |                                 |
| <b>Opportunity:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                      |                                                                                                                                                                                                                                          |                                      |                                                                                       |                     |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                      |                                                                                                                                                                                                                                          |                                      |                                                                                       |                     |                                 |
| <b>Links to Corporate Plan:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                      |                                                                                                                                                                                                                                          |                                      |                                                                                       |                     |                                 |
| Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Environment Coast and Rural                                                                                                                          | Economy                                                                                                                                                                                                                                  | Culture, Creative, Tourism and Sport | Finance and Investment                                                                | Housing and Land    | Education, Inclusion and Skills |
| x                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                      | x                                                                                                                                                                                                                                        |                                      | x                                                                                     |                     |                                 |
| <b>Cause of Risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                      |                                                                                                                                                                                                                                          |                                      |                                                                                       |                     |                                 |
| This risk has been raised because the governance of transport operations is complex in the region, and although the North East CA is the Local Transport Authority with overall strategic responsibility, many transport functions projects are delivered by partners through funding agreements, delegations, by arms-length arrangements and contracts with the private sector. This can result in lack of clarity over accountabilities, policy direction, and potentially lead to reputational damage. Furthermore, some key aspects of transport lie wholly outside the North East CA's current powers (e.g. strategic roads, national railways and commercial bus services) contrary to a commonly held public perception that the North East CA should be able to control or influence them. |                                                                                                                                                      |                                                                                                                                                                                                                                          |                                      |                                                                                       |                     |                                 |
| <b>Consequences of the risk materialising and risk indicators:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                      |                                                                                                                                                                                                                                          |                                      |                                                                                       |                     |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Trigger</b>                                                                                                                                       | <b>Consequence</b>                                                                                                                                                                                                                       |                                      | <b>Supporting Trend Data</b>                                                          |                     |                                 |
| <b>NECA finances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Funding Constraints</li> </ul>                                                                                | <ul style="list-style-type: none"> <li>Potential financial impact</li> <li>Impact on added value</li> </ul>                                                                                                                              |                                      | <ul style="list-style-type: none"> <li>Budget monitoring</li> </ul>                   |                     |                                 |
| <b>Local economy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Non delivery of key schemes</li> </ul>                                                                        | <ul style="list-style-type: none"> <li>Constraint of growth</li> <li>Impact on future investments in the region /leverage</li> </ul>                                                                                                     |                                      | <ul style="list-style-type: none"> <li>Evaluation</li> </ul>                          |                     |                                 |
| <b>Programme / Project</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Milestones not met</li> </ul>                                                                                 | <ul style="list-style-type: none"> <li>Impact on Programme Plan</li> </ul>                                                                                                                                                               |                                      | <ul style="list-style-type: none"> <li>Programme monitoring and evaluation</li> </ul> |                     |                                 |
| <b>Health, Safety &amp; Wellbeing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>Non delivery of essential maintenance or upgrades</li> <li>Reduced uptake</li> <li>External events</li> </ul> | <ul style="list-style-type: none"> <li>Impact on safety and security</li> <li>Impact on wellbeing</li> </ul>                                                                                                                             |                                      | <ul style="list-style-type: none"> <li>Programme monitoring and evaluation</li> </ul> |                     |                                 |
| <b>NECA Plan / Our Values</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Non delivery of schemes and ambitions</li> <li>Lack of cross organisational engagement</li> </ul>             | <ul style="list-style-type: none"> <li>Impact on North East CA Cabinet and Mayoral priorities</li> <li>Impact on other portfolio ambitions due to Transport being an enabler for other ambitions to be delivered successfully</li> </ul> |                                      | <ul style="list-style-type: none"> <li>Performance reporting</li> </ul>               |                     |                                 |



|                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                      |                                                                                          |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <b>Morale</b>                                                                                | <ul style="list-style-type: none"> <li>• Disruption to services</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• Demoralised staff</li> <li>• High turnover rates</li> </ul> | <ul style="list-style-type: none"> <li>• Staff monitoring surveys</li> </ul>             |
| <b>Reputation</b>                                                                            | <ul style="list-style-type: none"> <li>• Non delivery</li> <li>• External events</li> <li>• Overview &amp; Scrutiny Committee</li> <li>• Perception of corporate responsibilities</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Adverse impact on reputation</li> </ul>                     | <ul style="list-style-type: none"> <li>• Media coverage</li> <li>• Complaints</li> </ul> |
| <b>Existing Controls:</b>                                                                    | <b>How does it reduce the risk?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                      | <b>Senior Officer:</b>                                                                   |
|                                                                                              | <b>How are we assured of the control in place?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                      |                                                                                          |
| 1. Financial /budget monitoring                                                              | <p>The North East CA transport budget includes financial information for all components of transport operations for which the North East CA has responsibility. The monitoring of the North East CA budget will be reported to relevant governing bodies e.g. SLT, Cabinet and Audit and Standards Committee. It will ensure that we are delivering within budget and obtaining value for money. It will also identify any pressures that need to be addressed.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• Relevant agendas, minutes and reports</li> </ul> |                                                                                                      | Tobyn Hughes                                                                             |
| 2. Overview and Scrutiny Committee                                                           | <p>Progress against the Transport Programme is reported regularly to the Overview and Scrutiny Committee who are given the opportunity to challenge and comment on performance.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• Agenda, reports and minutes</li> </ul>                                                                                                                                                                                                                                                                                           |                                                                                                      | Tobyn Hughes                                                                             |
| 3. Arrangements with Nexus and TT2 Ltd (Tyne Tunnel operators)                               | <p>Arrangements with Nexus and TT2 Ltd (Tyne Tunnel operators) are clearly understood in terms of responsibilities, deliverables and funding.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• Grant Funding Agreements, Nexus Corporate Business Plan and annual budget (and monitoring reports), Tyne Tunnel Project Agreement, minutes of TT2 Client Liaison meetings</li> </ul>                                                                                                                                                                               |                                                                                                      | Tobyn Hughes                                                                             |
| 4. Discharge of functions by Northumberland and Durham County Councils to Highways Authority | <p>NCC and DCC deliver certain transport services under a delegation from the North East CA</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• Regular report from DCC and NCC to Cabinet over the exercise of their delegations</li> </ul>                                                                                                                                                                                                                                                                                                                         |                                                                                                      | Tobyn Hughes                                                                             |
| 5. Delivery of projects through local authority partners                                     | <p>Much of the Transport Programme is delivered by local authorities and Nexus</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• Grant Funding Agreements in place, application of Single Assurance Framework, oversight from TOG and Finance &amp; Investment Board</li> </ul>                                                                                                                                                                                                                                                                                    |                                                                                                      | Tobyn Hughes                                                                             |
| 6. Ongoing liaison with operation                                                            | <p>Provide oversight of risk and allow for early mitigations to be employed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                      | Tobyn Hughes                                                                             |

|                                                                       |                                                                                                                                                                                                                                                                                     |                                     |                                                                                                                                                                                                                                                                                                                                                                                   |                                           |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| bodies co-ordination of risk mitigation approaches                    | <b>Assurance Source:</b><br>• Programme risk registers<br>• Programme Steering Groups                                                                                                                                                                                               |                                     |                                                                                                                                                                                                                                                                                                                                                                                   |                                           |
| 7. Joint funding strategies developed                                 | Ensure there is a read-across between North East CA, Nexus and Highways Authorities in terms of strategic funding approaches particularly for asset maintenance.                                                                                                                    |                                     |                                                                                                                                                                                                                                                                                                                                                                                   | Tobyn Hughes                              |
|                                                                       | <b>Assurance Source:</b><br>• Local Transport Plan<br>• Transport Advisory Board                                                                                                                                                                                                    |                                     |                                                                                                                                                                                                                                                                                                                                                                                   |                                           |
| <b>Current Score of Risk (as at new risk raised on 24 June 2024):</b> |                                                                                                                                                                                                                                                                                     |                                     |                                                                                                                                                                                                                                                                                                                                                                                   |                                           |
| Likelihood:<br>A,B,C,D,E,F                                            | Impact:<br>1,2,3,4                                                                                                                                                                                                                                                                  | Full:<br>RAG                        | Reasons:                                                                                                                                                                                                                                                                                                                                                                          |                                           |
| E                                                                     | 1                                                                                                                                                                                                                                                                                   | E1 (A)                              | Unlikely that operational functions would cease or would be significantly diminished. However, risk of external circumstances impacting on operations is minor possibility. Risk of securing financial support to ensure essential maintenance can be completed. If the operational functions were to negatively affect the network there could be a severe impact on the region. |                                           |
| <b>New Controls:</b>                                                  |                                                                                                                                                                                                                                                                                     | <b>How will it reduce the risk?</b> |                                                                                                                                                                                                                                                                                                                                                                                   | <b>Senior Officer:</b>                    |
|                                                                       |                                                                                                                                                                                                                                                                                     |                                     |                                                                                                                                                                                                                                                                                                                                                                                   | <b>Date new control will be in place:</b> |
| 1. Review of transport delivery functions                             | Understand the “value chain” of transport projects and delivery, including where the responsibilities and handover points lie between partners. Restructure relationships and relevant parts of the organisation accordingly.                                                       |                                     | Tobyn Hughes                                                                                                                                                                                                                                                                                                                                                                      | April 2025                                |
| 2. Partnerships with independent external bodies                      | Create partnerships with independent external bodies, including National Highways, Great British Railways, and bus operators, to align objectives with the North East CA’s transport programme. Develop Terms of Reference for Partnership Boards and create MOU where appropriate. |                                     | Tobyn Hughes                                                                                                                                                                                                                                                                                                                                                                      | April 2025                                |
| <b>Target Score of Risk:</b>                                          |                                                                                                                                                                                                                                                                                     |                                     |                                                                                                                                                                                                                                                                                                                                                                                   |                                           |
| Likelihood:<br>A,B,C,D,E,F                                            | Impact:<br>1,2,3,4                                                                                                                                                                                                                                                                  | Full:<br>RAG                        | Reasons:                                                                                                                                                                                                                                                                                                                                                                          |                                           |
| F                                                                     | 2                                                                                                                                                                                                                                                                                   | F2 (G)                              | Likelihood would be severely diminished, outside of force majeure, however, impact if realised would still be significant.                                                                                                                                                                                                                                                        |                                           |

New risk raised: 24 June 2024  
New risk raised by: Jonathan Bailes  
Agreed by SLT: 31 July 2024

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |                                                                                                                                        |                                   |                                 |
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| <b>Risk Subject:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>St003: Inclusive Growth</b>                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      | <b>Risk Owner:</b>                                                                                                                     | <b>Rob Hamilton / Leigh Mills</b> |                                 |
| <b>Risk Detail:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |                                                                                                                                        |                                   |                                 |
| There is a risk that North East CA's ambition on inclusive growth and creating opportunities for all, may not deliver planned outcomes to improve wellbeing for all whilst reducing inequality and removing barriers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |                                                                                                                                        |                                   |                                 |
| <b>Opportunity:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |                                                                                                                                        |                                   |                                 |
| Embedding our ambitions on inclusive growth in everything we do, creating a fairer North East, working with partners to create 'good jobs' increasing opportunities for our residents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |                                                                                                                                        |                                   |                                 |
| <b>Links to Corporate Plan:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |                                                                                                                                        |                                   |                                 |
| Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Environment Coast and Rural                                                                                                                                                                                                                                                                                                    | Economy                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Culture, Creative, Tourism and Sport | Finance and Investment                                                                                                                 | Housing and Land                  | Education, Inclusion and Skills |
| X                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | X                                                                                                                                                                                                                                                                                                                              | X                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | X                                    | X                                                                                                                                      | X                                 | X                               |
| <b>Cause of Risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |                                                                                                                                        |                                   |                                 |
| This risk has been raised to reflect the need for a joined up approach in delivering programmes across the region, with a view to addressing the economic and social inequalities that exist within the region, enabling inclusive growth and opening up opportunities for all residents to contribute to the region's success. Failure to achieve the planned outcomes to reduce inequality and remove barriers to ensure opportunities and jobs are available to traditionally underserved groups, present a risk of further widening the gap which will have impacts both in respect of health and wellbeing, and an inability to meet current and future employer demand and grow a more resilient local economy. |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |                                                                                                                                        |                                   |                                 |
| <b>Consequences of the risk materialising and risk indicators:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |                                                                                                                                        |                                   |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Trigger</b>                                                                                                                                                                                                                                                                                                                 | <b>Consequence</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                      | <b>Supporting Trend Data</b>                                                                                                           |                                   |                                 |
| <b>NECA finances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | CA investment is not targeted towards programmes of inclusive growth.                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>The CA does not have sufficient financial resource to deliver on its inclusive growth ambitions</li> <li>Impact on value for money and impact on programmes and benefits</li> </ul>                                                                                                                                                                                                                                                |                                      | <ul style="list-style-type: none"> <li>Performance Reporting</li> <li>Budget monitoring</li> <li>State of the Region Report</li> </ul> |                                   |                                 |
| <b>Local economy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>NE 'offer' not viewed as internationally competitive (due to UK or local issues) leading to reduction of investment and reinvestment</li> <li>Deterioration in foundations for economic growth – capabilities, business environment, innovation, skills base, infrastructure</li> </ul> | <ul style="list-style-type: none"> <li>Adverse impact on residents' quality of life, with poorer health outcomes, more people living in poverty and increased levels of crime and disorder.</li> <li>Loss of external investment opportunities</li> <li>Fewer new jobs</li> <li>Lower pay</li> <li>Adverse impact on productivity and economic growth due to skills gaps, low employment, rising economic inactivity and increasing demand on public services.</li> </ul> |                                      | <ul style="list-style-type: none"> <li>Evidence Hub / Strategic Evidence Base</li> <li>State of the Region Report</li> </ul>           |                                   |                                 |

|                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                    |
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|                                       | <ul style="list-style-type: none"> <li>• Closure of a large business</li> <li>• Levels of inequality persist or rise</li> <li>• Rise in unemployment</li> <li>• Increase in child poverty</li> <li>• Poorer health outcomes</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                    |
| <b>Programme / Project</b>            | <ul style="list-style-type: none"> <li>• Programmes and projects designed without equality and inclusion considerations</li> </ul>                                                                                                     | <ul style="list-style-type: none"> <li>• Missed opportunities to maximise impact of investment by focussing on supporting residents most at risk of being left behind.</li> <li>• Projects do not achieve intended outcomes and/or address local need.</li> </ul>                                                                                                                                          | <ul style="list-style-type: none"> <li>• Performance Reporting</li> <li>• Evaluation reports</li> <li>• Equality Impact Assessments.</li> </ul>    |
| <b>Health, Safety &amp; Wellbeing</b> | <ul style="list-style-type: none"> <li>• Projects are designed without considering opportunities to improve health, wellbeing and/or public safety</li> </ul>                                                                          | <ul style="list-style-type: none"> <li>• Missed opportunities to maximise impact of investment through the inclusion of Health and wellbeing objectives</li> </ul>                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>• Performance Reporting</li> <li>• Evaluation reports</li> <li>•</li> </ul>                                 |
| <b>NECA Plan / Our Values</b>         | <ul style="list-style-type: none"> <li>• Inclusive growth is not embedded within the CA's ways of working</li> </ul>                                                                                                                   | <ul style="list-style-type: none"> <li>• Impact on Mayor and Cabinet priorities in respect of inclusive growth not being met</li> </ul>                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• Performance Reporting</li> <li>• Evaluation reports</li> <li>• Staff survey</li> </ul>                    |
| <b>Morale</b>                         | <ul style="list-style-type: none"> <li>• Staff and stakeholders feel disillusioned that we are not delivering in line with our commitment and values.</li> </ul>                                                                       | <ul style="list-style-type: none"> <li>• Impact on staff retention</li> <li>• Failure to attract talent</li> <li>• Lack of engagement from stakeholders</li> </ul>                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>• Staff survey</li> <li>• Evaluation reports</li> </ul>                                                     |
| <b>Reputation</b>                     | <ul style="list-style-type: none"> <li>• News/media enquiries</li> </ul>                                                                                                                                                               | <ul style="list-style-type: none"> <li>• Adverse impact on the reputation of North East CA if inclusive growth is not prioritised</li> <li>• Lack of public and Governmental trust in the power of devolution to create a fairer North East.</li> <li>• Lack of consistency and clear messaging compromises public and stakeholder trust in North East CA's commitment to creating a fairer NE.</li> </ul> | <ul style="list-style-type: none"> <li>• Social media activity</li> <li>• Reports on media enquiries and articles – trends and patterns</li> </ul> |
| <b>Legal / Regulatory</b>             | <ul style="list-style-type: none"> <li>• Non-compliance with Public Sector Equality Duty</li> </ul>                                                                                                                                    | <ul style="list-style-type: none"> <li>• Legal action taken by Equality and Human Rights Commission.</li> </ul>                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>• Progress against equality objectives.</li> <li>• Annual equality report.</li> </ul>                       |
| <b>Existing Controls:</b>             | <b>How does it reduce the risk?</b>                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Senior Officer:</b>                                                                                                                             |

|                                                                                             |                    | <b>How are we assured of the control in place?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                          |                                           |
|---------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1. Strategic commitments as set out in corporate plan and portfolio plans                   |                    | <p>The North East CA has a strategic commitment to create a Fairer North East by narrowing inequalities.</p> <p>The Investment Framework includes a commitment to reducing economic and social inequalities, particularly those experienced by the most deprived and vulnerable communities.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• The North East Combined Authority Investment Framework</li> </ul>                                                                                                            |                                                                                                                                                                                                                                                                                                          | Rob Hamilton / Leigh Mills                |
| 2. North East CA Deal and Deeper Devo Deal                                                  |                    | <p>A commitment to reducing inequalities and addressing disparities is included in the North East devolution deal.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• The North Devolution Deal</li> </ul>                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                          | Rob Hamilton / Leigh Mills                |
| 3. Inclusion and Inequalities included in the development and embedding of Portfolio plans. |                    | <p>Evidence driven portfolio plans have been developed that align to the CAs commitments on inclusive growth and set the foundations for delivering inclusive projects and programmes.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• The North East Combined Authority Portfolio Plans</li> </ul>                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                          | Rob Hamilton / Leigh Mills                |
| 4. The Single Assurance Framework                                                           |                    | <p>The Single Assurance Framework sets out arrangements to ensure:</p> <ul style="list-style-type: none"> <li>• Accountable and transparent decision making</li> <li>• Appraise and allocate funding</li> <li>• Monitor and evaluate projects</li> </ul> <p>It ensures all investment proposals are sufficiently tested to ensure they achieve value for money and projected outcomes in line with the CAs strategic ambitions.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• The Single Assurance Framework</li> </ul> |                                                                                                                                                                                                                                                                                                          | Janice Gillespie                          |
| <b>Current risk score as when new risk raised: 20 June 2024</b>                             |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                          |                                           |
| Likelihood:<br>A,B,C,D,E,F                                                                  | Impact:<br>1,2,3,4 | Full: RAG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Reasons:                                                                                                                                                                                                                                                                                                 |                                           |
| D                                                                                           | 2                  | D2 (A)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | The policies and strategies are in development for the new organisation, however there are interim processes and procedures and existing ways in working which will mitigate the risk to some extent. This is coupled with existing capacity and dedicated roles specific to inclusion and inequalities. |                                           |
| <b>New Controls:</b>                                                                        |                    | <b>How will it reduce the risk?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                          | <b>Senior Officer:</b>                    |
|                                                                                             |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                          | <b>Date new control will be in place:</b> |

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                              |                                                                                                                                           |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Development of strategies and frameworks | The North East CA will work with stakeholders and partners to further develop policy to maximise opportunities in respect of inclusive growth, including: <ul style="list-style-type: none"> <li>• Local Growth Plan</li> <li>• The North East Skills Strategy</li> <li>• The North East employment strategy</li> <li>• An Inclusive Local Industrial Strategy</li> <li>• Inclusion Framework</li> <li>• Health and wellbeing framework.</li> </ul> This will drive the development of projects and programmes focused on inclusive growth outcomes.                               | Leigh Mills/<br>Mark Stamper | Dec 2024                                                                                                                                  |
| 2. Staff training and development           | North East CA staff will receive training on the single assurance framework to ensure project/programme proposals are developed to a high standard, deliver value for money in line with the CA's objectives.<br><br>Staff will also have access to online equality training and development modules.                                                                                                                                                                                                                                                                              | Chrisi Page/<br>Robin Fry    | October 2024                                                                                                                              |
| 3. Assurance Framework                      | The single assurance framework and supporting business process will be subject to regular review to ensure it supports the development and delivery of projects/programmes in line with the CAs objectives.                                                                                                                                                                                                                                                                                                                                                                        | Chrisi Page                  | Ongoing                                                                                                                                   |
| 4. Portfolio Advisory Boards                | The Portfolio Advisory Boards will play an important role, including: <ul style="list-style-type: none"> <li>• supporting members of the Authority in overseeing the delivery of the vision, ambitions and programmes of activity set out in the Authority's Corporate Plan and associated plans and strategies;</li> <li>• bringing together key stakeholders to support the development and delivery of these ambitions and programmes; and</li> <li>• provide advice and information to the Authority to ensure there is a robust evidence base for decision-making.</li> </ul> | Elizabeth Kerr               | August 2024                                                                                                                               |
| <b>Target Score of Risk:</b>                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                              |                                                                                                                                           |
| Likelihood:<br>A,B,C,D,E,F                  | Impact:<br>1,2,3,4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Full: RAG                    | Reasons:                                                                                                                                  |
| E                                           | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | E3 (G)                       | It is expected that as new controls are implemented, and permanent processes and procedures are in place that the risk score will reduce. |

New risk raised: 20 June 2024  
New risk raised by: Leigh Mills  
Agreed by SLT: 31 July 2024

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                         |                                               |                           |                                                                                                                        |                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>Risk Subject:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>St004: Net Zero</b>                                                                                                                                                                                                                          | <b>Risk Owner:</b>                                                                                                                                                                                      | <b>Rob Hamilton</b>                           |                           |                                                                                                                        |                                       |
| <b>Risk Detail:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                         |                                               |                           |                                                                                                                        |                                       |
| There is a risk that North East CA's Net Zero ambitions may not be achieved with insufficient funding and resources and should it not prove possible to form the necessary coalition of partners, including across the public and VCSE sectors, businesses and residents.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                         |                                               |                           |                                                                                                                        |                                       |
| <b>Opportunity:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                         |                                               |                           |                                                                                                                        |                                       |
| There is an opportunity to lead as an example on how to manage Net Zero at a regional level, grow the low carbon economy, and to support LAs to achieve their targets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                         |                                               |                           |                                                                                                                        |                                       |
| <b>Links to Corporate Plan:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                         |                                               |                           |                                                                                                                        |                                       |
| Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Environment<br>Coast and<br>Rural                                                                                                                                                                                                               | Economy                                                                                                                                                                                                 | Culture,<br>Creative,<br>Tourism<br>and Sport | Finance and<br>Investment | Housing and<br>Land                                                                                                    | Education,<br>Inclusion<br>and Skills |
| X                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | X                                                                                                                                                                                                                                               | X                                                                                                                                                                                                       | X                                             | X                         | X                                                                                                                      | X                                     |
| <b>Cause of Risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                         |                                               |                           |                                                                                                                        |                                       |
| <p>This risk has been raised to reflect the importance on the work North East CA will undertake to progress Net Zero and low carbon growth throughout the region and scale of work required across all portfolios to achieve this.</p> <p>North East CA will work with Local Authorities and external bodies to achieve our strategic ambitions in respect of Net Zero, however it is acknowledged that there will be significant activity in this area outside the Combined Authority's direct control.</p> <p>A number of schemes are also externally funded which may result in certain requirements being met to be successful in winning funding bids and preventing clawback.</p> <p>As this risk cuts across all portfolios there is collective Cabinet responsibility, this creates both an opportunity to truly embed Net Zero considerations across portfolio activity but also a risk that there may be an assumption by Portfolio Leads that it is being progressed elsewhere in the Combined Authority, resulting in lower outcomes. This could also result in the perception that North East CA is not adequately responding to the climate crisis or delivering against ambitions set out in devolution deals and mayoral manifesto.</p> |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                         |                                               |                           |                                                                                                                        |                                       |
| <b>Consequences of the risk materialising and risk indicators:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                 |                                                                                                                                                                                                         |                                               |                           |                                                                                                                        |                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Trigger</b>                                                                                                                                                                                                                                  | <b>Consequence</b>                                                                                                                                                                                      |                                               |                           | <b>Supporting Trend Data</b>                                                                                           |                                       |
| <b>NECA finances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Insufficient resources available within the MTFP for Net Zero activity</li> </ul>                                                                                                                        | <ul style="list-style-type: none"> <li>Funding could be lost if requirements are not met.</li> <li>Insufficient resources to meet ambitions</li> </ul>                                                  |                                               |                           | <ul style="list-style-type: none"> <li>Programme performance reporting</li> </ul>                                      |                                       |
| <b>Local economy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>NE 'offer' not viewed as internationally competitive (due to UK or local issues) leading to reduction of investment and reinvestment</li> <li>Failure to secure a floating wind leasing round</li> </ul> | <ul style="list-style-type: none"> <li>Loss of external investment opportunities</li> <li>Fewer new jobs</li> <li>Existing companies unable to successfully transition to low carbon economy</li> </ul> |                                               |                           | <ul style="list-style-type: none"> <li>Programme performance reporting</li> <li>State of the Region reports</li> </ul> |                                       |

|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                        |                                                                                                                                                                                          |
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|                                                                                                                                 | <ul style="list-style-type: none"> <li>Failure to progress heat networks</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                        |                                                                                                                                                                                          |
| <b>Programme / Project</b>                                                                                                      | <ul style="list-style-type: none"> <li>Failure to deploy Green New Deal funding</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Key programme milestones may not be met</li> <li>Private Sector investment significantly lower than expectations</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>Programme performance reporting</li> </ul>                                                                                                        |
| <b>Health, Safety &amp; Wellbeing</b>                                                                                           | <ul style="list-style-type: none"> <li>Failure to deliver retrofit or active transport programmes</li> </ul>                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Co benefits that would improve the health and wellbeing of the region may not be realised.</li> </ul>                                                                                                           | <ul style="list-style-type: none"> <li>Programme performance reporting</li> </ul>                                                                                                        |
| <b>NECA Plan / Our Values</b>                                                                                                   | <ul style="list-style-type: none"> <li>Failure to demonstrate our commitment to creating 'a greener North east'</li> <li>Failure to demonstrate to government delivery of the devolution deal in full.</li> </ul>                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>North East CA deal priorities may not be met impacting on government confidence in the CA and future funding/devolution opportunities.</li> </ul>                                                               | <ul style="list-style-type: none"> <li>Corporate reporting</li> <li>Programme performance reporting</li> <li>Gateway review – progress against the local evaluation framework</li> </ul> |
| <b>Morale</b>                                                                                                                   | <ul style="list-style-type: none"> <li>Staff and stakeholders feel disillusioned that we are not delivering in line with our commitment and values.</li> </ul>                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>High staff turnover</li> <li>Failure to attract talent</li> <li>Lack of engagement from stakeholders</li> </ul>                                                                                                 | <ul style="list-style-type: none"> <li>Staff survey</li> <li>Stakeholder surveys</li> <li>Evaluation reports</li> </ul>                                                                  |
| <b>Reputation</b>                                                                                                               | <ul style="list-style-type: none"> <li>News/media enquiries</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Adverse impact on reputation</li> <li>Net Zero activity is not prioritised and if investment activity does not meet our ambitions published in the deal, commitments, corporate and portfolio plans.</li> </ul> | <ul style="list-style-type: none"> <li>Social media activity</li> <li>Reports on media enquiries and articles – trends and patterns</li> </ul>                                           |
| <b>Existing Controls:</b>                                                                                                       | <b>How does it reduce the risk?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                        | <b>Senior Officer:</b>                                                                                                                                                                   |
|                                                                                                                                 | <b>How are we assured of the control in place?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                        |                                                                                                                                                                                          |
| 1. North East CA will continue to engage with Department for Energy Security and Net Zero (DESNZ) and relevant external bodies. | <p>This will enable an understanding of latest government policy, priorities and potential funding opportunities to support the delivery of commitments within the devolution deal on Net Zero and the ongoing development of climate initiatives within the region.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>Partnership agreement with North East and Yorkshire Net Zero Hub (DESNZ funded)</li> <li>Active participation on Hub Board</li> </ul> |                                                                                                                                                                                                                                                        | Rob Hamilton/Ross Lowrie                                                                                                                                                                 |
| 2. Embedding of Net Zero across Portfolio activity and NECA                                                                     | <p>This ensures that Net Zero is delivered throughout all portfolios. This will also ensure that business areas understand their responsibilities in respect of Net Zero.</p>                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                        | Rob Hamilton/Ross Lowrie                                                                                                                                                                 |



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| Governance arrangements                                                                                                                                                                                                                                                                                 | <b>Assurance Source:</b><br>Strategic Portfolio Plan<br>Monitoring and Evaluation Framework<br>Corporate Plan                                                                          |                                                                                                                 |                                                                                                                                                                                                                 |                              |                                           |
| 3. There are a number of existing programmes of delivery that are delivering on the CAs Net Zero ambitions e.g. Retrofit Advice Service, Green New Deal Fund and Energy Accelerator                                                                                                                     | These will continue to provide vehicles for targeted Net Zero investment.                                                                                                              |                                                                                                                 |                                                                                                                                                                                                                 | Rob Hamilton/Ross Lowrie     |                                           |
|                                                                                                                                                                                                                                                                                                         | <b>Assurance Source:</b><br>Contract Management<br>Performance Reporting<br>Project Governance                                                                                         |                                                                                                                 |                                                                                                                                                                                                                 |                              |                                           |
| 4. Existing Dedicated Net Zero Capacity within North East CA                                                                                                                                                                                                                                            | Provides dedicated expertise within the Combined Authority to drive agenda forward, deliver programmes and provide expert advice across to the Combined Authority and constituent LAs. |                                                                                                                 |                                                                                                                                                                                                                 | Rob Hamilton/Ross Lowrie     |                                           |
|                                                                                                                                                                                                                                                                                                         | <b>Assurance Source:</b><br>• Net Zero team in situ<br>• Performance reporting                                                                                                         |                                                                                                                 |                                                                                                                                                                                                                 |                              |                                           |
| 5. Net Zero North East England Partnership Board                                                                                                                                                                                                                                                        | The Board will provide an assurance function to ensure that commitments are being delivered.                                                                                           |                                                                                                                 |                                                                                                                                                                                                                 | Rob Hamilton/Ross Lowrie     |                                           |
|                                                                                                                                                                                                                                                                                                         | <b>Assurance Source</b><br>• Terms of Reference, agenda's, reports and minutes                                                                                                         |                                                                                                                 |                                                                                                                                                                                                                 |                              |                                           |
| <b>Current risk score as when new risk raised: 24 June 2024</b>                                                                                                                                                                                                                                         |                                                                                                                                                                                        |                                                                                                                 |                                                                                                                                                                                                                 |                              |                                           |
| Likelihood:<br>A,B,C,D,E,F                                                                                                                                                                                                                                                                              | Impact:<br>1,2,3,4                                                                                                                                                                     | Full:<br>RAG                                                                                                    | Reasons:                                                                                                                                                                                                        |                              |                                           |
| C                                                                                                                                                                                                                                                                                                       | 3                                                                                                                                                                                      | C3 (A)                                                                                                          | There are resources and plans in place to deliver Net Zero, however reputationally progress against plans will remain high profile and performance will be scrutinised by media, public and environmental NGOs. |                              |                                           |
| <b>New Controls:</b>                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                        | <b>How will it reduce the risk?</b>                                                                             |                                                                                                                                                                                                                 | <b>Senior Officer:</b>       | <b>Date new control will be in place:</b> |
| 1. North East CA will build on previous work, and opportunities under this devolution deal, to develop a North East Retrofit capacity building programme, identifying measures needed to promote a viable, stable, long term approach to retrofit with which the Local Net Zero Hub can provide support |                                                                                                                                                                                        | This will look to build upon existing piece meal approach with a view to developing a more cohesive approach.   |                                                                                                                                                                                                                 | Rob Hamilton/<br>Ross Lowrie | March 2025                                |
| 2. North East CA will establish a North East Strategic Energy                                                                                                                                                                                                                                           |                                                                                                                                                                                        | The Board will review regional grid connectivity, understand future grid capacity, accessibility and the joint- |                                                                                                                                                                                                                 | Mark Stamper/<br>Ross Lowrie | December 2024                             |

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| <p>Board (sub group to Economy Board)to guide energy policy in the region and liaise and coordinate between stakeholders including the National Grid, Ofgem, electricity providers, and large energy consumers.</p> | <p>investments that will be needed to underpin inclusive growth within the region’s relevant industries and sites. DESNZ will provide observer representation on this Board.</p>                                                                                                                                          |                                      |                                          |
| <p>3. We will work with government and local authorities to enable heat networks in the region, including implementing heat network zoning</p>                                                                      | <p>Heat networks are a key mechanism for decarbonising heating in public, commercial and domestic properties, they are referenced within the Portfolio Plan for Housing and Land. Development of a heat network supply chain will contribute to low carbon growth and exportable capability</p>                           | <p>Rob Hamilton/Ross Lowrie</p>      | <p>Unconfirmed – developing proposal</p> |
| <p>4. We will develop a cohesive approach to Offshore Wind, including maximising the opportunity of floating wind</p>                                                                                               | <p>NECA will minimise transition risks from oil &amp; gas through to a low carbon economy by maximising supply chain opportunities and jobs in the North East for floating wind (inc floating, O&amp;M, robotics)<br/>This will be set out in the Inclusive Industrial Strategy and a sector growth opportunity plan.</p> | <p>Mark Stamper/<br/>Ross Lowrie</p> | <p>December 2024</p>                     |
| <p>5. NECA will work with Government, regional partners and the North East and Yorkshire NZ Hub to progress recommendations in the geothermal white paper</p>                                                       | <p>We will break down barriers to deployment of geothermal and minewater, therefore enabling schemes in the region</p>                                                                                                                                                                                                    | <p>Rob Hamilton/<br/>Ross Lowrie</p> | <p>December 2024</p>                     |
| <p>6. Develop governance proposal for senior/political accountability of Net Zero in North East CA</p>                                                                                                              | <p>Recognise the significant risk of falling short of climate ambition by putting in place senior ownership and accountability for Net Zero across the portfolios.</p>                                                                                                                                                    | <p>Rob Hamilton/<br/>Ross Lowrie</p> | <p>December 2024</p>                     |

| Target Score of Risk:      |                    |              |                                                                                                                                                                 |
|----------------------------|--------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Likelihood:<br>A,B,C,D,E,F | Impact:<br>1,2,3,4 | Full:<br>RAG | Reasons:                                                                                                                                                        |
| D                          | 3                  | D3 (G)       | Through the embedding of both existing and new controls the likelihood of risk will reduce over time, however climate change will still be subject to scrutiny. |

New risk raised: 25 June 2024  
New risk raised by: Ross Lowrie  
Agreed by SLT: 31 July 2024

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| <b>Risk Subject:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>ST005: Political &amp; Policy Change</b>                                                               |                                                                                                                                                                                                                                                                  |                                               | <b>Risk Owner:</b>                                                                                                                                 | <b>Chief Executive</b> |                                       |
| <b>Risk Detail:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                           |                                                                                                                                                                                                                                                                  |                                               |                                                                                                                                                    |                        |                                       |
| There is a risk that the North East CA do not have the capacity to engage with, adapt and respond at pace to political and policy changes in a structured and comprehensive way.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                           |                                                                                                                                                                                                                                                                  |                                               |                                                                                                                                                    |                        |                                       |
| <b>Opportunity:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                           |                                                                                                                                                                                                                                                                  |                                               |                                                                                                                                                    |                        |                                       |
| If the North East CA is able to demonstrate it is agile and adaptable this may provide further opportunities to expand on the existing devolution deals or access additional funding.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                           |                                                                                                                                                                                                                                                                  |                                               |                                                                                                                                                    |                        |                                       |
| <b>Links to Corporate Plan:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                           |                                                                                                                                                                                                                                                                  |                                               |                                                                                                                                                    |                        |                                       |
| Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Environment<br>Coast and<br>Rural                                                                         | Economy                                                                                                                                                                                                                                                          | Culture,<br>Creative,<br>Tourism<br>and Sport | Finance and<br>Investment                                                                                                                          | Housing and<br>Land    | Education,<br>Inclusion<br>and Skills |
| X                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | X                                                                                                         | X                                                                                                                                                                                                                                                                | X                                             | X                                                                                                                                                  | X                      | X                                     |
| <b>Cause of Risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                           |                                                                                                                                                                                                                                                                  |                                               |                                                                                                                                                    |                        |                                       |
| This risk has been raised to reflect that the recent change in Government, and any subsequent new / changes to policy, may have an impact on the North East CA as an organisation, its remit and its ability to deliver the deal, its ambitions and portfolio plans. This includes: <ul style="list-style-type: none"> <li>• We are embedding a new organisation at a time of potential significant national political change which can bring uncertainty.</li> <li>• Further organisational change may be required as a result of national policy.</li> <li>• Capacity to exploit opportunities that political change will bring – we need to be prepared with our asks for a new government and agile enough to take advantage of the change.</li> <li>• A significant proportion of funding is reliant on short term government awards, e.g. skills bootcamps and UK Shared Prosperity Fund (UKSPF), without long term funding agreements and commitments.</li> <li>• Government decisions may significantly impact upon current funding, long term plans and our ability to deliver.</li> </ul> |                                                                                                           |                                                                                                                                                                                                                                                                  |                                               |                                                                                                                                                    |                        |                                       |
| <b>Consequences of the risk materialising and risk indicators:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                           |                                                                                                                                                                                                                                                                  |                                               |                                                                                                                                                    |                        |                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Trigger</b>                                                                                            | <b>Consequence</b>                                                                                                                                                                                                                                               |                                               | <b>Supporting Trend Data</b>                                                                                                                       |                        |                                       |
| <b>North East CA finances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>• Changes in National Policies and funding availability</li> </ul> | <ul style="list-style-type: none"> <li>• Impact on future funding and on maintaining delivery momentum</li> <li>• Impact on budget stability</li> <li>•</li> </ul>                                                                                               |                                               | <ul style="list-style-type: none"> <li>• Manifesto</li> <li>• Parliamentary Statement/ Announcement</li> </ul>                                     |                        |                                       |
| <b>Local economy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>• Changes in National Policies and funding availability</li> </ul> | <ul style="list-style-type: none"> <li>• Potential delays in delivering/ failure to deliver existing commitments</li> <li>• Reduced Government investment in the North East</li> <li>• Potential unwillingness for companies to invest in the region.</li> </ul> |                                               | <ul style="list-style-type: none"> <li>• State of the Region Reports</li> <li>• Performance data</li> <li>• Parliamentary announcements</li> </ul> |                        |                                       |
| <b>Programme / Project</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• Changes in National Policies and funding availability</li> </ul> | <ul style="list-style-type: none"> <li>• Impact on delivery of key programmes and projects</li> </ul>                                                                                                                                                            |                                               | <ul style="list-style-type: none"> <li>• Manifesto</li> </ul>                                                                                      |                        |                                       |

|                                                                                        |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                       |                                                                                                                                                          |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                        |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Parliamentary Statement/ Announcement</li> </ul>                                                                  |
| <b>Health, Safety &amp; Wellbeing</b>                                                  |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                       |                                                                                                                                                          |
| <b>North East CA Plan / Our Values</b>                                                 | <ul style="list-style-type: none"> <li>Changes in National Policies and funding availability</li> </ul>                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Changes to the North East CA Offer</li> <li>Impact on delivery of ambitions</li> </ul>                                                         | <ul style="list-style-type: none"> <li>Performance Reporting</li> </ul>                                                                                  |
| <b>Morale</b>                                                                          |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                       |                                                                                                                                                          |
| <b>Reputation</b>                                                                      | <ul style="list-style-type: none"> <li>Changes in National Policies and funding availability</li> </ul>                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Impact on reputation if the Mayor and Cabinet priorities cannot be met.</li> <li>Adverse impact on relationships with stakeholders.</li> </ul> | <ul style="list-style-type: none"> <li>Local media</li> <li>Anecdotal</li> </ul>                                                                         |
| <b>Legal / Regulatory</b>                                                              |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                       |                                                                                                                                                          |
| <b>Existing Controls:</b>                                                              | <b>How does it reduce the risk?</b>                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                       | <b>Senior Officer:</b>                                                                                                                                   |
|                                                                                        | <b>How are we assured of the control in place?</b>                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                       |                                                                                                                                                          |
| 1. Membership of networks/ relationships built with key figures nationally and locally | Allows for some forward planning if see change of direction being flagged<br><br><b>Assurance Source:</b> <ul style="list-style-type: none"> <li>SLT and other senior managers ensuring they and the North East CA are visible to the policy makers and decision takers.</li> <li>Attendance and invitations to events/meetings/conferences etc.</li> </ul> |                                                                                                                                                                                       | Directors / Heads of Service                                                                                                                             |
| 2. Workforce development plan/process                                                  | Allows for timely recruitment /reorganisation if see change of direction being flagged/get notice of change<br><br><b>Assurance Source:</b> <ul style="list-style-type: none"> <li>Corporate reporting</li> </ul>                                                                                                                                           |                                                                                                                                                                                       |                                                                                                                                                          |
| 3. Reading of sector related press/publications/blogs to do Horizon scanning           | Allows for early discussions and testing of ideas/solutions and wider sector collaboration/response.<br><br><b>Assurance Source:</b> <ul style="list-style-type: none"> <li>Reports to Cabinet and SLT</li> </ul>                                                                                                                                           |                                                                                                                                                                                       | SLT/Heads & Snr Management                                                                                                                               |
| <b>Current Score of Risk (as at new risk raised on 25 June 2024):</b>                  |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                       |                                                                                                                                                          |
| Likelihood:<br>A,B,C,D,E,F                                                             | Impact:<br>1,2,3,4                                                                                                                                                                                                                                                                                                                                          | Full:<br>RAG                                                                                                                                                                          | Reasons:                                                                                                                                                 |
| B                                                                                      | 3                                                                                                                                                                                                                                                                                                                                                           | B3 (A)                                                                                                                                                                                | The new Government have indicated changes on how devolution in the country is managed but full details and impact unknown. To be aware of and monitored. |

| New Controls:                                                                                             |                    | How will it reduce the risk?                                                                                                                                                                                                                                                                                     |                                                                                                                                                              | Senior Officer:     | Date new control will be in place: |
|-----------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------|
| 1. Good internal communication routes to be established to pass messages down and hear messages coming up |                    | Ensures senior management is aware of the temperature of the organisation and that they and the entire workforce are aware of any impact following any change to what we will deliver as an organisation.<br><br>This will also ensure that there is political engagement with Cabinet and Government Ministers. |                                                                                                                                                              | Jacqueline Laughton | September 2024                     |
| Target Score of Risk:                                                                                     |                    |                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                              |                     |                                    |
| Likelihood:<br>A,B,C,D,E,F                                                                                | Impact:<br>1,2,3,4 | Full:<br>RAG                                                                                                                                                                                                                                                                                                     | Reasons:                                                                                                                                                     |                     |                                    |
| E                                                                                                         | 3                  | E3 (G)                                                                                                                                                                                                                                                                                                           | Once the new Government has made clear any changes in legislation, policy and funding work will be undertaken to assess the impact and take required action. |                     |                                    |

New risk raised: 25 June 2024

New raised by: Liz Kerr

Agreed by SLT: 31 July 2024

|                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|
| <b>Risk Subject:</b>                                                                                                                                                                                                                                                                                                                                                      | <b>St006 - Operational Capacity and Resources</b>                                                                                                                                                                       |                                                                                                                                                                                                                                  |                                      | <b>Risk Owner:</b>                                                                                                                                   | <b>Jacqueline Laughton</b> |                                 |
| <b>Risk Detail:</b>                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
| There is a risk that until capacity, systems and processes are fully in place to be able we may be unable to deliver ambitions with pace in line with stakeholder expectations.                                                                                                                                                                                           |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
| <b>Opportunity:</b>                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
| Opportunity to build upon experience and learning of current capacity to enable agile and efficient delivery of our ambitions.                                                                                                                                                                                                                                            |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
| <b>Links to Corporate Plan:</b>                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
| Transport                                                                                                                                                                                                                                                                                                                                                                 | Environment Coast and Rural                                                                                                                                                                                             | Economy                                                                                                                                                                                                                          | Culture, Creative, Tourism and Sport | Finance and Investment                                                                                                                               | Housing and Land           | Education, Inclusion and Skills |
| X                                                                                                                                                                                                                                                                                                                                                                         | X                                                                                                                                                                                                                       | X                                                                                                                                                                                                                                | X                                    | X                                                                                                                                                    | X                          | X                               |
| <b>Cause of Risk:</b>                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
| This risk has been raised to reflect the maturity of the organisation following the transition of 5 organisations each with own cultures and ways of working into the North East CA. Additionally until relevant systems and processes are developed and fully embedded, we may have to rely on interim solutions or existing approached which may be may less joined up. |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
| <b>Consequences of the risk materialising and risk indicators:</b>                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
|                                                                                                                                                                                                                                                                                                                                                                           | <b>Trigger</b>                                                                                                                                                                                                          | <b>Consequence</b>                                                                                                                                                                                                               |                                      | <b>Supporting Trend Data</b>                                                                                                                         |                            |                                 |
| <b>NECA finances</b>                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Inability to recruit to fill vacancies</li> <li>Identified skills gaps</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>Potential financial impact if processes are not in place and programme delivery is delayed</li> <li>Reliance on external expertise and associated costs</li> <li>Impact on VFM</li> </ul> |                                      | <ul style="list-style-type: none"> <li>Performance data</li> <li>Budget monitoring</li> </ul>                                                        |                            |                                 |
| <b>Local economy</b>                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |                                      |                                                                                                                                                      |                            |                                 |
| <b>Programme / Project</b>                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Inability to recruit to fill vacancies</li> <li>Identified skills gaps</li> <li>Lack of clarity of systems and processes</li> </ul>                                              | <ul style="list-style-type: none"> <li>Potential programme and project delays with key milestones being missed</li> </ul>                                                                                                        |                                      | <ul style="list-style-type: none"> <li>Performance data</li> <li>Pulse surveys</li> </ul>                                                            |                            |                                 |
| <b>Health, Safety &amp; Wellbeing</b>                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Lack of steer on vision, clarity on roles and expectations</li> <li>Pressure on existing resources</li> <li>Poor communication</li> </ul>                                        | <ul style="list-style-type: none"> <li>High levels of staff sickness and absence</li> </ul>                                                                                                                                      |                                      | <ul style="list-style-type: none"> <li>HR Reports</li> <li>Pulse surveys</li> <li>Data from wellbeing providers</li> </ul>                           |                            |                                 |
| <b>NECA Plan / Our Values</b>                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Inability to recruit to fill vacancies</li> <li>Identified skills gaps</li> <li>Lack of clarity of systems and processes</li> <li>Lack of steer on vision, clarity on</li> </ul> | <ul style="list-style-type: none"> <li>Cabinet and Mayoral priorities not met</li> </ul>                                                                                                                                         |                                      | <ul style="list-style-type: none"> <li>HR Reports</li> <li>Pulse surveys</li> <li>Data from wellbeing providers</li> <li>Performance data</li> </ul> |                            |                                 |

|                                                                                  |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                   |                                                                                                                                                                        |
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|                                                                                  | <ul style="list-style-type: none"> <li>roles and expectations</li> <li>• pressure on existing resources</li> <li>• Poor communication</li> </ul>                                                                                                                                                          |                                                                                                                                                                                                   |                                                                                                                                                                        |
| <b>Morale</b>                                                                    | <ul style="list-style-type: none"> <li>• Lack of steer on vision, clarity on roles and expectations</li> <li>• pressure on existing resources</li> <li>• Poor / inconsistent communication</li> </ul>                                                                                                     | <ul style="list-style-type: none"> <li>• Impact on staff morale</li> </ul>                                                                                                                        | <ul style="list-style-type: none"> <li>• HR Reports</li> <li>• Pulse surveys</li> </ul>                                                                                |
| <b>Reputation</b>                                                                |                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• Adverse impact on reputation if stakeholder expectations are not met</li> <li>• Inconsistent / inaccurate messages could impact on reputation</li> </ul> | <ul style="list-style-type: none"> <li>• Adverse media coverage</li> </ul>                                                                                             |
| <b>Legal / Regulatory</b>                                                        |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                   |                                                                                                                                                                        |
| <b>Existing Controls:</b>                                                        | <b>How does it reduce the risk?</b>                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                   | <b>Senior Officer:</b>                                                                                                                                                 |
|                                                                                  | <b>How are we assured of the control in place?</b>                                                                                                                                                                                                                                                        |                                                                                                                                                                                                   |                                                                                                                                                                        |
| 1. Organisational Governance                                                     | <p>This ensures there will be oversight and decision making at a strategic level.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• SLT and Cabinet agenda, reports and minutes</li> </ul>                                                                                     |                                                                                                                                                                                                   | Jacqueline Laughton                                                                                                                                                    |
| 2. Organisational structure in place                                             | <p>Staff from previous of 5 family organisations transferred across bringing experience, knowledge and skills. There is also defined roles and responsibilities in place across all business areas.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• Staff in situ</li> </ul> |                                                                                                                                                                                                   | Jacqueline Laughton                                                                                                                                                    |
| 3. SLA in place with Durham CC which includes some HR functions and recruitment. | <p>Ensure that recruitment is undertaken as and when required following a consistent approach throughout the CA.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• A number of roles have been successfully recruited into</li> </ul>                                          |                                                                                                                                                                                                   | Tracey Hives                                                                                                                                                           |
| 4. Organisational Values                                                         | <p>Ensures that all staff are aware of the North East CA values enabling them to become embedded in the organisational culture.</p> <p><b>Assurance Source:</b></p> <ul style="list-style-type: none"> <li>• Organisational Values are published</li> </ul>                                               |                                                                                                                                                                                                   | Tracey Hives                                                                                                                                                           |
| <b>Current Score of Risk (as at new risk raised 10 July 2024):</b>               |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                   |                                                                                                                                                                        |
| Likelihood:<br>A,B,C,D,E,F                                                       | Impact:<br>1,2,3,4                                                                                                                                                                                                                                                                                        | Full:<br>RAG                                                                                                                                                                                      | Reasons:                                                                                                                                                               |
| D                                                                                | 2                                                                                                                                                                                                                                                                                                         | D2 (A)                                                                                                                                                                                            | Although the organisation is newly established good progress has been made in developing frameworks, processes along with ensuring that required capacity is in place. |
| <b>New Controls:</b>                                                             | <b>How will it reduce the risk?</b>                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                   | <b>Senior Officer:</b>                                                                                                                                                 |
|                                                                                  |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                   | <b>Date new control will be in place:</b>                                                                                                                              |



|                                                                                             |                                                                                                                                  |                                        |                                                                                                                              |
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| 1. Workforce planning (include succession planning)                                         | Clear identification of resources and future needs of the business which will link into our succession planning.                 | Tracey Hives                           | Dec 24                                                                                                                       |
| 2. Internal communication plan                                                              | Structured communication strategy that will help inform the workforce on progress, updates, etc                                  | Stuart Tarbuck                         | Dec 24                                                                                                                       |
| 3. Relevant Frameworks (e.g. risk, assurance, monitoring and evaluation and investment)     | These will set out the organisational approach and provide the basis for consistent ways of working throughout the organisation. | Janice Gillespie / Jacqueline Laughton | September 24                                                                                                                 |
| 4. Capacity analysis                                                                        | To establish current ways of working and identify processes that need to be implemented.                                         | Jacqueline Laughton                    | December 24                                                                                                                  |
| 5. Systems to be fully implemented e.g. HR, Financial and Project and Programme management. | Will provide a clear and consistent approach throughout the organisation.                                                        | Janice Gillespie / Jacqueline Laughton | December 24                                                                                                                  |
| <b>Target Score of Risk:</b>                                                                |                                                                                                                                  |                                        |                                                                                                                              |
| Likelihood:<br>A,B,C,D,E,F                                                                  | Impact:<br>1,2,3,4                                                                                                               | Full:<br>RAG                           | Reasons:                                                                                                                     |
| E                                                                                           | 3                                                                                                                                | E3 (G)                                 | Through the implementation of new controls and further embedding of existing it is expected that the risk score will reduce. |

New risk raised: 10 July 2024  
New risk raised by: Jonathan Bailes  
Agreed by SLT: 31 July 2024

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
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| <b>Risk Subject:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>St007: Accessing data to allow performance reporting</b>                                                                                                                    | <b>Risk Owner:</b>                                                                                                                                                                                                            | <b>Jen Robson</b>                             |                           |                                                                          |                                       |
| <b>Risk Detail:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| <p>There is a risk that until we have fully integrated systems and digitalised/automated processes across the five directorates, corporately, we will not be able to easily identify what data is collected where and how it is processed to easily allow performance reporting.</p> <p>Until our systems are aligned an interim process will need to be created to collate data from multiples sources to enable performance reporting. This will be complex due to the inconsistencies around data processing and multiple systems in use across the organisations and may result in the North East CA being unable to deliver ambitions related to transparent and accurate performance management, at a pace which aligns with stakeholder expectations.</p> |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| <b>Opportunity:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| To create a data and digital strategy which builds upon learnings from five legacy organisations to ensure that the data we collect and the systems and processes which underpin collection and performance reporting are ambitious and innovative.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| <b>Links to Corporate Plan:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Environment<br>Coast and<br>Rural                                                                                                                                              | Economy                                                                                                                                                                                                                       | Culture,<br>Creative,<br>Tourism<br>and Sport | Finance and<br>Investment | Housing and<br>Land                                                      | Education,<br>Inclusion<br>and Skills |
| X                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | X                                                                                                                                                                              | X                                                                                                                                                                                                                             | X                                             | X                         | X                                                                        | X                                     |
| <b>Cause of Risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| This risk has been raised to reflect the maturity of the organisation following the transition of 5 organisations each with their own data cultures, ways of working and digital systems and processes into the North East CA. Until relevant systems and processes are operationalised, the North East CA will have to rely on manual intervention for collating data in relation to requests for performance information and reporting, where automated systems are not in place.                                                                                                                                                                                                                                                                              |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| <b>Consequences of the risk materialising and risk indicators:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Trigger</b>                                                                                                                                                                 | <b>Consequence</b>                                                                                                                                                                                                            |                                               |                           | <b>Supporting Trend Data</b>                                             |                                       |
| <b>NECA finances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| <b>Local economy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| <b>Programme / Project</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| <b>Health, Safety &amp; Wellbeing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| <b>NECA Plan / Our Values</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Unable to consistently quality assure data from multiple sources when creating performance reports</li> </ul>                           | <ul style="list-style-type: none"> <li>There may be inconsistencies in reports due to difficulty in quality assuring data</li> </ul>                                                                                          |                                               |                           | <ul style="list-style-type: none"> <li>Reporting schedule</li> </ul>     |                                       |
| <b>Morale</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                |                                                                                                                                                                                                                               |                                               |                           |                                                                          |                                       |
| <b>Reputation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Regular reporting to cabinet, government and other stakeholders</li> <li>Requests for data from media and wider stakeholders</li> </ul> | <ul style="list-style-type: none"> <li>Adverse impact on reputation if stakeholder expectations are not met in a timely manner</li> <li>Inconsistent / inaccurate performance reporting could impact on reputation</li> </ul> |                                               |                           | <ul style="list-style-type: none"> <li>Adverse media coverage</li> </ul> |                                       |

|                                                                                                                            |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal / Regulatory</b>                                                                                                  | <ul style="list-style-type: none"> <li>Unable to meet expectation set out in Gateway review</li> </ul>                                                                                                                                               | <ul style="list-style-type: none"> <li>Unable to accurately report on impact our of funds due to not having an agreed performance framework to ensure consistency across the organisation</li> </ul> | <ul style="list-style-type: none"> <li>Gateway review feedback</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Existing Controls:</b>                                                                                                  | <b>How does it reduce the risk?</b>                                                                                                                                                                                                                  |                                                                                                                                                                                                      | <b>Senior Officer:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                            | <b>How are we assured of the control in place?</b>                                                                                                                                                                                                   |                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1. All projects and programmes have been consistently prior to establishment of North East Combined Authority.             | All reports have met expectations prior to the establishment of the North East Combined Authority and those reporting systems remain unchanged.                                                                                                      |                                                                                                                                                                                                      | Jacqueline Laughton                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                            | <b>Assurance Source:</b> <ul style="list-style-type: none"> <li>Performance Reporting</li> </ul>                                                                                                                                                     |                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Current Score of Risk (as at update received 1 July 2024):</b>                                                          |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Likelihood:<br>A,B,C,D,E,F                                                                                                 | Impact:<br>1,2,3,4                                                                                                                                                                                                                                   | Full:<br>RAG                                                                                                                                                                                         | Reasons:                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| A                                                                                                                          | 4                                                                                                                                                                                                                                                    | A4 (A)                                                                                                                                                                                               | Due to different systems and processes in place at the moment, it is almost certain that this risk will materialise when the North East CA needs to report on its performance in the next quarter. This impact of this, while time consuming, is likely to be minor. This is tolerable while the organisation is still in its infancy. As the organisation matures and what it is delivering grows the of not being able to accurately report performance will increase. |
| <b>New Controls:</b>                                                                                                       | <b>How will it reduce the risk?</b>                                                                                                                                                                                                                  |                                                                                                                                                                                                      | <b>Senior Officer:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                            |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                      | <b>Date new control will be in place:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 1. Relevant Frameworks to set out organisational approach (e.g. risk, assurance, monitoring and evaluation and investment) | Agreed frameworks will bring consistency to teams' approach to governance, risk, delivery and performance and underpin the establishment of shared ways of working.                                                                                  |                                                                                                                                                                                                      | Jen Robson                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2. Mapping existing processes                                                                                              | To establish relevance and effectiveness, identify any gaps and efficiencies. With a view to look at potential for technological automation of processes.                                                                                            |                                                                                                                                                                                                      | Jen Robson                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3. Creation of a data and digital strategy                                                                                 | An agreed strategy which sets out the North East CA's approach to data collection and the systems which underpin it will create consistency and ensure all activity going forward is aligned.                                                        |                                                                                                                                                                                                      | Jen Robson                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 4. Systems to be fully implemented and agreed Project and Programme management approach and underpinning                   | An agreed data and digital strategy underpinning the systems used and supported through an agreed programme management approach will ensure consistent and share ways of working across the organisation and reduce the risk of data being collected |                                                                                                                                                                                                      | Jen Robson                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

|                              |                                                                                                |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------|------------------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| processes operationalised.   | and processed in ways which do not align with the digital infrastructure of the North East CA. |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Target Score of Risk:</b> |                                                                                                |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Likelihood:<br>A,B,C,D,E,F   | Impact:<br>1,2,3,4                                                                             | Full:<br>RAG | Reasons:                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| E                            | 4                                                                                              | E4 (G)       | Once an integrated system with digitalised and automated process is in place, underpinned by a data and digital strategy, all data needed for performance reporting will be stored in the North East CA's digital infrastructure and be accessible in performance dashboards which show live data, the risk of data being stored in multiple places and the need for manual processes to enable performance reporting will be significantly reduced. |

Risk raised: 1 July 2024

New risk raised by: Jen Robson

Agreed by SLT: 31 July 2024

**Title:** 2023/24 Outturn Position for the North of Tyne Combined Authority, North East Combined Authority, North East Local Enterprise Partnership, Invest North East England and the Joint Transport Committee

**Report of:** Director of Finance and Investment

**Portfolio:** All

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## Report Summary

This report provides details of the provisional outturn financial performance for the organisations which have come together to form the North East Combined Authority (North East CA), for the extended financial year ending 6 May 2024. The report covers revenue and capital performance and the outturn treasury management position, which the authority is required to consider under guidance provided by the CIPFA Code of Practice on Treasury Management in the Public Services. The 2023/24 budgets have been uplifted to reflect extensions to 6 May 2024, and outturn expenditure to that date is compared to the revised budgets.

## Recommendations

Cabinet is recommended to:

1. Note the revenue and capital outturn position for 2023/24 as set out in the report.
2. Note the outturn treasury management report and Prudential Indicators as detailed at Appendix 5.
3. Note the forecast Reserve position on 6 May 2024 as set out in Section 7 of this report

### A. Context

#### 1. Background

- 1.1 The North East CA was formed on 7 May 2024, bringing together the two previous combined authorities in the region: the former NECA which had accountable body responsibility for the JTC, and the former NTCA which had accountable body responsibility for the North East LEP and the INEE team. The outturn position builds on updates which were presented to the former NECA Leadership Board, the JTC and the NTCA Cabinet throughout the year.
- 1.2 The Order which created the new North East CA also provided for the extension of the year end for the two former combined authorities to 6 May 2024. This is the financial year end for which the Statement of Accounts for each former combined authority will be prepared.
- 1.3 This report sets out the provisional outturn position for the extended financial year to 6 May 2024, which will be included in the Statement of Accounts for 2023/24. The Statement of Accounts for each former combined authority are statutory documents which set out the combined authority's financial position and performance for the year. These are technical documents which will be subject to audit later in the current financial year. In order to prepare figures to the extended year end of 6 May, transactions or estimated values have been accrued into the 2023/24 year where they are considered material.

#### 2. Former North East Combined Authority

- 2.1 The former NECA Corporate budget was required to support operational costs such as employees and service level agreements (SLAs) relating to its activity as a corporate body and its responsibilities as accountable body for the JTC. The former NECA Leadership Board agreed a gross expenditure budget for 2023/24 of £0.896m at its meeting on 24 January 2023, to be funded through contributions from constituent local authorities, specific grants and contributions and interest income. The budget was revised during the year and an uplifted budget to 6 May 2024

provided for expenditure of £0.918 million and income of £0.901 million, with the balance to be met from the former NECA Corporate Reserve. Outturn expenditure to 6 May 2024 was £1.008 million, which has been funded through contributions of £0.713 million, interest income of £0.183 million and a lower than budgeted contribution from the reserve of £0.012 million. Overall expenditure on supplies and services was higher than forecast primarily due to fees relating to external advisors on treasury management, who assisted with the early repayment of some of the authority's loans during the year. This will produce savings over the medium term on lower interest costs to the authority. A summary of the outturn position is shown in the table below.

Table 1: Former NECA Corporate Costs

|                                                          | <b>2023/24 Budget</b> | <b>2023/24 Budget uplifted to 6 May.</b> | <b>Outturn</b>   | <b>Variance</b>  |
|----------------------------------------------------------|-----------------------|------------------------------------------|------------------|------------------|
|                                                          | <b>£ million</b>      | <b>£ million</b>                         | <b>£ million</b> | <b>£ million</b> |
| Employees                                                | 0.069                 | 0.074                                    | 0.083            | 0.009            |
| SLAs                                                     | 0.142                 | 0.154                                    | 0.177            | 0.023            |
| Members allowances                                       | 0.007                 | 0.007                                    | 0.006            | (0.001)          |
| Supplies & Services                                      | 0.036                 | 0.039                                    | 0.099            | 0.06             |
| North East Screen Industries Partnership payment to TVCA | 0.643                 | 0.643                                    | 0.643            | 0.000            |
| <b>Total expenditure</b>                                 | <b>0.896</b>          | <b>0.918</b>                             | <b>1.008</b>     | <b>0.091</b>     |
| Constituent authority contributions                      | (0.170)               | (0.170)                                  | (0.170)          | 0.000            |
| Interest                                                 | (0.081)               | (0.088)                                  | (0.183)          | (0.096)          |
| North East Screen Industries Partnership contributions   | (0.643)               | (0.643)                                  | (0.643)          | 0.000            |
| <b>Total income</b>                                      | <b>(0.893)</b>        | <b>(0.901)</b>                           | <b>(0.996)</b>   | <b>(0.096)</b>   |
| <b>Net expenditure funded by reserves</b>                | <b>0.003</b>          | <b>0.017</b>                             | <b>0.012</b>     | <b>(0.005)</b>   |

2.2 The former NECA also incurred a proportionate share of transition costs (£2.139 million) associated with the establishment of the new combined authority. These mainly relate to the mayoral election on 2 May, with some further costs relating to additional staffing, secondments, and external support. The former NECA's share of the transition costs have been funded from former NECA and JTC reserves, as agreed by the JTC at its meeting in March 2024.

### 3. North East Joint Transport Committee

3.1 The 2023/24 budget was agreed by the JTC at its meeting on 17 January 2023. This budget covered four main areas: the Transport Levies and revenue grants paid to Durham County Council, Northumberland County Council and Nexus for the provision of public transport services on behalf of the two combined authorities; the budget for the work of TNE; the Tyne Tunnels which are accounted for as a ringfenced account; and the Transport Capital programme.

## Transport Levies

3.2 On 17 January 2023, the JTC agreed the following levies and grants:

Table 2: Transport Levy Budget 2023/24

|                                                | <b>2023/24<br/>Budget</b> | <b>2023/24<br/>Budget<br/>uplifted to 6<br/>May 2024</b> | <b>Outturn to 6<br/>May 2024</b> | <b>Variance</b>  |
|------------------------------------------------|---------------------------|----------------------------------------------------------|----------------------------------|------------------|
|                                                | <b>£ million</b>          | <b>£ million</b>                                         | <b>£ million</b>                 | <b>£ million</b> |
| Grant to Durham                                | 16.902                    | 18.310                                                   | 18.310                           | 0.000            |
| Grant to Northumberland                        | 6.448                     | 6.994                                                    | 6.994                            | 0.000            |
| Grant to Nexus                                 | 65.700                    | 71.383                                                   | 71.383                           | 0.000            |
| Retained Levy Budget                           | 2.120                     | 2.297                                                    | 2.119                            | (0.177)          |
| <b>Net Expenditure</b>                         | <b>91.170</b>             | <b>98.984</b>                                            | <b>98.807</b>                    | <b>(0.177)</b>   |
| Transport Levies                               | (91.170)                  | (98.984)                                                 | (98.984)                         | 0.000            |
| <b>Contribution (to)/from JTC<br/>Reserves</b> | <b>0.000</b>              | <b>0.000</b>                                             | <b>(0.177)</b>                   | <b>(0.177)</b>   |

The levies and grants to Durham County Council, Northumberland County Council and Nexus are fixed for the year, but details of how the grants were applied by each organisation to the provision of public transport services is set out in more detail in Appendix 1. There were underspends against the budget for the year in each delivery organisation, which are managed within the reserves of the councils and Nexus at the year end, and which are considered in preparation of budgets for 2025/26.

3.3 Expenditure against the retained levy budget was below the uplifted budget for the extended year end with the balances transferred to the JTC unallocated reserve. This budget supports central costs of the JTC, primarily historic debt charges relating to the former Tyne and Wear Integrated Transport Authority (TWITA).

## Transport North East

3.4 Prior to the transfer on 7 May 2024, TNE provided strategy, planning and delivery services on behalf of the JTC and worked to implement the JTC's vision of 'moving to a green, healthy, dynamic and thriving North East'. The TNE Core budget was funded through contributions from the retained Transport Levy, a top slice of the Local Transport Plan (LTP) Integrated Transport Block grant plus external contributions to fund specific posts and external grants for specific programmes and projects. The table below summarises the outturn position across all areas of the TNE revenue budget, except for the Tyne Tunnels which is shown separately as this is accounted for as a ringfenced account, which is self-financing from tolls income.

3.5 Outturn expenditure for TNE in 2023/24 was £27.131 million against the revised budget of £98.334 million, with outturn income £35.654 million leading to a net transfer to reserves of £expenditure requirement to be funded from earmarked reserves of £8.523 million, compared with a budgeted use of reserves totalling £2.670 million. Major variances are described in the sections below.

Table 3: TNE Outturn 2023/24

|                                         | <b>2023/24<br/>Budget</b> | <b>2023/24<br/>Budget<br/>uplifted to 6<br/>May 2024</b> | <b>Outturn to 6<br/>May 2024</b> | <b>Variance</b>  |
|-----------------------------------------|---------------------------|----------------------------------------------------------|----------------------------------|------------------|
|                                         | <b>£ million</b>          | <b>£ million</b>                                         | <b>£ million</b>                 | <b>£ million</b> |
| Transport Strategy                      | 1.037                     | 1.123                                                    | 1.124                            | 0.001            |
| Enhanced Partnerships                   | 76.891                    | 83.299                                                   | 19.580                           | (63.719)         |
| Programmes                              | 9.775                     | 10.590                                                   | 3.112                            | (7.478)          |
| Rail Partnerships                       | 1.270                     | 1.376                                                    | 1.206                            | (0.170)          |
| Bus Reform                              | 0.900                     | 0.975                                                    | 0.305                            | (0.670)          |
| Other Devolution<br>workstreams         | 0.897                     | 0.972                                                    | 0.093                            | (0.879)          |
| JTC contribution to transition<br>costs | 0.000                     | 0.000                                                    | 1.711                            | 1.711            |
| <b>Total Expenditure</b>                | <b>90.770</b>             | <b>98.334</b>                                            | <b>27.131</b>                    | <b>(71.203)</b>  |
| BSIP Grant                              | (76.891)                  | (83.299)                                                 | (19.580)                         | 63.719           |
| LTP Grant                               | (0.500)                   | (0.542)                                                  | (0.542)                          | 0.000            |
| Levy Contribution                       | (0.284)                   | (0.308)                                                  | (0.362)                          | (0.054)          |
| CRSTS Revenue Grants                    | (6.773)                   | (7.381)                                                  | (0.881)                          | 6.500            |
| Other Grants                            | (2.962)                   | (3.012)                                                  | (2.131)                          | 1.078            |
| TNE unallocated interest<br>income      | 0.000                     | 0.000                                                    | (11.546)                         | (11.546)         |
| <b>Total Income</b>                     | <b>(88.265)</b>           | <b>(95.664)</b>                                          | <b>(35.654)</b>                  | <b>60.010</b>    |
| <b>Net Expenditure</b>                  | <b>2.505</b>              | <b>2.670</b>                                             | <b>(8.523)</b>                   | <b>(11.193)</b>  |
| Rail Extensions Reserve                 | (1.043)                   | (1.130)                                                  | (0.975)                          | 0.155            |
| JTC Unallocated Reserve                 | (0.105)                   | (0.070)                                                  | (1.096)                          | (1.026)          |
| Transport Devolution Reserve            | (1.357)                   | (1.470)                                                  | (0.398)                          | 1.072            |
| Transport Interest Reserve              | 0.000                     | 0.000                                                    | 10.992                           | 10.992           |
| <b>Total To / (From) Reserves</b>       | <b>(2.505)</b>            | <b>(2.670)</b>                                           | <b>8.523</b>                     | <b>11.193</b>    |

- 3.6 The Transport Strategy budget covers activity such as the Transport Plan refresh, and the development of strategies which support the overall Transport Plan, such as Making the Right Travel Choices, Active Travel and Zero Emission Vehicles. This budget also included Transport Communications and Data Analysis activity which has transferred to the new Operations directorate. Expenditure to the year end was in line with the revised budget for the year and will be funded through the LTP top-slice and contributions from the JTC retained levy.
- 3.7 The North East Enhanced Bus Partnership was made in 2023 and is a statutory arrangement from the 2017 Bus Services Act enabling local authorities and operators to work closely together to improve bus services. The Enhanced Partnership works closely together on delivering the interventions set out in the Bus Service Improvement Plan. Expenditure was significantly below budget due to a number of initiatives which had been planned to commence in 2023/24 now due to begin during 2024/25. Fares schemes were launched during the year including the £1 fare for 21 and under and capped day tickets for multi-operator and multi-modal journeys.
- 3.8 Revenue expenditure on Programmes was lower than the revised budget for the year, which is mainly due to planned use of the City Region Sustainable Transport Settlement revenue grant now being scheduled to take place during 2024/25 and 2025/26.



- 3.9 The Rail Partnerships team support a number of partnership arrangements such as the East Coast Mainline Association and the North East Rail Management Unit, but also coordinate work on rail and metro expansion feasibility studies and the promotion of work such as the Washington Metro Loop Outline Business Case and the Leamside Line South Strategic Outline Business Case. Funding comes from earmarked reserves and rail grant received from DfT. Expenditure to the year end was slightly below budget, with the underspend available to be drawn down from the earmarked reserve during 2024/25.
- 3.10 The budget for Bus Reform in 2023/24 was to enable work to take place which will present to the Mayor and Cabinet an options report outlining different operational models available to them for the region's bus network, considering how the different models available will allow the bus network to support delivery of the North East CA's wider objectives, as well as operational, financial and other factors which should be considered. Expenditure was below budget due to work and recruitment commencing later than originally planned and the scope of the options report being revised following the setting of the budget. The underspend is available to contribute to work on the further development of options, which forms the subject of a report elsewhere on this agenda. Other Devolution workstreams included commencement of work on the Key Road Network and Highways Asset Management Plan, among other activity. A significant portion of this work is now scheduled to take place during 2024/25 and use of earmarked reserves will take place in the current financial year.
- 3.11 During the current year, interest income was significantly higher than forecast at the time of preparing the budget, due to higher interest rates, these being maintained throughout the whole year, and cash balances related to Transport activity being higher than forecast throughout the year due to front-loading of government grants. Some £11.546 million interest income was received, higher than the previous estimate provided to the JTC of £8.125 million. £0.554 million of this will contribute to funding transition costs, as set out in paragraph 2.2. The Transport Interest reserve totalling £10.992 million is created as an earmarked reserve at the end of the 2023/24 year, with planned use of these funds featured in other papers elsewhere on this agenda.

### **Tyne Tunnels**

- 3.12 The Tyne Tunnels are owned by the North East CA and operated under a concession contract by TT2 Ltd. The combined authority receives all toll income from the vehicle tunnels in the first instance, and a payment under the contract with TT2 is determined based on traffic levels. The balance retained by the combined authority is used primarily to fund interest and principal repayments on borrowing taken out to fund the New Tyne Crossing project, and other client costs associated with the management of the contract with the concessionaire. Traffic levels increased significantly compared with the budget in 2023/24, resulting in higher toll income and higher contract payments. Additional interest and miscellaneous income were received in year, which has been applied to make additional provision for the repayment of debt (MRP) – which shows as an increase to the financing charges budget line. After application of reserves to fund capital works in the Tyne Pedestrian and Cycle Tunnels, the overall position is breakeven.

Table 4: Tyne Tunnels Outturn 2023/24

|                                                                                                   | <b>2023/24<br/>Budget</b> | <b>2023/24<br/>Budget<br/>uplifted to 6<br/>May 2024</b> | <b>Outturn to 6<br/>May 2024</b> | <b>Variance</b>  |
|---------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------|----------------------------------|------------------|
|                                                                                                   | <b>£ million</b>          | <b>£ million</b>                                         | <b>£ million</b>                 | <b>£ million</b> |
| TT2 Contract                                                                                      | 28.628                    | 31.014                                                   | 32.047                           | 1.033            |
| Employees                                                                                         | 0.146                     | 0.158                                                    | 0.166                            | 0.008            |
| Historic Pensions                                                                                 | 0.045                     | 0.049                                                    | 0.048                            | (0.001)          |
| Premises                                                                                          | 0.114                     | 0.124                                                    | 0.018                            | (0.106)          |
| SLAs                                                                                              | 0.175                     | 0.188                                                    | 0.187                            | (0.003)          |
| Supplies & Services                                                                               | 0.626                     | 0.678                                                    | 0.685                            | 0.007            |
| Financing Charges                                                                                 | 6.674                     | 7.230                                                    | 8.461                            | 1.231            |
| <b>Total Expenditure</b>                                                                          | <b>36.408</b>             | <b>39.442</b>                                            | <b>41.612</b>                    | <b>2.170</b>     |
| Tolls                                                                                             | (36.216)                  | (39.234)                                                 | (40.989)                         | (1.042)          |
| Miscellaneous Income                                                                              | 0.000                     | 0.000                                                    | (0.207)                          | (0.207)          |
| Interest                                                                                          | (0.239)                   | (0.256)                                                  | (0.481)                          | (0.242)          |
| Repayment from TWITA                                                                              | (0.240)                   | (0.260)                                                  | (0.260)                          | 0.000            |
| <b>Total Income</b>                                                                               | <b>(36.695)</b>           | <b>(39.753)</b>                                          | <b>(41.917)</b>                  | <b>(1.526)</b>   |
| <b>Net Income</b>                                                                                 | <b>(0.287)</b>            | <b>(0.311)</b>                                           | <b>(0.305)</b>                   | <b>(0.006)</b>   |
| Capital Expenditure Funded from Revenue Account (Tyne Pedestrian and Cycle Tunnels Refurbishment) | 0.287                     | 0.311                                                    | 0.305                            | (0.006)          |
| Net (Surplus)/Deficit for the year                                                                | 0.000                     | 0.000                                                    | 0.000                            | 0.000            |

### Transport Capital Programme

- 3.13 In January 2023, the JTC approved the initial capital programme for 2023/24 of £238.994m which was updated during the year resulting in a revised budget of £196.506m, as summarised in the table below. Outturn expenditure was £178.683m against an uplifted budget of £201.943m, representing 89% expenditure against the programme. Outturn expenditure was funded primarily by external government grants (£176.564m, 98.8%) with the remainder being funded by earmarked reserves (£2.119m, 1.2%).

Table 5: Transport Capital Programme Outturn 2023/24

|                                                   | <b>2023/24<br/>Budget</b> | <b>2023/24<br/>Budget<br/>uplifted to 6<br/>May 2024</b> | <b>Outturn to 6<br/>May 2024</b> | <b>Variance</b>  |
|---------------------------------------------------|---------------------------|----------------------------------------------------------|----------------------------------|------------------|
|                                                   | <b>£ million</b>          | <b>£ million</b>                                         | <b>£ million</b>                 | <b>£ million</b> |
| Active Travel Fund                                | 6.578                     | 9.266                                                    | 9.084                            | (0.182)          |
| Bus Service Improvement Plan                      | 1.975                     | 2.140                                                    | 0.482                            | (1.658)          |
| Electric Vehicle Charging Infrastructure          | 0.153                     | 0.153                                                    | 0.035                            | (0.118)          |
| Levelling Up Fund                                 | 1.207                     | 1.308                                                    | 1.313                            | 0.005            |
| Local Transport Plan – Integrated Transport Block | 11.396                    | 13.287                                                   | 13.287                           | 0.000            |
| Nexus capital programme                           | 142.342                   | 142.342                                                  | 121.192                          | (21.150)         |
| Transforming Cities Fund                          | 32.454                    | 35.159                                                   | 33.363                           | (1.796)          |
| Tyne Tunnels                                      | 0.337                     | 0.365                                                    | 0.370                            | 0.005            |
| Ultra Low Emission Vehicles – Taxi project        | 0.064                     | 0.064                                                    | 0.039                            | (0.025)          |
| <b>Total</b>                                      | <b>196.506</b>            | <b>201.943</b>                                           | <b>178.683</b>                   | <b>(23.260)</b>  |
|                                                   |                           |                                                          |                                  |                  |
| <b>Funded by:</b>                                 |                           |                                                          |                                  |                  |
| Grants                                            | (188.196)                 | (193.605)                                                | (176.564)                        | 17.041           |
| Earmarked Reserves                                | (8.310)                   | (8.338)                                                  | (2.119)                          | 6.219            |
| <b>Total</b>                                      | <b>(196.506)</b>          | <b>(201.943)</b>                                         | <b>(178.683)</b>                 | <b>23.260</b>    |

- 3.13 Over recent years, the North East region has been successful in bidding for funding from rounds 1-4 of the Active Travel Fund (ATF). Total expenditure across the ATF programme was £9.084 million against the uplifted budget of £9.266 million. The vast majority of schemes in ATF Tranche 2 are now complete, with expenditure in 2023/24 relating to schemes on Grey Street, Newcastle, North Tyneside Strategic Corridors and Whitburn Road, Sunderland. The majority of ATF Tranche 3 schemes will be delivered in the 2024/25 financial year, with expenditure in 2023/24 relating to the North Tyneside Sea Front Sustainable Route. Other schemes were undergoing the design review process with Active Travel England, which all schemes must follow, which ensures a quality output and is necessary prior to funding being released. For ATF Tranche 4, expenditure in 2023/24 related to NCN 1 – South Tyneside to Sunderland, with the majority of capital spend forecast for 2024/25 with programmes and designs for all schemes being progressed at pace. The assurance process follows that for earlier tranches, in that schemes must provide an Assurance Statement and Monitoring and Evaluation plan, and also complete a design review with ATE before a grant funding agreement (GFA) is issued by NECA.
- 3.14 In April 2022, the North East’s Bus Service Improvement Plan (BSIP) was awarded £163.5 million of indicative funding through the government’s competitive BSIP funding pot, of which £73.5 million was for capital expenditure. All funding has now been confirmed by DfT. A series of corridor-based bus priority improvement schemes which focus on improving bus reliability on high passenger demand routes across the region was approved at JTC in July 2023 totalling £20.250 million. A further £13.040 million was approved for the continued roll out of Intelligent Transport Systems (ITS), and work is under way to develop a programme of works for the remaining capital allocation.
- 3.15 A small amount of capital was incurred in 2023/24 in relation to ITS and bus priority interventions, however grant funding agreements have been progressing well with a number now signed off and works beginning in 2024/25.

- 3.16 Following positive subsidy control appraisal of the region's £19.5 million Levelling Up Fund programme, progress towards delivery of the programme has commenced. This involves the delivery of 52 electric buses and supporting infrastructure, and 92 electric vehicle chargers at park and ride location and key destinations. A memorandum of understanding has been signed with the DfT which enabled the first capital payment of £4.104 million to be made in January 2024. Grant funding agreements are being put in place with scheme promoters to enable orders for vehicles and infrastructure to be placed and expenditure for 2023/24 totalled £1.313 million. The remaining grant is forecast to be spent by early in the 2024/25 financial year, and proportionate extensions to the overall programme to March 2026 have been agreed with DfT to account for the revised commencement date.
- 3.17 Local Transport Plan (LTP) Integrated Transport Block funding is made available by DfT to the whole JTC area. This block is allocated between the constituent authorities on a locally agreed basis with an allocation to Nexus (mainly used to provide the match funding needed for the MARP capital programme). The LTP block allocation also contributes to the costs of the TNE team and, in Tyne and Wear only, to the Urban Traffic Management and Control (UTMC) centre. Expenditure to 6 May was £13.287 million, in line with the uplifted budget for the year.
- 3.18 Nexus' revised capital programme for 2023/24 totalled £142.342m, covering the Metro Asset Renewal Programme (MARP), Fleet Replacement Programme (FRP), Other Capital Projects and Metro Flow. The programme outturn was £121.192m, with the underspend primarily related to the MARP (£11.302m), where the budget included unfunded overprogramming as a technique to anticipate slippage, and the FRP where delays to the programme caused £5.940m to be reprofiled across the remainder of the programme. More detail on the Nexus capital programme is provided in Appendix 2.
- 3.19 The North East was awarded £198 million of capital grant from Tranche 2 of the Transforming Cities Fund, and the programme in the region is nearing completion. Total expenditure in 2023/24 was £33.363 million against the uplifted budget of £35.159 million. Remaining funds are forecast to spend within the 2024/25 financial year which has been confirmed with the DfT through the quarterly monitoring and reporting process.
- 3.20 The Tyne Tunnels capital programme relates to the refurbishment of the Tyne Pedestrian and Cycle Tunnels (TPCT) which are open to the public 24 hours a day with no charge to users. Works in 2023/24 related to the inclined glass lifts, which increase capacity for cyclists and provide a tourist attraction. Completion and certification of the lifts was significantly delayed due to the bespoke nature of the design and issues with contractors. The works have now been completed and the inclined lifts are in the final stages of testing and certification before they can be opened to the public.

#### **4. North of Tyne Combined Authority**

- 4.1 The 2023/24 budget for the former NTCA was approved by Cabinet at its meeting of 31 January 2023. Included in that budget was estimated expenditure across the year for both the Corporate Budget, Investment Fund, Brownfield Housing Fund and Adult Education Budget.
- 4.2 The Corporate Budget was set at a net zero position covering the costs associated with capacity to deliver. 2023/24 was year 6 of NTCA's delivery after successfully passing the first five-year gateway review securing ongoing funding for continued and increased delivery. £154.245 million has been allocated to date. Since the budget for 2023/24 budget was approved, NTCA was awarded regional capital monies (£15.350 million) from the Department of Levelling up Housing and Communities for three specific schemes. Creative Growth Programme was another new area of delivery where the North East CA is now acting as accountable body for the North East seven local authorities. UK SPF continued to gain momentum alongside Multiply and Rural England Prosperity Fund. The Adult Education Devolved Budget alongside Bootcamp funding continued to deliver against the NTCA's Strategic Skills Plan targeting a number of priority sectors, i.e. tech and digital, green growth and energy, health and ageing and longevity to help meet skills shortages in the area.

## NTCA Corporate Budget

4.3 Table 6 below shows the outturn against the uplifted budget to 6 May 2024.

Table 6: NTCA Corporate Outturn 2023/24

| Corporate Budget 2023/24                          | 2023/24 Budget  | 2023/24 Budget extended to 6 May 2024 | 2023/24 Outturn | Variance       |
|---------------------------------------------------|-----------------|---------------------------------------|-----------------|----------------|
| Expenditure                                       | £m              | £m                                    | £m              | £m             |
| Staffing/Secondments                              | 4.786           | 5.258                                 | 5.625           | 0.367          |
| Mayors Office                                     | 0.288           | 0.316                                 | 0.314           | (0.002)        |
| Transition Costs                                  | 0.500           | 0.549                                 | 0.784           | (0.235)        |
| Election Costs                                    | 0               | 0                                     | 1.492           | 1.492          |
| Other Costs                                       | 1.578           | 1.734                                 | 1.418           | (0.316)        |
| Contribution to Reserves                          | 0.500           | 0.500                                 | 0.292           | (0.208)        |
| SLA with Constituent Authorities                  | 0.271           | 0.298                                 | 0.333           | 0.035          |
| JTC Levy                                          | 30.561          | 33.587                                | 33.587          | 0.000          |
| <b>Gross Expenditure</b>                          | <b>38.484</b>   | <b>42.242</b>                         | <b>43.845</b>   | <b>1.603</b>   |
|                                                   |                 |                                       |                 |                |
| <b>Income</b>                                     |                 |                                       |                 |                |
| Grant Income                                      | (6.937)         | (7.631)                               | (7.432)         | 0.199          |
| Contributions from Constituent Authorities        | (0.111)         | (0.122)                               | (0.122)         | (0.000)        |
| Contribution from the former NECA                 |                 |                                       | (0.448)         | (0.448)        |
| Contribution from Reserves                        | (0.600)         | (0.600)                               | (1.728)         | (1.128)        |
| Investment Interest Receivable                    | (0.275)         | (0.302)                               | (5.715)         | (5.413)        |
| JTC Levy                                          | (30.561)        | (33.587)                              | (33.587)        | 0.000          |
| <b>Gross Income</b>                               | <b>(38.484)</b> | <b>(42.242)</b>                       | <b>(48.484)</b> | <b>(6.242)</b> |
| <b>Net (Income)/Expenditure</b>                   | <b>0</b>        | <b>0</b>                              | <b>(5.187)</b>  | <b>(5.187)</b> |
| <b>Contribution to Strategic Capacity Reserve</b> |                 |                                       |                 | <b>(5.187)</b> |

4.4 Gross expenditure for the extended financial year was £43.297 million including the JTC Levy, reflecting an increase in expenditure over budget of £1.054 million. This increase is primarily attributable to costs incurred in relation to the Mayoral Election (£1.392million). An election reserve has been built up in prior years to meet this cost. Costs incurred as part of the transition to the new Mayoral Combined Authority (£0.337 million) with expenditure incurred in relation to work associated with mapping out the new portfolios and branding.

4.5 Staffing expenditure exceeded budget by £0.365 million this is attributed to the sharp increase in delivery in relation to new funding streams being awarded such as UKSPF and Multiply which are in their first full year of delivery, and increased funding on Bootcamps. SLA expenditure also reflected

a slight increase over budget by £0.035 million due to additional resource required to meet the additional demands from increased delivery this relates specifically to legal and procurement and additional IT requirements of additional staff. Where appropriate SLA support costs are recovered from projects in proportion to support contributed. Other costs came under budget with an underspend against budget of (£0.316 million) due to reduction in cost against budget on the accommodation budget due in part to the remaining part year reduction in rental and service charges in addition to savings on stationery and travel and subsistence costs.

4.6 Gross income includes a contribution from reserves to meet the costs incurred in relation to the election. Grant income reduced against budget by £0.199 million. However, income received from interest on investment income was significantly higher than the prudent budget set (£5.715 million). This was due to increase in interest rates available in comparison to previous years. As a result of this the Corporate Budget is reflecting a net surplus position against budget of £5.187 million. The proposal is to transfer the surplus to the Strategic Capacity Reserve and proposed realignment of the reserve once held by the North East CA set out in Section 7 of this report.

### North of Tyne Investment Fund Outturn

4.9 In 2023/24 the NTCA was in year 6 of delivery after successfully passing the first five-year gateway review securing ongoing funding for continued and increased delivery against the North of Tyne Investment Fund, with £154.245 million allocated spend and over 181 projects and programmes approved since the launch of NTCA, providing direct support to residents, promoting business growth, and investing in our communities. These projects are on track to create 5,377 jobs based on current commitments against a target of 10,000, with the first 2,554 new jobs created and 1,983 jobs safeguarded.

4.10 Table 7 reflects the NTCA Investment Fund by the Portfolios of the former NTCA in line with its Corporate Plan, showing outturn against the original Investment Fund allocation.

*Table 7: NTCA Investment Fund Outturn to May 6, 2024, showing Future Years Commitments against the Revised Allocation*

| Portfolio                       | Original Approved Allocation | Revised Allocation | Total spent to May 6 2024 | Future Years Commitments Profile |               |              |              |              |
|---------------------------------|------------------------------|--------------------|---------------------------|----------------------------------|---------------|--------------|--------------|--------------|
|                                 |                              |                    |                           | 2024/25                          | 2025/26       | 2026/27      | 2027/28      | 2028/29      |
|                                 |                              |                    |                           | £m                               | £m            | £m           | £m           | £m           |
| Clean Energy, and Connectivity  | 10.736                       | 9.443              | 5.618                     | 2.497                            | 1.300         |              |              |              |
| Culture, Creative and Rural     | 19.004                       | 19.879             | 14.121                    | 3.430                            | 1.780         | 0.523        |              |              |
| Education, Inclusion and Skills | 19.100                       | 17.945             | 10.721                    | 7.218                            | 1.703         | 0.214        |              |              |
| Green New Deal and Connectivity | 9.000                        | 9.000              | 8.800                     |                                  |               |              |              |              |
| Housing, Land and Development   | 28.632                       | 27.646             | 6.366                     | 16.844                           | 2.021         | 1.004        | 1.315        |              |
| Investment and Resources        | 12.000                       | 12.000             | 12.000                    |                                  |               |              |              |              |
| Jobs, Innovation and Growth     | 53.178                       | 52.999             | 26.099                    | 11.970                           | 6.808         | 3.880        | 1.224        | 1.470        |
| Social Economy and Communities  | 2.117                        | 2.095              | 2.021                     | 0.061                            |               |              |              |              |
| Unallocated                     | 0.479                        | 0.479              | 0.061                     | 0.418                            |               |              |              |              |
| <b>Total</b>                    | <b>154.245</b>               | <b>151.487</b>     | <b>85.807</b>             | <b>42.438</b>                    | <b>13.612</b> | <b>5.621</b> | <b>2.539</b> | <b>1.470</b> |

*Table 8 Investment Fund Annual Spend*

|                              | 2018/19<br>£m | 2019/20<br>£m | 2020/21<br>£m | 2021/22<br>£m | 2022/23<br>£m | 2023/24<br>£m | Total<br>£m |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
| Investment Fund Annual Spend | 0.449         | 2.711         | 13.277        | 15.525        | 24.545        | 25.152        | 81.660      |

4.11 Table 8 illustrates the significant progress made in decisions and actions to deliver the NTCA Investment Fund programme since the establishment of NTCA with programmes and project allocations totalling £154.245 million. The outturn position of £85.774 million reflects many projects coming into their final year of delivery against the original set of allocations. The balance of committed spend into future years is £65,713 million. Delivery of this will continue to be spent in 2024/25 going forward into 2028/29, the first five-year period of the new North East CA where there are approvals in place.

4.12 Table 9 below shows capital schemes within the NTCA Investment Fund.

|                                            | 2020/21      | 2021/22      | 2022/23      | 2023/24       | 2024/25<br>Forecast |
|--------------------------------------------|--------------|--------------|--------------|---------------|---------------------|
|                                            | £ million    | £ million    | £ million    | £ million     | £ million           |
| NU Futures                                 | 0.335        | 1.636        | 0.028        |               |                     |
| North Shields Fish Quay                    |              | 0.346        | 1.084        | 0.242         |                     |
| Swans Energy Park                          |              |              | 2.000        |               |                     |
| Spirit of North Tyneside                   |              |              | 0.249        |               |                     |
| Community Hubs Northumberland              |              | 0.010        |              |               |                     |
| CCZ – North Tyneside                       |              |              | 0.142        | 0.657         |                     |
| Energy Central Learning Hub (ECLH)         |              |              |              | 1.000         |                     |
| Northumberland Line Newsham Bridge         |              |              |              | 5.000         |                     |
| Berwick CCZ                                |              |              |              | 0.100         |                     |
| North Bank of the Tyne EZ Phase 1          |              | 0.110        | 0.372        | 0.317         |                     |
| North Bank of the Tyne EZ Phase 2          |              |              |              | 1.000         | 2.444               |
| Bates Clean Energy Terminal                |              | 0.752        | 1.457        | 0.113         |                     |
| Clean Energy Park, Howdon Yard and Quay    |              |              | 2.791        | 0.038         |                     |
| Technology Development Centre              |              |              |              | 1.000         | 1.000               |
| NEP1 Battle Wharf                          |              |              | 0.508        | 0.741         |                     |
| Northumbria Healthcare Laundry Facility    |              |              | 0.082        |               |                     |
| Neptune & Swans Energy Parks Enabling Work |              |              |              | 0.141         |                     |
| <b>Total</b>                               | <b>0.335</b> | <b>2.854</b> | <b>8.713</b> | <b>10.349</b> | <b>3.444</b>        |

- 4.15 In addition to the above capital schemes funded from the NTCA Investment Fund, £15.350 million of capital funding was provided by DLUHC in March 2023, for spend within 2022/23. However, slippage into 2023/24 was allowed due to the late receipt of the notification of funding. Table 10 shows the three schemes identified for this additional capital spend:

Table 10: Additional Capital Funding

| Capital Project                                         | Allocation    | Spend to Date | Remaining spend in 24/25 |
|---------------------------------------------------------|---------------|---------------|--------------------------|
|                                                         | £ million     | £ million     | £ million                |
| Port of Tyne – Tyne Clean Energy Park                   | 8.000         | 8.000         | 0                        |
| Sunderland City Council – Sunderland Studio Development | 5.500         | 4.886         | 0.614                    |
| North Tyneside Council – North Shields Town Square      | 1.850         | 1.850         | 0                        |
|                                                         | <b>15.350</b> | <b>14.736</b> | <b>0.614</b>             |

### UK Shared Prosperity Fund

- 4.16 The UK Shared Prosperity Fund (UKSPF or the Fund) is a central pillar of the UK government's Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025. The intention of the fund is to invest in domestic priorities and targeting funding where it is needed most: building pride in place, supporting high quality skills training, supporting pay, employment, and productivity growth, and increasing life chances. The table includes the Rural England Prosperity Fund (REPF), a £110 million top-up to the UKSPF allocated to eligible rural authorities (Section 44).

Table 11: UKSPF Outturn 2023/24

| UKSPF Investment Priorities                          | Total Allocation |               | Prior Yr. Spend 2022/23 |              | 2023/24 Outturn |              | 2024/25 Forecast |               |
|------------------------------------------------------|------------------|---------------|-------------------------|--------------|-----------------|--------------|------------------|---------------|
|                                                      | Revenue £m       | Capital £m    | Revenue £m              | Capital £m   | Revenue £m      | Capital £m   | Revenue £m       | Capital £m    |
| Community and Place                                  | 11.137           | 4.115         | 1.407                   | 0.155        | 1.285           | 0.038        | 8.445            | 3.922         |
| Supporting Businesses                                | 13.814           | 4.528         | -                       | -            | 2.308           | 0.180        | 11.506           | 4.348         |
| People and Skills                                    | 11.609           | -             | -                       | -            | 1.872           | -            | 9.737            | -             |
| Rural England Prosperity Fund                        | -                | 3.044         | -                       | -            | -               | 0.242        | -                | 2.802         |
| Administration Top-Slice (4%)                        | 1.522            | 0.359         | 0.241                   | -            | 0.681           | -            | 0.600            | 0.359         |
| <b>Total UKSPF and Rural England Prosperity Fund</b> | <b>38.082</b>    | <b>12.046</b> | <b>1.648</b>            | <b>0.155</b> | <b>6.146</b>    | <b>0.460</b> | <b>30.288</b>    | <b>11.471</b> |



## Multiply (UKSPF)

- 4.17 Multiply funding is a separate funding stream that forms part of UKSPF overall programme, aimed at boosting funding for adult numeracy enabling local areas to deliver more innovative approaches to reach more people. The 2023/24 extended year end position is shown below in Table 13.

Table 13: Multiply UKSPF Outturn 2023/24

| UKSPF Multiply                      | Total Allocation | 2022/23 Spend | 2023/24 Outturn | 2024/25 Forecast Budget |
|-------------------------------------|------------------|---------------|-----------------|-------------------------|
|                                     | £ million        | £ million     | £ million       | £ million               |
| Multiply Programme                  | 3.715            | 1.089         | 1.269           | 1.334                   |
| Administration top slice (10%)      | 0.413            | 0.125         | 0.144           | <b>0.140</b>            |
| <b>Total UKSPF Multiply</b>         | <b>4.128</b>     | <b>1.214</b>  | <b>1.413</b>    | <b>1.474</b>            |
| UKSPF Multiply Funding              | (4.128)          | (1.214)       | (1.413)         | (1.474)                 |
| <b>Net UK SPF Multiply Position</b> | <b>0.000</b>     | <b>0.000</b>  | <b>0.000</b>    | <b>0.000</b>            |

## Rural England Property Fund (REPF) (UKSPF)

- 4.18 The Rural England Prosperity Fund (REPF) is a £110 million top-up to the UKSPF allocated to eligible rural authorities to support activities that specifically address the challenges rural communities face. North of Tyne was allocated £3.044 million capital funding specifically targeted at Northumberland, but recognising the important connection between our rural, coastal, and urban economies. The REPF is available from April 2023 to March 2025. The fund is aligned with interventions in the Supporting Local Business and Communities and Place investment priorities, and will provide capital funding to:

- support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy, including farm businesses looking to diversify income streams.
- support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.

- 4.19 Table 13 sets out the REPF spend profile for the Rural Business and Rural Communities Priorities. 65% of the funding has been allocated to the Rural Business Priority and 35% to the Rural Communities Priority.

Table 13: Rural England Prosperity Fund Capital Spend profile.

|                   | 2023/24 Budget | 2023/24 Outturn | 2024/25 Forecast Budget | Total        |
|-------------------|----------------|-----------------|-------------------------|--------------|
|                   | £ million      | £ million       | £ million               | £ million    |
| Rural Business    | 0.495          | 0.242           | 1.484                   | 1.979        |
| Rural Communities | 0.266          | -               | 0.799                   | 1.065        |
| <b>Total</b>      | <b>0.761</b>   | <b>0.242</b>    | <b>2.283</b>            | <b>3.044</b> |

## Brownfield Housing Fund

- 4.20 The Brownfield Housing Fund (BHF) was the first housing allocation for NTCA. The funding is intended to support the development of at least 2000 new homes, by remediating and revitalising brownfield sites across the North of Tyne area. The Brownfield fund is part of a broader housing programme and pipeline of sites, shaping a strategic delivery approach to supporting housing and economic recovery.
- 4.21 An extension to BHF was announced in the Levelling Up White Paper. Mayoral Combined Authorities were awarded £120 million nationally, to be allocated to each MCA based on population. NTCA was awarded £7.96 million, bringing the total amount of BHF funding to £31.820 million.
- 4.22 A further £17.409 million was awarded to NTCA following the announcement of the North East Devolution Deal, taking the total funding allocation to £49.205m. This allocation will be focused primarily on housing sites South of the Tyne and will unlock between 1,134 and 1,451 new homes, with projects expected to defray their spending by March 2026, in line with Government expectations.
- 4.23 To date 18 schemes have been approved and are in various stages of development or delivery. These 18 schemes are projected to remediate 77.51 hectares of brownfield land and deliver 2,917 homes. Furthermore, there are another two schemes still awaiting the business case and sign off process to be completed. These schemes will add a further 172 homes and remediate a further 5.90 hectares of brownfield land.
- 4.24 This takes the total number of homes forecasted to be unlocked to 3,089 homes across 83.41 hectares. The total estimated cost of these schemes is £483.24 million, with Brownfield Housing Fund contributing £49.3 million.

Table 14: 2023/24 BHF Outturn

|                                              | 2020/21      | 2021/22      | 2022/23       | 2023/24      | 2024/25 Forecast | 2025/26 Forecast | Total         |
|----------------------------------------------|--------------|--------------|---------------|--------------|------------------|------------------|---------------|
|                                              | £ million    | £ million    | £ million     | £ million    | £ million        | £ million        | £ million     |
| <b>Initial Funding Profile</b>               | 4.854        | 8.100        | 6.700         | 3.100        | 1.100            | 0.000            | 23.854        |
| <b>Extended Funding Profile</b>              | 0.000        | 0.000        | 4.753         | 2.674        | 0.524            | 0.000            | 7.951         |
| <b>Devo Deal Funding Profile</b>             | 0.000        | 0.000        | 0.000         | 0.000        | 8.704            | 8.704            | 17.409        |
| <b>Combined Funding Profile</b>              | <b>4.854</b> | <b>8.100</b> | <b>11.453</b> | <b>5.774</b> | <b>10.328</b>    | <b>8.704</b>     | <b>49.205</b> |
| <b>Annual spend as at end of FY position</b> | 0.636        | 3.228        | 1.046         | <b>3.417</b> | <b>22.950*</b>   | <b>17,928</b>    | <b>49.205</b> |
| <b>Actual spend as of 6 May 2024</b>         | <b>0.636</b> | <b>3.228</b> | <b>1.046</b>  | <b>4.148</b> |                  |                  | <b>9.058</b>  |

- 4.25 Overall, good progress is being made with the NTCA's Brownfield Housing Programme. The programme is expected to over deliver in terms of outputs and deliver good value for money, with expenditure profiles expected to be completed by March 2025 in line with government's expectations. For the original pipeline of projects, NTCA's work on the Brownfield Housing Fund schemes during 2023/24 has concentrated on continuing project development, completion of final business cases, entry in to grant funding agreements, and supporting scheme promoters to begin work on the ground.

- 4.26 Alongside this and after the announcement of additional funding linked to the North East Devolution Deal, NTCA have also engaged with local authorities to build a pipeline of further schemes across the new authorities and develop these project business cases to approval. This process has successfully led to seven projects being added to the pipeline from South of the Tyne, of which 5 have been approved.
- 4.27 Given the limited amount of time available to develop new schemes as part of the North East Devolution Deal NTCA have engaged with DLUHC regarding an extension to the funding deadline. This was approved in principle by DLUHC who confirmed an extension to the spend deadline for the new NECA schemes (south of Tyne area) of 31 March 2026. The deadline for the North of Tyne BHF remains 31 March 2025.

### **Adult Education Budget (AEB)**

- 4.28 As part of the devolution deal the Adult Education Budget was devolved to the authority with an effective start date of August 2020. This provided the Authority with significant new powers and responsibilities in delivering both Mayoral and Cabinet priorities alongside the national skills agenda and priorities.
- 4.29 NTCA's devolved AEB Budget for the period 1 April 2023 to 31 March 2024 is £23.782 million. The AEB budget includes a 3% top slice allocation to fund corporate related activity allocation. A further £0.753 million funding for the delegated Free Courses for Jobs (FCFJ) offer has been awarded for this financial year bringing the total AEB Budget for 2023/24 to £24.535 million.
- 4.30 Providers' AEB delivery plans are monitored at quarterly performance management meetings throughout the year. AEB Devolution features as a strategic risk on the NTCA Strategic Risk Register. In addition, at a project level, appropriate risk management processes are in place to identify and mitigate risks, with escalation requirements embedded.
- 4.31 Reconciliation of under delivery from academic year (AY) 2020/21 & AY 2021/22 (which was mainly due to the impact of the Covid Pandemic) has meant that a proportion of funding from these two academic years was held in reserve at the end of 2022/23. A further full reconciliation of providers' actual earnings against their allocations for the academic year (Aug 22 to Jul 23) took place at the end of October 2023.
- 4.32 Providers have been working hard to increase participation and are reporting an increased confidence from learners and employers in AY 2023/24. A proportion of the remaining balance from the reconciliations noted in paragraph 4.31 have been re-distributed during the AY 2023-24 through an approved 'earnings boost' and earnings reconciliations across AEB and Free Skills for Jobs which allowed providers to apply for growth to their current allocations in line with procurement regulations and NTCA's Scheme of Delegation. These growth windows and earnings reconciliations committed £1.432 million against the reserve held.
- 4.33 NTCA's performance management processes enable current AEB providers to apply for in-year growth to their funding allocations at set performance management points throughout the academic year. All requests for growth are subject to funding being available, criteria set out in the NTCA Payment and Performance Management Framework, and appropriateness in terms of meeting NTCA's strategic priorities for AEB as set out in the Strategic Skills Plan. Table 15 shows the use of existing reserves balance in 2023/24.

Table 15: AEB and FCFJ drawdown from prior year reserves

| <b>Reserves</b>                                            | <b>Outturn<br/>2023/24</b> |
|------------------------------------------------------------|----------------------------|
|                                                            | <b>£ million</b>           |
| Reserve Balance on 1st April 2023                          | (8.760)                    |
| 5% Earnings Boost<br>AEB and FCFJ Earnings Reconciliations | 1.432                      |
| AEB Funding April 1 to July 31, 2024 (2023/24 AY)          | (5.843)                    |
| <b>Balance on AEB Reserve 06 May 2024</b>                  | <b>(13.171)</b>            |

- 4.34 Table 16 below shows the spend on AEB and FCFJ against the 2023/24 Allocation to March 2024. With the extended year end position to May 6, 2024, the outturn position across AEB and FCFJ was £27.063 million. The funding allocation for April to July 2024 (£8.370 million) has already been received, the relevant proportion of this funding has been applied to match the extended outturn expenditure.

Table 16: 2023/24 Extended Outturn position AEB

| <b>Free Courses for Jobs funding for<br/>2023/24</b> | <b>2023/24 AEB Financial Year</b> |                            |                  |
|------------------------------------------------------|-----------------------------------|----------------------------|------------------|
|                                                      | <b>2023/24<br/>Allocation</b>     | <b>2023/24<br/>Outturn</b> | <b>Variance</b>  |
|                                                      | <b>£ million</b>                  | <b>£ million</b>           | <b>£ million</b> |
| AEB                                                  | 23.069                            | 25.661                     | 2.592            |
| FCFJ                                                 | 0.753                             | 0.665                      | (0.088)          |
| Corporate top slice                                  | 0.713                             | 0.736                      | 0.023            |
| <b>Total</b>                                         | <b>24.535</b>                     | <b>27.062</b>              | <b>2.527</b>     |
| <b>AEB Funding</b>                                   | <b>(24.535)</b>                   | <b>(27.062)</b>            | <b>(2.527)</b>   |
| Net Funding Position                                 | 0.000                             | 0.000                      | 0.00             |

### Bootcamps

- 4.35 In 2022/23 NTCA were notified of Bootcamp Wave 3 grant funding from the Department for Education (DfE) for a total of £5.531 million including £0.503 million in relation to management costs, to support the delivery of Skills Bootcamps in the NTCA region. The DfE provided 50% of this grant funding upfront plus the full 10% management costs, £3.017 million of this £1.884 million was spent in 2022/23 with £1.133 million remaining balance of funding put in reserves. The 2023/24 outturn position for the extended year end on Bootcamp Wave 3 utilised the remaining grant funding in the reserve.
- 4.36 NTCA secured £9.237 million DfE funding in relation to Bootcamp Wave 4. This represented a significant investment in our region and has the potential to deliver as with Wave 3 50% of the grant has been received plus the top slice. Table 16 below shows the 2023/24 outturn position for the extended year end to May 6, 2024, on Bootcamp Wave 4 reflecting spend of £3.558 million and top slice £0.840 million. The remaining allocation will be claimed in arrears from DfE in FY 2024/25. Table 17 below reflects the 2023/24 extended financial year outturn position on Bootcamps Wave 3 and Wave 4.

Table 17: Bootcamps Wave 3 2023/24 Outturn

|                           | 2023/24      | 2023/24      | Variance     |
|---------------------------|--------------|--------------|--------------|
|                           | Budget       | Outturn      |              |
|                           | £ million    | £ million    | £ million    |
| Bootcamp Wave 3 Residual  | 1.133        | 1.133        | -            |
| Bootcamp Wave 4           | 3.365        | 3.558        | 0.193        |
| Bootcamp Wave 4 top slice | 0.840        | 0.840        | -            |
| <b>Total Expenditure</b>  | <b>5.338</b> | <b>5.531</b> | <b>0.193</b> |
| Bootcamp Wave 4 Funding   | (5.338)      | (5.531)      | (0.193)      |
| <b>Net position</b>       | <b>0.000</b> | <b>0.000</b> | <b>0.000</b> |

## 5. North East Local Enterprise Partnership (North East LEP)

- 5.1 From April 2020, NTCA was the accountable body for the North East LEP. All seven local authorities (LA7) in the North East area currently contribute £0.010m to meet the costs of the North East (LEP) Accountable Body role. This funding covers the SLA providing support to the North East LEP in 2023/24.
- 5.2 Additional costs over and above the SLA charges (£0.022m) relate to finance and legal advisory costs. These costs are funded from interest earned on investment income on the North East Investment Fund (NEIF) balances.

Table 18: North East LEP Accountable Body 2023/24 Outturn

| 2023/24 Accountable Body Outturn     |                |
|--------------------------------------|----------------|
| Expenditure                          | £ million      |
| Service Level Agreements             | 0.070          |
| <b>Total Expenditure</b>             | <b>0.070</b>   |
| Income                               |                |
| Accountable Body Contributions (LA7) | (0.070)        |
| <b>Total Income</b>                  | <b>(0.070)</b> |

- 5.3 Detail of the outturn against the North East LEP operational and project budgets as reported to the North East LEP Board during the year with the details set out at Appendix 3.

Table 19 below is a summary of the Corporate outturn with a net surplus of £0.244m to be added to Reserves

Table 19 North East LEP Summary Corporate Budget outturn

|                             | Budget  | Budget   | Outturn  | Variance |
|-----------------------------|---------|----------|----------|----------|
|                             | 2023/24 | extended | Position | 2023/24  |
|                             | £m      | to 6 May | 6 May    |          |
|                             |         | 2024     | 2024     |          |
|                             |         | 2023/24  | 2023/24  |          |
| Expenditure                 | £m      | £m       | £m       | £m       |
| Employee Costs              | 3.168   | 3.496    | 3.961    | 0.465    |
| Other Core Costs            | 1.040   | 1.070    | 0.649    | (0.421)  |
| Programme Operational Costs | 9.574   | 9.749    | 7.881    | (1.868)  |

|                              |                 |                 |                 |              |
|------------------------------|-----------------|-----------------|-----------------|--------------|
|                              | 13.782          | 14.315          | 12.491          | (1.824)      |
| <b>Income</b>                |                 |                 |                 |              |
| Core Funding                 | (0.250)         | (0.250)         | (0.250)         | 0.000        |
| Grants and Programme Funding | (12.393)        | (12.787)        | (12.028)        | 0.759        |
| Other Income                 | (0.728)         | (0.867)         | (0.457)         | 0.410        |
| Contribution from EZ Reserve | (0.411)         | (0.411)         | 0               | 0.411        |
| <b>Total</b>                 | <b>(13.782)</b> | <b>(14.315)</b> | <b>(12.735)</b> | <b>1.580</b> |
| Net Outturn (surplus)        | 0               | 0               | (0.244)         | (0.244)      |
| Reserves Brought Forward     | (1.202)         | (1.202)         | (1.202)         | 0.000        |
| Reserves Carry Forward       | 0               | 0               | (1.446)         |              |

#### 5.4 Legacy Programme outturn position

In terms of the key programme of activity moving into the North East CA, the Enterprise Zones have outturn with a surplus carried into 2024-25 of £ 9.451m as set out in Table 20 below.

Table 20 Enterprise Zone Outturn 2023-24

|                                       | 2022/23         | 2023-24          | 2023-24 Adj to<br>6 May 24 | 2023-24<br>Outturn<br>@ 6 May<br>24 |
|---------------------------------------|-----------------|------------------|----------------------------|-------------------------------------|
|                                       | Actual          | Outturn          |                            |                                     |
| <b><u>ROUND 1 EZ SCHEMES</u></b>      | <b>£000</b>     | <b>£000</b>      | <b>£000</b>                | <b>£000</b>                         |
| Newcastle - Neptune Yard              | 514.19          | 723.89           | 69.20                      | 793.09                              |
| North Tyneside - Swans                | 231.36          | 190.33           | 22.40                      | 212.73                              |
| Northumberland - Blyth Port / Estuary | 380.93          | 430.57           | 49.30                      | 479.87                              |
| Sunderland A19 Corridor               | 863.60          | 1,264.39         | 186.50                     | 1,450.89                            |
| <b><u>ROUND 2 EZ SCHEMES</u></b>      |                 |                  |                            |                                     |
| Durham - Jade                         | 290.08          | 512.20           | 55.30                      | 567.50                              |
| Gateshead - Follingsby                | 4,011.13        | 4,056.68         | 382.80                     | 4,439.48                            |
| Newcastle - International Airport     | 230.41          | 69.00            | 37.30                      | 106.30                              |
| Northumberland -Ashwood Business Park |                 | 149.20           | 15.40                      | 164.60                              |
| Northumberland - Ramparts (Berwick)   | 41.00           | 86.11            | 6.30                       | 92.41                               |
| South Tyneside - Tyne Dock            |                 | 56.24            | 5.56                       | 61.80                               |
| Sunderland/ South Tyneside IAMP       | 583.87          | 766.94           | 75.85                      | 842.80                              |
| <b>TOTAL BRGI</b>                     | <b>7,146.56</b> | <b>8,305.57</b>  | <b>905.91</b>              | <b>9,211.48</b>                     |
| Interest                              | 53.30           | 270.00           | 26.63                      | 296.63                              |
| <b>Total Income</b>                   | <b>7,199.87</b> | <b>8,575.57</b>  | <b>932.54</b>              | <b>9,508.11</b>                     |
| <b><u>Expenditure</u></b>             |                 |                  |                            |                                     |
| Capital Financing Costs               | 2,832.00        | 4,200.00         | 572.10                     | 4,772.10                            |
| Revenue Operating Costs               | 108.00          | 71.72            | 7.58                       | 79.30                               |
| Contribution to INEE Team Costs       | 208.68          | 252.60           | (9.80)                     | 242.80                              |
| <b>Total Costs</b>                    | <b>3,148.68</b> | <b>4,524.32</b>  | <b>569.88</b>              | <b>5,094.20</b>                     |
| <b>Annual Surplus</b>                 | <b>4,051.18</b> | <b>4,051.25</b>  | <b>362.66</b>              | <b>4,413.91</b>                     |
| <b>Cumulative Surplus</b>             | <b>8,619.78</b> | <b>11,482.02</b> | <b>362.66</b>              | <b>11,844.68</b>                    |
| - Variance to balance sheet           | 17.00           |                  |                            |                                     |
| <b>Residual Surplus balance</b>       | <b>8,636.78</b> | <b>11,482.02</b> | <b>362.66</b>              | <b>11,844.68</b>                    |
|                                       |                 |                  |                            | Cont.                               |

| <b>Less - Use of Surplus</b>                 |                 |                 |               |                 |
|----------------------------------------------|-----------------|-----------------|---------------|-----------------|
| Performance Reward payment                   |                 | (950.12)        | (93.71)       | (1,043.83)      |
| To Fund LEP Costs                            | (500.00)        | -               | -             |                 |
| INEE Inward Investment Grants                | -               | -               | -             | -               |
| Project Development Acceleration Fund (PDAF) | (706.01)        | (228.00)        | (22.49)       | (250.49)        |
| LGF Swaps                                    |                 | -               | -             | -               |
| GBF Top up refund to NEIF                    |                 | (1,000.00)      | (99.63)       | (1,098.63)      |
| 2022/23 Actual Business Rates Correction     |                 | (349.42)        |               | (349.42)        |
| <b>Residual Surplus Balance</b>              | <b>7,430.77</b> | <b>8,954.48</b> | <b>146.83</b> | <b>9,101.31</b> |

- 5.5 The NEIF was originally established by the North East LEP in 2012 following receipt of two rounds of direct grant awards from Growing Placing Fund (GPF) totalling £25m. Aligned to the objectives of the GPF, the North East LEP took the early decision of ensuring that awards from the NEIF would be in capital infrastructure investments and be returnable (debt finance). In 2013 the NEIF was supplemented through a successful RGF Round 3 bid for £30m for further investment in capital infrastructure investment on a revolving basis. After over 25 investments across the NEIF, in 2020 BEIS released LEP/NTCA of the obligations attached to the RGF award, providing the region with a £55m+ secured revolving fund for strategic repayable capital infrastructure investment.
- 5.6 Interest is charged to most private sector borrowers at commercial rates of up to 15% to reflect risk and satisfy subsidy control regulations. The temporary use to fund public infrastructure projects in particular other LEP programmes such as Enterprise Zone projects was interest free.
- 5.7 Since its creation the NEIF has invested in 33 projects, with £120m of investments to date, using recycled loan repayments. The two largest investments approved from the NEIF create two sub funds: 1) the North East Property Fund (NEPF) currently £15.7; and the Commercial Property Investment Fund (CPIF), with £5.5m drawn down so far out of an approved allocation of £35m. Both funds are managed by FW Capital.

Table 21 sets out the activity in respect of the North East Investment Fund over 2023-24

Table 21 Movement on the North East Investment Fund Reserve during 2023-24

|                                 | £m       |
|---------------------------------|----------|
| Opening balance on NEIF Reserve | 12.156   |
| Loans Issued                    | (5.196)  |
| Capital Gant issued             | (3.191)  |
| Loans Repaid                    | 3.823    |
| Interest received               | 1.378    |
| Project Management costs        | (0.166m) |
| Movement on provision for debts | 0.127    |
| Capital Accounting adjustment   | (7.336)  |
| Closing Balance                 | 1.595    |

## 6. Invest North East England

- 6.1 From April 2020, NTCA was the accountable body for the Invest North East England (INEE) team.
- 6.2 Detail of the outturn position for the INEE budget is set out in Appendix 4- with an overall balanced position.

## 7. Financial Reserves

- 7.1 Taking account of the outturn position on capital and revenue, the provisional reserves position for amounts brought forward to the North East CA on 6 May 2024 is summarised below, with more detail provided in Appendix 5. This includes all earmarked reserves and grants (revenue and capital) which have not yet been applied to fund expenditure and are required to do so in future years.

Table 22: Provisional Reserves as of 6 May 2024

|                                                     | <b>Balance on 1 April 2023</b> | <b>Movement in Year</b> | <b>Balance on 6 May 2024</b> |
|-----------------------------------------------------|--------------------------------|-------------------------|------------------------------|
|                                                     | <b>£ million</b>               | <b>£ million</b>        | <b>£ million</b>             |
| Former NECA reserves                                | 0.428                          | (0.428)                 | 0.000                        |
| JTC reserves (includes grants unapplied)            | 259.637                        | (40.713)                | 218.924                      |
| NTCA reserves (includes grants unapplied)           | 91.317                         | 59.352                  | 150.669                      |
| North East LEP reserves (includes grants unapplied) | 22.307                         | (9.767)                 | 12.539                       |
| <b>Total North East CA reserves</b>                 | <b>373.689</b>                 | <b>8.444</b>            | <b>382.133</b>               |

- 7.2 Whilst many of the reserves are earmarked for specific programmes and grant activity (i.e. ringfenced reserves) there are a number of “un-ringfenced” reserves that will move forward into the North East CA as of 7 May 2024. Set out in Table 23 below is a provisional picture of those un-ringfenced reserves with a proposed allocation into 24-25. This will allow an early allocation to a future Election reserve reducing an in-year requirement budget contribution until the next Mayoral election. An increase to the Strategic Reserve of £1m whilst a full financial risk assessment of the North East CA is undertaken during 2024-25, and finally the creation of a Strategic Capacity reserve. The Strategic Capacity Reserve will provide for on-going costs as the transition period during the early part of 2024-25 continues, and to create a financial resource available for development work in respect of the Growth Plan, Portfolio development plans and potential contingency provision for resources currently funded through grants where continuation of those funding programmes is not confirmed beyond March 2025, but where there will be “tail end” activity to close those programmes, and example would include UKSPF.
- 7.3 A Reserves and Balances Policy will be presented to Cabinet as part of the first in year monitoring report to Cabinet in November that will set out the approach to managing these reserves and the associated risks.

Table 23 Proposed alignment of Reserves into North East CA.

|                                 | <b>Balance 6 May 2024</b> |
|---------------------------------|---------------------------|
|                                 | <b>£m</b>                 |
| NTCA Strategic Reserve          | 0.200                     |
| NELEP General Reserve           | 1.446                     |
| NTCA Strategic Capacity Reserve | 6.103                     |
| <b>Total</b>                    | <b>7.749</b>              |
| <b>Proposal</b>                 | <b>7 May 2024</b>         |
| Election Reserve                | 3.000                     |
| Strategic Reserve               | 1.000                     |
| Strategic Capacity Reserve      | 3.749                     |
| <b>Total</b>                    | <b>7.749</b>              |



## **8. Treasury Management Outturn and Prudential Indicators**

- 8.1 The outturn Treasury Management report and Prudential Indicators are attached to this report at Appendix 6. Over the financial year 2023/24, the Combined Authorities operated in accordance with the approved Treasury Management strategies and complied with legislative and regulatory requirements. The cost of operating the Combined Authorities' treasury management activities did not exceed the budget set for the year.

### **B. Impact on North East Combined Authority Objectives**

1. The report enables the Authority to discharge its responsibility to monitor capital and revenue budgets.

### **C. Key risks**

1. There are no specific risks arising from this report.

### **D. Financial and other resources implications**

1. Financial and other resources implications are set out in the detail of the report.

### **E. Legal implications**

1. The Combined Authority is required to agree a balanced budget annually and to monitor performance against that budget throughout the year. The Combined Authority must also make provision for an adequate level of un-earmarked reserves, and to ensure that good financial governance arrangements are in place.

### **F. Equalities Implications**

1. There are no direct equalities implications arising from this report.

### **G. Consultation and engagement**

1. 2023/24 budgets were subject to engagement and consultation across the North East region, including with constituent authorities. Statutory officers have been consulted on the production of the outturn statement. The draft Statement of Accounts for both former NECA and NTCA will be subject to a period of public inspection and external audit.

### **H. Appendices**

Appendix 1 – Transport Levy Grants Outturn 2023/24  
Appendix 2 – Nexus Capital Programme Outturn 2023/24  
Appendix 3 – North East LEP Outturn 2023/24  
Appendix 4 – Invest North East England Outturn 2023/24  
Appendix 5 – Detailed Breakdown of Reserves  
Appendix 6 – Treasury Management Outturn and Prudential Indicators

### **I. Background papers**

None

### **J. Contact officer(s)**

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## **K. Glossary**

|       |                                                      |
|-------|------------------------------------------------------|
| ATF   | Active Travel Fund                                   |
| BSIP  | Bus Service Improvement Plan                         |
| DLUHC | Department for Levelling Up, Housing and Communities |
| DfE   | Department for Education                             |
| DfT   | Department for Transport                             |
| JTC   | Joint Transport Committee                            |
| NECA  | North East Combined Authority (former)               |
| NTCA  | North of Tyne Combined Authority                     |

### Transport Levy Grants Outturn 2023/24

#### Durham County Council

The 2023/24 outturn position against the Transport levy revenue grant for Durham County Council shows an underspend of £2.492 million. As usual, the projected underspend at the year-end will be retained by the Council.

|                                    | <b>2023/24<br/>Budget</b> | <b>2023/24<br/>Outturn</b> | <b>Variance<br/>(Budget vs<br/>Outturn)</b> |
|------------------------------------|---------------------------|----------------------------|---------------------------------------------|
|                                    | <b>£ million</b>          | <b>£ million</b>           | <b>£ million</b>                            |
| Concessionary Fares                | 11.155                    | 9.781                      | (1.374)                                     |
| Subsidised Services                | 4.888                     | 3.503                      | (1.385)                                     |
| Bus Stations                       | 0.276                     | 0.350                      | 0.074                                       |
| Bus Shelters                       | (0.268)                   | (0.041)                    | 0.227                                       |
| Passenger Transport<br>Information | 0.089                     | 0.055                      | (0.034)                                     |
| Staffing                           | 0.762                     | 0.762                      | 0.000                                       |
| Share of JTC central costs         | 0.010                     | 0.010                      | 0.000                                       |
|                                    |                           |                            |                                             |
| <b>Net Expenditure</b>             | <b>16.912</b>             | <b>14.420</b>              | <b>(2.492)</b>                              |

The main reasons for the reported variances are shown below:

- i. Concessionary Fares -£1.374 million – Due to the reduction in Concessionary travel passengers post Covid the final position was underspent. These underspends will offset the additional support provided to the Passenger Transport Network through subsidised service.
- ii. Subsidised Services -£1.385 million – Underspend in year due to temporary government grants covering increased contract costs to bus operators for services that are deemed as no longer being commercially viable to the operator. Concessionary Fares underspends will be utilised to offset anticipated future costs and support the Passenger Transport Network.
- iii. Bus Stations £0.074 million – Overspend relates to an increase in security and repairs and maintenance costs in bus stations.
- iv. Bus Shelters £0.227 million – Overspend relates to an increase in repairs and maintenance costs and a loss of advertising income on bus shelters.
- v. Passenger Transport Information -£0.034 million – Overspend of £0.004 million against revised budget which relates to additional software costs.

## Northumberland County Council

The 2023/24 outturn position against the Transport levy revenue grant for Northumberland County Council shows an underspend of £0.108 million. As usual, the projected underspend at the year-end will be retained by the Council.

|                                 | <b>2023/24<br/>Budget</b> | <b>2023/24<br/>Outturn</b> | <b>Variance</b>  |
|---------------------------------|---------------------------|----------------------------|------------------|
|                                 | <b>£ million</b>          | <b>£ million</b>           | <b>£ million</b> |
| Concessionary Fares             | 5.020                     | 4.637                      | (0.383)          |
| Subsidised Services             | 1.230                     | 1.475                      | 0.245            |
| Bus Services                    | 0.027                     | 0.057                      | 0.030            |
| Passenger Transport Information | 0.025                     | 0.025                      | 0.000            |
| Staffing                        | 0.146                     | 0.146                      | 0.000            |
| Share of JTC central costs      | 0.010                     | 0.010                      | 0.000            |
|                                 |                           |                            |                  |
| <b>Net Expenditure</b>          | <b>6.458</b>              | <b>6.350</b>               | <b>(0.108)</b>   |

The main reasons for the reported variances are shown below:

- i. Concessionary Fares underspent by £0.383 million as a result of suppressed demand for public transport journeys. Journeys relating to Concessionary Travel were at seventy-five percent of pre-Covid levels although they are starting to increase. A regional review of the provision of supported services is underway and passenger behaviour in the longer term.
- ii. The Supported Services budget overspent by £0.245 million. The overspend relates to the high number of contracts that were handed back to the Council by operators due to increases in fuel prices and the lack of resources (drivers/vehicles) available. The passenger transport team have reviewed the existing network and prioritised the contracts that continue to provide value for money and ensure that all geographic areas are served by the new network. As part of its 2023/24 budget the Council approved a recurrent pressure of £0.250 million to be added after the Levy had been approved and is incorporated in the 2024/25 budget.

## Nexus

In the final budget monitoring report received by the JTC on 19 March 2024 (which covered the period up to 6 January 2024), Nexus was forecasting a deficit of £1.9 million for the year.

Since then, there has been a £2.6 million improvement, most notably due to a reduction in high voltage (HV) power costs of £0.9 million, a £0.7 million saving on the rates bill for the Metro network following a successful appeal to the Valuation Office, together with further savings from vacancies of £0.5 million.

This means that at the end of 2023/24, Nexus' outturn for the year is a surplus of £0.664 million, before exceptional items, as shown in the table below:

|                                                              | <b>2023/24<br/>Budget</b> | <b>2023/24<br/>Outturn</b> | <b>Variance</b>  |
|--------------------------------------------------------------|---------------------------|----------------------------|------------------|
|                                                              | <b>£ million</b>          | <b>£ million</b>           | <b>£ million</b> |
| Concessionary Fares                                          | 30.679                    | 28.304                     | (2.375)          |
| Metro                                                        | 26.222                    | 19.736                     | (6.486)          |
| Bus Services                                                 | 14.724                    | 14.029                     | (0.695)          |
| Other                                                        | 5.367                     | 4.624                      | (0.743)          |
| <b>Total Requirement</b>                                     | <b>76.992</b>             | <b>66.693</b>              | <b>(10.299)</b>  |
| Levy                                                         | (65.700)                  | (65.700)                   | 0.000            |
| Local Transport Fund (LTF) grant                             | 0.000                     | (1.053)                    | (1.053)          |
| BSIP grant                                                   | 0.000                     | (0.604)                    | (0.604)          |
| <b>Deficit/(Surplus) before Exceptional Items</b>            | <b>11.292</b>             | <b>(0.664)</b>             | <b>(11.956)</b>  |
| Metrocar Maintenance Agreement (MMA) costs (reserves funded) | 0.000                     | 1.195                      | 1.195            |
| <b>Deficit/(Surplus) after Exceptional Items</b>             | <b>11.292</b>             | <b>0.531</b>               | <b>(10.761)</b>  |

As previous budget monitoring reports have demonstrated, there has been significant volatility over the past year. When the JTC set the budget in January 2023, it was expected that £11.292 million of reserves would be needed to balance the budget. As previously reported to the JTC, there have been significant variances during the year; despite some funding pressures, most have been favourable either in the form of one-off savings or the generation of additional income.

Cost pressures included higher HV power and inflationary costs of £1.7 million, additional traincrew costs of £1.5 million reflecting delays in the fleet replacement programme and new investment in additional security and essential operational resourcing of £1.0 million.

Additional income included £5.4 million interest on balances, mainly because interest rates were much higher than at budget setting, along with fare revenue being £4.0 million above target (£3.0 million relating to Metro and £1.0 million in respect of Secured Bus services). One-off savings were generated from performance penalties across various contracts of £3.8 million, unused contingencies of £1.5 million, the reduction in the Metro rates bill of £0.7 million and £0.8 million relating to vacancies.

After adjusting for an exceptional item of £1.195 million, the outturn for 2023/24 shows a deficit of £0.531 million. The exceptional item relates to additional costs arising on the maintenance contract with Stadler Rail Services and are funded by a reserve specifically established to accommodate higher costs associated with the old fleet of Metrocars.

Given the year-end position has improved further, Nexus is in a marginally better position to withstand the significant financial challenges across the medium term, with the JTC acknowledging at its January 2024 meeting that £15.5 million of reserves would be required to balance the budget through to March 2027, pending formulation of a plan to eradicate Nexus' structural deficit which despite improved performance in 2023/24, persists because cost pressures continue to outstrip available funding.

### Nexus Capital Outturn 2023/24

Nexus' revised capital programme for 2023/24, provided for gross expenditure of £142.342 million. By comparison, the 2023/24 programme outturn was £121.192 million. The £21.150 million underspend relates to variances across all four programmes as shown in the table below:

#### Total Nexus Capital Programme

|                                           | Revised<br>Budget<br>£m | Actual<br>£m   | Variance<br>£m  |
|-------------------------------------------|-------------------------|----------------|-----------------|
| <b>Outturn</b>                            |                         |                |                 |
| Metro Asset Renewal Programme             | 43.686                  | 32.654         | (11.032)        |
| Fleet Replacement Programme               | 90.986                  | 85.046         | (5.940)         |
| Other Capital Projects                    | 3.544                   | 2.257          | (1.287)         |
| Metro Flow                                | 4.126                   | 1.235          | (2.891)         |
|                                           | <b>142.342</b>          | <b>121.192</b> | <b>(21.150)</b> |
| <b>Funded by:</b>                         |                         |                |                 |
| Metro Rail Grant (DfT)                    | 18.600                  | 18.200         | (0.400)         |
| Metro Rail Grant (DfT) c/fwd from 2022/23 | 12.300                  | 12.300         | -               |
| Fleet Replacement Grant (DfT)             | 89.900                  | 85.046         | (4.854)         |
| Transforming Cities Grant (DfT)           | 2.548                   | 1.100          | (1.448)         |
| LTP Grant                                 | 2.797                   | 2.797          | -               |
| Fleet Reserves                            | 1.086                   | -              | (1.086)         |
| MARP Earmarked Reserves                   | 5.300                   | 0.671          | (4.629)         |
| Other Reserves Earmarked for Capital      | 1.587                   | 1.078          | (0.509)         |
| Over Programming                          | 8.224                   | -              | (8.224)         |
|                                           | <b>142.342</b>          | <b>121.192</b> | <b>(21.150)</b> |

The Metro Asset Renewal Programme (MARP) outturn was £32.654 million and whilst expenditure at this level equates to a £11.032 million underspend against the original programme, it is important to note that this is because of a sizeable amount of (unfunded) overprogramming, a technique that anticipates slippage in the delivery of a complex set of renewals taking place against a backdrop of continuing to provide services on a live, operational railway. The projects with the most significant slippage included the replacement of switches & crossings at Pelaw, Multi-storey car park refurbishment, the Supervisory Control and Data Acquisition system (SCADA), Whitley Bay Canopy and Control Centre Improvements, all of which remain within the three-year programme (2024/25 to 2026/27).

Eligible spend against MRG (Capital) Grant in 2023/24 was £33.899 million, including £1.235 million in respect of the Metro Flow project, meaning that £0.400 million of MRG (Capital) Grant will be carried forward into 2024/25, in line with grant terms and conditions.

The Fleet Replacement Programme (FRP) outturn at the end of 2023/24 was £85.046 million compared to the original budget of £90.986 million. The £5.940 million underspend has been caused by delays to the programme, and available grant has been re-profiled across the remainder of the programme in accordance with revised milestones.

In 2023/24 Other Capital Projects had an approved budget of £3.544 million, which compared with an outturn of £2.257 million, resulted in an underspend of £1.287 million. The underspend was mainly caused by delays to the Digital Car Parking project, a reduction in the cost of ground investigation works on the North Ferry Landing Relocation project and slippage on the South Ferry Landing works. All these projects remain within the three-year programme (2024/25 to 2026/27).

The outturn for Metro Flow in 2023/24 was £1.235 million, against the approved budget of £4.126 million. The £2.891 million underspend was caused by the principal contractor filing for administration, the subsequent termination of that contract and time taken to appoint alternative contractors, with work scheduled to complete in 2024/25. At project completion, surplus Transforming Cities grant of £4.580 million is expected, which the Joint Transport Committee agreed in principle to use as a contribution towards the North Ferry Landing Relocation project, at its meeting of 30 April 2024.



## North East Local Enterprise Partnership Outturn 2023/24

### 1. Introduction

- 1.1 The purpose of this report is to provide Cabinet on the 2023/24 provisional outturn and year end balances to 6 May 2024 in respect of the former North East Local Enterprise Partnership (North East LEP), including the performance on the Enterprise Zone account, Local Growth Fund (LGF), Getting Building Fund (GBF) and the North-East Investment Fund (NEIF).
- 1.2 On 28 December 2022 HM Government announced a “minded to” devolution deal with the North of Tyne Combined Authority (NTCA), the North East Combined Authority (NECA) and the seven local authorities across the North East (Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside, and Sunderland). The proposed devolution deal provides at least £4.2 billion of investment into the region over 30 years and requires the councils to establish a new mayoral combined authority bringing together the five organisations NTCA, NECA, Transport North East, Invest North East England (INEE) and the North East LEP.
- 1.3 The new combined authority was created when the newly elected mayor took office on 7 May 2024 (with the existing combined authorities being abolished at that point). To this end, the NTCA and NECA have extended their financial year end to 6 May 2024. As NTCA is the accountable body for the North East LEP, the LEPs financial year will change from 01/04/2023 – 31/03/2024 to the revised dates of 01/04/2023 – 06/05/2024. This paper addressed the impact of the in-year change.

### 2. North East LEP 2023/24 Provisional Outturn

- 2.1 The LEP core budget for 2023/24 covers core operational activity of the LEP and also management of the LGF, GBF, NEIF and Enterprise Zone (EZ) programmes. Table 2 provides; the original approved budget from May 2023, and the forecast outturn position to 31<sup>st</sup> March 2024. Financial year 2023/24 marks the final year of LEP core funding from Government for the North East LEP before it integrates into the new Mayoral Combined Authority on 7 May 2024. In addition, Table 3 shows the balances for the period from 31st March 2024 to 6 May 2024. The contribution from Government for 2024/25 for the North East LEP to support the organisation’s transition into North East CA will go direct into the North East CA budget in 2024/25.
- 2.2 The North East LEP Board agreed a revenue budget in May 2023 for the period 01/04/2023 – 31/03/2024 (2023/24) of £13.782m, which balanced to a net zero position with additional funding contribution from the Enterprise Zone surplus of £0.411m. There was also a decrease in core LEP funding provided by Government to all LEPs, from the original £0.500m to £0.375m in 2022/23 then reduced further to £0.250m in 2023/24.
- 2.3 The LEP core budget for 2023/24 covers core operational activity of the LEP and also management of the LGF, GBF, NEIF and Enterprise Zone (EZ) programmes. Table 2 overleaf provides; the original operational budget for 2023/24 which was approved in May 2023, with the revised 2023/24 Budget Position and the forecast actual spend for the year, with further details explaining significant variations provided below.

**Table 1: North East LEP 2023/24 Outturn to extended yr.-end 6 May.**

|                              | <b>Budget</b>   | <b>Budget extended to 6 May 2024</b> | <b>Outturn Position</b> | <b>Variance</b> |
|------------------------------|-----------------|--------------------------------------|-------------------------|-----------------|
|                              | <b>2023/24</b>  | <b>2023/24</b>                       | <b>2023/24</b>          | <b>2023/24</b>  |
| <b>Expenditure</b>           | <b>£ m</b>      | <b>£m</b>                            | <b>£m</b>               | <b>£m</b>       |
| Employee Costs               | 3.168           | 3.496                                | 3.994                   | 0.498           |
| Other Core Costs             | 1.040           | 1.070                                | 0.660                   | (0.410)         |
| Programme Operational Costs  | 9.574           | 9.749                                | 8.359                   | (1.390)         |
| <b>Total</b>                 | <b>13.782</b>   | <b>14.315</b>                        | <b>13.013</b>           | <b>(1.302)</b>  |
| <b>Income</b>                |                 |                                      |                         |                 |
| Core Funding                 | (0.250)         | (0.250)                              | (0.250)                 | 0.000           |
| Grants and Programme Funding | (12.393)        | (12.787)                             | (11.546)                | 1.241           |
| Other Income                 | (0.728)         | (0.867)                              | (0.707)                 | 0.160           |
| Contribution from EZ Reserve | (0.411)         | (0.411)                              | 0                       | 0.411           |
| <b>Total</b>                 | <b>(13.782)</b> | <b>(14.315)</b>                      | <b>(12.503)</b>         | <b>1.812</b>    |
| Net Outturn (surplus)        | 0               | 0                                    | 0.510                   | 0.510           |
| Reserves Brought Forward     | <b>(1.202)</b>  | <b>(1.202)</b>                       | <b>(1.202)</b>          | <b>0.000</b>    |
| Reserves Carry Forward       | <b>0</b>        | <b>0</b>                             | <b>(0.692)</b>          | <b>(0.692)</b>  |

### **Employee Costs**

- 2.4 Employee costs have increased from £3.496m anticipated in May 2023 and taking account of the extended year end to May 6, 2024, to £3.994m (£0.498m). This increase primarily takes account of a strain on the fund cost in year and lump sum payment. In addition, various funding streams ceased with staff costs still requiring funding. The LEP reserve built up in prior years from EZ surplus will fund the net deficit.

### **Other Costs**

- 2.5 Other operational cost budgets show a decrease of almost (£1.390m), this underspend again reflects the fact that funding streams ceased and in line with this activity and therefore costs reduced. This also included a reduction in commitment against core operational cost budget of £0.600m to £0.220m. The Chief Executive had a prudent approach to all non-essential operational and delivery costs throughout the year, to ensure the optimum budget position for transitioning into the new North East CA.

### **LEP Funding and Balances**

- 2.6 Government ceased core funding to those Local Enterprise Partnerships (LEPs) who were transitioning into mayoral combined authorities from 2024/25 onwards. LEPs who are not yet transitioning into local democratic institutions or are remaining independent will continue to receive Government core funding. In the case of the North East LEP, the region will receive transition funding of £0.240m for 2024/25 to support integration into the new North East Mayoral Combined Authority.

- 2.7 It has been confirmed that some areas of activity such as Made Smarter and Growth Hubs will have continued funding for 2024-25 with reviews to be undertaken for. Some areas of Skills activity, such as the Careers and Enterprise Company (CEC) funding, is due to continue until August 2024. Similarly, Bootcamps Wave 4 is due to extend delivery to March 2025. These areas of continued funding and activity have been reflected in the draft budget proposal for North East CA. The annual LEP budget has been managed prudently to ensure that core costs which are not funded by direct programme grants can be covered during the extended financial year period from 31 March 2024 to 7 May 2024 without utilising the LEP Reserve
- 2.8 In relation to the LEP General Reserve, due to the decrease in core LEP funding, it was agreed to utilise the previously approved allocation of £0.500m from the EZ reserve account in 2022/23 to enable a higher reserve to be carried forward into 2023/24, with the anticipation that a further £0.500m will be drawn down in 2023/24 to support the preparation work and provide transition funding, whilst continuing to deliver LEP activity as the LEP integrated into the new Mayoral Combined Authority. Table 2 below shows the reserve carried forward into 2023/24 of £1.201m netted down to account for deficit balance in year of £0.501m.

**Table 2: LEP Reserve Balance**

| <b>LEP Reserve<br/>(May 2023)</b> | <b>Net Budget Position<br/>2023/24</b> | <b>LEP Reserve<br/>Forecast 2023/24<br/>Outturn</b> |
|-----------------------------------|----------------------------------------|-----------------------------------------------------|
| <b>£m</b>                         | <b>£m</b>                              | <b>£m</b>                                           |
| 1.201                             | 0.510                                  | 0.692                                               |

### **3. Local Growth Fund (LGF)**

- 3.1 The Local Growth Fund (LGF) has been a major funding stream with a £270.1m budget that was fully spent between 2015-2021. This was achieved by making temporary project funding swaps, using permitted budget freedoms and flexibilities from DLUHC over the life of the LGF programme. This has allowed legacy funding to support projects beyond March 2021. A legacy budget balance of £5.866m rolled into 2023/24 of which £2.309m was spent in the first half of the year. Government has indicated that it expects all legacy funding to be spent this year. This may be challenging, with discussions ongoing with Newcastle City Council on the budget implications of further delays to the implementation to both the East Pilgrim Street (public realm works project) and Central Gateway (Newcastle Central Station - access and amenity improvements). Smaller initiatives in the programme, including the installation of EV Rapid Charging points across all local authority areas, Enterprise Zone development studies and feasibility support to schemes under the Project Development Accelerator Fund are all programmed to complete this year.
- 3.2 Across the programme projects grant retentions totalling £0.332m are being held until final project audits are received. With the exception of a £0.013m project retention that will carry forward into 2024/25, this is expected to be released in 2023/24.
- 3.3 There remain obligations to report performance on LGF programme KPI data to government until May 2025 and with LGF having to be fully spent this year, this will require a contribution from the NEIF budget in 2024/25 to undertake this work.

#### **4. Getting Building Fund (GBF)**

- 4.1 GBF programme funding from DLUHC totalled £47m over the period 2020-2022. Funding flexibilities were used to ensure annual budget allocations were fully spent through making temporary project funding swaps resulting in legacy funds totalling of £11.231m most of which was spent in 2022/23 (£9.881m).
- 4.2 The balance of £1.390m in legacy funding rolled into 2023/24 is already fully spent. In addition, £0.853m withheld in grant retentions, until project final audit statements are received are beginning to be released. It is forecast that £0.781m will be released in 2023/24 with a balance of £0.071m released in 2024/25.
- 4.3 Several GBF capital projects have been completed during the year including two important new research facilities, one led by the Offshore Renewable Energy Catapult (OREC) who have constructed the DARE Centre, Blyth and the Community Energy Village Project by Northern Gas Networks in Thornley, Gateshead. New offices have been constructed on the Air View Business Park (Newcastle Airport Enterprise Zone) and infrastructure works completed at Hilthorn Enterprise Zone, supporting a scheme of advance industrial units.

#### **5. North East Enterprise Zones (EZs)**

- 5.1 Ten Round 1 Enterprise Zones were designated in 2013 in four local authority areas: Newcastle, North Tyneside, Northumberland, and Sunderland. In April 2017, these were joined by a further ten Round 2 sites across, Durham, Gateshead, Newcastle, Northumberland, South Tyneside, and Sunderland, with the additional EZ site at the International Advanced Manufacturing Park (IAMP) launched on the 1st April 2018, to complete the coverage of our 21 Enterprise Zones.
- 5.2 Business rates growth generated on Enterprise Zones accrues to the North East LEP for a 25-year period, in accordance with national regulations. This income is used to fund the capital financing costs of approved Enterprise Zone capital infrastructure, revenue administration costs, a contribution towards Inward Investment activity and other uses approved by the LEP Board. The financial administration of Enterprise Zones is managed in accordance with the local Enterprise Zone Business Rates Income Pooling Agreement. This agreement helps to pool and manage risk relating to borrowing undertaken by councils to fund Enterprise Zone capital works; helps to minimise costs and to helps to avoid additional revenue costs for councils. The administration of the agreement has succeeded in achieving a positive cash flow on the Enterprise Zone account, which has enabled a cumulative surplus to be generated. This acts as a contingency to help mitigate the risk of income shortfalls.
- 5.3 Table 6, below, provides a summary of the Enterprise Zone account income and costs for 2022/23 (actual) and the estimated income and expenditure figures for 2023/24 and 2024/25. The Business Rate Income figures includes an element of contributions from the Section 31 grant provided by DLUHC to compensate for the under-indexation of the business rate multiplier, which should have been increased by the Retail Price Index. This grant has been confirmed as 51/499<sup>th</sup> in 2022/23, 85/499<sup>th</sup> in 2023/24. For 2024/25 the small business rate multiplier will be £0.499, and the standard business rate multiplier has increased by CPII inflation to £0.546. It has been announced that the two S31 Grant uplifts for 2024/25 will be – 129/499<sup>th</sup> for the Small Business rate multiplier and 91/546<sup>th</sup> for the standard business rate multiplier.

**Table 3: Enterprise Zone 2023/24 Outturn including extended yr.-end to May 6, 2024**

|                                    | <b>2023/24</b>    |                 | <b>1 April</b>  | <b>2023/24</b>   |
|------------------------------------|-------------------|-----------------|-----------------|------------------|
|                                    | <b>March 2023</b> | <b>Outturn</b>  | <b>to 6 May</b> | <b>to 6 May</b>  |
|                                    | <b>Estimate</b>   |                 |                 |                  |
|                                    | <b>£000</b>       | <b>£000</b>     | <b>£000</b>     | <b>£000</b>      |
| <b><u>Business Rate Income</u></b> |                   |                 |                 |                  |
| <b><u>Round 1 Sites</u></b>        |                   |                 |                 |                  |
| Newcastle (Neptune)                | 641.9             | 723.89          | 69.20           | 793.09           |
| North Tyneside (Swans)             | 232.0             | 190.33          | 22.40           | 212.73           |
| Northumberland (Blyth sites)       | 581.8             | 430.57          | 49.30           | 479.87           |
| Sunderland (A19)                   | 1,336.9           | 1,264.4         | 186.5           | 1,450.89         |
| <b><u>Round 2 Sites</u></b>        |                   |                 |                 |                  |
| Durham (Jade)                      | 540.5             | 512.2           | 55.30           | 567.50           |
| Gateshead (Follingsby)             | 4056.6            | 4,056.7         | 382.80          | 4,439.48         |
| Newcastle (Airport)                | 124.6             | 69.00           | 37.30           | 106.30           |
| Northumberland (Ramparts)          | 81.7              | 86.11           | 6.3             | 92.41            |
| Northumberland (Ashwood)           | 123.3             | 149.20          | 15.40           | 164.60           |
| South Tyneside (Tyne Dock)         | 46.4              | 56.24           | 5.56            | 61.80            |
| IAMP                               | 766.9             | 766.94          | 75.85           | 842.80           |
| <b>Business Rate Income</b>        | <b>8,532.6</b>    | <b>8,305.57</b> | <b>905.91</b>   | <b>9,211.48</b>  |
| Interest on EZ Account balance     | 270.0             | 270.0           | 26.63           | 296.63           |
| <b>Total Income</b>                | <b>8,802.6</b>    | <b>8,575.6</b>  | <b>932.54</b>   | <b>9,508.11</b>  |
| <b><u>Expenditure</u></b>          |                   |                 |                 |                  |
| Capital Financing costs            | 4,200.0           | 4,200.0         | 572.10          | 4,772.10         |
| INEE Team contribution             | 313.0             | 252.6           | -9.8            | 242.8            |
| EZ Account operation costs         | 95.8              | 71.72           | 7.58            | 79.30            |
| <b>Total Costs</b>                 | <b>4,608.8</b>    | <b>4,524.32</b> | <b>569.88</b>   | <b>5,094.20</b>  |
| <b>Annual Surplus</b>              | <b>4,193.8</b>    | <b>4,051.2</b>  | <b>362.66</b>   | <b>4,413.91</b>  |
| <b>Cumulative Surplus</b>          | <b>11,624.3</b>   | <b>1,482.02</b> | <b>362.66</b>   | <b>11,844.68</b> |

|                                              |                |                |               |                 |
|----------------------------------------------|----------------|----------------|---------------|-----------------|
| <b><u>Less - Use of Surplus</u></b>          |                |                |               |                 |
| Performance Reward payment                   | -950.1         | -950.12        | -93.71        | 1,043.83        |
| To Fund LEP Costs                            | -500.0         | 0              | 0             | 0               |
| INEE Inward Investment Grants                | 0              | 0              | 0             | 0               |
| Project Development Acceleration Fund (PDAF) | -228.0         | -228.00        | -22.49        | -248.49         |
| LGF Swaps                                    | -2.2           | 0              | 0             | 0               |
| GBF Top up refund to NEIF                    | -1,000         | -1,000.0       | -99.63        | 1,098.63        |
| 22/23 Actual Business Rates Correction       |                | -349.42        |               | -349.42         |
| <b>Residual Surplus Balance</b>              | <b>8,944.0</b> | <b>8954.48</b> | <b>146.83</b> | <b>9,101.31</b> |

6.4 The increase in income in 2023/24 and 2024/25 is partly due to the effect of the business rate revaluation in 2023; an inflationary uplift in both years; and the inclusion of income from new buildings on the EZ sites. In particular, there has been several new buildings completed on the A19 EZ site. The income estimates include a contingency of at least 10% and up to 40% in the year that a building is assumed to be first opened and occupied. There is the potential for actual income for the year to be higher than the estimates shown here if buildings are opened and occupied on time. One issue that may delay the timing of the receipt of business rate income is the date of the setting of the business rate valuation on buildings by the valuation

office and this could mean that some income due for 2023/24 and 2024/25 from new buildings could be received in the following year.

- 6.5 Income for 2024/25 is expected to increase as a result of the occupation of additional buildings on Newcastle and A19 EZ sites. The large buildings currently under construction on the IAMP and Northumberland NEP1 sites are due to open in 2025 generating a significant increase in income in future years.
- 6.6 The costs mainly relate to capital financing costs including borrowing costs (which includes interest). Borrowing costs in 2023/24 will be set in line with the original budget of £4.2m. The impact of higher interest rate has been offset by slippage of the cost capital infrastructure works on some EZ sites, into future years. Borrowing costs are expected to rise significantly in 2024/25 to £5.824m as more repayments are made in relation to longer-term loans taken out by Councils to finance completed works on EZ sites. Also included is the repayment of previous interest free loans from the LEP's North East Investment Fund (NEIF) and the repayment of LGF funding swaps.
- 6.7 The cumulative surplus is expected to increase this year to £11.871m with increasing surpluses in future years, as new buildings on the IAMP and NEP1 sites are planned to open in 2025 generating significantly higher levels of income.
- 6.8 The use of the EZ surplus in 2023/24 and 2024/25 to fund the recently approved contribution to the Tyne Dock project is shown along with other agreed uses of the EZ surplus. The potential use of £1m of the EZ surplus to fund Strategic Investment Fund Grants\* has slipped back into 2024/25 as no additional grants have yet been approved. The contribution of £1m to fund the Commercial Property Investment Fund (CPIF) Incentives\* has also slipped back beyond 2024 into 2025/26. These contributions are part of the short- and medium-term approved use of funds reported in the July 2023 EZ update. Two £1m repayments to the NEIF for the repayment of the top up of the Getting Building Fund programme are included, with a third repayment of the balance of c £1m planned for 2025/26.
- 6.9 The residual EZ balance after all proposed uses is currently estimated to be £6.615m at the end of 2024/25, with the potential for higher levels of income and surplus if buildings are completed on time. These projections will be updated in March along with lifetime income and surplus projections.

## **7. North East Investment Fund (NEIF)**

- 7.1 During 2023/24 the North East Investment Fund continued to receive repayments from most projects, however, revised repayment profiles were agreed with three projects, and these are discussed in more detail below. Additional interest receipts were agreed for the Small Property Loans fund and the higher interest rates on revenue balances means an increase in interest receipts for the year.
- 7.2 The new Commercial Property Investment Fund (CPIF) was launched this year with the first drawdown payments starting to being made to the fund manager FW Capital. It is currently estimated that the Fund will draw down £5.5m from the NEIF by the end of 2023/24 and a further £18m in 2024/25 as part of the phased establishment of this £35m sub-fund of the NEIF.
- 7.3 To date the NEIF has had no defaults on its loans, although a bad debt impairment provision of £2.56m is included in the accounts to provide for this eventuality.

- 7.4 The small property loans fund being managed by FWCapital has reported significant success in securing its outputs as well as generating a higher return of interest to the NEIF this year (increased from 2% to 4%). This fund is due to be repaid by 2027. An evaluation report on this fund is being prepared for consideration by the mayoral combined authority in the new financial year.

## Invest North East England 2023-24 Outturn extended year end to May 6 2024

### 1. Overview

1.1 Invest North East England (INEE) acts as the strategic inward investment service in the North East. It works collaboratively with its seven local authority partners, two combined authorities, and other key stakeholders such as the North East LEP, Department of Business and Trade, and Universities to increase the levels of inward investment flowing into the region from both UK-owned and foreign-owned businesses.

1.2 Operationally, INEE's work has a few key guiding principles:

- INEE's primary function is to focus on attracting new inward investment to the North East (rather than seeking to secure re-investment in existing companies).
- INEE works closely with, and on behalf of, all seven constituent authorities, its aim being to maximise levels of inward investment regardless of location in the North East (a 'North East First' principle).
- INEE activity aims not to duplicate, but add value to activities undertaken by the constituent local authorities.
- INEE engages in proactive lead generation activity which is sector-based, focussed on: Digital Technology; Energy; Life Sciences; Advanced Manufacturing; Financial, Professional and Business Services.
- INEE focus of activity will be on strategic inward investment projects which require regional-level promotion, coordination, and collaboration in the first instance, before a focus on a specific site.
- As far as possible, INEE will aim to attract investment opportunities which will lead to significant numbers of high-quality jobs (more and better Jobs)

### 2. Performance

2.1 Successes in 2022/23 and 2023/24 have been modest compared to the bumper year in 2021/22. With the figures still to be finalised, around 1,900 jobs have been created in the region, the vast majority of these coming from FDI. Digital technology investments have been particularly evident, focused mainly in Newcastle.

2.2 INEE currently has a very healthy project and visit pipeline which it hopes to secure investments in 2023/24. The team is focusing particularly on electrification projects, renewables, digital technology and advanced manufacturing with some very exciting and strategic investments on the horizon.



### 3. 2023/24 Outturn

3.1 The 2023/24 Outturn position reflects a decrease in expenditure relating to a decrease in Lead Generation activity.

3.2 INEE have worked very closely with all seven LAs as well as the sector specialist employed through the NTCA inward investment funds leading into transition to the new NEMCA arrangements. This involved planning and attending key events with complementary promotional materials. Particular focus was planned on electrification, renewable energy, digital technology and space, and some key advanced manufacturing sub-sectors.

3.3 The table below shows the 2023/24 Outturn compared to the Original Budget.

|                               | <b>2023/24 Original Budget</b> | <b>2023/24 Extended Budget to May 6 2024</b> | <b>2023/24 Outturn</b> | <b>Variance</b> |
|-------------------------------|--------------------------------|----------------------------------------------|------------------------|-----------------|
|                               | £                              | £                                            | £                      | £               |
| <b>Expenditure</b>            |                                |                                              |                        |                 |
| Employees                     | 238,000                        | 261,538                                      | 258,786                | (2,752)         |
| Staff Training                | 1,000                          | 0                                            | 0                      | 0               |
| Travel and Subsistence        | 5,000                          | 5,493                                        | 14,110                 | 8,617           |
| Web, Telecoms, Computers      | 8,000                          | 8,789                                        | 0                      | (8,789)         |
| Marketing/Coms/Events         | 90,000                         | 98,000                                       | 86,376                 | (11,624)        |
| Membership Fees               | 3,000                          | 3,196                                        | 5,670                  | 2,474           |
| Professional Consultancy      | 8,000                          | 8,789                                        | 28,750                 | 19,961          |
| Lead Generation               | 93,000                         | 102,173                                      | 0                      | (102,173)       |
| Research Resource Licenses    | 15,000                         | 16,479                                       | 15,000                 | (1,479)         |
| <b>Gross Expenditure</b>      | <b>460,000</b>                 | <b>504,457</b>                               | <b>408,692</b>         | <b>(95,765)</b> |
| <b>Income</b>                 |                                |                                              |                        |                 |
| Local Authority Contributions | (140,000)                      | (153,846)                                    | (153,846)              | 0               |
| EZ Contribution               | (313,000)                      | (343,471)                                    | (252,587)              | 90,884          |
| Private Sector Contribution   | (7,000)                        | (7,140)                                      | (2,259)                | 4,881           |
| <b>Gross Income</b>           | <b>(460,000)</b>               | <b>(504,457)</b>                             | <b>(408,692)</b>       | <b>95,765</b>   |

## Detailed Breakdown of Reserves

|                                                    | 1 April 2023   | Movement in Year | 6 May 2024     |
|----------------------------------------------------|----------------|------------------|----------------|
|                                                    | £ million      | £ million        | £ million      |
| Former NECA Corporate Reserve                      | 0.428          | (0.428)          | 0.000          |
| <b>Total former NECA</b>                           | <b>0.427</b>   | <b>(0.427)</b>   | <b>0.000</b>   |
| JTC Unallocated Reserve                            | 1.096          | (1.096)          | 0.000          |
| Earmarked – Tyne Tunnels                           | 9.626          | 0.000            | 9.626          |
| Earmarked – Local Rail Studies                     | 1.963          | (0.975)          | 0.988          |
| Earmarked – Nexus POP 2.0                          | 0.461          | 0.000            | 0.461          |
| Earmarked – Transport Devolution                   | 2.573          | (0.398)          | 2.175          |
| Earmarked – Metro Asset Renewal Plan               | 8.267          | 0.413            | 8.680          |
| Earmarked – Metro Fleet Replacement                | 10.367         | 0.516            | 10.883         |
| Earmarked – Transport Interest reserve             | 0.000          | 10.992           | 10.992         |
| Earmarked – Capital Grants Unapplied               | 141.076        | (30.469)         | 110.607        |
| Earmarked – Revenue Grants Unapplied               | 85.304         | (20.792)         | 64.512         |
| <b>Total JTC</b>                                   | <b>259.637</b> | <b>(40.713)</b>  | <b>218.924</b> |
| NTCA Strategic Reserve                             | 0.200          | -                | 0.200          |
| Investment Fund Reserve                            | 50.046         | (11.706)         | 38.340         |
| Adult Education Budget                             | 8.760          | 4.031            | 12.791         |
| Bootcamps Wave 3                                   | 1.134          | (1.134)          | 0.000          |
| UKSPF including Multiply                           | 3.984          | 5.732            | 9.716          |
| Brownfield Housing Fund                            | 12.763         | 10.303           | 23.066         |
| DLUHC Capital Grant 2022/2023                      | 12.302         | (11.688)         | 0.614          |
| Create Growth Programme                            | 0.425          | (0.421)          | 0.004          |
| Strategic Capacity Reserve                         | 1.252          | 4.851            | 6.103          |
| Levelling up Capacity Grant                        | 0.000          | 0.125            | 0.125          |
| Other grant reserves: Defra Rural, Redmond Review, | 0.300          | (0.172)          | 0.128          |
| Net Zero North East                                | 0.151          | (0.052)          | 0.099          |
| North East Flexible Pot                            |                | 10.000           | 20.000         |
| North East Fund Revenue                            |                | 14.000           | 14.000         |
| North East Fund Capital                            |                | 26.000           | 26.000         |
| <b>Total NTCA Reserves</b>                         | <b>91.317</b>  | <b>59.744</b>    | <b>151.061</b> |
| LEP General Reserve                                | 0.128          | 0.268            | 0.396          |
| GBF Reserve                                        | 1.390          | (1.390)          | 0.000          |
| NEIF                                               | 12.156         | (11.780)         | 0.376          |

|                           |                |                 |                |
|---------------------------|----------------|-----------------|----------------|
| EZ                        | 7.431          | 1.670           | 9.101          |
| <b>Total LEP Reserves</b> | <b>21.105</b>  | <b>(11.232)</b> | <b>9.873</b>   |
| LEP General Fund Balance  | 1.202          | 0.244           | 1.446          |
| <b>Total Reserves</b>     | <b>373.689</b> | <b>7.615</b>    | <b>381.304</b> |

## Treasury Management Outturn 2023/24 and Prudential Indicators

### 1. Purpose of the Report

- 1.1 The purpose of this report is to report to members of the Cabinet on the treasury management outturn position for the financial year 2023/24 for the two former Combined Authorities and performance against agreed Treasury Management Strategies for the year.

### 2. Background

- 2.1 Treasury Management is defined as ‘the management of a local authority’s investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks’.
- 2.2 The Combined Authorities operate a balanced budget, which should result in cash raised during the year meeting cash expenditure. Part of the treasury management operation is to ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, with a main aim of providing sufficient liquidity, ahead of the achievement of the best possible investment returns.
- 2.3 An important function of the treasury management service is to arrange the funding of the Authorities’ capital programmes. This provides a guide to the borrowing needs of the authorities and there needs to be longer term cash flow planning to ensure capital spending requirements can be met. The management of longer term cash may involve arranging long or short term loans, utilising longer term cash flow surpluses and occasionally debt restructuring to meet risk or cost objectives.

### 3. Treasury Management Outturn

- 3.1 In line with the CIPFA Code of Practice on Treasury Management in the Public Services, Combined Authorities are required to approve a treasury management strategy before the start of each financial year and to monitor/report performance against the strategy with a mid-year review. Treasury Management strategies for 2023/24 were approved by the former NECA and NTCA on 24 January 2023 and 31 January 2023 respectively. This report looks back over the two former Combined Authorities’ treasury management activities in light of their approved strategies and covers the following areas:

- Summary treasury position – position as at 6 May 2024 and comparator information for the position as at 1 April 2023;
- Borrowing activity during the year;
- Investment activity and details of investments held at 6 May 2024;
- Treasury Management indicators – performance against the key indicators adopted; and
- Prudential indicators – performance against the key indicators adopted.

- 3.2 A key part of the Combined Authorities’ treasury management functions is the management of funding associated with the authorities’ capital investment plans. These capital plans provide a guide to borrowing needs of the authorities, essentially the longer-term cash flow planning to ensure that the authorities can meet their capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses.

#### Summary Treasury Position

- 3.3 The Combined Authorities’ debt and investment position is organised to ensure adequate liquidity for revenue and capital activities, security for investments, and to manage risks within all treasury management activities.
- 3.4 The two Combined Authorities’ treasury position at the beginning and end of 2023/24 were as follows:

|                          | <b>1 April 2023</b> | <b>Average rate</b> | <b>Average life</b> | <b>6 May 2024</b> | <b>Average rate</b> | <b>Average life</b> |
|--------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
|                          | <b>£ million</b>    | <b>%</b>            | <b>Years</b>        | <b>£ million</b>  | <b>%</b>            | <b>Years</b>        |
| NECA debt                | 169.333             |                     |                     | 148.667           | 4.25                | 36                  |
| NTCA debt                | 0                   | n/a                 | n/a                 | 0                 | n/a                 | n/a                 |
| <b>Total debt</b>        | <b>169.333</b>      |                     |                     | <b>148.667</b>    |                     |                     |
| NECA investments         | 273.383             | 4.28                | 0.52                | 234.119           | 5.44                | 0.24                |
| NTCA investments         | 97.000              | 2.60                | 0.84                | 166.000           | 5.19                | 0.08                |
| <b>Total investments</b> | <b>370.383</b>      |                     |                     | <b>400.119</b>    |                     |                     |

### Borrowing activity

- 3.5 As at 6 May 2024, NECA held £148.667 million in external borrowing, a decrease of £20.667 million from the start of the year due to the early repayment of one loan and regular principal repayments on equal instalment of principal (EIP) loans. The borrowing position and change since the start of the year is shown in the following table:

|                                | <b>1 April 2023</b> | <b>Average rate</b> | <b>Average life</b> | <b>6 May 2024</b> | <b>Average rate</b> | <b>Average life</b> |
|--------------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
|                                | <b>£ million</b>    | <b>%</b>            | <b>Years</b>        | <b>£ million</b>  | <b>%</b>            | <b>Years</b>        |
| Public Works Loan Board (PWLB) | 80.333              | 4.09                | 23                  | 79.667            | 4.09                | 22                  |
| Private Sector                 | 89.000              | 4.39                | 48.3                | 69.000            | 4.43                | 46                  |
| <b>Total borrowing</b>         | <b>169.333</b>      |                     |                     | <b>148.667</b>    |                     |                     |

- 3.6 At 6 May 2024 NTCA held no external borrowing.

### Investment activity

- 3.7 Both NECA and NTCA held significant funds that they invested, made up of funds received in advance of expenditure such as capital and revenue grants plus balances and reserves held. During 2023/24, investment balances ranged between £234 million and £258 million for NECA and £90 million and £166 million for NTCA.
- 3.8 As at 6 May 2024, NECA held investments totalling £234.119 million. The following table provides a breakdown of these investments split by the type of financial institution and maturity period.

| <b>Financial Institution</b> | <b>0-3 months</b> | <b>3-6 months</b> | <b>6-12 months</b> | <b>12-24 months</b> | <b>Total</b>   |
|------------------------------|-------------------|-------------------|--------------------|---------------------|----------------|
| Banks                        | 131.119           | 38.000            | 45.000             | 0.000               | 214.119        |
| Building Societies           | 0.000             | 15.000            | 0.000              | 0.000               | 15.000         |
| Other Local Authorities      | 5.000             | 0.000             | 0.000              | 0.000               | 5.000          |
| <b>Total Investments</b>     | <b>136.119</b>    | <b>53.000</b>     | <b>45.000</b>      | <b>0.000</b>        | <b>234.119</b> |
| <b>% of total</b>            | <b>58.14%</b>     | <b>22.64%</b>     | <b>19.22%</b>      | <b>0%</b>           | <b>100%</b>    |

- 3.9 At 6 May 2024, NTCA held investments totalling £166.000m with the Debt Management Office at a rate of 5.19%.
- 3.10 Combined Authorities' investment policies are governed by the Department of Levelling Up, Housing and Communities (DLUHC) guidance, which was implemented in the annual investment strategies approved by the NECA Leadership Board on 24 January 2023 and the NTCA Cabinet on 31 January 2024. Both the CIPFA Code and the government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The authorities' objectives when investing money are to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

### Treasury Management Indicators

- 3.11 There are three debt related treasury activity limits which are designed to manage risk and reduce the impact of an adverse movement in interest rates. These were not applicable to NTCA in the 2023/24 year as it had no external borrowing.

a) Interest rate exposures: this indicator is set to control NECA's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal invested was:

|                                                | 6 May 2024 | 6 May 2024 | 2023/24 Limit | Complied |
|------------------------------------------------|------------|------------|---------------|----------|
|                                                | £ million  | %          | %             |          |
| Upper limit on fixed interest rate exposure    | 148.667    | 100%       | 100%          | ✓        |
| Upper limit on variable interest rate exposure | 0.000      | 0%         | 70%           | ✓        |

b) Maturity Structure of Borrowing: this indicator is set to control NECA's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

|                      | Lower Limit | Upper Limit | 6 May 2024 | Complied |
|----------------------|-------------|-------------|------------|----------|
|                      | %           | %           | £ million  |          |
| Under 12 months      | 0%          | 20%         | 0.667      | ✓        |
| 12 months to 2 years | 0%          | 40%         | 0.667      | ✓        |
| 2 years to 5 years   | 0%          | 60%         | 0.333      | ✓        |
| 5 years to 10 years  | 0%          | 80%         | 5.000      | ✓        |
| 10 years and above   | 0%          | 100%        | 142.000    | ✓        |

c) Principal sums invested for periods longer than 364 days: the purpose of this indicator is to control NECA's exposure to the risk of incurring losses by seeking early repayment of its investments:

| Principal sums invested for longer than 364 days | Limit     | 6 May 2024 | Complied |
|--------------------------------------------------|-----------|------------|----------|
|                                                  | £ million | £ million  |          |
| Actual principal invested beyond 364 days        | 75.000    | 0.000      | ✓        |

### Prudential Code Indicators

- 3.12 The Local Government Act 2003 requires Combined Authorities to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Financing in Local Authorities (the Prudential Code) when determining how much money they can afford to borrow.

3.13 The objective of the Prudential Code is to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the combined authorities have fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

a) Capital expenditure: the table below summarises capital expenditure incurred for both combined authorities and how the expenditure was financed:

b) Capital Financing Requirement (CFR): the CFR is a measure of the authorities' underlying need to borrow for a capital purpose. The actual outturn position compared to the estimate in January 2023 is set out in the following table:

|                        | <b>2023/24 estimate</b> | <b>2023/24 actual</b> | <b>Difference</b> |
|------------------------|-------------------------|-----------------------|-------------------|
|                        | <b>£ million</b>        | <b>£ million</b>      | <b>£ million</b>  |
| NECA Capital Programme | 238.994                 | 178.683               | (60.311)          |
| NTCA Capital Programme | 55.694                  | 29.253                | (26.441)          |
| <b>Total</b>           | <b>294.688</b>          | <b>207.936</b>        | <b>(86.752)</b>   |

|              | <b>2023/24 estimate</b> | <b>2023/24 actual</b> | <b>Difference</b> |
|--------------|-------------------------|-----------------------|-------------------|
|              | <b>£ million</b>        | <b>£ million</b>      | <b>£ million</b>  |
| NECA CFR     | 180.693                 | 178.221               | (2.472)           |
| NTCA CFR     | 26.678                  | 0.000                 | (26.678)          |
| <b>Total</b> | <b>207.371</b>          | <b>178.221</b>        | <b>(29.150)</b>   |

c) Actual debt: the authorities' actual debt at 6 May 2024 compared to estimates in January 2023 are as follows:

|                | <b>2023/24 estimate</b> | <b>2023/24 actual</b> | <b>Difference</b> |
|----------------|-------------------------|-----------------------|-------------------|
|                | <b>£ million</b>        | <b>£ million</b>      | <b>£ million</b>  |
| NECA borrowing | 168.667                 | 148.667               | (20.000)          |
| NTCA borrowing | 30.000                  | 0                     | (30.000)          |
| <b>Total</b>   | <b>198.667</b>          | <b>148.667</b>        | <b>(50.000)</b>   |

d) Gross debt and the Capital Financing Requirement: in order to ensure that over the medium term debt will only be for a capital purpose, the combined authorities should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicators of prudence. The actual outturn position compared to the estimates in January 2023 is set out in the following table:

|                                  | <b>2023/24 estimate</b> | <b>2023/24 actual</b> | <b>Difference</b> |
|----------------------------------|-------------------------|-----------------------|-------------------|
|                                  | <b>£ million</b>        | <b>£ million</b>      | <b>£ million</b>  |
| NECA debt                        | 168.667                 | 148.667               | (20.000)          |
| NECA CFR                         | 180.693                 | 178.221               | (2.472)           |
| <b>Headroom (Under borrowed)</b> | <b>(12.026)</b>         | <b>(29.554)</b>       | <b>(22.472)</b>   |
| NTCA debt                        | 30.000                  | 0.000                 | (30.000)          |
| NTCA CFR                         | 26.678                  | 0.000                 | (26.678)          |
| <b>Headroom (Over borrowed)</b>  | <b>3.322</b>            | <b>0.000</b>          | <b>3.322</b>      |

e) Operational Boundary: This is the limit beyond which external borrowing is not normally expected to exceed. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

|                           | <b>2023/24 estimate</b> | <b>2023/24 actual</b> | <b>Complied</b> |
|---------------------------|-------------------------|-----------------------|-----------------|
|                           | <b>£ million</b>        | <b>£ million</b>      |                 |
| NECA operational boundary | 205.000                 | 148.667               | ✓               |
| NTCA operational boundary | 20.000                  | 0.000                 | ✓               |
| <b>Total</b>              | <b>225.000</b>          | <b>148.667</b>        |                 |

f) Authorised Limit: This represents a control on the maximum level of borrowing and is a statutory limit determined under section 3 (1) of the Local Government Act 2003. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

|                       | <b>2023/24 estimate</b> | <b>2023/24 actual</b> | <b>Complied</b> |
|-----------------------|-------------------------|-----------------------|-----------------|
|                       | <b>£ million</b>        | <b>£ million</b>      |                 |
| NECA authorised limit | 210.000                 | 148.667               | ✓               |
| NTCA authorised limit | 20.000                  | 0.000                 | ✓               |
| <b>Total</b>          | <b>230.000</b>          | <b>148.667</b>        |                 |



**Title:** Performance Management Framework  
**Report of:** Jacqueline Laughton, Director of Operations  
**Portfolio:** All

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## Report Summary

This report sets out the process for creating a Performance Management Framework for the North East Combined Authority (North East CA) and details how the Combined Authority will approach full performance reporting in accordance with the accountability standards set out in the English Devolution Accountability Framework and Single Assurance Framework.

The report also includes a transport performance dashboard (Nexus and Tyne Tunnel) to demonstrate our proposed approach to performance data reporting.

## Recommendations

Cabinet is recommended to:

1. Review the report and provide feedback on the proposed process for the creation of the North East Combined Authority's Performance Management Framework.
2. Note transport performance data (Appendices A and B) for comment.

### A. Context

#### 1. Introduction

1. The English Devolution Accountability Framework (EDAF) provides guidance on how Mayoral Combined Authorities should be accountable to the UK Government, local politicians and business leaders, and the residents and voters of their area.
2. The North East CA's Single Assurance Framework, adopted by the cabinet on 7 May 2024, sets out the robust decision making and delivery arrangements in place within the North East CA for all types of investment.
3. The creation of a Performance Management Framework will enable the North East CA to report the impact of its investments on strategic objectives and commitments in line with the accountability standards set out in the EDAF and enable Officers and the Cabinet to monitor performance at the appropriate aggregated levels.
4. The Performance Management Framework will be closely aligned to Single Assurance Framework to ensure there is a consistent, streamlined and joined-up approach to performance reporting. The Performance Management Framework will be reviewed and updated in line with any future updates to the Single Assurance Framework.

#### 2. Process and preparation for creating a Performance Management Framework

- 2.1 The Director of Operations is accountable for the North East CA's Performance Management Framework. The Business Transformation, Performance and Insights team will be responsible for the creation of the Performance Management Framework and co-ordination of performance reports that are identified in the framework once it is operationalised.
- 2.2 Over the summer the Business Transformation, Performance and Insights team are working with officers across the organisation to understand current reporting requirements and approaches to

performance reporting in the previous family of five organisations (Invest North East England, North East Combined Authority, North East LEP, North of Tyne Combined Authority, Transport North East) to ensure that the new Performance Management Framework builds on learnings, existing activity and aligns with the needs of the organisation.

- 2.3 An audit and summary of aims, objectives and KPIs sited across our corporate documents is in development and will inform the performance reporting recommendations, ensuring we have one picture of our ambitions and an understanding on how these ambitions can be measured.
- 2.4 A second audit will be completed to identify the different reporting requirements of the North East CA including, but not limited to Cabinet, Overview and Scrutiny, Finance and Investment Board, Senior Leadership Team, Programme Boards etc.
- 2.5 A finding of the audits and a proposal to develop the Performance Management Framework will be discussed with the Senior Leadership Team in September 2024.
- 2.6 The final Performance Management Framework will be shared at the November 2024 Cabinet for approval, alongside any relevant performance reports required at that time.

### **3. Future reporting**

- 3.1 The Performance Management Framework will include a forward plan that outlines a performance management reporting schedule.

### **4. Appendix A, B and C - Transport performance data**

- 4.1 Appended to this report is performance data for Nexus (Appendix A) and Tyne Tunnels (Appendix B) which will also be presented to the Overview and Scrutiny Committee on 8 October 2024.

#### *Appendices A and B – Performance report from Nexus:*

- 4.2 The performance report from Nexus (Appendix A) provides an update against its Corporate Business Plan for 2024/25. The report covers the period 1 April to 20 July 2024. The report includes key performance metrics including Patronage, Punctuality and Reliability data, high-level fare revenue information, an overview of performance challenges and actions taken to resolve these and an update on delivery of key capital projects.
- 4.3 During this period:
  - Metro patronage was 10,029,042, which was 0.5% below the periodic target. Metro patronage for the last 13 Periods was 31,404,520.
  - Metro revenue was £14,368,968, which was 8.8% below the target of £15,755,009.
  - Metro operated 91.9% of its scheduled timetable.
  - Metro punctuality was 81.9%, which was 7.9% below the periodic target of 89.8%.
  - Two new Class 555 Metro cars were received. Mixed traffic testing has begun 23 of the 46 Units have now achieved Pre-Delivery Acceptance.
  - Metro customer satisfaction for Quarter 1 of 2024/25 was 7.3/10.
  - Ferry patronage was 128,121, which was 16.1% below the target of 152,644. Ferry patronage for the last 13 Periods was 374,546.
  - Ferry revenue was £138,900 which was 14.2% below the profiled budget of £161,864.
  - Ferry customer satisfaction for Quarter 1 of 2024/25 was 8.8/10.
  - Secured bus patronage was 2,010,003, which was 19.6% above the periodic target of 1,681,008. Secured bus patronage for the last 13 Periods was 7,981,517.
  - Secured bus revenue in Periods 1 to 4 was £1,554,755 which was 58.7% above the target of £979,807.
  - Customer satisfaction for the Tyne and Wear bus network for Quarter 1 of 2024/25 was 7.5/10.

## *Appendix B – Performance report from Tyne Tunnels:*

- 4.4 The performance report from Tyne Tunnels (Appendix B) provides an update on monthly traffic volumes, average daily pedestrians and cyclists using the tunnel and non-compliance.
- 4.5 During this period:
- Traffic levels in April and May 2024 were notably higher than the equivalent months in 2023.
  - Traffic levels in June 2024 decreased from the preceding two months and also when compared with June 2023, with 43,295 fewer journeys recorded.
  - In July 2024, the toll was paid on time for 97.82% of journeys and 82.77% of toll payments were made by customers with pre-paid accounts.
  - The number of pedestrians using the Pedestrian and Cyclist Tunnels increased dramatically in May and June 2024, with approximately double the volume of users recorded in the same months last year.

### **B. Impact on North East Combined Authority Objectives**

1. The Performance Management Framework will put infrastructure in place to enable the North East Combined Authority to be accountable and transparent about the performance against its corporate and operational objectives and commitments. It will inform the organisations growth and development through learning and insights.

### **C. Key risks**

1. North East CA Officers are working together in a narrow timeframe to create a Performance Management Framework. Without a Framework performance reporting to stakeholders, partners and Government will be limited, ad-hoc and disjointed.

### **D. Financial and other resources implications**

1. There are no direct financial implications arising from this report.

### **E. Legal implications**

The Monitoring Officer has been consulted and has no comments to add.

### **F. Equalities Implications**

The North East CA adheres to the Public Sector Equality duty and is conscious of the need to achieve these requirements set out under s149 of the Equality Act 2010. In June 2024, the North East CA adopted 12 equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader. This proposal is clearly aligned with several of these objectives including those which focus on evidence, data, systems and funding. We have committed to working with the equalities team to align the details of this proposal with the organisational equality objectives and to assess the impact of this proposal on equalities, which may include a formal equality impact assessment.

### **G. Consultation and engagement**

1. The process for creating the Performance Management Framework will involve engagement with officers from across the organisation and wider partners, such as Nexus, where appropriate.

### **H. Appendices**

Appendix A: Nexus Corporate Performance (Period 1-4)  
Appendix B: Nexus Performance Dashboard (Period 1-4)  
Appendix C: Tyne Tunnel Performance (April – July 2024)

**I. Background papers**

North East Combined Authorities Single Assurance Framework available at: <https://www.northeast-ca.gov.uk/governance>

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**K. Glossary**

|               |                                             |
|---------------|---------------------------------------------|
| EDAF          | English Devolution Accountability Framework |
| North East CA | North East Combined Authority               |
| SLT           | North East CA Senior Leadership Team        |



## NEXUS PERFORMANCE

1. This report provides an update on the performance of Nexus against its Corporate Business Plan for 2024/25. The report covers Periods 1 to 4 of 2024/25, encompassing the period from 01 April 2024 to 20 July 2024.
2. Between Periods 1 and 4, Metro patronage was 10,029,042, which was 0.5% below the periodic target. Metro patronage for the last 13 Periods was 31,404,520.
3. Metro revenue for Periods 1 to 4 was £14,368,968, which was 8.8% below the target of £15,755,009. The yield per passenger journey is less than budgeted and behind patronage for the year; the reason for this variation is being investigated and is likely to be due to multiple factors.
4. In Periods 1 to 4, Metro operated 91.9% of its scheduled timetable. The ongoing challenges of maintaining the existing train fleet means that there is limited capacity to replace trains which develop faults or to put in additional capacity to return trains to time in periods of disruption. An Investment Plan to improve Metrocar availability has been agreed with Stadler. Recruitment into a number of temporary posts located at Gosforth depot and funded by the Investment Plan is now largely complete.
5. In times of disruption, Nexus prioritise providing passengers with a frequent service even if trains are not running to timetable. As such, Metro punctuality in Periods 1 to 4 was 81.9%, which was 7.9% below the periodic target of 89.8%. The punctuality figure includes services cancelled because no train is available, as well as delays caused for other reasons.
6. Nexus remain focused on keeping their 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. Nexus are continually reviewing their communications methods to ensure customers can access relevant information.

7. Nexus received two new Class 555 Metrocars in the reporting period – they now have 9 new trains at the Gosforth Depot. Nexus also started mixed traffic testing and 23 of the 46 Units have now achieved Pre-Delivery Acceptance.
8. Metro customer satisfaction for Quarter 1 of 2024/25 was 7.3/10. This figure is produced from the Nexus Continuous Monitoring Survey, which interviews approximately 2,000 Metro users per year.
9. Shields Ferry patronage in Periods 1 to 4 was 128,121, which was 16.1% below the target of 152,644. Patronage is below target primarily due to poor weather in the period, with Shields Ferry leisure patronage largely weather dependent. Shields Ferry patronage for the last 13 Periods was 374,546.
10. Shields Ferry revenue in Periods 1 to 4 was £138,900, which was 14.2% below the profiled budget of £161,864.
11. Shields Ferry customer satisfaction for Quarter 1 of 2024/25 was 8.8/10. This figure is produced from the Nexus Continuous Monitoring Survey, which interviews approximately 4,000 Shields Ferry users per year.
12. Secured bus patronage in Periods 1 to 3 was 2,010,003, which was 19.6% above the periodic target of 1,681,008. Secured bus patronage for the last 13 Periods was 7,981,517.
13. Nexus has used support from the North East Combined Authority through the Government's Bus Service Improvement Plan to continue to improve and enhance the frequency of bus services. This includes the new 599 service between South Tyneside and Sunderland Hospital via the International Advanced Manufacturing Park, financial support to maintain the 67 and 69 routes in East Gateshead, and enhancements to the frequency of commercial routes across the area.
14. Secured bus revenue in Periods 1 to 4 was £1,554,755, which was 58.7% above the target of £979,807.
15. Customer satisfaction for the Tyne and Wear bus network for Quarter 1 of 2024/25 was 7.5/10. This figure is produced from the Nexus Continuous Monitoring Survey, which interviews approximately 2,000 Tyne and Wear bus users per year.
16. Nexus is leading the Smart Ticketing Evolution Programme (STEP), to work towards delivering a multi modal digital ticketing solution for the area. The last quarter has seen procurement undertaken to upgrade POP cards to an account-based system, progress to expand ticketing on mobile devices, testing the integrated ticketing solution on the Northumberland Line, and the

development of the system to allow customers to manage ENCTS cards online.

17. For the first time, since June, customers using Network One tickets can now buy any combination of zones on a Pop card, to simplify the customer experience and build the availability of multi-modal smart ticketing across public transport.
18. Nexus' work to increase the diversity of candidates has seen the number of candidates from ethnic minorities increase to 22.8% in Quarter 1 of 2024/25.
19. Nexus' major renewals projects are progressing to plan. Work to install new glazing on the Whitley Bay Station canopy has started and work to restore the stained-glass artwork at Monkseaton has now been completed.
20. Work to replace Metro's Supervisory Control and Data Acquisition System with new digital equipment has begun, to allow for remote asset monitoring and faster and more effective fault finding.
21. Work on Nexus' overhead line renewal plan and delivery of the essential renewals programme is progressing.
22. From a financial perspective, Nexus is still expecting to use circa £5.0m of reserves to support the revenue budget and protect essential services.

# Patronage:

# Nexus Performance Update

Periods 1-4  
August 2024

- Metro**
- 10.03m journeys in Periods 1-4
  - 0.5% below periodic target
  - 31.4m journeys in last 13 Periods



- Nexus Secured Bus Services**
- 2.01m journeys in Periods 1-3
  - 19.6% above periodic target
  - 8.0m journeys in last 13 Periods



- Shields Ferry**
- 128,121 journeys in Periods 1-4
  - 16.1% below periodic target
  - 0.37m journeys in last 13 Periods

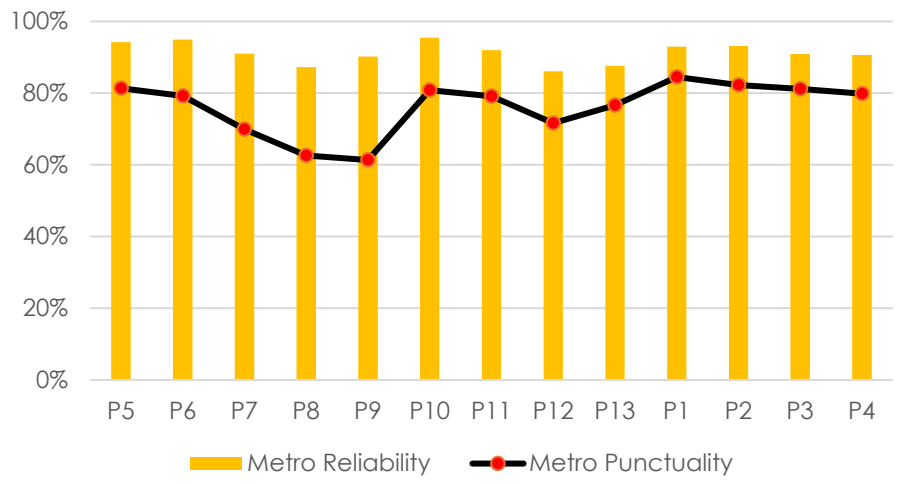


Periods 1-4:

Punctuality: 81.9%

Reliability: 91.9%

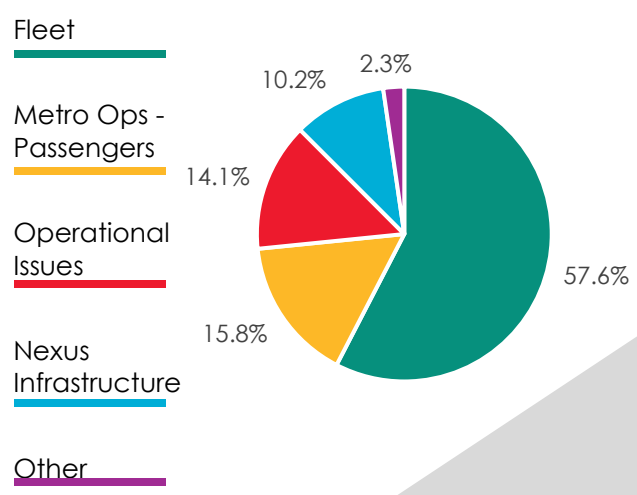
## Metro Performance



## Thematic Updates

- An Investment Plan to improve Metrocar availability has been agreed with Stadler.
- We are continually renewing our communications methods to keep our customers informed of service updates.
- We received 2 new Class 555 Metrocars in the reporting period - we now have 9 new trains at the Gosforth Depot.
- We are continuing to support bus services through BSIP.
- The STEP programme is continuing to progress.
- Pop availability with Network One tickets have improved.
- Our major renewals projects at Whitley Bay and Monkseaton are progressing to plan, and work on our overhead line renewal plan and essentials renewals programme is progressing.
- Work to replace Metro's SCADA system has begun.

## Lost Punctuality



## Customer Satisfaction



7.3/10  
Quarter 1 -



7.5/10  
Quarter 1 -



8.8/10  
Quarter 1 -







# Tyne Tunnels operational update

April – July 2024



## Tyne Tunnels operational update

### Report summary

This report provides an update on the operations of the Tyne Tunnels, including the road tunnels and the pedestrian and cyclist tunnels, between April and July 2024.

### Background

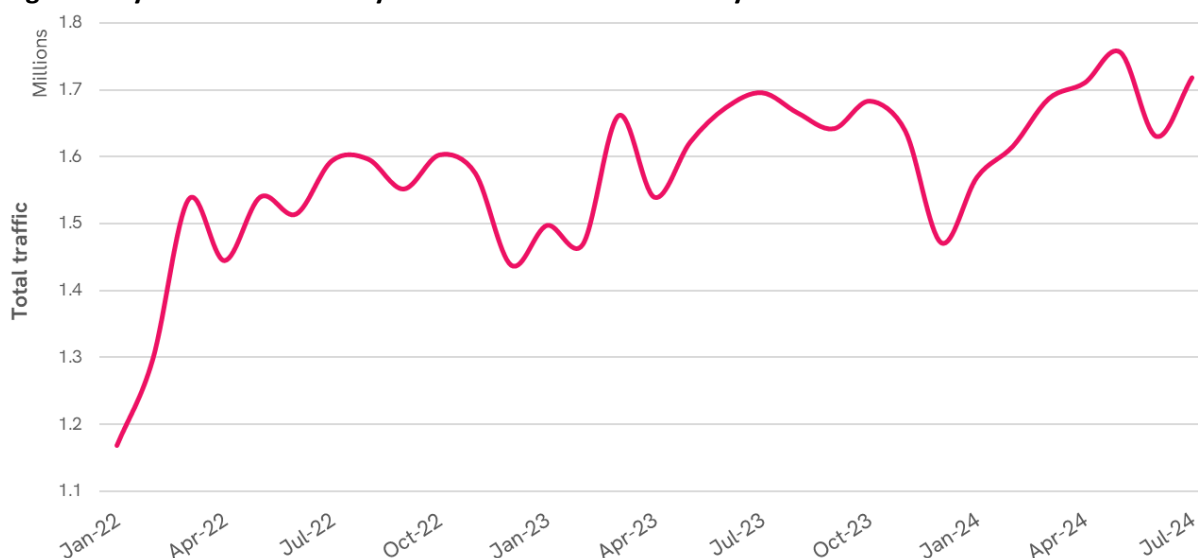
The Tyne Tunnels are jointly owned by the seven local authorities represented by the North East Combined Authority (CA). The tunnels comprise two vehicle tunnels (one northbound and one southbound) and the pedestrian and cyclist tunnels which pass under the River Tyne, linking North Tyneside with South Tyneside. A 30-year concession agreement was signed with TT2 Ltd in November 2007, to part-finance, design and construct the second vehicle tunnel and for the operation and maintenance of all of the tunnels until 2037. This contract is monitored by the North East CA.

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 and the local authorities in building the second tunnel and undertaking substantial refurbishment of the original tunnel.

### Road tunnels

The number of vehicles travelling through the Tyne Tunnels is monitored daily and traffic volumes have been generally increasing year-on-year since 2021, with seasonal variations apparent in Figure 1 below. The growth in traffic 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 displacement of traffic from other river crossings.

**Figure 1: Tyne Tunnels monthly traffic volumes since January 2022**

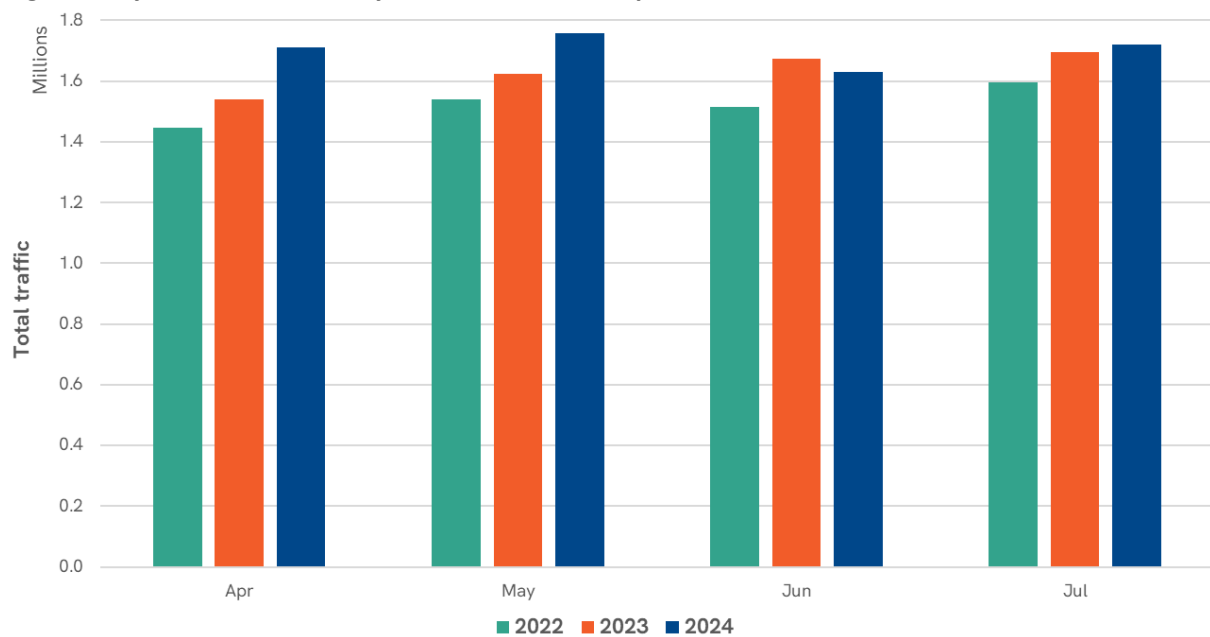


Traffic levels in April and May 2024 were notably higher than the equivalent months in 2023 (see Figure 2 below). This coincides with the commencement of lane restrictions on the Tyne Bridge in April 2024, as a result of which it is likely that a proportion of drivers have altered their journeys to

utilise different river crossings, including the Tyne Tunnels. However, it should also be noted that there was an additional bank holiday in April 2023 (due to the timing of Easter) and also in May 2023 (for the Coronation) on which dates traffic levels were significantly lower than typical for Mondays, thereby contributing to the observed change between 2023 and 2024.

Traffic levels in June 2024 decreased from the preceding two months and also when compared with June 2023, with 43,295 fewer journeys recorded. This is largely due to a significant decrease in weekend traffic volumes since early June 2024 due to closures of the northbound tunnel for maintenance works, during which the southbound tunnel operates with bi-directional traffic. This has also impacted traffic in July, although a small increase of 22,567 vehicle journeys from July 2023 is observed.

**Figure 2: Tyne Tunnels monthly traffic volumes comparison**



In July 2024, the toll was paid on time for 97.82% of journeys and 82.77% of toll payments were made by customers with pre-paid accounts. Figure 3 below shows that the percentage of journeys which were ‘non-compliant’ (where customers failed to pay the toll and received an Unpaid Toll Charge Notice) has been fluctuating between 2% and 3% for more than a year. There are various contributing factors to the fluctuations including seasonal traffic, number of weekends or bank holidays in a month and TT2 customer campaigns to improve awareness of the toll.

**Figure 3: Tyne Tunnels non-compliance since July 2023**



TT2 provide the opportunity to appeal an Unpaid Toll Charge Notice (UTCN) three times and it is projected that 7.18% of UTCNs issued in July 2024 will be appealed based on data from previous months. Appeals are reviewed against criteria agreed between TT2 and the North East Combined Authority, however TT2 can also show discretion outwith these criteria where genuine extenuating circumstances are evidenced. Approximately one third of UTCN appeals are successful.

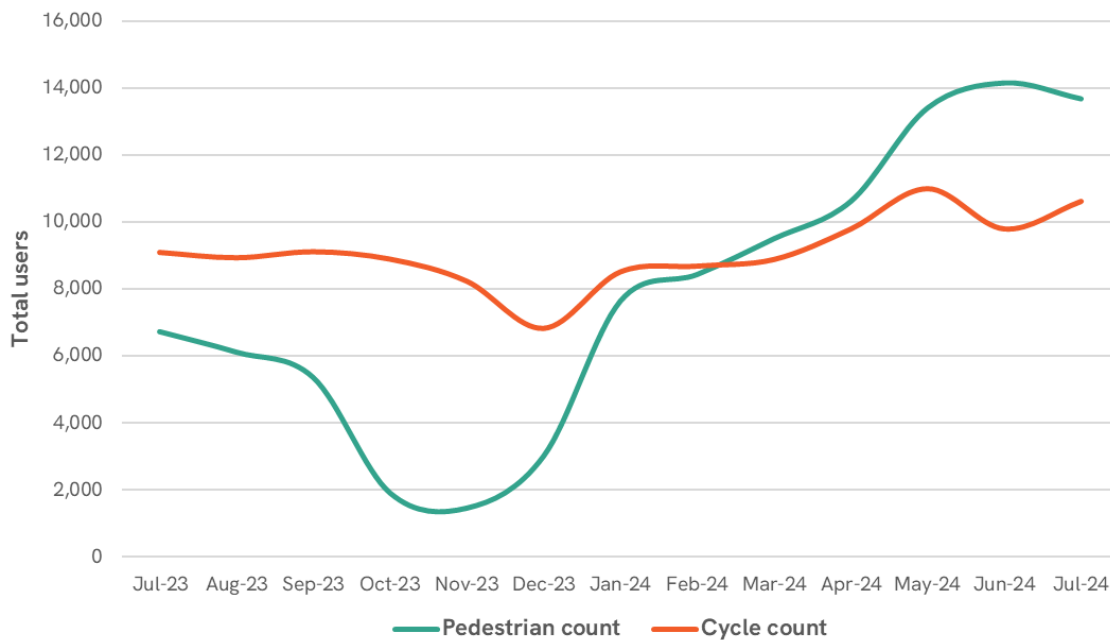
The most recent quarterly independent audit of appeals identified no areas of non-conformance and just two minor quality-related observations from the sample of 72 live and past appeals. The auditor noted several improvements that TT2 have implemented since the previous audit including additional resilience to internal processes, delivery of further training and refinements to communications.

TT2 implemented updates to Pre-Paid accounts in July which included improvements to the registration process and account portal, as well as offering additional alerts and notifications of low balance, insufficient funds and no vehicle on the account.

**Pedestrian and cyclist tunnels**

The Pedestrian and Cyclist Tunnels (PCT) are open to the public 24/7 with no charge to users. Figure 4 below shows the number of pedestrians and cyclists using the PCT each month over the last year. The number of pedestrians using the PCT increased dramatically in May and June 2024, with approximately double the volume of users recorded in the same months last year. Indeed, these months had the highest pedestrian count since the PCT reopened to the public in August 2019. The level of cyclists is also higher than the same period in 2023, however the increase has not been as significant, with between 10,000 and 11,000 cyclists recorded each month from May to July.

**Figure 4: Pedestrian and cyclist monthly counts**



The PCT was temporarily closed for approximately an hour on Saturday 3rd August and Monday 5th August due to a minor system issue which incorrectly triggered an alarm in the tunnels. This was quickly resolved on both occasions and the public were kept informed by on-site staff and social media updates. In addition, the north vertical lift at the PCT was out of service for just over an hour on 17<sup>th</sup> June and for approximately four hours on 23<sup>rd</sup> July during which an engineer was working on the lift.

Additional lifts have been installed to increase capacity at the PCT and allow users to view the historic wooden escalators. These are bespoke glass “inclined” lifts which travel on a steep incline down the historic escalator shaft to the lowest part of the tunnels. Completion of the inclined lifts is imminent and the final inspections, which are required before they enter service, are scheduled for early Autumn. Any modifications or minor works recommended by the inspections will need to be completed before the lifts are opened to the public which will be done as soon as possible. The timescales for the opening of lifts will be communicated once there is greater certainty following the final inspections. During the first few weeks of operation, the new lifts will be closely monitored to understand how members of the public use and interact with them. As with any new installation, it might be necessary to take the lifts out of service for short periods during this monitoring phase to respond to any issues that could arise with the commencement of sustained 24/7 use by the public.



**Title:** Appointment of Substitute CVS Member  
**Report of:** John Softly, Monitoring Officer

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## Report Summary

This report asks Cabinet to agree the appointment of the Substitute CVS Member of Cabinet.

## Recommendations

Cabinet is recommended to agree that Kate Burrows is appointed as the Substitute CVS Member of Cabinet.

### A. Context

- 1.1 At its June meeting Cabinet received a report regarding the process to appoint the Community and Voluntary Sector (CVS) Member and Substitute CVS Member of Cabinet. As set out in that report, the members of the North East VCSE sector Leadership Board proposed the incoming Chief Executive of VONNE, Martin Brookes, as the CVS Member of Cabinet. Cabinet agreed this recommendation and Martin Brookes was appointed as the CVS member of Cabinet.
- 1.2 The North East VCSE sector Leadership Board have now proposed Kate Burrows, who is the Executive Director of Durham Community Action, as the Substitute CVS Member of Cabinet and this is recommended to Cabinet for approval.

### B Impact on North East Combined Authority Objectives

1. The appointment is in line with the Authority's Constitution and decision-making arrangements and will enable the Authority to properly discharge its functions and assist in delivering the Authority's vision, policies and priorities.

### C Key risks

1. None.

### D Financial and other resources implications

1. None.

### E Legal implications

1. The Monitoring Officer is the author of this report.

### F Consultation and engagement

1. The proposed appointment follows engagement with the CVS sector.

### G Appendices

None

### H Background papers

None

**I Contact officer(s)**

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**B. Glossary**

None