

Nexus Corporate Plan

2018/19 to 2020/21



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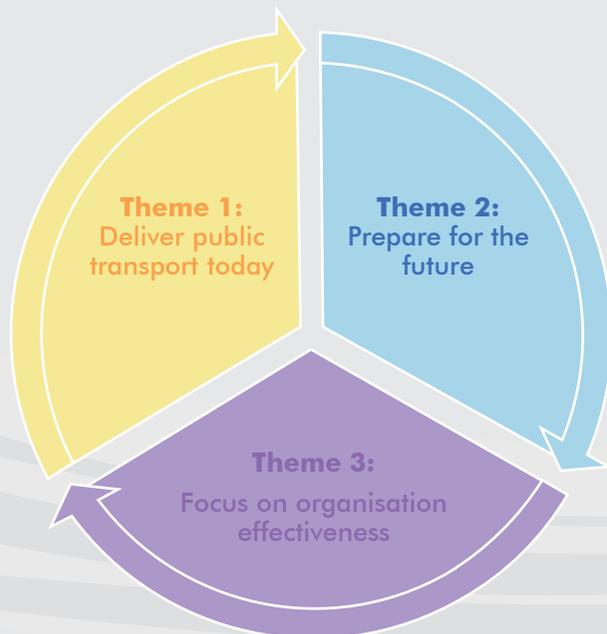
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Executive Summary

Our Corporate Plan for 2018/19 to 2020/21 provides the framework for us to deliver our services and prepare for the future during what will be an important period of change.

The Plan has three key themes, derived from the objectives set for us by the North East Combined Authority:

- **Deliver public transport today,**
- **Prepare for the future, and**
- **Focus on organisational effectiveness.**



Our key priorities are to:

- 1 Procure a new fleet of trains and their ongoing maintenance requirements, including the letting of a depot construction contract in order to provide maintenance facilities, for the Tyne and Wear Metro.
- 2 Build on the smooth and successful transition of Metro service delivery in 2017 by improving our customers' journey experience.
- 3 Introduce a more affordable and sustainable fares offer for Under 19s.
- 4 Advance the successful programme to modernise the Metro with track renewal in Gateshead and South Tyneside, finalise the new digital radio and rail traffic management systems (RTMS), and continue replacement of overhead power lines and construction of South Shields' transport interchange.
- 5 Construct a new training and maintenance centre in South Shields helping to improve operations and make Nexus an employer of choice.
- 6 Develop proposals for further devolution of the Northern rail franchise while ensuring partners' aspirations for rail are embedded in Transport for the North's (TfN) long term rail strategy.
- 7 Develop plans to expand Metro and local rail services.
- 8 Implement change and pursue continuous improvement, aimed at ensuring Nexus provides value for money in everything we do.
- 9 Protect levy funded frontline services.
- 10 Develop plans to improve the local bus network.
- 11 Deliver technological improvements for the benefit of our customers and the wider use of public transport.
- 12 Work with the Authorities involved to facilitate arrangements needed to reflect changes in local political governance structures.

The content of our Corporate Plan sets out in more detail how we will achieve this.

1 Nexus' business planning framework

Nexus is the Passenger Transport Executive for Tyne and Wear, a public body with powers provided by the Transport Act 1968 (as amended). Originally formed under The Tyneside Passenger Transport Area (Designation) Order 1969 the geographic area was extended by the Tyneside Passenger Transport (Designation of Additional Area) Order 1973 to align with formation of the then metropolitan county of Tyne and Wear.

More recently from April 2014 the arrangements made to establish the North East Combined Authority under the Local Transport Act 2008 and the Local Democracy, Economic Development and Construction Act 2009 define our coverage as consisting of the areas of the constituent councils Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland.

Our primary business remit is to deliver the policy aims and objectives set for us by the Leadership Board of the North East Combined Authority (NECA, the Authority) and as guided by the Transport North East Committee (TNEC) and its Transport North East (Tyne and Wear) Sub Committee (TWSC).

A 'minded to' devolution deal has been announced between the government and Newcastle upon Tyne, Northumberland and North Tyneside Councils (known as the 'North of Tyne Authorities'). Although transport is not part of the deal, it is also proposed that governance arrangements for transport will change in the area through the creation of a 'Joint Committee'. We will therefore engage with the Authorities involved, and DfT, to identify legal and financial considerations and possible working approaches leading up to the intended establishment of the new Joint Committee in summer 2018.

Nexus owns and operates the Tyne and Wear Metro and the Shields Ferry service as well as procuring socially necessary bus services. We manage the English National Concessionary Travel Scheme for the area, provide information about local public transport, promote the use and convenience of local public transport services and facilities and oversee various discretionary concessionary travel schemes, which are locally funded.

1.1 Our business mandate

The Authority's Regional Transport Team has developed a 20-year Transport Manifesto with the intention to develop a Transport Plan for the North East (the Transport Plan).



'Sustainable means taking transport decisions now that will reduce carbon emissions from transport, minimise local air pollution and won't create problems for the future'

NECA's Transport Manifesto

1.2 'Our Journey': a 20-year Transport Manifesto for the North East

The Transport Manifesto, 'Our Journey', sets out the Authority's high level ambitions to be built upon in the Transport Plan which will be a comprehensive, statutory document.

The Manifesto's vision is that transport needs to work for everyone by being:

- Accessible,
- Affordable,
- Reliable,
- Easy to use,
- Safe and Secure
- Sustainable, and,
- Integrated.

Achievement of this vision is informed by a set of thirteen guiding principles:

- 1 Good access to workplaces, services, shops and leisure.
- 2 Well-maintained, climate-resilient and safe transport networks.
- 3 Less road congestion.
- 4 More sustainable travel.
- 5 Growth in economic activity.
- 6 Better air quality and lower carbon emissions.
- 7 Healthy, active lifestyles.
- 8 Efficient use of transport assets.
- 9 Land use planning that favours sustainable travel.
- 10 Equality of opportunity.
- 11 Better cycling network.
- 12 Better connectivity across the UK.
- 13 Expand the public transport network.

1.3 Implications for our corporate planning processes

Over the three years 2018/19 to 2020/21 our Corporate Plan will be continuously updated to align with the policies, aims and objectives being set through the development of a new Transport Plan for the area.

These revisions will be supported by our internal business planning processes which are updated annually, having due regard to reporting duties and responsibilities set by the transport governance arrangements.

In addition we will continue to develop a suite of strategies and policies together with supporting evidence, to guide and drive the services and facilities which Nexus delivers. These documents, such as the Metro and Local Rail Strategy and the Concessionary Travel Policy for Tyne and Wear, will develop over time to reflect emerging policy aims, objectives and priorities through formulation of the new Transport Plan.



2 Corporate Plan

'Supporting the economy and the environment through better public transport services'

Nexus' mission statement

Our Corporate Plan for 2018/19 to 2020/21 is assembled around the themes and priorities previously identified:

Deliver public transport today:

- Improve the Metro customer journey experience.
- Introduce a more affordable and sustainable fares offer for Under 19s.
- Protect levy funded frontline services.
- Deliver technological improvements for the benefit our customers and the wider user of public transport.

Prepare for the future:

- Procure a new fleet of trains and their ongoing maintenance requirements, including the letting of a depot construction contract in order to provide maintenance facilities, for the Tyne and Wear Metro.

- Develop proposals for the further devolution of the Northern rail franchise while ensuring aspirations for rail are embedded in the Transport for the North's (TfN) long term rail strategy.
- Develop plans to expand Metro and local rail services.
- Develop plans to improve the local bus network.

Focus on organisational effectiveness:

- Implement change and pursue continuous improvement, to ensure we provide value for money in everything we do.
- Continue with our Asset Renewal Programme (ARP) to modernise the Metro.
- Construct a new training and maintenance centre in South Shields helping to improve operations and make Nexus an employer of choice.

- Work with the Authorities involved to facilitate arrangements needed to reflect changes in local political governance structures.

Individual departments/sections deliver projects and work programmes that are aligned to these priorities (see organisational diagram on following page).

Nexus' performance management framework, which monitors progress in achieving agreed milestones and targets, includes reporting every four weeks to our Senior Leadership Team. This ultimately fulfils the required governance arrangements for monitoring delivery of our Corporate Plan.



Diagram of our organisational structure:

Managing Director

Rail & Infrastructure

- Health, Safety, Training and Environment
- Non-Metro Infrastructure: estate management
- Heavy Rail: current delivery matters
- Day to day operation of trains and stations
- Station presentation
- Train maintenance & delivery
- Infrastructure maintainer and provider
- Delivery of ARP

Customer Services

- Public Relations
- Marketing
- Fares & Revenue
- Customer Information
- TravelShops
- One Stop Shop
- Shields Ferry
- Bus Station Management

Finance & Resources

- Finance, Payroll and Procurement
- Internal Audit
- Business Change and Technology
- Legal Services, Property and Secretariat
- Human Resources
- Programme Assurance and Corporate Planning
- New Train Fleet Procurement

Transport Strategy

- Business Development
- Network Extensions
- Bus Services
- Metro Futures
- Business Intelligence
- Heavy Rail: forward planning & future strategy



2.1 Deliver public transport today

This theme is about improving public transport as currently provided. We cannot aim to do better tomorrow if we haven't first got right what we do today.

2.1.1 Improve the Metro customer journey experience

Punctuality and reliability of service is a high priority for Metro customers. Since taking back control of Metro operations we have delivered:

- A 20% reduction in Excess Headway Minutes (a way of measuring service delays)
- A 14% improvement in fleet reliability, and
- A 4% increase in punctuality

We aim to achieve and exceed a moving annual average of 87.2% Charter Punctuality in 2018/19.

A Train Performance Improvement Plan includes initiatives to reduce mechanical faults on the Metrocars together with an investment of £350,000 which is in addition to the budget for planned and reactive maintenance of the fleet.

A further injection of investment is intended to deliver a package of reliability centred work on the fleet aimed at building further resilience into our operations.

Operational safety is a crucial consideration for Nexus and the Metro; keeping Signals Passed at Danger (SPaDs) to a minimum, reducing as far as reasonably practicable operational risks, improving the safety and security of passengers and staff and further reducing the overall level of incidents at the Platform Train Interface.

This will be supported through a combination of actions including assurance activities, audit and safety tours, safety training and reporting key safety matters to the Senior Leadership Team. We will continue to embed a safety culture in everything we do.

Customer satisfaction is of paramount importance and we will strive to achieve the target score of 8.3 in the November 2018 Customer Satisfaction Survey, whilst also attaining and then maintaining Station and Train Service Quality Regime Targets. The elements contributing to this include improved train performance, increased safety audits/checks, and working with stakeholders, including the Police, to develop and implement a Security Plan.

We will work to ensure that the required infrastructure is available at a specified standard to run the Metro service, including control of external third party works which interface with our infrastructure.



2.1.2 Introduce a more affordable fares offer for under 19s.

In 2017, Transport North East (Tyne and Wear) Sub-Committee asked Nexus to bring forward proposals for a better value fares offer for passengers under the age of 19, reflecting the age at which young people now leave mandatory education or training. This will reduce Metro and Ferry fares for this age group, through the introduction of new single and day fares, mirroring similar schemes implemented on the bus networks.

An Under 19 ticketing product for Metro and the Ferry was subsequently introduced in early 2018 and we will monitor and review the uptake of this new ticketing product, to ensure its success.

2.1.3 Protect levy funded frontline services.

Whilst experiencing ongoing cuts to the grant we receive through local transport levy, we will do whatever is reasonably practicable to preserve the following frontline services that are dependent on such funding:

- The Shields Ferry operation between North and South Shields.
 - Socially necessary bus services secured under contract by Nexus.
 - TravelShops selling ticketing products and providing travel information.
 - Online provision of information, journey planning and ticketing facilities online at www.nexus.org.uk
- Information and customer support through our One Stop Shop.
 - Tailored bus service timetable information at around 6,000 bus stops throughout Tyne and Wear.
 - Management of around 2,000 bus shelters in the area.
 - Management of bus stations and public transport interchanges.
 - Administration of various local discretionary concessionary travel Schemes including Metro Gold Card, Companion Card, TaxiCard and Under 16 travel.



2.1.4 Deliver technological improvements for the benefit of our customers and the wider use of public transport.

We will apply technology to make the use of public transport simple and attractive for customers:

- Improving digital connectivity.
- Improving ticketing systems.
- Exploiting bus Real Time Passenger Information.
- Increase uptake of the POP pay-as-you-go smart ticketing product.

We will also strive to provide information for customers in new and innovative ways. Alongside this development we will examine and develop ways to incorporate pricing into the passenger information systems.

These developments complement the local aspiration for the delivery of a fully multi-modal smart ticketing and transport information network across the North East, and align with the plans of Transport for the North on the implementation of integrated smart ticketing across the North.

Working with the North East Local Enterprise Partnership and others we will establish a fibre optic network around the Tyne and Wear Metro system that will test the next generation of mobile and wireless technology. This will be achieved with funding provided by the Department for Digital, Culture, Media and Sport, opening up a range of opportunities for local business to engage with 5G development and see new services developed in the region. We aim to be at the heart of this project, using the Metro infrastructure in a very different way.

We will also engage with Transport for the North's (TfN) smart initiative by participating in a consortium with other transport operators to exploit contactless payment systems.

We are also exploring the potential for New Mobility Services (NMS) which uses online connectivity and smartphone technology to deliver a comprehensive travel service that can satisfy total travel needs, not just individual journeys. Together with local partners we will assess the circumstances that would make a NMS scheme succeed in the North East and understand the regulatory framework that may be needed to ensure the travelling public receive fair and accurate information when planning and paying for their travel.



2.2 Prepare for the future

2.2.1 Procure a new fleet of trains and their ongoing maintenance requirements, including the letting of a depot construction contract in order to provide maintenance facilities, for the Tyne and Wear Metro.

We will begin procuring our new Metrocar fleet which we expect to be introduced from 2021. In addition to enhancing energy efficiency, the new fleet will increase the reliability of the Metro service, offer a range of other passenger improvements and be able to operate on the local rail network as well as the existing Metro infrastructure.

We will also let a depot construction contract in order to provide appropriate maintenance facilities for the new fleet. Its modern design will offer an opportunity to improve the depot's environmental credentials.

2.2.2 Develop further devolution proposals for the Northern rail franchise while ensuring local aspirations for rail are embedded in the Transport for the North (TfN) long term rail strategy.

Working through Rail North Limited and the North East Rail Management Unit (NEMU), we will engage with regional partners, train operating companies and Network Rail to maximise the benefits of planned investment in the Northern and TransPennine franchises, ensuring that local ambitions for heavy rail are achieved.

We will also seek to establish the Pay As You Go smart ticketing product on Northern rail services, working with the franchisee on this and other initiatives.

Through the NEMU, we will continue to work with colleagues from across the North East of England to monitor the Northern rail franchise operator and help it develop and promote services, in particular through the adoption of integrated ticketing and timetabling.

Further afield, we will continue to pursue the following:

- Invest and work with Network Rail, HS2 limited and Transport for the North, to grow capacity, resilience and reliability of services including for our main line to London and Scotland.
- Improvement in long-distance connections from market towns in the region.
- Reducing journey times and increase the number of trains to core cities from the region, including Leeds, Manchester, Edinburgh and Birmingham.
- Lobbying to ensure the North East is part of the High Speed Rail network.
- Further devolution of the Northern rail franchise.

We will do this by representing the local interests in Transport for the North (Rail) to Network Rail and HS2 Limited.



2.2.3 Develop plans to expand local rail services

We intend to develop the Metro network, the local rail network and the passenger trains that operate on both of them as a single local rail system when developing expansion plans for the future. The intention is to create a locally-managed network of passenger services that is integrated and provides a high standard of service to passengers.

Aspirations for Metro and Local Rail as set out in the Transport Manifesto include:

- Simple, good value and integrated fares backed by smart payment technology.
- Creating a regional express network, with high quality, faster trains and more routes electrified.
- Opening new local stations on current lines, re-open key disused lines, consider more Park and Ride stations, upgrade freight-only sections to passenger use and build new routes.

- Devolving greater control to the region, so local rail and Metro can be managed together to deliver a higher standard for stations, information and customer service.
- Working with rail industry partners to address overcrowding and improve cycle access on trains.
- Addressing reliability and punctuality issues.
- Improving access for everyone, including disabled people.
- Tackling crime and fear of crime so it is not a deterrent, particularly late at night.

To begin this journey, we will carry out a feasibility study on rail route extensions which will ultimately lead to the development of business cases for initiatives to support the aspirations contained in the Metro and Local Rail Strategy.

We will also work with Northumberland County Council to pursue the introduction of passenger services on the Northumberland to Newcastle (N2N) line.

2.2.4 Develop plans to improve the local bus network

We will work collaboratively with local authorities and bus companies to develop a new Bus Strategy for the area. The strategy will set out ways in which the quality and attractiveness of buses can be improved and growth in bus usage can be achieved. It will also consider how buses can generally contribute to the improvement of the environment, particularly in respect of air quality.

We plan to prepare a strategic outline business case that considers a long list of options for delivering the strategy (which include new provisions available through the Bus Services Act 2017). We will engage with the public and local businesses to help shape our thinking.



2.3 Focus on organisational effectiveness

As revenue spending in the public sector will continue to be constrained, we must focus on being an economic, effective and efficient organisation that delivers value for money to our customers and stakeholders.

2.3.1 Implement change and pursue continuous improvement, to ensure Nexus provides value for money in everything we do.

We will improve our organisational structures to further enhance efficiency and prepare for the necessary changes required to maintain our new Metrocar fleet.

We must also adapt our organisational structure in order to accommodate future reductions in our grant through the local transport levy.

An organisational aim is for the make-up of our workforce to reflect the diversity in the communities that we serve. We will actively work to increase the number of people working for us from under-represented groups through effective recruitment, appropriate reward and personal development. In particular we will develop and take forward a programme of activities to encourage women into our business, both attracting women to apply for jobs at Nexus and to support women as they progress in their careers

A key priority has been for us to negotiate local grant support from the transport levy throughout the medium term. Our financial objective in the medium term is to set a balanced budget without placing reliance on reserves.

All our capital projects, ARP and non-ARP, will be overseen by our Programme Management Office and delivered through our established and effective stage-gate control processes to ensure that time, cost and quality objectives are met.

We will progress the development of pipeline schemes to attract external funding by being in a position to respond immediately to any future competitive bidding opportunities. This will include working with others to identify external funding to meet local aspirations in regard to housing, regeneration, economic growth, environmental improvement and air quality initiatives.

We are 'greening' our ancillary vehicle fleet, specifying Euro 6 engines for replacements, working with the Energy Saving Trust to baseline carbon emissions and testing electric vehicles in 2018/19 to determine options for future development.

We purchase many millions of pounds' worth of goods and services each year and will therefore ensure that we continue to obtain value for money through robust processes including adherence to public procurement regulations and our own standing orders, procurement processes & financial regulations.

2.3.2 Construct a new training and maintenance centre in South Shields helping to improve operations and make Nexus an employer of choice.

We will construct a new £9.5m Metro Maintenance, Renewals and Skills Centre in South Shields, with £7m of the funding having been secured through the Local Growth Fund.

It is intended that the facility will:

- Improve maintenance facilities for the Metro fleet.
- Improve the Metro service, allowing us to start services earlier and finish later by stabling some trains at the facility overnight.
- Allow for more comprehensive training, apprenticeships and skills opportunities for all our staff with everything located on a single, dedicated and accessible site.
- Enhance the economic vitality of South Shields town centre and support the regeneration objectives of the South Shields 365 masterplan.

Training and development of staff will be progressed through initiatives such as our Frontline Leadership Programme and well enhancing technical skills and encouraging professional development.

2.3.3 Continue the planned Asset Renewal Programme to modernise the Metro

Financial year 2018/19 is Year 9 of our eleven year ARP to upgrade and replace many of the assets across the Metro system. We have so far spent over £275m in pursuing this objective in accordance with the criteria set out in the Department for Transport (DfT) grant offer letter of February 2010.

We plan to spend a further £71.1m over the next three years as follows:

- 2018/19 - £25.6m
- 2019/20 - £23.3m
- 2020/21 - £22.2m

There are a number of significant projects in 2018/19 including:-

Civils:

- Activity will focus on structural works to Beach Road and Burnside Road bridges. Structural assessments and designs will continue to be progressed for prioritisation and delivery of bridge works in later years.

Track:

- Major track works (including earthworks, drainage and switches & crossings works) will be undertaken from Gateshead Stadium to South Shields. Recycling of rail and ballast takes place as part of contractual arrangements.

Overhead Line:

- Works in 2018/19 will concentrate on the completion of Chillingham Road to Tynemouth and South Gosforth to Jesmond stretches of overhead line equipment.

Stations:

- We will commence construction of the new transport interchange in South Shields town centre, working in partnership with South Tyneside Council and our development partner, Muse.
- We will also continue our work with Sunderland City Council in order to progress the redevelopment of the above ground part of Sunderland Station, focusing on the concourse area with improved access, retail offering and passenger information.

Communications:

- We will complete the installation of a new radio system across the network.
- We will also improve our system of CCTV cameras across the Metro network.

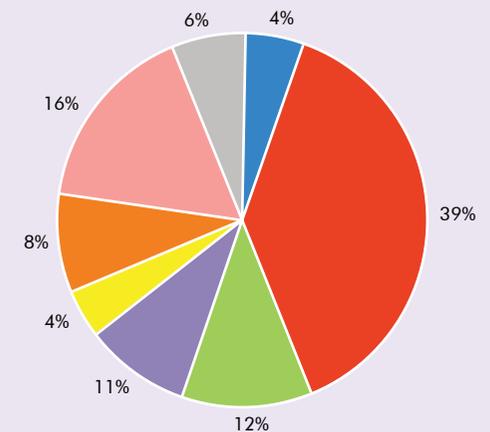
Signalling:

- We will complete the replacement of our automatic route setting system with a new Rail Traffic Management System (RTMS) to route trains, setting signals and measure train performance.
- Other signalling works in 2018/19 include replacement of track circuits, location case rewiring, and replacement of critical point motors across the network. Useable components are recycled to extend the life of original equipment.

Fleet Investment:

- The ARP includes a provision to ensure that our aging fleet maintains adequate levels of performance. This will be kept under review during the remaining life of the fleet, which will be over 40 years of age before it is eventually replaced .

Split of ARP Expenditure (%)



2.3.4 Work with the Authorities involved to facilitate arrangements needed to reflect changes in local political governance structures.

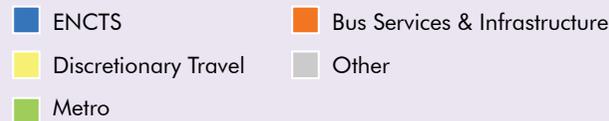
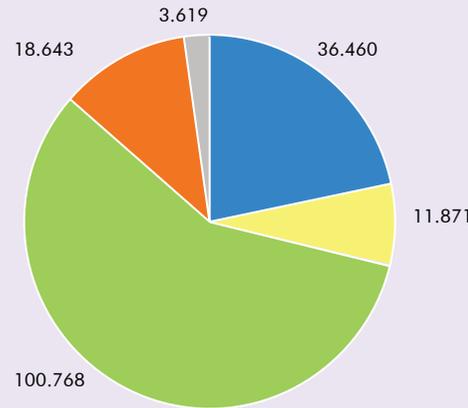
Along with the 'minded to' devolution deal announced between government and the 'North of Tyne' authorities, comprising Newcastle upon Tyne, North Tyneside and Northumberland, it is proposed that local political governance arrangements for transport will change in the area through the creation of a 'Joint Committee' to cover the area of both the North of Tyne and the North East combined authorities.

Any new governance arrangements must provide us with an appropriate structure for us to be able to exercise our duties functions and powers in order to deliver effective public transport for the benefit of local people and businesses.

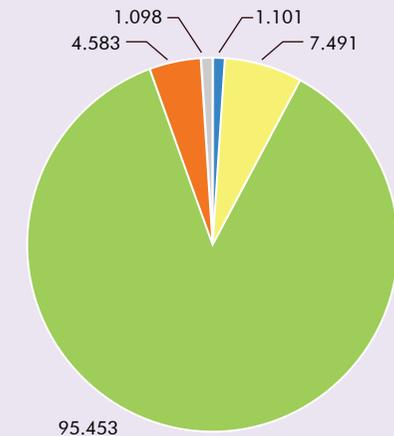
We will engage with the Authorities involved, and DfT, to identify legal and financial implications and possible working approaches leading up to the proposed establishment of the Joint Committee in summer 2018.



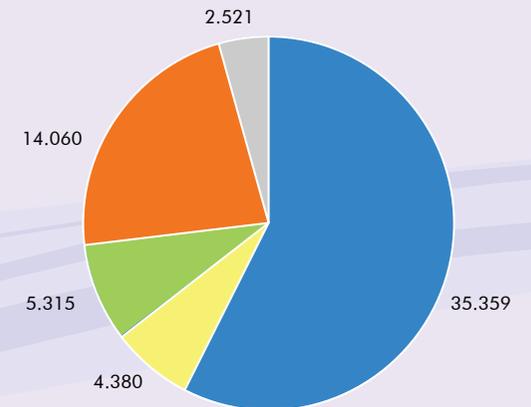
Gross Expenditure 2018/19 (£m)



Gross Income including Grants from Central Government 2018/19 (£m)



NECA Funded Grant Expenditure 2018/19 (£m)





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Nexus is the public body delivering local transport services for
Tyne and Wear, on behalf of the North East Combined Authority.