

# LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Chair and Members of the Transport Committee

Meeting: 18 July 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

## REPORT OF MERSEYTRAVEL

### QUARTER 4 MERSEYTRAVEL CORPORATE PLAN PERFORMANCE AND FINANCIAL MONITORING REPORT 2018/19

#### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present an overview of financial, corporate and operational performance of Merseytravel for Quarter 4 (January to March) 2018/19, and provide an indicator to identify any key risks to future performance during the last quarter of the financial year.
- 1.2 The Quarterly Performance Monitoring Report includes the following elements:
  - (a) provides an overview of results of financial monitoring for Quarter 4 2018/19;
  - (b) performance against the Corporate Plan Priorities for Quarter 4 2018/19; and
  - (c) report performance against the 8 Corporate Key Performance Indicators (KPIs) for Quarter 4 2018/19.

#### 2. RECOMMENDATIONS

Members are recommended to note the contents of this report and request further information as appropriate.

#### 3. BACKGROUND

- 3.1 The 2018/19 Corporate Plan summarises the strategic direction for Merseytravel based on requirements of the Combined Authority, Liverpool City Region priorities and the needs of our stakeholders and customers.
- 3.2 This report focuses on the fourth quarter of 2018/19 and summarises delivery and performance against corporate KPIs.
- 3.3 Merseytravel applies a RAG rating system for the corporate performance reporting processes and an amended rating system has been applied for 2018/19 to add a degree of sophistication. The definition of **RAG** is:–

<b>RED</b>	Highly Problematic – Delivery at significant risk <b>OR</b> abandoned
<b>AMBER / RED</b>	Problematic – Delivery at risk but not significant
<b>AMBER / GREEN</b>	Manageable – Delivery at marginal risk
<b>GREEN</b>	Well Managed – No risk to delivery <b>OR</b> complete
<b>Not Started</b>	Not Commenced or Support Not Requested – No risk to delivery

- 3.4 For 2018/19, a RAG rating of 'Not Yet Started' was used. This is for service level activities that have either yet to commence, are scheduled to commence later in the year, are supporting activities to operational undertakings which have not yet been initiated or where support has yet to be requested but for KPIs and Priorities.
- 3.5 A brief narrative is provided along with each rating to provide clarity and justification for the rating, and support management decision-making in any action necessary to improve overall performance.
- 3.6 Further detail on the corporate KPIs and performance against these is attached as Appendix C to this report. The table within Section 5 of this report gives a headline of that data. Where there is more than 1 measure or activity, the average RAG rating (either over 50% or the midpoint between the extremes) has been applied.

## 4. FINANCIAL PERFORMANCE

### Revenue Budget 2018/19

- 4.1 A budget of £134.3m was approved in February 2018 with a grant provided from the Combined Authority to Merseytravel of £92m and £13.8m contribution from reserves. The budgeted contribution from reserves was largely to cover the costs of the rolling stock project team in 2018/19.
- 4.2 A separate grant of £28.4m was approved to support the operation of the Mersey Tunnels.
- 4.3 Revenue outturn for Merseytravel was £119.4m. This represents an underspend of £14.9m against the approved budget. Table 1 details the revenue outturn position for Merseytravel for the financial year 2018/19 at a service level. Figures are inclusive of support service recharges.

	<b>Allowed Budget 2018/19 £'000</b>	<b>Outturn 2018/19 £'000</b>	<b>Variance to Budget 2018/19 £'000</b>
Bus Services	16,654	15,455	1,199
Rail Services	1,546	4,319	(2,773)
Rolling Stock	11,959	5,806	6,153
Customer Delivery	6,710	5,961	749
Concessionary Travel	53,865	53,263	602
Corporate Management	2,607	2,012	595
Policy	2,019	1,895	124
People & Customer Development	3,667	3,122	545
Mersey Ferries Group	1,546	1,411	135
Corporate Costs	5,281	3,756	1,525
Mersey Tunnels	28,467	22,387	6,080
<b>Net Spend</b>	<b>134,321</b>	<b>119,387</b>	<b>14,934</b>
Funded by:			
Merseytravel Grant from CA	(92,020)	(92,020)	0
Mersey Tunnels Grant	(28,467)	(22,387)	(6,080)
Application of Reserves	(13,834)	(4,980)	(8,854)
<b>Total Income</b>	<b>(134,321)</b>	<b>(119,387)</b>	<b>(14,934)</b>
<b>Net Transfer (to)/ from Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>

4.4 Whilst a revenue underspend had been projected during the year and reported as such, the outturn underspend is higher than previously forecast. A significant element of the revenue underspend relates to the Rolling Stock Programme and as this programme is funded from reserves, this in effect represents a re-profiling of expenditure. The major variances are summarised below:

#### **Bus Services**

The service underspent on BSOG payments by £442k during the last financial year. The underspend was largely as a result of fewer services failing to qualify for such payments.

Net underspend of £203k on bus rounds. This is viewed to be a one-off that arose due to timing differences between certain services ceasing when an operator ceased trading and what could be re-procured on an ongoing basis within budget.

Underspend on consultancy £313k arose due to certain costs being avoided in year and others associated with business case work being deferred into the next financial year.

#### **Rail Services**

Overspend of £2.5m against budget for Special Rail Grant (SRG). This has arisen due to cuts made to SRG by the Department for Transport, which Merseytravel is currently unable to pass through to MEL. This pressure has been reported to Members during the year.

#### **Rolling Stock**

The programme underspent against budget by £6.15m, however, this is a multiyear project and the underspend effectively reflects slippage of activity from 2018/19 into 2019/20.

### **Mersey Ferries**

The underspend of £1.1m on Ferries represents the impact of the one-off dividend paid from the Beatles Story to Mersey Ferries during 2018/19 which reduced the requirement for financial support in-year from Merseytravel. This has provided some capacity to fund additional essential capital works to Ferries infrastructure in 2019/20.

### **Mersey Tunnels**

The service underspent on its capital and major repairs schemes by £4.8m as a consequence of slippage on certain schemes and internal capacity issues which have caused delay. There will be a fundamental review of the three-year capital programme undertaken to re-profile works to the tunnels over the medium term.

Staffing and non-staffing costs across a number of other budget headings contributed to an underspend of just over £1m.

The reduction in spend on the Tunnels has led to a corresponding reduction in the grant that is received by Merseytravel to fund Tunnels activity.

### **The Beatles Story**

Net profits of £1.06m from the operation of the Beatles Story during 2018/19 were transferred to its reserves at the end of the financial year. This money will be used to fund future investment plans within the group.

### **Staffing Costs**

Across the organisation (excluding Tunnels), savings totalling almost £1.8m were made against the budgeted staff costs for the organisation. These savings were achieved through vacancy management, unsuccessful recruitments and the apportionment of certain costs between Merseytravel and the Liverpool City Region Combined Authority, where appropriate. The breakdown of these costs across services can be seen in the detailed revenue appendix. Given the budget pressures facing the organisation going forward, it is likely that savings through retaining vacancies will continue to be an important tool through which to manage the overall budgetary position.

### **Reserve Position**

- 4.5 As a consequence of the revenue outturn being below budget, the call upon Merseytravel's reserves to support revenue expenditure was less than planned. Merseytravel's reserves as at 31 March 2019 are detailed in the table below.

	<b>Balance at 31 March 2018 £'000</b>	<b>Net In Year Movement £'000</b>	<b>Balance at 31 March 2019 £'000</b>
Capital Reserves	5,749	(5,749)	0
Earmarked Reserves	55,290	(2,341)	52,949
Revenue/ Working Balances	1,739	0	1,739
<b>Total</b>	<b>62,778</b>	<b>(8,090)</b>	<b>54,688</b>

- 4.6 Of the total balance of earmarked reserves carried forward to 2019/20, 51% of these are Rail related. Working balances represent 3% of total reserves held by Merseytravel.

## Financial Risks and Impact on Future Reserves

- 4.7 Whilst the quantum of reserves appear healthy, there are some significant commitments that will crystallise over the next couple of years. The reductions to Special Rail Grant (SRG) will place a significant strain on reserves over the next couple of years. In the absence of any agreement to pass these reductions through to MEL, the differential between the grant received and the payments required to be made under the concession agreement will be borne by Merseytravel. With insufficient headroom within the revenue budget to absorb this cost, the net impact of the SRG reduction will need to be met from Merseytravel reserves.
- 4.8 Whilst the SRG reductions add pressure to the overall revenue position for Merseytravel, they are not the sole source of financial pressures faced by the organisation over the medium term. The quantum of the Transport Levy and the subsequent grants to Merseytravel for the operation of the Tunnels and transport services are at a level whereby further reductions to expenditure will be required over the medium term to expenditure if the organisation is to be able to meet its statutory requirement to set a balanced budget.
- 4.9 In addition to this, there is a level of uncertainty around the cost of Concessionary Travel in 2019/20. This is due to ongoing negotiations with the major operators regarding the level of reimbursement payable. Whilst Merseytravel has budgeted based on what it believes to be a prudent level of reimbursement, there is a risk that the rate sought or agreed could be higher which would place pressure on the revenue budget.
- 4.10 At the end of 2018/19, most of Merseytravel's capital reserves have been extinguished. Based on the revised capital programme for 2019/20, there is a requirement for an additional £2.2m from reserves during 2019/20 to meet existing capital commitments. There are also a number of significant financial pressures arising largely from Merseytravel's commitments in respect of Rail schemes and services that will impact on the organisation's financial position over the next five years. Challenges arising from the infrastructure works, power, platform height alignment and platform lengthening work arising from the Rolling Stock replacement programme are placing upward pressure on the approved business case.
- 4.11 More generally, there are wider risks of delays and cost overruns arising on a project of this nature that occur as a natural consequence of contracting with Network Rail due to the specific manner in which such schemes are required to be procured and managed. All Network Rail schemes are contracted on an 'emerging cost' basis where the balance of risk and control is extremely unfavourable to the organisation.
- 4.12 Whilst it is not possible to quantify the financial implications of these risks at this juncture, there is a clear downside risk that there will be a requirement for Merseytravel as project sponsor to fund any increases in project cost to support the delivery of the programme.
- 4.13 Any consideration of the reserve position has to recognise the significance of these potential risks to the financial stability of the organisation.
- 4.14 Based on the above, the table overleaf details the projected reserves position for Merseytravel as at 31 March 2020.

	<b>Balance at 31 March 2019 £'000</b>	<b>Net In Year Movement £'000</b>	<b>Balance at 31 March 2020 £'000</b>
Capital Reserves	0	0)	0
Earmarked Reserves	52,949	(6,772)	46,177
Revenue/ Working Balances	1,739	0	1,739
<b>Total</b>	<b>54,688</b>	<b>(6,772)</b>	<b>47,916</b>

### **Capital Outturn**

4.15 Outturn spend on Merseytravel's capital programme, excluding Rolling Stock, was £22.84m compared with a revised budget of £39.05m which translates to 58.5% of planned expenditure. Spend on the Rolling Stock replacement project for the year was £121.6m against a budget of £169.78m, representing a 71.6% spend. The table below details the outturn spend on Merseytravel's capital schemes.

	<b>Revised Budget 2018/19 £'000</b>	<b>Final Outturn 2018/19 £'000</b>	<b>Under/ (Overspend) against Budget 2018/19 £'000</b>
Bus Services	2,703	523	2,180
Rail Services	16,385	14,379	2,006
Rolling Stock	169,781	121,603	48,178
Mersey Ferries	640	517	123
Mersey Tunnels	10,605	3,033	7,572
IT	480	409	71
Smart Ticketing	223	336	(113)
Corporate Strategy	7,554	3,579	3,975
Corporate Services	465	62	403
Total Spend	208,836	144,441	64,395
<b>Funded by:</b>			
Capital Grant	(24,695)	(50,355)	(25,660)
Revenue Contributions	(7,500)	(3,033)	4,467
Borrowing	(169,781)	(85,612)	84,169
Use of Reserves	(6,860)	(5,441)	1,419
Total Funding	(208,836)	(144,441)	(64,395)

4.16 Based on an initial review of the outturn it has been identified that £56.75m of the underspend relates to slippage and will therefore form part of a revised 2019/20 capital programme. The remaining £3.4m relates to schemes that have not progressed during the year. The underspend on Tunnels of £7.5m will be factored into revised plans over the medium term as part of the budget setting process for 2020/21. Based on the revised capital programme for 2019/20, there will be a requirement for an additional £2.2m from Merseytravel reserves to balance the programme.

- 4.17 The table overleaf details the revised 2019/20 capital programme taking account of slippage and revisions to the overall programme arising from changes to re-profiling of schemes in the year. A detailed breakdown of the capital programme is appended to this report.

	<b>Allowed Budget 2019/20 £'000</b>	<b>Revised Budget 2019/20 £'000</b>
Bus Services	1,984	2,849
Rail Services	5,889	10,570
Rolling Stock	110,000	158,178
Mersey Ferries	545	1,545
Mersey Tunnels	8,778	8,670
Hubs	200	200
IT	450	559
Smart Ticketing	1,200	1,071
Corporate Strategy	0	4,073
Corporate Services	200	311
<b>Total Spend</b>	<b>129,246</b>	<b>188,026</b>
<b>Funded by:</b>		
Capital Grant	11,746	20,057
Revenue Contributions	7,500	7,500
Borrowing	110,000	158,178
Use of Reserves	0	2,291
<b>Total Funding</b>	<b>129,246</b>	<b>188,026</b>

## 5. PERFORMANCE AGAINST 2018/19 CORPORATE KPIs

- 5.1 Full details of the data that contributes to the overall progress ratings of the KPIs can be found in Appendix C attached to this report. The term “Monitoring Purposes” means data is gathered for comparison or noting, as it cannot readily be influenced on a quarterly basis, requiring wider strategic intervention to improve beyond direct Merseytravel control and influence. However, a RAG rating is provided (where appropriate) based on historic data or industry standards to give an indication of the current position.

5.2 The following table sets out the Corporate Plan Key Performance Indicators (KPIs) for 2018/19:

Key Performance Indicator	Overall Status Q4	Comments
<p align="center"><b>KPI 1</b> Affordability</p>	<p align="center"><b>AMBER/ GREEN</b> </p>	<p><b>Monitoring purposes</b></p> <p>This data has been rebased to 2012 for the performance cycle and is reported annually. The Benchmark is RPI +1%. Tunnels tolls are based on class 1 vehicles only. Motoring costs have been taken from the RAC website for a 2L petrol engine vehicle with an average mileage of 10k miles.</p>
<p align="center"><b>KPI 2</b> Patronage</p>	<p align="center"><b>AMBER/ GREEN</b> </p>	<p>Commercial Bus has had a slight dip in Patronage which Bus Services will observe closely.</p> <p>Rail data is unavailable for this quarter due to a failed IT legacy system. Data has been collated but extraction and analysis has not yet been possible.</p> <p>The pedestrian and cycle cordon counts are carried out for key centres in the Liverpool City Region. In the 2017/18 reporting period, counts were of pedestrians and cyclists entering the centres of Birkenhead, Huyton, Southport, Liverpool and Runcorn. The 2017/18 modal share for pedestrians is 9.8% and for cyclists is 0.7%. The 'Cycle Monitoring Report 2017/18' published in October 2018 gave the overall measure of cycle usage in Merseyside (utilising automatic and manual cycle counts and cordon counts) having increased by 2.97 % from April 2017 to March 2018.</p> <p>The closure of the Churchill Way flyover is having an impact on traffic using Queensway Tunnel and evidence indicates vehicles are transferring to Kingsway in the morning peak.</p> <p>Mersey Ferries are showing a slight decrease in patronage and this is expected during this period.</p>

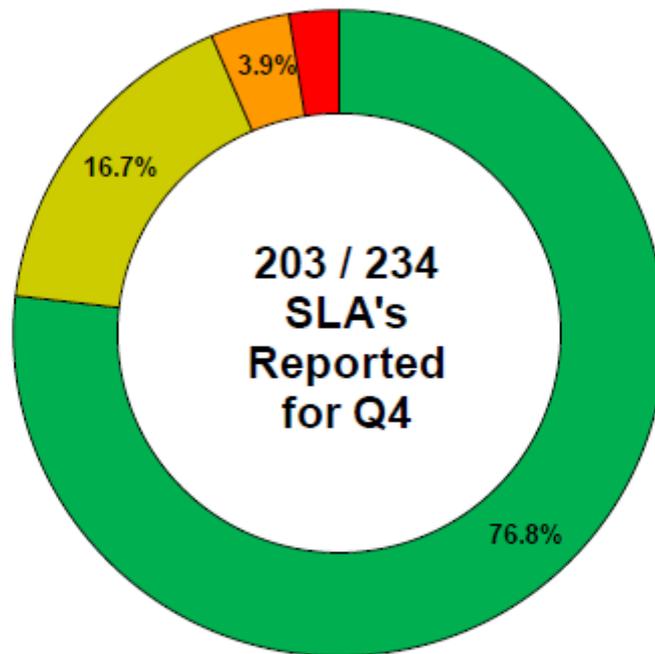
<p><b>KPI 3</b> Reliability</p>	<p><b>AMBER/ GREEN</b></p> 	<p>Based on the estimated figure for Feb/Mar, Supported Bus reliability now meets the target.</p> <p>Commercial Bus is slightly below target.</p> <p>Merseyrail figures continue to be on target.</p> <p>Northern remains with a Red rating for Reliability. However, performance has risen considerably from 66.2% in Q3 to 80.6% in Q4. The RMT industrial dispute continued to impact Northern significantly during this quarter and has resulted in a greatly reduced service level in particular hindering the provision of train services after 1700 hours on strike days and Sundays. (<b>NOTE</b> - industrial action was suspended in February 2019 so further improvement may be evident during 2019/20).</p> <p>Ferries' performance has dropped slightly below target due to weather related cancellations.</p> <p>Both Tunnels remain as Green as both exceeded their targets.</p>
<p><b>KPI 4</b> Punctuality</p>	<p><b>AMBER/ RED</b></p> 	<p>Merseytravel is working closely with bus operators to improve performance on Commercial Bus punctuality. The 2018/19 Bus Alliance Joint Business and Investment Plan oversees the delivery of a number of infrastructure schemes and studies and, in partnership with the other local authorities, the Bus Alliance intends to bid for Transforming Cities Funds to implement a package of improvements designed to transform busy commuter bus corridors.</p> <p>Supported Bus punctuality remains on target.</p> <p>Merseyrail continue to be above target and Northern operated an extremely poor and challenging Q3 due to reasons outlined in KPI3 above.</p> <p>Mersey Ferries Commuter is slightly below target but Leisure is higher.</p> <p>Mersey Tunnels journey times are quicker than the benchmark.</p>

<p><b>KPI 5</b> Safety</p>	<p><b>AMBER/ GREEN</b> </p>	<p><b>Monitoring purposes</b> The 2018 Bus Passenger survey shows an increase in satisfaction with personal safety at the bus stop (up 2% from 2017), whilst personal safety on the bus remains stable. The autumn 2018 results show no change for satisfaction with safety at the station and on the train for Merseyrail since Autumn 2017.</p> <p>The passengers are surveyed: * Bus - once a year in Autumn; * Merseyrail - twice a year in Spring and Autumn; and * Northern (City Line) - once a year in Autumn. This is a booster survey to collect a larger sample of passengers at stations in the Merseyside area.</p> <p>On Bus Incidents saw a decrease in criminal damage and anti-social behaviour, against Q4 17/18, whereas violence against staff saw an increase against this same period. It is not a significant increase.</p>
<p><b>KPI 6</b> Customer Comments</p>	<p><b>AMBER / GREEN</b> </p>	<p>Departments, when responding to customer comments, are mostly performing well.</p> <p>Overall satisfaction with bus journeys remain stable with 91% satisfied. Merseyrail shows a slight decrease (down 1% since autumn 2017) with satisfaction with the overall journey. Note - the City Line was not boosted during 2018. The next booster survey for Northern will be autumn 2019.</p>
<p><b>KPI 7</b> Connectivity to and within the City Region</p>	<p><b>GREEN</b> </p>	<p><b>Monitoring purposes</b> No substantive change; some rail timetable changes planned for December 2018 were deferred following the well-publicised national issues around the introduction of a new timetable earlier in the year. There have been both negative and positive changes in bus network connectivity; hence, there is very little change in the combined connectivity figure.</p>
<p><b>KPI 8</b> Key Strategic Projects</p>	<p><b>AMBER / GREEN</b> </p>	<p>All projects are complete, on target for completion or are practically completed.</p> <p>With regard to Rail Station Devolution, officers have been supporting on-going discussions between CA and DfT in respect to devolution of both track and infrastructure.</p>

## Performance against 2018/19 Corporate Priorities

- 5.3 For 2018/19, 3 Transport Priorities have been developed (Advise, Develop and Deliver). This report has grouped the Service Level Activities (SLAs) into those 3 areas.
- 5.4 Directors are accountable for overall delivery of the Priorities. Where there is more than one activity supporting the delivery of the Priority, the average RAG rating (either over 50% or the midpoint between the extremes) has been applied. Discussion during the preparation of the quarterly report may also influence the final RAG decision to add a qualitative input. The chart below summarises overall performance against the 3 priorities. The priorities are delivered as a result of the performance of 234 Service Level Activities (SLA). There are 13 SLAs which are at a Red or Amber/Red status.

### Priorities 1 to 3 Quarter 4 2018-19

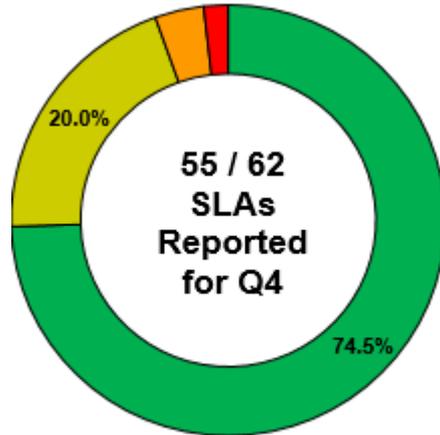


Green	156	Amber / Red	8
Amber / Green	34	Red	5
Not Started			31

## Priority 1 - Advise

Provide high-quality, professional advice and support to the Liverpool City Region

62 strategic activities: 41 Green, 11 Amber/Green, 2 Amber/Red, 1 Red  
7 Not Started



Green

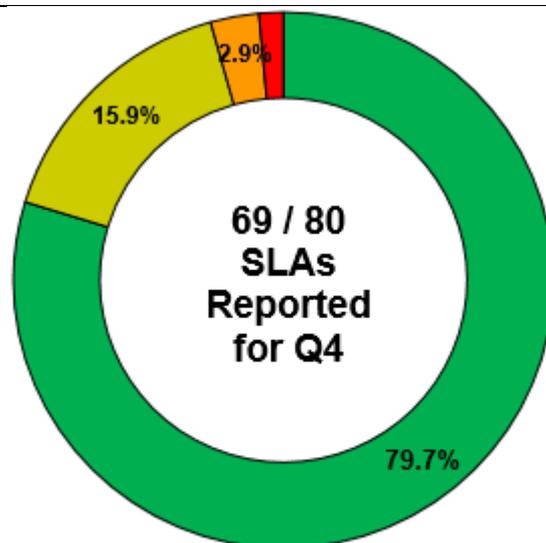


Strategic Activities	RAG	Updates
<b>1a</b> Transport at the heart of the City Region's potential for economic growth and regeneration	Amber /Green	This Strategic Activity overall is being delivered well with the majority of Service Level Activities being reported as Green or Amber/Green.  There has been a slight delay in the delivery of the LCR Bus Strategy but the review has commenced and will be delivered in 2019/20.
<b>1b</b> Support for the Combined Authority to deliver across the City Region through a range of funding streams and with a robust governance framework	Green	Merseytravel continues to support the CA to deliver its priorities with the provision of Support Services and advice being given to it. For example, there has been liaison with BEIS regarding Brexit impacts and the development of monitoring and evaluation capabilities.  The Transforming Cities Fund pipeline is being developed a little later than expected.
<b>1c</b> An effective and efficient centrally managed Transport Partnership	Green	This Strategic Activity is broadly on target or being delivered. However, the activity relating to the improvement of TAG has been delayed due to the establishment of the CA structure and the development of operational relationships.

## Priority 2 - Develop

Improving connectivity by leading on the development of strategic transport initiatives for the Liverpool City Region

80 strategic activities: 66 Green, 11 Amber/Green, 2 Amber/Red, 1 Red  
11 Not Started



Green

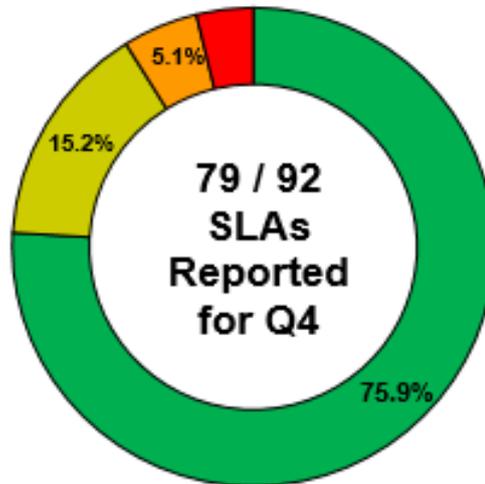


Strategic Activities	RAG	Updates
<b>2a</b> A safe, integrated, clean, sustainable and efficient transport network for the Liverpool City Region that maximises the potential for economic growth and regeneration	Green	This Strategic Activity is performing well with tasks such as the Draft Long Term Tunnels' Strategy being produced, the new Rolling Stock project continuing and Bus Network reviews ongoing.
<b>2b</b> A City Region where people want to live, work, visit and invest	Green	All Service Level Activities are on target or being delivered within this Strategic Activity.  An example of this delivery is Merseyrail completing work at LSP for 2018/19, Spital park and ride being taken forward and expected to be completed in July 2019 and options for enhanced park and ride facilities at Lea Green and Widnes being considered.
<b>2c</b> Increased patronage across all public transport modes and a customer experience that is high quality, accessible; convenient; sustainable, clean and efficient	Amber /Green	This Strategic Activity continues to be delivered appropriately.  However, Journey Planning Research was put on hold temporarily due to changes in staffing structures and the introduction of card payments in unattended lanes in the Tunnels was delayed due to technical issues.

## Priority 3 - Deliver

Manage and develop a range of operational transport assets and services to support the efficient movement of people and goods

92 strategic activities: 60 Green, 12 Amber/Green, 4 Amber/Red, 3 Red, 13 Not Started



Amber/  
Green



Strategic Activities	RAG	Updates
<p><b>3a</b> Facilitating development and the promotion of all transport modes across the LCR</p>	<p><b>Green</b></p>	<p>All the Service Level Activities that make up this Strategic Activity remain on track or have been delivered.</p> <p>Activities include the M53 Gorelink resurfacing project, short/medium term bus plan for Liverpool Waters and work on bus/rail service integration.</p>
<p><b>3b</b> Ensuring directly delivered services are managed in a safe, customer focused, value for money and sustainable manner</p>	<p><b>Amber/Red</b></p>	<p>This Strategic Activity remains at Amber/Red status due to resource availability and allocation.</p> <p>Challenges that resulted in the Red rating for delivery of the Capital Programme included both internal and external influences on resource availability.</p> <p>Despite these challenges, the schemes have commenced with timescales extended. All the schemes have now commenced and should be complete during 2019/20.</p> <p>With regard to Woodside regeneration, a Memorandum of Understanding has been shared with Wirral Officers but is still to be agreed. A new lease for the catering offer at Woodside has been agreed with a new arrangement being undertaken with a community interest company.</p>

Strategic Activities	RAG	Updates
<b>3c</b> Management of the Merseyrail concession and working with national rail operators to deliver high quality rail services	<b>Green</b>	<p>All Service Level Activities remain within the Green zone for this Strategic Activity.</p> <p>Merseyrail performance and Concession obligations are reviewed on a daily basis and are discussed with Merseyrail every period at an officer and director level. The MEL Annual Business Plan has been received and is being analysed. DfT has audited Merseytravel's management of the Concession and it gave a positive assessment with no actions or recommendations.</p>
<b>3d</b> Championing the LCR Bus Offer and working with operators to deliver high quality bus services	<b>Amber /Green</b>	<p>This Strategic Activity remains an Amber/Green, with the majority of Service Level Activities on target or are being delivered satisfactorily.</p> <p>The delayed work on the A59 schemes is now progressing with Liverpool CC and is expected to be delivered by February 2020.</p> <p>The scoping documents for the Self Help options in the Travel Centres have been completed and the requirement is larger than anticipated and further analysis will be undertaken for delivery during 2019/20.</p>
<b>3e</b> Contemporary and affordable ticketing	<b>Green</b>	<p>The rating for this Strategic Activity remains Green as the three Service Level Activities have been reviewed or are being delivered; namely, Ticket Barriers at the Ferries (not necessary), Legal support for ticketing project and SMART ticket development on Rail.</p>
<b>3f</b> Enhanced organisational and service performance and customer satisfaction	<b>Amber /Red</b>	<p>This Strategic Activity remains Amber/Green due to 2 activities not being delivered during the timescales both relating to the Asset Management Restructure.</p> <p>All other activities are being suitably delivered.</p>
<b>3g</b> Facilitating the development of integrated, sustainable transport modes	<b>Green</b>	<p>This Strategic Activity is being delivered appropriately with 4 activities relating to support not being started as substantial support was not necessary or the project not agreed to go forward.</p>

## **6. HUMAN RESOURCES**

6.1 Whilst HR implications may arise to ensure the delivery of the Corporate Plan and its Priorities, there are no direct HR implications as a consequence of this performance report.

6.2 However, depending on the feedback received, there may be HR issues that may need to be resolved to improve performance; for example, underperformance may have to be addressed through a reassignment of staff or the instigation of the performance improvement policy.

### **6.3 Physical Assets**

Whilst there may be Physical Asset issues as a result of the delivery of the Corporate Plan and its Priorities, there are no direct Physical Asset implications as a consequence of the delivery of this performance report.

### **6.4 Information Technology**

Whilst there may be IT issues as a result of the delivery of the Corporate Plan and its Priorities, there are no direct IT implications as a consequence of the delivery of this performance report.

## **7. RISKS AND MITIGATION**

7.1 While the report identifies a number of emerging risks to individual service performance, these were managed within the 2018/19 budget, service planning process and risk management process.

7.2 There were no emerging risks identified that would require changes to overall budgets for 2018/19 or needed further consideration apart from those activities that have been declared Red or Amber/Red.

## **8. EQUALITY AND DIVERSITY IMPLICATIONS**

There are no adverse implications arising directly from this report. Any decisions and policies adopted or changed in the discharge of these priorities or activities will each be subject to an Equality Impact Assessment (EIA).

## **9. COMMUNICATION ISSUES**

Communications and Stakeholder issues will be considered as part of the delivery of each of the Corporate Priorities.

## CONCLUSION

- 10.1 This report summarises performance in Quarter 4 of 2018/19 against the Corporate Plan Priorities and Key Performance Indicators supporting the application of effective evidence-based management of resources and increased focus on the delivery of corporate priorities.
- 10.2 Overall, progress is well on track or has been completed during the year, but it should be noted that comparison with previous quarterly performance data shows some areas of delivery taking a slight downward trajectory despite still maintaining good overall performance. Attention to the detailed delivery across all Service Areas is crucial to prevent any slippage.
- 10.3 Where there have been areas of underperformance against key strategic activities, actions have been put in place to address this and are summarised in the responses.
- 10.4 At the year end, financial performance against revenue spend showed a favourable variance as a result of one-off receipts and service underspends which reduced the call on reserves to support the revenue budget. Spend on the Capital programme was 58% of the budget set, however, some of the underspend related to rephrasing of schemes and slippage which have now been factored into revised estimates for 2019/20.

FRANK ROGERS  
Director General: Merseytravel

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### Appendices:

Appendix A – Detailed Revenue Spend Quarter 4

Appendix B – Capital spend against the capital programme in 2018/19

Appendix C – Corporate Plan Key Performance Indicators

### Background Documents:

Merseytravel Corporate Plan 2018-19