

**AT A MEETING OF THE WEST YORKSHIRE INTEGRATED TRANSPORT
AUTHORITY HELD IN WELLINGTON HOUSE ON
FRIDAY 12 FEBRUARY 2010**

PRESENT: Councillor R Downes (Chair)

Councillors T Brice, C Campbell, D Congreve, Y Crewe, E Firth,
C Greaves, A Hawkesworth, J Jarosz, S Khan, T Leadley, M Lyons,
R Pearson, A Pinnock, K Rhodes, P Wadsworth, M Walker, A Wallace
and K Watson

72. MRS M WALKER

The Chair reported on the recent death of Councillor Walker's wife, Margaret, and passed on the Authority's sincerest condolences to him.

73. NEW MEMBER

The Chair welcomed Councillor Yvonne Crewe to her first meeting.

74. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A Carter, G Lowe and D Robinson.

75. DECLARATIONS OF INTEREST

There were no personal or prejudicial interests declared by members at the meeting.

**76. MINUTES OF THE MEETINGS OF THE AUTHORITY HELD ON
20 NOVEMBER AND 11 DECEMBER 2009**

RESOLVED – That the minutes of the meetings of the Authority held on 20 November and 11 December 2009 be approved and signed by the Chair.

**77. MINUTES OF THE MEETINGS OF THE LOCAL TRANSPORT PLAN
STEERING GROUP HELD ON 18 NOVEMBER 2009 AND 20 JANUARY
2010**

RESOLVED – That the minutes of the meetings of the Local Transport Plan Steering Group held on 18 November 2009 and 20 January 2010 be noted.

78. MINUTES OF THE MEETINGS OF THE RAIL WORKING GROUP HELD ON 30 NOVEMBER 2009 AND 26 JANUARY 2010

RESOLVED – That the minutes of the meetings of the Rail Working Group held on 30 November 2009 and 26 January 2010 be noted.

79. MINUTES OF THE MEETING OF THE AUDIT & GOVERNANCE COMMITTEE HELD ON 15 DECEMBER 2009

RESOLVED – That the minutes of the meeting of the Audit & Governance Committee held on 15 December 2009 be noted.

80. MINUTES OF THE MEETING OF THE BUSINESS IMPROVEMENT GROUP HELD ON 15 DECEMBER 2009

RESOLVED – That the minutes of the meeting of the Business Improvement Group held on 15 December 2009 be noted.

81. MINUTES OF THE MEETINGS OF THE TENDERED SERVICES WORKING GROUP HELD ON 17 DECEMBER 2009 AND 8 JANUARY 2010

RESOLVED – That the minutes of the meetings of the Tendered Services Working Group held on 17 December 2009 and 8 January 2010 be noted.

82. MINUTES OF THE MEETINGS OF THE PASSENGER CONSULTATIVE COMMITTEES

RESOLVED –

- (a)** That the minutes of the meeting of the Calderdale Passenger Consultative Committee held on 18 December 2009 be noted.
- (b)** That the minutes of the meeting of the Calderdale Passenger Consultative Committee held on 12 January 2010 be noted.
- (c)** That the minutes of the meeting of the Kirklees Passenger Consultative Committee held on 13 January 2010 be noted.
- (d)** That the minutes of the meeting of the Wakefield Passenger Consultative Committee held on 14 January 2010 be noted.
- (e)** That the minutes of the meeting of the Bradford Passenger Consultative Committee held on 15 January 2010 be noted.
- (f)** That the minutes of the meeting of the Leeds Passenger Consultative Committee held on 18 January 2010 be noted.

83. MINUTES OF THE MEETING OF THE EXTERNAL FUNDING WORKING GROUP HELD ON 25 JANUARY 2010

RESOLVED – That the minutes of the meeting of the External Funding Working Group held on 25 January 2010 be noted.

84. AUTHORITY AND EXECUTIVE REVENUE BUDGET 2009/2010 AND 2010/2011

The Authority considered a report of the Chief Financial Officer and Director General on the 2009/2010 and 2010/2011 revenue budget.

In setting the budget for 2010/11 the Chairman commented that the recession had made for a difficult year for everyone, including Metro, who had risen to the challenge successfully. Metro had intervened in the deregistration of services by bus operators and had started work on developing a bus quality contract scheme; building work had commenced on a new bus station at Pudsey and that good progress had been made on a number of major scheme business cases, including NGT. Members were reminded, however, that there were still some big uncertainties ahead, particularly as 2010/11 was the final year of the three year concessionary fares agreement with the major bus operators. Members were advised that during the coming year the DfT would be commencing consultation on the funding and reimbursement of concessions from 2011 onwards and the outcome of that could have significant financial implications for the Authority. The budget for 2010/11 therefore sought to ensure that sufficient reserves were available to manage the situation.

The Chairman reminded members that at the December meeting consideration had been given as to how the current budget could be managed by increasing the levy by just 1%; this had, however, identified a need to make savings of up to £9m over the coming three years. Subsequently, the Association of West Yorkshire Authorities had requested that the Authority consider a nil levy increase which would have meant that savings of £12m were required, including £1.5m in 2010/11. In order to achieve such savings the Authority would have had to look at making cuts across all budget heads, including tendered services. Following further discussions the Authority succeeded in securing a half percent increase in the levy, thereby removing the need to find savings within the required tendered services budget. Savings of £1m would, however, still be required across the other budget heads in 2010/11. Reserves would also need to be used in both this year and next in order to balance the budget. The projected closing position reflected a realistic level of reserves to manage the uncertainties of concessionary fares.

The Chair concluded by saying that the budget as presented sought to place the Authority in a position where it could deliver its policies and continue to make a difference to the people of West Yorkshire whilst remaining mindful of the risks and challenges ahead.

In response to the proposed budget, Councillor Lyons commented on behalf of his group that whilst recognising the very real pressures on the Authority's budget and the need to make substantial savings over the next three years, it was their view that any increase in the rail concessions would seriously disadvantage many elderly and disabled people. The Labour Group indicated that if the required savings could not be achieved across all budget heads then the Authority's reserves should be used to manage savings and balance the budget.

As a result of recent changes on concessionary fares and fuel duty reimbursements on AccessBus services, the Labour Group proposed that the ITA should reinvest the savings created by expanding the service. This would address the growing demands being placed on the service in future years.

After discussion the motion was proposed by Councillor M Lyons and seconded by Councillor J Jarosz. A vote was then taken and the result was as follows:

For: 8
Against: 11

The motion was rejected.

A vote was then taken on the original budget presented to the Authority as detailed in the submitted report which was proposed by Councillor R Downes and seconded by Councillor C Greaves. The result was as follows:

For: 12
Against: 7

The motion was accepted.

RESOLVED –

(A) Revenue Budgets

- (i)** That the Authority's budget for 2009/2010 and 2010/2011, as detailed in the submitted report, be approved.
- (ii)** That the Executive's budget for 2009/2010 and 2010/2011, as detailed in the submitted report, be approved.
- (iii)** That the Passenger Transport Executive be authorised to use the Authority's grant in accordance with the capital and revenue budgets except that capital commitments and virements shall require the specific approval of the Authority, as defined in paragraph 2.35 of the submitted report.

(B) Levy

- (i) That, in accordance with the powers contained in the Local Government Finance Act 1988 (as amended) and the Transport Levying Bodies Regulations 1992, and having regard to the requirements of the Passenger Transport Authority, a levy of £96.55m be determined for the year ended 31 March 2011.
- (ii) That the Chief Financial Officer be authorised to issue the levy in respect of the financial year ending 31 March 2011 to the five District Councils in West Yorkshire.
- (iii) That the payment of the levy to each District Council on the basis of 10 equal consecutive monthly instalments commencing in April 2010 be approved.
- (iv) That a payment of £4.718m being made to the District Councils in accordance with the table detailed in paragraph 2.4 of the submitted report be approved.

(C) Revenue Grant to the Executive

- (i) That revenue grants up to the sum of £157.368m be made to the Passenger Transport Executive in 2010/2011 (to include the Government rail and rural bus grants, which were to be adjusted later to reflect the actual receipts by the Authority).
- (ii) That the Authority direct the Passenger Transport Executive under Section 11(3A) of the Transport Act 1968 to finance any deficit in 2010/2011 by an appropriation from their reserves.

(D) Capital Programme

- (i) That the position of the Local Transport Plan allocation be noted in relation to the Authority's schemes and that the Executive be authorised to explore other methods of supplementing LTP resources.
- (ii) That the Chief Financial Officer be authorised to arrange appropriate funding of all expenditure in 2009/2010 and 2010/2011, subject to statutory limitation and subsequent reporting back to the Authority.
- (iii) That no uncommitted capital schemes be commenced without prior approval of the Authority, who shall also determine the method of funding.

(E) Treasury Management

- (i) The adoption of the CIPFA Code of Practice for Treasury Management in Public Services be reaffirmed.

- (ii)** The Treasury Management policy, as detailed in Appendix B and Annex of the submitted report, be approved.

- (iii)** The overall capital programme and prudential limits for the next 3 years, as detailed in Appendix B of the submitted report, be adopted as follows:-
 - i** Operational Boundary as shown.
 - ii** Authorised Limit (Operational Boundary plus £10m)
 - iii** Maturity Loan structure as shown.
 - iv** A variable rate loan limit of 40%.
 - v** A fixed rate loan limit of 100%.

- (iv)** That the short-term investment criteria be reaffirmed.