

## AGENDA ITEM NO: 11b.

### WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

#### AT A MEETING OF THE CONCESSIONARY FARES WORKING GROUP HELD AT WELLINGTON HOUSE ON 31 JANUARY 2007

**PRESENT:** Councillor M Walker (Chair)

Councillors D Blackburn, B Hyde and J Jarosz

**Observers:** Councillors S King, G Wainwright and A Wallace

#### 11. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor McBride.

#### 12. DECLARATIONS OF INTEREST

Councillor Wainwright declared a personal interest in Agenda Item 4, First Appeal.

#### 13. MINUTES

**RESOLVED** - That the minutes of the meeting held on 11 September 2006 be approved.

#### 14. FIRST APPEAL

The Working Group were given a presentation on the outcome of the First Group Appeal against the West Yorkshire Concessionary Travel Scheme and Metro's reimbursement arrangements.

It was reported that the adjudicator had based his decision on the DfT toolkit approach, rather than the alternative DfT endorsed 'revenue displacement' method which had been used by Metro. He had upheld part of First's appeal and directed Metro to increase its budgeted payments to First in 2006/07 by £1.7 million. However, he also directed Metro to review the actual payment in light of journeys made by permit holders after the year end. The adjudicator rejected First's claim regarding the treatment of discounted fares and capacity issues, but considered that a different price elasticity should have been used.

It was noted that the overall financial impact of the determination had to be considered in conjunction with the changes in demand for concessionary travel. Further detailed analysis was required and it was not possible as yet to quantify the overall impact it would have on the budget for 2007/08 and the three year financial strategy. Work was being undertaken to identify

measures to manage overall expenditure within available resources. Members stressed the need to ensure that all West Yorkshire MPs, District Leaders and Chief Executives were aware of the outcome and the bearing this could have on future budgets.

Members were advised that Metro was examining the judgment and taking legal advice regarding the possibility of an appeal.

**RESOLVED -**

- (a) That officers be thanked for their presentation.
- (b) That a report be presented to the meeting of the Authority to be held on 9 February 2007.