

METRO'S FINANCIAL STATEMENT

Metro's Revenue Budgets

Metro continues to receive its funding via a mix of specific grants from the government and the levy from the five West Yorkshire District Councils, supplemented by income generation and the use of reserves. The forecast spend for 2007/08 and budget for 2008/09 are set out below.



Expenditure	Forecast Outturn 2007/08 £000	Original Estimate 2008/09 £000
Concessionary travel	40,100	46,400
Subsidised services	23,102	24,479
Passenger services	8,476	9,643
Prepaid tickets	27,500	29,500
Rail charges	67,718	69,749
Financing and pension charges	9,120	10,867
Central contingency	300	500
Other activities	7,770	6,290
Total Resources	184,086	197,428
Funded by:		
Transport levy	85,718	89,147
Bus and rail grants	68,786	70,817
Concessionary fares grants	1,639	8,667
Prepaid tickets	27,500	29,500
Use of reserves	443	-703
Net Costs	184,086	197,428

The biggest impact on the budgets for both these years has been caused by concessionary fares. The introduction of free local bus travel for senior citizens in April 2006, followed by the extension of this to a national scheme from April 2008, has increased the costs of reimbursement to operators. This has been funded partly by additional grants and by an increase in the levy. Uncertainties around the

reimbursement methodology for the national scheme, and the settlement of an appeal from a major operator, made it difficult to agree a longer-term financial strategy with the districts. The outcome was that a 4% increase in the levy was agreed for 2008/09 only and it was agreed that we would work closely together during 2008/09 to consider the strategy for the coming three years.

Capital Expenditure

The capital programme is designed to deliver the Local Transport Plan priorities. Separate funding is received for this in a combination of direct government grant and borrowing approvals, supplemented by third-party contributions.

2007/08 saw just under £9m expenditure on schemes such as FreeCityBus in

Wakefield, real-time displays at bus shelters, replacement AccessBuses and the final phase of Mybus. Some £13.5m of expenditure is planned for 2007/08 and includes bus stations at Brighouse and Pudsey, improved information at rail stations and further development work on New Generation Transport and Castleford Interchange.

