

**AT A MEETING OF THE WEST YORKSHIRE PASSENGER TRANSPORT
AUTHORITY HELD IN WELLINGTON HOUSE ON
FRIDAY 8 FEBRUARY 2008**

PRESENT: Councillor R Downes (Chair)

Councillors T Brice, C Campbell, A Carter, D Congreve, C Greaves,
K Hussain, J Jarosz, B Jennings, S Khan, J S King, T Leadley,
M Lyons, P McBride, G Phelps, K Rhodes, D Sheard, M Slater,
T Swift, G Wainwright, M Walker and A Wallace

87. MR J GUNNELL

Members were informed of the sad death of John Gunnell, the former MP for Morley and Rothwell and Leader of the West Yorkshire Metropolitan County Council and member of Leeds City Council. The Authority paid tribute to his tireless dedication and hard work and said he would be sadly missed by everyone who worked with him.

88. DECLARATIONS OF INTEREST

Councillors Congreve, Greaves and Khan declared personal interests in Minute 100 as they were members of the West Yorkshire Pension Fund.

**89. MINUTES OF THE MEETINGS OF THE AUTHORITY HELD ON
23 NOVEMBER AND 7 DECEMBER 2007**

RESOLVED - That the minutes of the meetings of the Authority held on 23 November and 7 December 2007 be approved and signed by the Chair.

**90. MINUTES OF THE MEETINGS OF THE APPOINTED MEMBERS HELD ON
16 NOVEMBER, 21 NOVEMBER AND 7 DECEMBER 2007**

RESOLVED - That the minutes of the meetings of the Appointed Members held on 16 November, 21 November and 7 December 2007 be approved and signed by the Chair.

**91. MINUTES OF THE SEMINAR ON SUPPORTING SUSTAINABLE
DEVELOPMENTS THROUGH INVESTMENT IN TRANSPORT HELD ON
4 DECEMBER 2007**

RESOLVED - That the minutes of the seminar on Supporting Sustainable Developments Through Investment In Transport held on 4 December 2007 be approved and signed by the Chair.

92. MINUTES OF THE MEETINGS OF THE LOCAL TRANSPORT PLAN STEERING GROUP HELD ON 22 NOVEMBER 2007 AND 23 JANUARY 2008

RESOLVED - That the minutes of the meetings of the Local Transport Plan Steering Group held on 22 November 2007 and 23 January 2008 be noted.

93. MINUTES OF THE MEETINGS OF THE TENDERED SERVICES WORKING GROUP HELD ON 4 DECEMBER 2007 AND 9 JANUARY 2008

The Authority were informed that Boxing Day services in Leeds and Huddersfield had proved to be very well used. The data, which had been received by the operators, was currently being analysed to assess the effectiveness of the routes provided. The results would be reported to the next meeting of the Tendered Services Working Group with recommendations for service delivery in 2008.

The Authority commented that every effort should be made to secure private sector funding. Comment was also made that consideration should be given to the environmental impact of running Boxing Day services. In this respect, the Chair reminded members that not only had services ran to the city/town centres for shopping services, they had also provided an invaluable service to local hospitals.

It was also reported that usage on the FreeCity/Town buses had been very disappointing and that it was extremely unlikely that the services would be provided on Boxing Day in the future.

RESOLVED - That the minutes of the meetings of the Tendered Services Working Group held on 4 December 2007 and 9 January 2008 be noted.

94. MINUTES OF THE MEETING OF THE CONCESSIONARY FARES WORKING GROUP HELD ON 9 JANUARY 2008

RESOLVED - That the minutes of the meeting of the Concessionary Fares Working Group held on 9 January 2008 be noted.

95. MINUTES OF THE PASSENGER CONSULTATIVE COMMITTEES

RESOLVED -

(a) That the minutes of the meeting of the Leeds Passenger Consultative Committee held on 14 January 2008 be noted.

(b) That the minutes of the meeting of the Calderdale Passenger Consultative Committee held on 15 January 2008 be noted.

- (c) That the minutes of the meeting of the Kirklees Passenger Consultative Committee held on 16 January 2008 be noted.
- (d) That the minutes of the meeting of the Wakefield Passenger Consultative Committee held on 17 January 2008 be noted.
- (e) That the minutes of the meeting of the Bradford Passenger Consultative Committee held on 18 January 2008 be noted.

96. MINUTES OF THE MEETING OF THE RAIL WORKING GROUP HELD ON 21 JANUARY 2008

RESOLVED - That the minutes of the meeting of the Rail Working Group held on 21 January 2008 be noted.

97. MINUTES OF THE MEETING OF THE DEVELOPMENT AND ENVIRONMENT WORKING GROUP HELD ON 28 JANUARY 2008

RESOLVED - That the minutes of the meeting of the Development and Environment Working Group held on 28 January 2008 be noted.

98. MINUTES OF THE MEETING OF THE EXTERNAL FUNDING WORKING GROUP HELD ON 29 JANUARY 2008

RESOLVED - That the minutes of the meeting of the External Funding Working Group held on 29 January 2008 be noted.

99. MINUTES OF THE MEETING OF THE BUSINESS IMPROVEMENT GROUP HELD ON 30 JANUARY 2008

RESOLVED - That the minutes of the meeting of the Business Improvement Group held on 30 January 2008 be noted.

100. AUTHORITY AND EXECUTIVE REVENUE BUDGET 2007/2008 AND 2008/2009

The Authority considered a report of the Chief Financial Officer and Director General on the 2007/2008 and 2008/2009 revenue budget.

In proposing the budget on behalf of the Pact, the Chair commented that the overall position for the Authority was considered at the pre-budget meeting when the 3 year financial strategy was discussed and at that meeting the strategy put forward continued the previously agreed approach, but also took into account the increasing complications surrounding the concessionary fares scheme. He went onto say that agreement had been reached with the

Districts with regard to the Levy, which had been set at 4%, which was slightly below the current increase in the level of RPI, but reflected the uncertainty concerning concessionary fare increases and other related risks. Members were made aware that if the forecasted trends of 8% did occur then rises in the Levy would have to significantly exceed the RPI in future years. In this respect, comment was made that the Government had provided an additional £212m to fund the additional elements of the scheme from 2008 and that the DfT had confirmed that the PTA's share would be paid as a direct grant to them.

With regard to revenue reserves, it was reported that previously the level of reserves had been maintained at £2m, which equated to approximately 5% of the Levy. However, it was recognised that with the increasing concessionary fares budget and its attendant uncertainties this would be insufficient in the future. Therefore, future levels of reserve had been reviewed and a sum of £6m was considered sufficient to cover all contingencies to March 2009, although it was stated that a further review would be undertaken in February 2009. Members were advised that the budget was still at risk in relation to concessionary fares payments, not only because of the outcome of the 2006 arbitrator's decision and indications that operators might oppose the 2008/2009 scheme, but also from the general changes to the countywide scheme in April 2008.

With regard to tendered services, the Chair commented that there was continuing concern over the national position where operators' costs were increasing significantly and that their tender submissions were rising by levels greater than the rate of inflation. The Tendered Services Working Group had continued to review tenders ensuring the Authority's criteria were applied and adjusting services to achieve best possible outcomes.

A review of the network was being conducted by the Tendered Services and Bus Working Groups to ensure that resources were efficiently deployed and to seek to develop the best possible network with the resources available.

The Chair reiterated that no services, which met the Authority's criteria had been lost and that there was a commitment to review other areas to determine if there were services that could be developed to a viable level of patronage to increase the network. In this respect, as part of the budget process, £500,000 had been put aside to support services on a 'use it or lose it' basis, particularly those marginal services that carried less than 6 passengers, but between 3 and 5 would be reviewed.

The Chair concluded his budget speech by referring to the current year's achievements, which included:-

- IIP Champion Status
- Guardian Top Employer Status 2007 for second year running
- Launch of the 150th MyBus
- Continued success of the FreeCity/Town buses in Huddersfield, Leeds and Wakefield

- Real time information
- Promotional campaign for concessionary fares scheme
- UK Bus and National Transport Awards

In response to the proposed budget, Councillor Lyons on behalf of the Labour Group welcomed the increase to the tendered services budget. However, it was his group's view that this should be boosted even further by using £500,000 from reserves for more tendered services and expanding the AccessBus and MyLocal services, particularly as the Government had given an additional £2m concessionary fares grant. It was also recommended that the budget should be revisited in 6 months (or at such a time when the Authority has a clearer picture with regard to concessionary fares) to see if further monies could be used from the reserves.

He commented that the continued reduction in tendered services had resulted in many parts of West Yorkshire not having a good reliable bus service because of the actions of operators and, as a consequence, many people were being socially excluded.

A vote was taken on the original budget proposal presented to members, as detailed in the submitted report, which was proposed by Councillor Downes and seconded by Councillor King. The vote was as follows:-

For	12
Against	10

A vote was then taken on the alternative proposals by Councillor Lyons and seconded by Councillor Phelps. The vote was as follows:-

For	10
Against	12

RESOLVED -

(A) Revenue Budgets

- (i) That the Authority's budget for 2007/2008 and 2008/2009, as detailed in the submitted report, be approved.
- (ii) That the Executive's budget for 2007/2008 and 2008/2009, as detailed in the submitted report, be approved.
- (iii) That the implications of the budget, as detailed in the submitted report, be noted.
- (iv) That the Passenger Transport Executive be authorised to use the Authority's grant in accordance with the Capital and Revenue budgets, subject to the provision that the following require the specific prior approval of the Authority, as defined in paragraph 11 of the submitted report:-

- All capital commitments.
- All virements as defined in 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 £93.492m be determined for the year ended 31 March 2009.
- (ii) That the Chief Financial Officer be authorised to issue the Levy in respect of the financial year ending 31 March 2009 to the five District Councils in West Yorkshire.
- (iii) That the payment of the levy be agreed with each District Council on the basis of 10 equal consecutive monthly instalments commencing in April 2008.
- (iv) That approval be given to a payment of £4.345m being made to the District Councils in accordance with the table set out in paragraph 3 of the submitted report.

(C) Revenue Grant to the Executive

- (i) That, in accordance with Section 4(i) Transport Act 1983, revenue grants up to the sum of £150.109m be made to the Passenger Transport Executive in 2008/2009 (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 2008/2009 by an appropriation from their reserves.

(D) Capital Programme

- (i) That the position of the local transport 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 2007/2008 and 2008/2009, subject to statutory limitation and subsequent reporting back to the Authority.
- (iii) That grants and other external funding be sought wherever possible to maximise funds available to the Authority.

- (iv) That no uncommitted capital schemes be commenced without prior approval of the Authority, who shall also determine the method of funding.

(E) Treasury Management

That in accordance with Appendix B of the submitted report:-

- (i) The adoption of the CIPFA Code of Practice for Treasury Management in Public Services be reaffirmed.
- (ii) The Treasury Management policy, as outlined in Appendix B of the submitted report, be approved.
- (iii) The overall capital programme and prudential limits for the next 3 years, as set out in Appendix B of the submitted report, be adopted as follows:-
 - i Operational Boundary as shown.
 - ii Authorised Limit as shown.
 - 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.

101. CAPITAL PROGRAMME

The Authority considered a report of the Passenger Transport Executive on the release of capital expenditure with regard to the following schemes.

RESOLVED - That the release of expenditure, as detailed in paragraph 2 of the submitted report, be approved.

Scheme	£
Shelter Programme 2008/2009	2,200,000
LTP Scheme Development	425,000
New Generation Transport	2,720,000