

**AT A MEETING OF THE WEST YORKSHIRE PASSENGER TRANSPORT
AUTHORITY HELD IN WELLINGTON HOUSE ON
FRIDAY 6 FEBRUARY 2009**

PRESENT: Councillor C Greaves (Chair)

Councillors M Bolt, T Brice, C Campbell, A Carter, D Congreve,
R Downes, E Firth, A Hawkesworth, G Hyde, J Jarosz, S Khan,
M Lyons, G Phelps, A Pinnock, K Rhodes, D Robinson, T Swift,
P Wadsworth and M Walker

72. DECLARATIONS OF INTEREST

Members declared the following personal interests:-

Name	Personal Interest
Cllr A Carter	Member of Regional Transport Board
Cllr E Firth	Member of West Yorkshire Pension Fund
Cllr C Greaves	Member of West Yorkshire Pension Fund
Cllr A Hawkesworth	Member of Regional Transport Board
Cllr S Khan	Member of West Yorkshire Pension Fund
Cllr G Phelps	Member of West Yorkshire Pension Fund

**73. MINUTES OF THE MEETINGS OF THE AUTHORITY HELD ON
21 NOVEMBER 2008 AND 12 DECEMBER 2008**

RESOLVED – That the minutes of the meetings of the Authority held on 21 November 2008 and 12 December 2008 be approved and signed by the Chair.

**74. MINUTES OF THE MEETINGS OF THE APPOINTED MEMBERS HELD ON
23 DECEMBER 2008 AND 29 JANUARY 2009**

RESOLVED – That the minutes of the meetings of the Appointed Members held on 23 December 2008 and 29 January 2009 be approved and signed by the Chair.

**75. MINUTES OF THE MEETING OF THE FACILITIES WORKING GROUP
HELD ON 12 NOVEMBER 2008**

The Authority suggested that a note be taken at future working group site visits in order that all members were informed of any decisions taken or issues which had arisen from the visit.

RESOLVED – That the minutes of the meeting of the Facilities Working Group held on 12 November 2008 be noted.

76. MINUTES OF THE MEETING OF THE EXTERNAL FUNDING WORKING GROUP HELD ON 13 NOVEMBER 2008

RESOLVED – That the minutes of the meeting of the External Funding Working Group held on 13 November 2008 be noted.

77. MINUTES OF THE MEETINGS OF THE LOCAL TRANSPORT PLAN STEERING GROUP HELD ON 17 NOVEMBER 2008 AND 8 DECEMBER 2008

RESOLVED – That the minutes of the meetings of the Local Transport Plan Steering Group held on 17 November 2008 and 8 December 2008 be noted.

78. MINUTES OF THE MEETINGS OF THE RAIL WORKING GROUP HELD ON 26 NOVEMBER 2008 AND 19 JANUARY 2009

RESOLVED – That the minutes of the meetings of the Rail Working Group held on 26 November 2008 and 19 January 2009 be noted.

79. MINUTES OF THE MEETINGS OF THE TENDERED SERVICES WORKING GROUP HELD ON 3 DECEMBER 2008 AND 7 JANUARY 2009

The Authority welcomed initial indications that Boxing Day services had been very well used with numbers increasing by almost one third in the Leeds area. Comment was made that further analysis of the services would be carried out and considered by the Tendered Services Working Group.

RESOLVED – That the minutes of the meetings of the Tendered Services Working Group held on 3 December 2008 and 7 January 2009 be noted.

80. MINUTES OF THE MEETING OF THE AUDIT & GOVERNANCE COMMITTEE HELD ON 16 DECEMBER 2008

With regard to the non-Executive Director posts, the Authority proposed that their role and purpose be reviewed. The Director General commented that it was considered good practice for the Executive decision making process to be challenged.

RESOLVED –

- (i) That the minutes of the meeting of the Audit & Governance Committee held on 16 December 2008 be noted.

- (ii) That, with regard to the non-Executive Directors, a report be prepared for a future meeting of the Audit & Governance Committee setting out the full implications and legal position.

81. MINUTES OF THE MEETING OF THE BUSINESS IMPROVEMENT GROUP HELD ON 16 DECEMBER 2008

RESOLVED – That the minutes of the meeting of the Business Improvement Group held on 16 December 2008 be noted.

82. MINUTES OF THE PASSENGER CONSULTATIVE COMMITTEES

RESOLVED –

With regard to Minute 14 of the Bradford Passenger Consultative Committee, the Authority sought clarification with regard to the timescales for the development of Low Moor station.

- (i) That the minutes of the meeting of the Leeds Passenger Consultative Committee held on 12 January 2009 be noted.
- (ii) That the minutes of the meeting of the Calderdale Passenger Consultative Committee held on 13 January 2009 be noted.
- (iii) That the minutes of the meeting of the Kirklees Passenger Consultative Committee held on 14 January 2009 be noted.
- (iv) That the minutes of the meeting of the Wakefield Passenger Consultative Committee held on 15 January 2009 be noted.
- (v) That the minutes of the meeting of the Bradford Passenger Consultative Committee held on 16 January 2009 be noted.

83. AUTHORITY AND EXECUTIVE REVENUE BUDGET 2008/2009 AND 2009/2010

The Authority considered a report of the Chief Financial Officer and Director General on the 2008/2009 and 2009/2010 revenue budget.

In setting the budget for 2009/10 the Chairman commented that the Authority was very mindful of the difficulties ahead but also recognised the problems faced by the Districts in the current economic climate. At the December meeting the Authority was advised that a levy increase of 3% was proposed to enable the Authority to continue to pursue its strategic aims and maintain reserves at an appropriate level to prepare for 2011/12. Subsequent to that meeting the Association of West Yorkshire Authorities had requested any levy increase be less than 3% and indicated that they supported a 2.5% increase

for 2009/10. The Chair commented that a 2.5% increase would still enable the Authority to maintain its focus on strategic transport planning although it would leave reserves significantly lower than those proposed in the 3 year strategy. He reported that the major area of risk in the Authority's budget continued to be concessionary fares. Take up of the free national scheme was still increasing and uncertainty around 2011/12 remained as there was no guarantee that the grant payment would be extended. There was also the risk that costs of concessionary travel would have risen faster than the RPI. He stressed that the 3 year strategy took a pragmatic approach to ensure that over the 3 years those costs could be addressed and some provision made in readiness for the position in 2011/12 and therefore a levy increase of only 2.5% increased the likelihood that there would be insufficient reserves to meet the challenge.

Tendered Services

The Chair commented on the challenges facing the Authority as the extent of the commercial network continued to decline leaving gaps in the bus network and reductions in service levels. He reminded members that at the budget briefing meeting they were advised of the proposed approach to address these problems and the extra £500,000 would be added to the Tendered Services budget.

The Chair went on to say that whilst the current 6 and 20 rule had worked well to date, it was a crude instrument to tackle the problem. Innovative solutions such as the Metrolocal pilot in Kirklees and the use it or lose it funding had provided some notable successes. The Tendered Services Working Group would be undertaking a fundamental review of tendered services and whether there were other innovative ways of protecting and enhancing the bus network in West Yorkshire. That review would consider opportunities for both supporting 'near' commercial services so that they became sustainable without subsidy as well as protecting services threatened with withdrawal due to increased operator costs in the short term. That approach would be to identify with operators potential new services initially funded by Metro but subsequently delivered on a commercial basis. The prospects to submit bids for Department for Transport Kickstart funding would also be explored. Mention was also made that Metro would also be considering the opportunities afforded by the Local Transport Bill for developing Statutory Quality Partnership schemes and Bus Quality contracts.

The Chair concluded his budget speech by referring to the current years achievements which included:-

- Awarded PTA of the year for the 4th time.
- IIP Champion status had been retained.
- Secured over £200m of funding for City Region schemes such as new generation transport.

In responding to the proposed budget Councillor Lyons commented on behalf of the Labour Group that whilst he supported the additional £500,000 and the

work which would be carried out by the Tendered Services Working Group to fund innovative ways of protecting and enhancing the bus network, it was his Group's view that the sum should be boosted by a further £500,000 by using underspend, some of which had already been identified and by asking officers to find appropriate other savings which would allow a real change to tendered services. He commented that over the last couple of years considerable commercial mileage has been lost creating gaps in the bus network.

After discussion a vote was taken on the alternative budget. The result was as follows:-

The motion proposed by Councillor Lyons and seconded by Councillor Phelps:-

For	10
Against	10

As there was an equality of votes the Chair exercised his casting vote and therefore 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 Greaves and seconded by Councillor Downes. The result was as follows:-

For	10
Abstentions	10

RESOLVED –

(A) Revenue Budgets

- (i)** That the Authority's budget for 2008/2009 and 2009/2010, as detailed in the submitted report, be approved.
- (ii)** That the Executive's budget for 2008/2009 and 2009/2010, as detailed in the submitted report, be approved.
- (iii)** That Capital Expenditure, as detailed in paragraph 2.35 of the submitted report be approved.
- (iv)** That the Passenger Transport Executive be authorised to use the Authority's grant in accordance with the Capital and Revenue budgets as set out in paragraph 2.37 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 £96.0m be determined for the year ended 31 March 2010.

- (ii) That the Chief Financial Officer be authorised to issue the Levy in respect of the financial year ending 31 March 2010 to the five District Councils in West Yorkshire.
- (iii) That the payment of the levy with each District Council on the basis of 10 equal consecutive monthly instalments commencing in April 2009 be approved.
- (iv) That a payment of £4.625m being made to the District Councils in accordance with the table detailed in paragraph 2.7 of the submitted report be approved.

(C) Revenue Grant to the Executive

- (i) That, in accordance with Section 4(i) Transport Act 1983, revenue grants up to the sum of £155.919m be made to the Passenger Transport Executive in 2009/2010 (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 2009/2010 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 2008/2009 and 2009/2010, 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 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.

84. STRATEGY UPDATE

The Authority considered a report of the Passenger Transport Executive giving an update on strategic issues.

The Local Transport Act 2008

It was reported that the Local Transport Act received Royal Assent on 26 November 2008. The Authority were informed that provisions of the Act would come into effect through various orders on appointed days. On 9 February 2009, the six English Passenger Transport Authorities would become Integrated Transport Authorities and the Authority would be renamed 'West Yorkshire Integrated Transport Authority'.

Comment was made that the Act presented substantial opportunities to better respond to the needs of transport users across the City Region. Members were informed that work was progressing in relation to Statutory Quality Partnerships and Quality Contracts. Work was also being undertaken through pteg and the PTA Special Interest Group to understand how ITAs could best pursue other opportunities including well-being powers, freight responsibilities and climate change obligations. They were advised that all work which was being developed would be overseen by the appropriate Working Groups and that in addition seminars would be arranged for members to develop strategy and implementation plans.

Local Government Bill

It was reported that the Local Democracy, Economic Development and Construction Bill had recently been introduced into the House of Lords. Members were advised that the provisions of the Bill placed a duty on local authorities to consult ITAs in the preparation of the new economic assessment and the inclusion of ITAs as partners in the new statutory MAAs. There were also provisions relating to the establishment of combined authorities with responsibilities relating to transport. However, it was unclear how these would impact on existing integrated transport areas and clarification was currently being sought.

The Bill would be monitored during the parliamentary process and further reports would be brought to the Authority.

Regional Funding Allocations

The Authority were informed that at a recent meeting of the Regional Transport Board they had agreed the following in respect of West Yorkshire and the wider City Region.

- All the current schemes in the existing programme had been re-endorsed
- To prioritise funding for Leeds New Generation Transport (NGT) Phase 2 - £99m
- To transfer £98m from the RFA to uplift the Local Transport Plan (LTP) Block Allocations (about £37m for the West Yorkshire LTP Partnership spread over 3 years (2009/10 – 2011/12))
- A reserve list of regional schemes to take up any further headroom that may emerge up to 2019. The reserve list included all Leeds City Region schemes prioritised by city region partners from the 62 new schemes submitted.

RESOLVED – That the report be noted.

85. EXCLUSION OF THE PRESS AND PUBLIC

The Authority considered a recommendation to exclude the press and public from Agenda Item 16 which contained exempt information as defined in paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Schedule 12A to the Local Government Act 1972.

RESOLVED – That, as disclosure of the report could prejudice future negotiations on bus station leases, the press and public be now excluded from Agenda Item 16.

86. NEW LEASE UNIT ONE – DEWSBURY BUS STATION

The Authority considered a report of the Passenger Transport Executive on proposed terms for the lease in respect of Unit One at Dewsbury Bus Station.

RESOLVED –

- (i) That approval be given to the granting of a 5 year lease to W H Smith PLC, subject to the terms outlined in paragraph 3.3 of the submitted report.

- (ii)** That the Passenger Transport Executive be authorised to complete the necessary documentation.