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# Tyne and Wear Passenger Transport Authority

8 February 2006  
(10.30am – 11.55am)

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**Present:** Councillor D Wood (in the Chair)

**Councillors:** Bollands, Clare, Green, Hanson, Hodson, Lawson, Alan Ord, David Ord, Shipley, Sleightholme and P Wood

**In Attendance:** I Stratford, P Woods, S Ovens, P Fenwick, P Hedley, C Warren, J Curran

**Representing Nexus:** M Parker, B Garner, S Atkinson, K MacKay, L Robinson

## 72. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors O'Shea, Watson and Keating.

## 73. **DECLARATIONS OF INTEREST**

Councillors Hanson, Bollands, P Wood and Sleightholme declared personal interests in Agenda Item 4 (in respect of concessionary travel).

## 74. **COUNCILLOR ALAN ORD**

The Chairman welcomed Councillor Alan Ord to the meeting, following his absence due to ill health.

## 75. **MINUTES**

- (i) The minutes of the meeting held on the 24 November 2005 were confirmed as a correct record subject to the inclusion of Councillor Shipley in the list of those present and signed by the Chairman.

### **Matters Arising:-**

- (a) Rail Issues Update

(Minute 57 refers)

Councillor Lawson welcomed the fact that the Office of the Rail Regulator had indicated he was allowing Grand Central Train Services to operate a regular service from Sunderland to London. This had been very well received in Sunderland and would be of great benefit to the city. He regretted the attitude of GNER since this announcement and questioned the level of their service provision to the North East generally. He wished to record his thanks to members of the Passenger Transport Authority for their support during the campaign in support of the Grand Central bid.

Councillor P Wood endorsed these comments and welcomed the link and the benefits to the region generally.

In response to a members query, the Director General explained that a report would be submitted to the Authority once the statement had been received from the DFT on the regional planning assessment for the North East. Members needed to be aware of the DFT report in order to have a meaningful and informed debate. He understood this to be imminent and hoped to be able to report to the March meeting.

In response to a query on the works to Pelaw Metro, K MacKay indicated that these would be completed by early 2007 and undertook to confirm with the member the exact date following the meeting.

- (b) The minutes of the Special Meeting held on 15 December 2005 were confirmed as a correct record and signed by the Chair.
- (c) The notes of the PTA Policy Seminar of the 15 December 2005 were received for information.

#### **Matters Arising:-**

The Task and Finish Group were currently discussing the issue of smartcards. The last meeting of this group was to take place later this month and a report would be produced for the March meeting of the PTA with a more detailed report to the April Policy Seminar which would form the basis of future consultations.

#### **76. FINANCIAL STRATEGY 2006/7 – 2008/9**

Submitted: Joint Report of the Deputy Clerk and Treasurer (PTA) and the Director of Finance and Administration Nexus (copies attached to Official Minutes).

P Woods introduced the report which asked the Authority to consider the draft budget for 2006/7, set its levy for 2006/7 and agree a revenue grant for Nexus for 2006/7. He drew the members attention to the debate in the House of Commons on the 6 February 2006 regarding the RSG settlement and the local government Minister's statement that the proposals relating to the concessionary travel scheme for elderly and disabled people had "not been found to be particularly unfair to any type of authority". The statement had also indicated that discussions were ongoing about the position in Tyne and Wear.

S Atkinson then drew members' attention to issues relating to the Nexus budget and the likely cost of the introduction of concessionary travel for elderly and disabled people.

The Director General gave details of the lobbying which had gone on in the eight months since the Chancellor's announcement and outlined the main areas where it was proposed that savings would be made.

Following this introduction, members raised the following questions:-

**Questions/Comments:**

- A member expressed his concern about the dramatic impact of the introduction of the concessionary travel for elderly and disabled people in Tyne and Wear and he queried whether and legally it was necessary to set a budget at this meeting.

S Ovens explained that legally the PTA was obliged to fix and issue the levy to the district councils by the 15 February 2006. He went on to explain why it was also important from an operational point of view that the decision should be made without further delay. P Woods added it was important for district councils to know what their contribution to the PTA was for the provision of public transport as soon as possible.

- In addition, the Authority had to set a level of overall budget which could be transferred to Nexus. There was not a great deal of flexibility in terms of time, as for example Nexus would need to undertake a range of administrative and marketing tasks associated with the introduction of new ticket/card schemes.
- A member expressed a sense of frustration at the Government's inadequate response to the lengthy and complicated lobbying process which members and officers had carried out. He wished to place on record members' appreciation of the considerable efforts of P Woods and S Atkinson to highlight the problems which the new scheme presented to Tyne and Wear in particular and to other PTA areas in general.
- Members also appreciated the lobbying by Tyne and Wear MPs, the Chair and Vice-Chairs of the Authority, the Director General and Officers.
- It was important to send a clear message to Government that other services would have to be cut in order to achieve a balanced budget. Members urged Government to revisit the issue.
- Whilst accepting that the scheme had been introduced with the best of interests, a member commented that in view of the flawed funding formula which accompanied it, it may be more appropriate to withdraw the whole scheme until the situation was resolved nationally.
- In response to a query about the proposed new 'gold card', S Atkinson could not predict the likely take up of the card and felt that it was unlikely that the revenue from this scheme would have a significant impact on the £5.4million deficit.

- The Director General confirmed that the concessionary travel scheme did contain an exemption for those travelling to medical appointments.
- Otherwise there would be no free travel before 9.30am.
- P Woods confirmed that following today's decision there would be no further adjustment to the levy; any further monies should they be forthcoming from Government would be by means of grant to the authority.
- A member referred to the statement made by the Government that the concessionary travel scheme should have "no unintended consequences" and the statement made in the House of Commons on the 6 February indicating that discussions regarding the Tyne and Wear position were continuing, and he asked whether information should be sought about these discussions.
- The Chairman reported that a meeting had been held the previous week with the Local Government Minister at which the figures produced by the Authority illustrating the impact on Tyne and Wear had been accepted without question. This was contrary to the Minister's statement in the House on the 6 February. A member suggested that a question should be sent to the Minister requesting the evidence base for this statement under the Freedom of Information Act.
- The Director General went on to explain that the Minister had on previous occasions confirmed that Nexus had presented a very strong case. He confirmed that the figures had never been queried and referred to a specific television interview given by the Minister confirming this, a transcript of which had been obtained.
- Members expressed serious concern about the impact of the proposals on young people and student's travel in the area and a member queried whether there was a possibility of any contribution from the LSC.
- The Director General had spoken to all the principals of further education institutions and the Chief Executive of the LSC and they were preparing their own lobby to Government on this issue.
- Councillor P Wood expressed particular concern about the reduction in travel for young people and the proposed 12% reduction in the secured bus services. He was particularly concerned as there was no indication as this stage as to which services would be cut. He hoped that other ways could be found to achieve the necessary reductions.
- He pointed out that the package put forward in the report differentiated between the different modes of transport and represented a very complicated fare structure. Was it possible to simplify this?
- The Chairman explained that the bus services were secured on formula basis, i.e. according to need.

- The concessionary travel scheme applied only to buses and would, if there had been no free scheme, have a significant impact on the Metro services in terms of loss of patronage. Therefore the proposals included, therefore, a charge of £8 per annum and a special facility for those wishing to take advantage of free travel on the Metro and heavy rail.
- A member queried the cost of extending free travel to ferry.
- The recommendations had been drawn up so as to have the least impact on the authority's objective of promoting social inclusion.

### **Conclusion**

In conclusion, the Chairman made the following points:-

1. He agreed to contact the Local Government Minister as soon as possible requesting the evidence base for the statement made in the House of Commons on the 6 February; and
2. He suggested adding a recommendation that if the Authority was at any time in the future in a position of obtaining further monies, they should be used to meet any cuts in services which would be agreed today.

The recommendations below were agreed unanimously except for those marked \* which were agreed by 10 votes to 1

#### **RESOLVED – That:-**

- (i) The PTA and Nexus gross revenue budgets for 2006/7 be approved;
- (ii) A levy of £65,057,000 be approved for 2006/7:
  - The levy to be apportioned between the 5 district councils in accordance with the Transport Levying Bodies Regulations 1992 made under the Local Government Act 1988, which used the June 2004 population estimates as the basis of the levy allocation; and
  - Districts to pay in 12 equal instalments, each instalment to be received by the Treasurer on or before the last working day of each month.
- (iii) Approval be given to the amount of revenue grant to Nexus from the levy for 2006/7 of £61.058million as illustrated in Appendix B to the report.
- (iv) The implications of the prudential framework outlined within the report and set out in a separate report on the capital programme, be noted.

- (v) Approval be given to the budget reductions as set out in Appendix C to the report, with an implementation date of 1 August 2006 for changes to the teen travel scheme.
- \*(vi) Approval be given to introducing the annual pass at a cost of £8 for free travel for the elderly and disabled on Metro and heavy rail (between Newcastle and Sunderland).
- \*(vii) The use of £2million of Nexus revenue reserves to help balance the 2006/7 budget be noted and approval be given to the transfer of £1million of PTA reserves to help fund the delayed implementation of the teen travel cut and contribution towards the capital programme.
- (viii) The Chairman to contact the local government Minister requesting background information to the statement made in the House of Commons that the proposals were not unfair to any type of authority.
- (ix) If at any time in the future, further monies became available to the authority, they be used to meet the cuts which had been agreed today.

#### 77. **CAPITAL PROGRAMME 2006/7 – 2008/9**

Submitted: Joint report of the Deputy Clerk and Treasurer (PTA) and the Director of Finance and Administration Nexus (copies attached to Official Minutes).

S Atkinson produced the report which sought approval for capital programme for 2006/7 in the light of expected funding available and outlined some allocations for 2007/8 and 2008/9.

In response to query on the work to the Galleries Interchange, B Garner explained that this work would proceed and was funded by prudential borrowing and he expected the work would begin on site in August and take approximately one year to complete.

A member welcomed planned improvements to Felling Station and Bridge. The Sunderland Station refurbishment work was also welcomed.

#### **RESOLVED** – That:-

- (i) the capital programme and funding for 2006/7 as described in the report, be approved, subject to confirmation of available funding;
- (ii) the provisional scheme allocations for 2007/8 and 2008/9 be noted; and
- (iii) the prudential indicators for 2006/7 and the prudential borrowing as described in Appendix C to the report, be approved.

78. **LTP SETTLEMENT 2006/7**

Submitted: Report of the Director General (copies attached to Official Minutes).

B Garner introduced the report which followed on from the initial information presented to the December meeting. The PTA's full allocation was 10% less than the amount received for the previous year. In response to a query, B Garner explained that the central issue for the Joint Lead Member Transport Group was to ensure delivery improvements cross all elements of the programme, with particular reference to bus priorities which was key for the PTA.

An action plan would be produced in due course.

**RESOLVED** – That the report be received and noted.

79. **TAXING PUBLIC TRANSPORT BENEFITS**

Submitted: Report of the Director General (copies attached to Official Minutes).

The Chairman explained for information that the issue had been raised with A Darling M.P. who was to take the matter up with the Chancellor. He also intended to raise the matter at the Special Interest Group meeting on 1st March 2006.

**RESOLVED** – That:-

- (i) the report be received and noted;
- (ii) the Clerk be instructed to make representation to the Chancellor to remove public transport perquisites provided by employers from the category of taxable benefits.

80. **NEW TYNE CROSSING - UPDATE**

Submitted: Report of the Project Director (copies attached to Official Minutes).

A Court date had now been received for the hearing of the challenge from Mr Brian Atkinson who had appeared as an objector at the Public Enquiry. It was hoped that this matter would be resolved by mid-May. However judgement may not be given immediately and could be reserved for 4-6 weeks after the hearing.

There were now three confirmed bidders for the post of Concessionaire. One bidder had now withdrawn. The bidding documentation had been circulated and he expected to bring a report to the November PTA on the results of the evaluation and how to move forward from that stage.

**RESOLVED** – That the progress made on the development of the project be noted.

81. **PTA MEMBERS' STUDY VISIT TO DUBLIN 28/29 NOVEMBER 2005**

Submitted: Report of the Chair of the Authority (copies attached to Official Minutes).

Members felt this had been a very worthwhile visit and represented excellent value for money. There were important lessons to be learned in terms of a publicly regulated transport system.

**RESOLVED** – That the report be received and noted.

82. **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** - That the press and public be excluded from the meeting during consideration of the Confidential Minutes and following item on the grounds indicated.

**Business**

**Paragraph of Schedule 12A to  
the Local Government Act 1972**

Confidential Personnel Item

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