

DRAFT
Minutes of the
West of England Combined
Authority Committee Adjourned until
14th June 2022, Thursday, 26 May
2022

Members:

Metro Mayor Dan Norris, West of England Combined Authority
Cllr Kevin Guy, Bath & North East Somerset Council
Cllr Toby Savage, South Gloucestershire Council

1	<p>WELCOME AND INTRODUCTION</p> <p>The Chair welcomed attendees to the meeting and introduced the members of the committee.</p>
2	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Mayor Marvin Rees. Councillor Craig Cheney attended the meeting as a substitute.</p>
3	<p>DECLARATIONS OF INTEREST UNDER THE LOCALISM ACTION 2011</p> <p>There were none.</p>
4	<p>CHAIR ANNOUNCEMENTS</p> <p>There were none.</p>
5	<p>ITEMS FROM THE PUBLIC</p> <p>The Chair then advised that 5 statements had been received in advance of the meeting. The statements had been circulated to committee members and were available to view on the Combined Authority web site.</p> <p>The following members of the public attended the meeting and addressed the Committee for up to three minutes each:</p> <ol style="list-style-type: none"> 1. Christina Briggs 2. David Redgewell 3. Brendon Taylor 4. Cllr Tim Rippington <p>The Chair invited Richard Bonner (LEP Board Chair) to address the Committee with his statement (attached as Appendix 1 to these minutes). Richard Bonner invited the Committee to support provision of additional funding to preserve current buss services as much as possible in order to help support citizens’ jobs and services, to work with unions and business on which bus services may be affected, and to engage with citizens and principal stakeholders to manage implications of mitigations measures.</p> <p>The Chair invited Councillor Winston Duguid, Chair of the Overview and Scrutiny Committee, to address the Committee. Councillor Duguid commented that walking, cycling and traveling by bus was essential in reducing car usage in the area, and asked the Committee to come up with a solution, even if that would be short term solution.</p> <p>The Chair thanked everyone who has submitted a statement by saying that all the comments have been noted and would be taken into account by the Committee today.</p>
	<p>APPENDIX 1</p>
6	<p>TRANSPORT LEVY</p> <p>The Chair introduced the report by saying that, like most combined authorities, the West of England have received its funding for running supported bus services from its constituent councils in the form of a Transport Levy. The Levy was agreed between the various parties when all the bus service contracts, and other bus-related functions were transferred to the</p>

Combined Authority in 2020. Unfortunately, inflationary pressures particularly from driver shortages and fuel price increases have resulted in a significant rise in tender prices for supported services contracts.

This report has followed the tender process for the financially supported bus service contracts across the region. It also followed previous reports in January and April which sought to enable the Combined Authority, as the Local Transport Authority, to award new contracts for bus services through appropriate delegations.

The recommendations set out in the report have included a full range of funding options and each has had a direct consequence for bus services currently running.

The Chair informed the meeting that voting arrangements on this item required majority of present Committee members, or their substitutes, and excluded Metro Mayor.

The Chair asked for mover and seconder on one of the options in the report recommendations.

There were no movers and seconders for any of the options in the report recommendations.

Councillor Kevin Guy moved the following motion:

The Combined Authority Resolves:

- 1) To negotiate extension of all the existing contracts by 12 months (in conjunction with consistent Councils), in order to provide the time to complete the required review and to delegate to the Combined Authority Chief Executive, in consultation with the Unitary Authority Chief Executives, the review and authority to conduct a negotiated procurement for 2023/24 and beyond.
- 2) To meet the increased costs implication of 12-month extension of contracts (from September 2022) and newly commissioned service provision from September 2023/24, in line with the funding principles agreed by the Chief Finance Officers from constituent Councils.
- 3) That the Combined Authority S151 officer, in consultation with the Unitary Authority s151 officers, undertakes a comprehensive review into principles of setting the transport levy for 2023/24 and for future years, and to report back to the committee as part of the Unitary Authorities budget setting decision.

Councillor Toby Savage seconded the motion.

Councillor Kevin Guy outlined the following draft funding principles (as agreed by UA s151 officers).

The funding principles – 1 year extension all services:

1. Prior year and in year underspend / headroom on the transport levy inc. concessionary fares budgets and transport smoothing reserve is held to mitigate bus contract pressures.
2. Any income from bus services not assumed in the contract price should be earmarked to reduce the call on the constituent Councils.
3. Net increases above mitigation 1 & 2 above (having been satisfactorily exhausted) will be underwritten by constituent Councils as a one-off pressure, addressed via the budget monitoring report to Cabinet or their emergency decision / urgency provisions under the constitution.

The funding principles – newly commissioned service (following negotiated procurement):

1. Other appropriate WECA funding mechanisms including BSIP (utilised for improvements) &

Investment fund (utilised to aid economic recovery) are identified and allocated as appropriate within the negotiations or financial mitigations.

2. Ongoing annual underspends on concessionary fares from patronage below 2019/20 levels is committed to fund supported busses pressures.

3. Any income from bus services not assumed in the contract price should be earmarked to reduce the call on the constituent Councils.

4. Net increases above annual inflation of 2% to the Levy after WECA mitigations above (1-2 & 4-6) having been satisfactorily exhausted), will be considered and put forward by constituent Councils as part of their annual budget setting as a budget growth requirement.

At this point of the meeting the Chair proposed for the meeting to be adjourned and held at later date so he and West of England Combined Authority officers could consider implications of the motion and its funding principles.

Meeting adjourned at 4.10pm on 26th May 2022.

The meeting reconvened at 2:00pm on Tuesday 14 June 2022 in the Council Chamber at Bath Guildhall. Due to ongoing discussions the meeting commenced at 6:18pm

Present:

Metro Mayor Dan Norris (West of England Combined Authority)

Councillor Toby Savage (South Gloucestershire Council)

Councillor Kevin Guy (Bath & North East Somerset Council).

On resumption the previous motion as moved by Councillor Kevin Guy (as outlined above) was withdrawn.

A new motion was moved by Metro Mayor Dan Norris and seconded by Councillor Toby Savage. The motion was welcomed by both Councillor Guy and Councillor Savage who stated that this reassured bus users that services would be protected.

Upon voting it was unanimously

Agreed:

The **Combined Authority Resolves:**

1. To seek to negotiate extension of existing contracts by 7 months (in conjunction with constituent Councils), in order to provide the time to complete an urgent network review. The Combined Authority holds the client function and commissions external consultants. This is to be completed by July 2022. The Committee agrees to delegate to the Combined Authority Chief Executive in consultation with UA Chief Executives, the review and authority to conduct a procurement for where services commence in April 2023 to April 2027 in line with the principles set out below in "**B – Long term**".

2. To meet the costs implication of a 7 month extension of contracts from September 2022 and newly commissioned service provision from April 2023/24, in line with the funding principles "**A - short term**".

3. That governance arrangements and a media protocol are developed to oversee and support this area of work going forward and to delegate to the Combined Authority Chief Executive in consultation with the UA Chief Executives, the development and implementation of these arrangements.

A – Short term for the 7 month extension

To meet the costs of extension of contracts from Sept 22 to April 2023

1. The Combined Authority will fund supported services until April 2023, provided that

they under 40ppj, within the funding available from the underspend, until such funds are exhausted.

2. Because there are different issues with the timing of contracts and services, any school services will be treated separately. The Combined Authority will fund selected school services for the academic year Sept-July. All school services where support ends will be offered mitigations.
3. Net increases above exhausting the transport underspend and any possible efficiencies as identified by the combined authority CEO, will be underwritten by constituent Councils as a one-off pressure, addressed via the budget monitoring report to Cabinet or their emergency decision / urgency provisions under the constitution.
4. Individual UAs can at their discretion provide additional funds for specific services above the £40ppj level in their areas – council and third-party financial contributions to be based on proportionate benefit to individual authority areas, capped to £160k in total. This will be specifically applied to services: 626, 680, 948.

B Long term. The funding principles – newly commissioned service (following negotiated procurement):

1. Undertake a network review by the end of July/August to establish which services should be supported for transport or wider social reasons taking into account the resources available through both the Transport levy (for existing services) and BSIP grant (for new services).
2. That the Combined Authority tender for a 4 year service on a on a best basis value which will include services on a gross basis starting from April 2023
3. We agree the principle of a value for money mechanism and that the detailed criteria over the funding of services should be developed alongside the network review to inform the selection of services which begin in April 2023.
4. That the Combined Authority retains the smoothing reserve for future unexpected issues; but at the end of each financial year, if it is not exhausted, it is reviewed and kept at the appropriate level and spent on the following year's supported services as required
5. That the fare box income is reinvested in routes and not used to reduce the transport levy.
6. That the BSIP money will be used only on enhanced and new routes as per government guidelines but that opportunities to relax the approach to BSIP funding be explored with DfT and government.
7. That use of Investment fund (utilised to aid economic recovery) within the terms within which it is awarded, where there is appropriate business case it will be actively explored.

8. That ongoing annual underspends on concessionary fares is committed to fund supported busses pressures year on year.
9. In principle we agree to the transport levy will rise by the preceding December CPI inflation as a planning assumption or an uplift as agreed each year following the independent network review, this will be part of the budget planning process within the unitary authorities.
10. Net increases above exhausting 4-8 will be underwritten by constituent Councils via additional transport levy voted on at a Combined Authority meeting, this will be part of the unitary authorities budget setting processes and considered in line with other priorities before the commencement of the next financial year. Six month break clauses to be negotiated with bus companies where possible to allow services which have become less viable to be reviewed and support ended at the January meeting. The Combined Authority will coordinate with Unitary Authorities to bring proposals regarding increases to the Transport Levy to the Combined Authority Committee ahead of the annual budget cycle.

Signed:

Date:

APPENDIX ONE – PUBLIC STATEMENT

APPENDIX TWO – PUBLIC QUESTIONS WITH ANSWERS