

SHEFFIELD CITY REGION COMBINED AUTHORITY

THE AMP TECHNOLOGY CENTRE, WAVERLEY, ROTHERHAM, S60 5WG

MINUTES OF THE MEETING HELD ON 1 FEBRUARY 2016

PRESENT:

Councillor John Burrows, Chesterfield BC (in the Chair)

Councillor Graham Baxter MBE, North East Derbyshire DC

Councillor Chris Read, Rotherham MBC

Councillor Julie Dore, Sheffield CC

Councillor Simon Greaves, Bassetlaw DC

Mayor Ros Jones, Doncaster MBC

Councillor Jim Andrews BEM, Barnsley MBC

Councillor John Ritchie, Bolsover District Council

Ruth Adams, SCR Executive Team

David Armiger, Bassetlaw District Council

Fiona Boden, SCR Executive Team

Huw Bowen, Chesterfield BC

Dorcas Bunton, Derbyshire Dales DC

Peter Dale, Doncaster MBC

Steve Edwards, SYPTE

Andrew Gates, SCR Executive Team

Julie Hurley, SCR Executive Team

Sharon Kemp, Rotherham MBC

Julie Kenny CBE, Rotherham MBC

John Mothersole, Sheffield CC

Martin McCarthy, Deputy Monitoring Officer

Kate Platts, SYPTE

Andrew Shirt, Joint Authorities Governance Unit

Ben Still, SCR Executive Team

Daniel Swaine, Bolsover DC / NE Derbyshire DC

Eugene Walker, S.151 Officer

Apologies for absence were received from Councillor S Houghton CBE, Councillor A Syrett, Councillor A Rhodes, Councillor L Rose, A Frosdick, J Miller, N Taylor, D Terris and C Tyler

1 APOLOGIES

Members' apologies were noted as above.

2 ANNOUNCEMENTS

None requested.

3 URGENT ITEMS

None requested.

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

None noted.

5 VOTING RIGHTS FOR NON-CONSTITUENT MEMBERS

It was confirmed that voting rights could not be conferred in respect of agenda item 13 as the requirement to set the South Yorkshire Transport Levy was a matter for South Yorkshire Local Authorities only.

6 DECLARATIONS OF INTEREST BY INDIVIDUAL MEMBERS IN RELATION TO ANY ITEM OF BUSINESS ON THE AGENDA

None noted.

7 REPORTS FROM AND QUESTIONS BY MEMBERS

None noted.

8 RECEIPT OF PETITIONS

None received.

9 PUBLIC QUESTIONS

The Chair welcomed members of the public present and agreed to receive questions relating to the 2016/17 budget setting process (referenced at item 13: 'Combined Authority Transport Levy and SYPTTE Budget 2016/17').

All Members of the CA acknowledged that they had received and read the questions submitted.

Tony Nuttall, Barnsley Retirees Action Group (affiliated to National Pensioners Convention) asked:

"What impact does this committee think that the change of rail franchise referred to have on the rail concessions for elderly and disabled pass holders?"

“There has been reference to the Rail Administration Grant received from DfT to: ‘secure, monitor, advertise and carry out administrative tasks connected with the provision of railway passenger services’. There has also been reference to “The DfT Rail North Partnership agreeing to provide this grant (approx. £1.2m) to SYPTE for 2016/17.”

And

“Does this cover the cost of continuing the rail concessions for elderly and disabled pass holders when Arriva Rail North takes over the franchise? Is it possible to extend that concession for the elderly so that half price travel is available into West Yorkshire again?”

“There has been information that the concessionary fare budget is estimated to underspend by 6% or £2million do councillors agree that the half price travel on trains into West Yorkshire or even the previous situation of free train travel for the elderly is quite easily attainable given that the budget for April 2014 said that the cost of free train travel in both South and West Yorkshire for elderly and disabled pass holders would have been just over £300,000 and there is obviously a cost for the present arrangement?”

The Chair responded:

Dear Mr Nuttall

Thank you for your question in relation to concessionary rail travel and matters relating to the rail administration grant and the change in rail franchise.

Rail Franchise

As you are aware, the Government has announced that it intends to award the Northern Franchise to Arriva Rail North Ltd and the TransPennine Express Franchise to First TransPennine Express Ltd. The rail concessions that currently exist in South Yorkshire will continue post April, when the franchises commence. These two new franchises will bring with them a circa £1.2 billion boost to rail services in and around the Sheffield City Region.

Rail Administration Grant

The Rail Administration Grant received from DfT does not fund rail concessions for the elderly and disabled. The provision of this fund will therefore not impact or fund the concessions provided in South Yorkshire during 2016/17.

Concessionary Rail Travel

The annual funding levy for public transport services in South Yorkshire has reduced by £29m (29%) over the last five years and it is essential that SYPTE's reserves are used in a sustainable way to balance local transport needs with the pressure to reduce overall expenditure. Any underspend to the concessionary budget in this financial year can therefore not be used as suggested to fund either half price or free train travel into West Yorkshire as it would contravene the SCR

Combined Authority/SYPTE's obligation to set a sustainable multi-year budget. This money will be used to support an ongoing reduction in the transport levy.

The changes to the discretionary senior concessions that SYPTE provides were necessary in order to achieve a 10% budget reduction in the 2014/15 budget.

I hope this answers your questions.

Alan Trickett from South Yorkshire Freedom Riders asked:

"As the financial report shows that the total SYPTE budget is likely to be underspent for the year by 3% and the budget for concessions will be underspent by 6% does the committee agree that it is possible to return to the situation that elderly bus pass holders in South Yorkshire could have the previous concession of using their passes from 9am restored"?

"This is of great concern to a number of us in different areas where bus travel is restricted because bus services are not very frequent. Some elderly people are not able to access a bus from their area until well into the morning whereas previously they could use a bus that runs between 9 and 9.30am."

The Chair responded:

Dear Mr Trickett

Thank you for your question regarding elderly concessionary fares.

I can advise that changes to concessionary travel arrangements passed by Sheffield City Region's Transport Committee in 2014 are not able to be reversed. The changes to the discretionary senior concessions that SYPTE provides were necessary in order to achieve a 10% budget reduction in the 2014/15 budget.

The annual funding levy for public transport services in South Yorkshire has reduced by £29m (29%) over the last five years and it is essential that SYPTE's reserves are used in a sustainable way to balance local transport needs with the pressure to reduce overall expenditure.

Any underspend to the concessionary budget in this financial year can, therefore, not be used as suggested as it would contravene the SCR Combined Authority/SYPTE's obligation to set a sustainable multi-year budget. This money will be used to support an ongoing reduction in the transport levy.

I appreciate that the budget paper presented at Transport Committee in January shows an underspend but the process for reimbursing public transport operators for the revenue they forgo by charging concessionary fares is complex and follows principles laid down by Parliament. Variations in these payments depend on the number of journeys made and changes in the fares charged by operators. SYPTE needs to make assumptions about these changes when it sets its budget. It is only when SYPTE has received claims from operators for the whole year that we know for sure how much we need to pay. Following recent improvements in how SYPTE

models its concessionary budget we would not expect to see an underspend in future years.

I hope this answers your question.

Sharron Milsom, Sheffield Freedom Riders asked:

“The changes made to Sheffield buses, including a 10% cut in the bus network, have resulted in chaos in the city and continuing difficulties for passengers, including disabled people and pensioners. A consultation has now been done in Doncaster for changes to bus services. What percentage cut do the Doncaster proposals represent? And what percentage is anticipated for Barnsley and Rotherham?”

“The Sheffield consultation has been accepted as being inadequate. What specific improvements have been/are being included in the consultations in other parts of South Yorkshire? In particular, have any improvements been made as regards consulting with disabled people and pensioners?”

“The budget for 2016/17 includes a saving of £1,750,000 for ‘Demand Reductions.’ Does this include any provision for expected reductions in demand resulting from the cuts to the network?”

The Chair responded:

Dear Ms Milsom

Thank you for your question regarding the Bus Partnership Network Consultations.

The Doncaster Bus Partnership consultation closed just before Christmas and the analysis and network design is still ongoing. The launch of Barnsley Bus Partnership is planned for later this year. Recommendations from both these projects will be presented in due course. The Rotherham Bus Partnership was launched in July 2014.

I can advise that there are no plans to formally undertake any future consultation regarding the Sheffield Bus Network, however Sheffield Bus Partnership is working together to make positive service changes to the network and it is encouraging to see that punctuality has improved.

Using feedback from passengers and journey data recorded on-board, we have identified specific problems, altered timetables and introduced extra buses where needed as a direct result. We expect these further timetable adjustments to better co-ordinate more journeys and, together with the changes already made, improve service delivery across the network overall.

With regards to the consultations undertaken, it is worth noting that without the voluntary bus partnership model operators are under no obligation to consult regarding service changes.

As advised at the SCR Transport Committee, the bus partnership model continues to be reviewed and improved through lessons learnt. A number of these lessons have already been implemented in the recent Doncaster Bus Partnership consultation with an increase in the consultation period from four weeks to six.

In relation to improvements to consult with pensioners and disabled people, there is already a lot of targeted work that happens. All groups are sent paper copies and offered assistance with taking part. All materials offer people the opportunity to ring Traveline in order to receive assistance and this offer has been taken up on many occasions. In response to customer feedback following the Sheffield consultation in Doncaster, we increased the paper copies and posters available in local libraries and increased posters and maps on display in the Interchange.

The savings of £1,750,000 for 'Demand Reductions' that you refer to reflects the continuing trend of falling demand for existing concessionary payments. This reduction is reflected in next year's budget.

I hope this answers your questions.

George Arthur from Barnsley NUT retired members section asked:

"Given that there have been great inadequacies with the last consultations that have been carried out about transport arrangements in South Yorkshire, will this Combined Authority undertake to make sure that any future changes to concessions and transport arrangements are organised in a way that allows the largest number of people to know what is being proposed and to consult in a meaningful way? To illustrate past problems: consultations have not been broadcast in Barnsley's main newspaper, the Barnsley Chronicle, until the Freedom Riders issued a press release; consultations at interchanges were initially organised at a time when elderly bus pass holders could not arrive using their passes until the Freedom Riders asked for these times to be extended; large posters were not put up in interchanges advertising the consultation; the last consultation asked people to decide which group deserved priority out of elderly, disabled and young; other questions also tried to force people to decide on cuts rather than really consulting with people; no public meetings were organised to which people could come and discuss properly what was wanted".

"Given the large budget underspend by the SYPTE for the second year running will this Combined Authority instruct officials to draw up a new proposal that will allow concessions enjoyed by the elderly up until March 31st 2014 to be restored?"

The Chair responded:

Dear Mr Arthur

Thank you for your question regarding consultations and concessionary travel arrangements.

Consultation

We do recognise that any consultation has its limitations, but in this case SYPTE believes that the consultation exercise undertaken was appropriate in the circumstances.

This year we did advertise in the Metro and issued several media releases alongside stakeholder engagement, drop in events and posters in interchanges. This attracted a response from 2437 people across South Yorkshire.

Concessionary Travel

The changes to the discretionary senior concessions that SYPTE provides were necessary in order to achieve a 10% budget reduction in the 2014/15 budget.

The annual funding levy for public transport support services in South Yorkshire has reduced by £29m (29%) over the last five years and it is essential that SYPTE's reserves are used in a sustainable way to balance local transport needs with the pressure to reduce overall expenditure.

I hope this answers your questions.

The Chair invited members of the public to respond to the points raised in the representations.

It was confirmed that full responses would be provided in writing.

The Chair thanked the members of the public for attending and for their representations.

RESOLVED – That Combined Authority Members instruct the PTE Executive Director to respond in writing to the questions posed at the meeting.

10 MINUTES OF THE MEETING HELD ON 7TH DECEMBER 2015

R Adams referred to Minute 19 'Social Inclusion and Equalities Advisory Board,' informing Members that confirmation regarding the Board's membership had been requested and was currently awaited.

RESOLVED – That the minutes of the meeting of the Combined Authority held on 7th December 2015 were agreed to be an accurate record of the meeting.

11 DEVOLUTION - CONSULTATION UPDATE

Members were presented with a summary of the headline findings from feedback received on the Sheffield City Region's proposed Devolution Deal.

A total of 244 consultation responses had been received from residents and businesses within the Sheffield City Region, which had broadly supported the proposed Devolution Deal.

It was noted that a paper would be circulated to Members shortly, setting out further details of all the feedback received.

RESOLVED – That the Combined Authority Members noted the presentation.

12 DEVOLUTION UPDATE

A paper was received to provide Members with a summary on the progress made in taking forward the Sheffield City Region's (SCR's) proposed Devolution Deal in December and January.

A summary of key progress on the workstream themes was set out in the paper along with current issues which had been identified regarding consultation and governance.

The paper identified the next steps to take forward the proposed Deal including the indicative timetable for its ratification.

RESOLVED – That the Combined Authority Members note the work undertaken to date and proposed next steps.

13 COMBINED AUTHORITY TRANSPORT LEVY AND SYPTE BUDGET

A paper was presented to Members regarding the South Yorkshire districts' requirement to agree a transport levy for 2016/17, with this levy funding the transport activities of the Combined Authority principally through resourcing the grant paid to South Yorkshire Passenger Transport Executive (SYPTE).

To meet statutory requirements, the levy would need to be approved at the 2nd February CA leaders' meeting.

It was noted that reflecting resource pressures across local government, the South Yorkshire Local Authorities had asked Combined Authority finance officers and SYPTE to draw up proposals to reduce the levy by 10% on the 2015/16 figure.

The report therefore presented a mixture of policy choices, efficiency savings and special capital financing measures to reach a 10% reduced levy of £60.5m for 2016/17.

Mayor Jones referred to one of the policy change proposals to increase the child concessionary fare from 70p to 80p, asking if further details could be provided regarding the proposal to introduce SMART enabled value for money commercial travel products for young people.

S Edwards reported that SYPTE was currently working with TravelMaster to launch a weekly multi-operator value for money SMART enabled commercial travel product, designed to help minimise the impact of the fare increase on young people and their families. It was highlighted that this product would offer better value for money, rather than purchasing individual single fare tickets for a significant number of children. Additionally, a range of single operator value for money tickets were also readily available.

RESOLVED – That the Combined Authority Members:-

- i) Agreed the proposed Combined Authority Transport levy be set at £60.5m for 2016/17;
- ii) Noted that this levy was supported by £7.4m of reserves, representing 53% of all the savings required to achieve the 10% reduction; and
- iii) Noted that the proposed levy was contingent on the implementation of the policy choices referred to in the paper, including a 10p increase on Child Concessionary Fares.

14 CA/LEP REVENUE BUDGET PROPOSALS

A paper was presented providing CA Members with an overview of the current shape of the CA/LEP revenue budget proposals for 2016/17, without taking account of a potential Devolution Deal. Further budget proposals were being considered separately to enable officers to produce a budget should a Devolution Deal be reached.

Members noted that the budget proposals outlined in the paper would resource each of the Executive Board's Business Plans. Resource pressures associated with delivery of the capital and revenue programmes and the development of the SEP had also been identified, noting that these pressures had been partly off-set by forecast increased income, albeit not completely.

Members were advised that currently, proposals suggested that subscriptions would need to rise by £1.3m to resource activity. £1m of this related to the adoption of the Transport Hub previously paid for through the South Yorkshire transport levy. The transfer reduced the cost of SYPTE to South Yorkshire partners, resulting in a net-nil cost overall for those authorities, apart from the North Midlands partners.

It was noted that CA Finance officers were working with the SCR Executive to identify mitigations that would allow them to proceed to budget without raising subscriptions overall.

A composite revenue budget and capital programme would be presented to Leaders in March, alongside the CA's Business Plans to show how the Financial Plan would support the delivery of the SEP.

RESOLVED – That Combined Authority Members:-

- i) Noted that the budget proposals did not include Devolution funded activity;
- ii) Noted that current proposals would require £1.3m of additional resource, £1m of which related to costs previously funded by the South Yorkshire transport levy;
- iii) Noted that the CA was committed to finding ways to mitigate calls on partners for increased subscriptions; and

- iv) Noted that a more thorough report linked to the Capital Programme and Business Plans would be presented for approval on the 14th March.

15 QUARTER 3 REVENUE AND CAPITAL PROGRAMME MONITORING

A paper was presented setting out the CA's revenue budgets and capital programmes at the end of Quarter 3 of financial year 2015/16.

At Quarter 3 the CA/LEP budget was forecast to underspend by £303k up by £146k on the previous quarter. It was noted that this was primarily due to delayed recruitment into roles associated with the delivery of revenue programmes. This underspend was against a target underspend of £116k, required to build up a revenue reserve for the CA/LEP.

Members were informed that the South Yorkshire Transport budget remained on course to underspend by circa £400k, principally due to better than anticipated investment income generated.

At Quarter 3 capital expenditure on the CA's directly controlled schemes remained low at £1.4m from a budget of £39m. CA Finance officers remained in dialogue with Government with regards to the forecast capital underspend.

The paper also asked Members to support a recommendation to vire £225k of funding from STEP to SCRIF to support better oversight of the SCC Grey-to-Green scheme previously funded by both funding streams.

Members asked if future budget reports could be simplified to aid Members' understanding. E Walker acknowledged Members' request.

RESOLVED – That Combined Authority Members:-

- i) Noted the forecast underspend of c. £303k on the CA/LEP budget;
- ii) Noted the forecast underspend of c. £400k on the South Yorkshire Transport budget;
- iii) Noted the continued slow pace of expenditure on the capital programme; and
- iv) Approved the virement of £225k from the STEP funding stream to SCRIF.

16 FINANCIAL REGULATIONS

A paper was presented proposing changes to the CA's authorisation of expenditure approval matrix to reflect the new SCR Director and Head of Service hierarchies. Expenditure up to a value of £250k would fall to be approved by Heads of Service and/or Directors who lead on each work stream.

Members were made aware that the matrix related to approving payments on the CA's financial system, rather than more fundamental decisions on expenditure taken by Leaders and the proper officers.

It was noted that the proposed move would reduce reliance on the Head of Paid Service and Director of Finance to approve expenditure and better align expenditure decisions to those individuals who hold direct budget responsibility.

RESOLVED – That Combined Authority Members endorse the Director of Finance’s proposed changes to the CA’s Financial Regulations authorisation of expenditure matrix for transactional processing within the financial system.

17 SUMMARY REPORT - BUSINESS GROWTH EXECUTIVE BOARD

The Summary report from the SCR Business Growth Executive Board was received.

The resolutions made by the Board were duly noted and agreed by the CA.

18 SUMMARY REPORT - HOUSING EXECUTIVE BOARD

The Summary report from the SCR Housing Executive Board was received.

The resolutions made by the Board were duly noted and agreed by the CA.

19 PROPOSITION FOR HOUSING FUND UPDATE

A Summary report around the development of a Housing Capital Programme was received from the SCR Housing Executive Board.

The resolutions made by the Board were duly noted and agreed by the CA.

20 SUMMARY REPORT - SKILLS, EMPLOYMENT AND EDUCATION EXECUTIVE BOARD

The Summary report from the SCR Skills, Employment and Education Executive Board was received.

The resolutions made by the Board were duly noted and agreed by the CA.

21 SUMMARY REPORT - TRANSPORT EXECUTIVE BOARD

The Summary report from the SCR Transport Executive Board was received.

The resolutions made by the Board were duly noted and agreed by the CA.

22 RAIL NORTH UPDATE

Members noted that the Department for Transport had announced that Arriva had been awarded the Northern franchise from April 2016 until March 2025. Arriva had announced that it would remove old Pacer trains by the end of 2019 with new carriages.

Members felt that it was important for the Combined Authority to write to Government expressing its concerns that the new carriages were to be built in Europe and not in the UK.

On a separate issue, Members commented that the Combined Authority should also write to Government with an alternative arrangement regarding the Government's plans to close the Department for Business Innovation and Skills office in Sheffield by 2018.

RESOLVED – That Combined Authority Members:-

- i) Noted the verbal update;
- ii) Agreed that the CA writes to Government expressing its concerns regarding new carriages being built in Europe and not in the UK; and
- iii) Agreed that the CA writes to Government offering an alternative arrangement regarding its plans to close the Department for Business Innovation and Skills office in Sheffield by 2018.

23 TRANSPORT FOR THE NORTH UPDATE

A paper was received to provide an update to the Combined Authority on the progress of the Transport for the North (TfN) project.

Members noted that amendments to the 'Cities and Local Government Devolution Bill' would establish TfN as a statutory body by March 2017. The Autumn Statement confirmed that TfN would receive £50 million over five years to develop the organisation and build an investment programme.

TfN consists of 9 interdependent workstreams, covering specific modes and areas of activity. The SCR has representation on all of the workstreams, ensuring that the SCR's interests are communicated to inform the development of each workstream output.

The SCR position/ask for each workstream was outlined in the paper for Members' information.

RESOLVED – That Combined Authority Members:-

- i) Noted the progress being made on TfN; and
- ii) Noted the aspiration of the Sheffield City Region for each workstream.

24 SUMMARY REPORT - INFRASTRUCTURE EXECUTIVE BOARD

The Summary report from the SCR Infrastructure Executive Board was received.

The resolutions made by the Board were duly noted and agreed by the CA.

CHAIR