

**MINUTES OF THE MEETING OF THE
FINANCE, RESOURCES, AND CORPORATE COMMITTEE
HELD ON TUESDAY, 12 JULY 2022 AT LARGE MEETING ROOM,
WELLINGTON HOUSE, 40-50 WELLINGTON ST, LEEDS, LS1 2DE**

Present:

Mayor Tracy Brabin (Chair)	West Yorkshire Combined Authority
Mandy Ridyard (Substitute)	LEP Board
Councillor James Lewis	Leeds City Council
Councillor Matthew Morley (Substitute)	Wakefield Council
Councillor Jane Scullion (Substitute)	Calderdale Council

In attendance:

Ben Still	West Yorkshire Combined Authority
Melanie Corcoran	West Yorkshire Combined Authority
Dave Pearson	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

1. Apologies for Absence

Apologies were received from Councillor Hinchliffe, Councillor Jeffery, Councillor Pandor, Councillor Swift and Mark Roberts.

2. Declarations of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

3. Exempt Information - Possible Exclusion of the Press and Public

There was no information that required the exclusion of the press and public.

4. Minutes of the Meeting held on 8 June

That the minutes of the last meeting be approved.

5. Governance Arrangements

The Committee considered a report that provided the governance arrangements approved at the Combined Authority held on 23 June and members welcomed Mandy Ridyard to the Committee.

Resolved: That the governance arrangements be noted.

6. Financial Performance Report

Members considered a report that presented the final outturn position for Revenue and Capital budgets 2021/22.

The financial year 2021/22 had been closed and a surplus of £2.8 million reported. Members noted that the surplus was primarily due to salary savings and underspend within the concessionary travel budget due to the slow recovery of bus patronage in the region.

At its February 2022 meeting the Combined Authority approved in principle a ringfenced reserve with part of the forecast underspend. Now that the year-end figures were finalised it was proposed that £2 million be transferred into a reserve for public transport support.

Members noted an overspend on tendered services and a thorough review was to be carried out to ensure budgetary monitoring was robust considering the increased volatility of the transport budgets post covid.

Members expressed concern that the pothole fund showing significant underspend. It was noted that there had been a delay in the monitoring returns from the local authorities and it was expected that the allocations would be spent in full.

Resolved:

- (i) That the financial position as reported be noted.
- (ii) That the transfer of £2 million into a ringfenced reserve for public transport support as set out in paragraph 2.3 be approved.

7. Inflationary Pressures on Capital Programmes

Members considered a report that set out the current position regarding escalating costs across capital programmes and the impact of inflationary pressures.

Members discussed option 5 as set out in the submitted report which proposed to stop projects which were at risk of not being delivered in a reasonable timetable, had affordability issues, or were not aligned with sustainability priorities. This option would prevent further costs being spent on development of projects which were high risk and would allow funding that had been indicatively allocated to return and reduce funding pressures overall.

It was noted that a full review of infrastructure schemes across all capital programmes would be necessary to finalise which projects should be paused. It was emphasised that any revaluation exercise would not impinge delivery.

Members emphasised the need for a fair and equitable discussion with all partners over projects at risk because of inflationary pressures.

Members asked about the City Region Sustainable Transport Settlement (CRSTS) and whether it was forthcoming. It was noted that the first tranche of payment for 2022/23 had been received and the Combined Authority was pressing ahead with approvals but awaiting a decision from Government regarding the funding for future years.

Members asked about the possibility of revaluing Combined Authority land assets to find funding or change the depreciation policy to provide greater flexibility when trying to balance the 2022/23 budgets and officers agreed to include this in the budget options being developed.

Resolved:

- (i) That the option 5 outlined in the submitted report on the preferred way forward to address overprogramming and rising inflation costs be agreed.
- (ii) The Committee agreed that some projects are at risk of not being delivered due to affordability, deliverability, or strategic alignment.
- (iii) The Committee agreed that review meetings be held with each partner to allow for a review of all schemes delivered by each partner across the portfolio.
- (iv) The Committee agreed that the scoring criteria for scoring projects be based on deliverability, affordability, and strategic fit/ sustainable travel.

8. Bus Service Revenue Funding and Expenditure

The Committee considered a report which provided an update on the current financial pressures impacting spend on bus services.

Members noted that Government funding for bus operators would end in October and that the Combined Authority's concessionary fare payment to operators would transition back to being based on actual passenger numbers, as opposed to a three year forecast made prior to the pandemic.

Members discussed the network sustainability review and the estimate that up to 62 routes could be adversely affected when government funding ended in October. Members asked for an indication of where the routes were likely to be and noted that they were routes not currently generating sufficient revenue and therefore being supported by the Combined Authority.

The case had been made to operators to wait until the Bus Services Improvement Plan funding was available which would provide an opportunity to grow the bus network.

Regular updates on bus expenditure and funding pressures would be brought to committee members.

Resolved: That the position on bus service and concessionary fare spending and the actions taken to mitigate the budgetary position be noted.