

**Merseyside Passenger Transport Authority**

**17 October 2005**

Present: Councillor M Dowd, Chair

Councillors R Abbey, P Allen, R Crummie, A Dean,  
J A Dodd, T Hargreaves, D Knowles, A Makinson, P Millea,  
D Mitchell, K M<sup>c</sup>Glashan, J M<sup>c</sup>Kelvie, R E Roberts and  
D Sumner.

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Apologies for absence were submitted by  
Councillor J Spriggs (Vice Chair), R Johnston,  
L M<sup>c</sup>Guire, Mr D Callan and Ms C Roberts.

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34 to 38 (Other items)

39. **Exclusion of the Press and Public**

**Resolved** that under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that it involves the disclosure of exempt information (Commercially Confidential) as defined in paragraph 9 of Part 1 of Schedule 12A of the Act.

40. **Merseytram Line 1: Update on Progress**  
(CX/88/05)

The Authority received a presentation by the Chief Executive and gave consideration to report CX/88/05 Merseytram Line 1, Update on Progress previously circulated at the Authority meeting on 10 October 2005.

Reference was made by Councillor Millea to a letter received from the Department for Transport by Liverpool City Council and Knowsley Metropolitan Borough Council and a number of conditions listed in the letter.

Clarification was sought as to the understanding of the DfT of the under writing by the districts of monies and the level of contingency.

The Chief Executive acknowledged receipt of the letter on Friday and had raised similar concerns with the author who had agreed to issue a

new letter confirming the position which would be circulated to members and would reflect the discussion as member and officers understood it.

A further meeting was to be held with the Department of Transport on 19 October 2005.

P Millea also addressed Jim Barclay, as the Authority's Responsible Finance Officer, as to whether all the risks had been covered. Jim Barclay replied that he believed that the main risks identified from the project at the time the report was written were all articulated in the report but that there would be a further financial report in two weeks at the proposed Extra Ordinary Authority Meeting, updating members on developments and the main financial implications from the project. Councillor M<sup>c</sup>Kelvie raised her concerns with regard to the report, its recommendations and the level of long term financial commitment that Members were being asked to support. Councillor M<sup>c</sup>Kelvie gave notice that she would wish to move an amendment to the recommendation which had been submitted to the Clerk but which required a seconder from the Members.

No seconder came forward therefore in accordance with Standing Orders the Amendment could not be considered.

During the continuing debate a number of Members indicated that they would be abstaining from the vote due to concerns over the proposals, following discussions with District colleagues.

Members from Liverpool indicated that although questions of clarification had been sought they would be supporting the proposals for the tram as they had continued to do, as they were confident in the responses and assurances given.

**MOTION** by Chair duly seconded.

That:-

- (a) members note and approve the decision to proceed to commercial close on the terms set out in report CX/88/05;
- (b) in particular, Members note and approve the expenditure by the Executive on mobilisation and preparatory works by M-Pact and Bombardier and advance utilities works referred to in paragraphs 3.13 to 3.15 of the report;
- (c) members note that the terms of the grant arrangements with Department for Transport and the Government Office for the North West, leasing arrangements with the RBS\* Merseytram Partnership, highways and implementation agreements with Liverpool City Council and Knowsley Metropolitan Borough

Council and any consequential amendments to the documents approved at commercial close have still to be agreed before documents becomes unconditional;

(\* Royal Bank of Scotland)

- (d) the Chief Executive of the Authority be given delegated powers to negotiate and finalise the terms for funding of Line 1 project with the Department for Transport, Government Office for North West, European Commission, North West Regional Development Agency, Royal Bank of Scotland, Fortis Bank and any of the Merseyside Metropolitan District Authorities or any other source of funding he may consider appropriate but subject to the final approval of the Executive Board and Merseyside Passenger Transport Authority to the terms of the same and to the documents being executed on commercial close accordingly becoming unconditional;
- (e) the Director of Resources be authorised to negotiate and execute a facility for up to £40 million with Barclays Bank plc to be used to fund expenditure on the Merseytram Line 1 project and
- (f) the Chief Executive accordingly report back to the Authority on progress made with finalising the matters to be settled before financial close at an Extraordinary meeting of the Authority to be held on 31 October 2005 and seek approval of the Members of the Authority before proceedings to financial close.

The Motion was then put and a vote taken, the motion was carried by 9 votes in favour, 1 vote against (with 5 abstentions) and it was Resolved Accordingly.

CHAIR

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