

## **Extraordinary Cabinet**

**10 December 2024**

(2.00pm)

Meeting held in: Swan/Parsons Room, Newcastle City Council Civic Centre

### **Minutes**

**Present:** Mayor Kim McGuinness (Chair)  
Martin Brookes  
Councillor Jane Carter  
Councillor Martin Gannon  
Councillor Amanda Hopgood  
Councillor Karen Kilgour  
Councillor Michael Mordey  
Dame Norma Redfearn DBE  
Councillor Glen Sanderson

#### **C53/12/24 Apologies for Absence and Substitutes**

Apologies for absence were received from:  
Councillor Tracey Dixon. Councillor Jane Carter attended the meeting as her substitute.

#### **C54/12/24 Declarations of Interest**

There were no declarations of interest.

#### **C55/12/24 Exclusion of Press and Public**

**Resolved** that, by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, press and public be excluded because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

#### **C56/12/24 North East Bus Service Improvement Plan – Bus Fare Cap**

Cabinet received a report that provided the background to the Governments, October 2024 budget, where it announced that the national bus fare cap would increase from £2 to £3 from the 1 January 2025.

The report set out how the impact of a potential 50% increase for some passengers could be limited in the region and implementing a local fare cap of £2.50 on all adult single bus fares would help limit costs and support the wider agenda over key issues such as child poverty.

Funding for the local fare cap would be funded partly from the current BSIP (Bus Service Improvement Plan) budget and partly from the additional BSIP funding that had been announced for FY2025/26. The cap would be in addition to the existing range of BSIP capped fares that had been in place since 2023 and feature in the Capped Fare Scheme as part of the North East Enhanced Bus Partnership.

It was highlighted that not all bus passengers using adult single tickets would experience price increases to £3; however, many would, exposing them to increased personal cost.

In the North East CA region, the £2 price cap has existed alongside a series of locally implemented and funded fares introduced through a mechanism known as a Capped Fares Scheme. The Capped Fares Scheme was a statutory arrangement allowing a maximum fare to be implemented and reimbursement agreements entered into with the bus operators. Participation in the scheme was voluntary and reimbursement was on the principle of “no better, no worse”, allowing operators to receive compensation for the “shadow fare” they would have charged if the scheme was not in place.

Cabinet was informed of the range of products within the region’s Capped Fare Scheme with associated funding and informed that operators would offer commercial fares below £2.50 for shorter journeys where appropriate.

Cabinet fully debated the options and implications within the report.

**Resolved** that:

1. the proposal to cap adult single bus fares in the North East Combined Authority area at £2.50 from 1 January 2025 until 31 December 2025, funded from £6.083m of total available BSIP revenue funding be Agreed.
2. delegated authority be granted to the Chief Executive, in consultation with the Mayor, Monitoring Officer and Chief Finance Officer to enter into associated reimbursement arrangements with bus operators for implementation of this fare cap.
3. delegated authority be granted to the Chief Executive to approve and publish the updated Capped Fare Scheme