

Minutes

07 Jul 2013, 10.30am

Meeting title/subject: Bus & Coach Q6 Consultation

Meeting location: Dubai, Compass Centre

Present:

Colin Fox (HAL)

Andy Cameron (HAL)

Luke Marion (OC)

Bruce Alexander (NE)

Andrew Taylor (First)

Aramide Adeboye (HAL)

Sarah Strange (HAL)

Stephen Smith (CPT)

Neel Gohil (HAL)

<i>Description:</i>	<i>Action</i>	<i>Status</i>
Welcome and Introductions CF welcomed everyone to the meeting and gave a presentation outlining Central Bus Charges cost Review. <i>Updated presentation circulated with the minutes.</i>		
Review cost lines		
The Group reviewed the costs lines in the presentation. ACTION: HAL to confirm the management fee element of the contract with National Express. There was a discussion on the costs allocation methodology, as presented. Members of the Group asked HAL to consider other cost allocation methodologies, specifically 'total number of movements' as an alternative to 'bay allocation'.	NG	
Proposed Charges		
The Group reviewed the proposed charges in the presentation. It was noted that the public buses movement was based on bussing timetables. The Group noted HAL's proposal of £8.54 per movement from 1 April 2014, and commented that this was a significant increase on the current price of £2.81. BA asked whether any charges were levied on public buses, CF responded that a notional adjustment was made for public buses. HAL acknowledged the emotive impact of increased prices and reiterated that for all of Q5 the Bus & Coach movement charge had been significantly below cost recovery and that the intention was to set charges at a level to recover the operating costs in Q6.		

Minutes

<i>Description:</i>	<i>Action</i>	<i>Status</i>
<p>LM queried whether it was possible to offset revenue from retail and rent against income from cost charges. CF explained that as part of the CAA regulatory settlement the 'Single till' principle applied. Income from ticket sales by National Express was also queried, SS explained the distinction between national express's operational and concessional contract.</p> <p>Revising the methodology to calculate the charge on a total movement basis i.e. dividing the total costs by the total B&C movements (including public buses) results in a charge per movement of £4.74.</p> <p>HAL's view is that this approach did not recognise that the Central bus station waiting area is predominantly used by coach passengers. However in recognition of the significant increase in the movement charge from either methodology HAL agreed to use the total movements as the basis for charging calculation.</p> <p>The Group agreed this methodology</p> <p>The Group asked for the asset lives used in the annuity calculations and the assets that will drop out of the calculations during Q6.</p> <p>ACTION: NG agreed to provide a breakdown of the asset lives.</p>	NG	
<p>Next Steps</p>		
<p>The Group agreed prices from 1 April 2014 as follows £4.74, per movement for Bus.</p> <p>The Group were informed of the consultation timetable for NRCs and noted that pricing discussions took place annually. CF added that although the agreed price was not fixed for the life of the Q, it wasn't expected to increase significantly.</p> <p>The Group agreed a regular review of prices in line with other NRCs.</p> <p>ACTION: The Group asked for the terms of reference for the Governance Process. Draft as attached with minutes</p>		
<p>Next Meeting TBD, Compass Centre.</p>		

CF: Colin Fox, SS: Sarah Strange; BA: Bruce Alexander; LM; Luke Marion. B&C: Bus & Coach