
CONCESSIONARY FARE TRAVEL SCHEME 2008/09

Responsible Cabinet Member - Councillor David Lyonette, Transport Portfolio

Responsible Officer - Richard Alty, Assistant Chief Executive (Regeneration)

Purpose of Report

1. To explain the new national scheme for concessionary bus travel from 1 April 2008 and to decide on an option for applying the national scheme locally.

Information and Analysis

Current Situation

2. Currently, the Council offers eligible local people free travel on local bus services all day every day, within the Borough and on services 1 and 1b to Bishop Auckland General Hospital. The scheme is a mixture of statutorily required elements¹ and additional discretionary elements. Part funding for the statutory element is given by the Department for Transport (DfT) with the Council providing the balance. As an alternative to a bus pass, the Council offers a book of taxi vouchers to eligible local people.
3. Anyone resident in Darlington aged 60 years and over, or who meets the national guidelines for travel disability, is entitled to a concessionary bus pass. In 2006/07 there were 19,175 bus passholders (142 of whom were allowed to take a companion for free) and an additional 2,041 taxi voucher passholders (46 of whom were allowed to take a companion for free).
4. This report does not propose the alteration of the current taxi voucher scheme, since this matter is best considered in light of the findings of the Community Transport Services Review.

Concessionary Bus Travel Act 2007

5. The Concessionary Bus Travel Act 2007 broadens the existing statutory concession so that passholders can travel anywhere in England from 0930 to 2300 on weekdays, and all day at weekends and on bank holidays. The new arrangements will commence on 1 April 2008 and will be administered locally, so that passholders will remain a member of their local scheme.
6. The new statutory concession will enable eligible Darlington residents to travel for free across the Borough boundaries and in any other location in England. The eligibility criteria

¹ The Council currently has a statutory duty to provide free travel between the hours of 0930 and 2300 Monday to Friday and all day at weekends and Bank Holidays within the Borough.

will remain the same i.e. any person from the age of 60 and/or to disabled people (as defined in section 146 of the Transport Act 2000). The Council will have to pay for all trips that are either entirely within or start from the Borough, irrespective of where the passholder lives. As Darlington is a key attractor of day visitors (for shopping, leisure and health trips) this will have an impact on costs to the Council.

7. The new passes will follow a national design so that they can be easily recognised by bus drivers across England. The design incorporates a photograph of the pass holder, expiry date, unique ID number and a colour strip to denote whether the pass has been provided under age or disability criteria. Additional information can also be incorporated and the new passes are actually smartcards to the relevant national standard. This means that the cards could be read electronically on bus if the necessary equipment was installed.
8. The reimbursement paid to the operators by local authorities will be made for trips that start in their area and continues to be on the basis that the operator is no better or no worse off as a result of the scheme. As an example, a Darlington passholder travelling to Bishop Auckland, will have their outbound journey paid for by this Council, and by Durham County Council for the return.

Additional Funding

9. The Government has allocated an additional £250m per year to fund the new national bus concession in England. DfT proposes that Darlington's share of this funding is £482,000. The funding will be paid as a non-ring fenced special grant under section 88B of the Local Government Finance Act 1988. This special grant is not the usual mechanism for funding local government services. It is expected that formula grant funding will be used by 2011.
10. The Council has also received funding for the production for the new smartcard bus passes. In total, the sum of £88,780 has been given to help the Council procure the new smartcards, buy any additional equipment and any computer software required for the ongoing production of passes.

Process for Introducing New Scheme

11. There are essentially three tasks that require completion to introduce the new scheme from 1 April 2008.
 - (a) The Council has already ensured that its database of passholders is up to date and compliant with the new national standard required for the scheme.
 - (b) The Council is working its neighbouring Tees Valley authorities to jointly procure the initial production of cards using framework agreements arranged by the DfT. This process will be completed in early 2008.
 - (c) The Council is negotiating with local bus operators over the appropriate level of reimbursement from 1 April 2008. The Council has already published a reimbursement notice of participation to local operators in accordance with law for the statutory travel scheme (option 1 below) and has until 29 February 2008 to arrange any discretionary concessions applicable from the April date (options 2 to 4).

Choices

12. Members need to make a decision on the detail of the bus pass scheme in Darlington from 1 April 2008. Four options are outlined below:
 - (a) Option 1 - Offer the statutory scheme only.
 - (b) Option 2 - Offer the statutory scheme plus free travel before 0930 and after 2300 weekdays to passholders living in the Borough, but not to passholders of other schemes.
 - (c) Option 3 - Offer the statutory scheme plus free travel before 0930 and after 2300 weekdays to all passholders.
 - (d) Option 4 - Offer any of the three options above with companion passes for resident passholders who need to be accompanied due to disability.
13. In considering all of the options, members should be aware that the use of a national bus pass is governed by the rules applicable to the local scheme for where a bus journey starts, not the scheme that applies where the passholder lives. Thus if option 4 is chosen, a Darlington passholder may not be able to be accompanied by a companion for free in Blackpool for example, unless that authority also provide companion passes.

Option 1 - Statutory Scheme

14. **Description** - Provision of the statutory requirements only would mean free travel on local bus services for all passholders between 0930 and 2300 Monday to Friday and all day at the weekend and bank holidays.
15. **Benefits to Local People** - Resident passholders would be able to travel for free for trips within the Borough and also across the Borough boundary to destinations in the Tees Valley, County Durham and North Yorkshire. In particular, this would be of benefit to residents who live near the Borough boundary who need to travel into neighbouring areas for local services such as shopping, leisure and health services. It also would mean that passholders had free bus travel to major hospitals, including those in Bishop Auckland, Durham, North Tees and James Cook University Hospital. The concession would also apply to passholders of other schemes and would be reciprocal, so that Darlington passholders could travel anywhere in England within these times.
16. **Implications for Bus Operators** - The statutory scheme means that travel that starts before 0930 and after 2300 Monday to Friday would be charged for at the adult rate. Drivers would therefore need to make decisions about whether to charge, especially if the bus is not running to time. There may also be a “bulge” in demand for travel by passholders after 0930, leading to capacity problems on some journeys.
17. **Implications for Darlington Borough Council** - This option is the statutory minimum, yet it provides local passholders with the freedom to travel more widely than at present, albeit with a time restriction. Arriva North East suggest that this time restriction would affect about 10% of all trips made by local passholders and patronage figures evidencing this view are awaited.

18. **Limitations** - Journeys outside the hours of operation, would be at commercial adult fares both within the Borough of Darlington and beyond.

Option 2 - Statutory Scheme Plus Free Travel Before 0930 and After 2300 Weekdays to Passholders Living in the Borough, but not to Passholders of Other Schemes

19. **Description** - Provision of the statutory requirements plus free travel as outlined above would mean free travel on local bus services for Darlington resident passholders all day, every day. Passholders of other schemes would only be entitled to the statutory minimum.
20. **Benefits to Local People** - This option would enable passholders resident in the Borough to start their journeys earlier in the day and benefit from free travel for all their journeys. This would assist people who may have a need, or a desire, to travel earlier in the day perhaps to medical appointments at the start of the working day. This option is most similar to that currently in operation in terms of operating times.
21. **Implications for Bus Operators** - This option would avoid drivers having to charge for resident passholders who start their journey in the Borough. However, the issue remains for non-resident passholders and it may prove difficult to administer the distinction between a resident and non-resident passholder making a trip outside of the statutory hours of operation.
22. **Implications for Darlington Borough Council** - This option would cost more than the statutory minimum since it covers more trips (those before 0930 and after 2300 Monday to Friday). This could potentially add a further 10% to the cost of the scheme (based on Arriva North East's suggestion that 10% of concessionary fares trips occur outside the hours of the minimum scheme). This could equate to up to £300,000.
23. **Limitations** - The discretionary element (before 0930 and after 2300 Monday to Friday) would only apply for journeys starting inside the Borough for resident passholders, not to those who are members of other schemes. The reverse also applies for journeys starting outside of the Borough; a Darlington passholder would only be able to travel at these times if the relevant local authority also offered this discretion.

Option 3 - Statutory Scheme Plus Free Travel Before 0930 and After 2300 Weekdays to All Passholders

24. **Description** - Provision of the statutory requirements plus free travel as outlined above would mean free travel on local bus services for all passholders – both resident and non-resident - all day, every day
25. **Benefits to Local People** - No additional benefits over Option 2 for resident passholders, since the benefit accrues to users who are members of other schemes. Those who would benefit most are likely to be visitors staying overnight in Darlington who wish to travel early in the morning or late at night.
26. **Implications for Bus Operators** - The easiest of all the options to administer since everyone receives free travel, all day every day.

27. **Implications for Darlington Borough Council** - This option would cost more than the previous ones since it covers more trips (those made by non-residents before 0930 and after 2300 Monday to Friday). This additional cost is thought to be in the region of 2% of total trips made by all passholders in the Borough, since it mainly applies to members of adjacent schemes in County Durham, North Yorkshire and Stockton-on-Tees. The option has no additional benefits to resident passholders than option 2.
28. **Limitations** - The discretionary element (before 0930 and after 2300 Monday to Friday) would only apply for journeys starting inside the Borough for all passholders and may not apply to journeys starting outside of the Borough since this is at the discretion of the relevant local authority.

Option 4 - Companion Passes for Resident Passholders Who Need to be Accompanied Due to Disability

29. **Description** - Provision of a discretionary right for an eligible resident passholder to be accompanied by a companion travelling for free.
30. **Benefits to Local People** - Currently, 142 bus passholders have requested that their pass allows them to be accompanied by a companion due to disability. An example would be a passholder who is partially sighted and does not feel confident in travelling alone.
31. **Implications for Bus Operators** - The bus driver would continue to record both the passholder and companion (if present) as a concessionary fare trip.
32. **Implications for Darlington Borough Council** - This option would cost very little more than the statutory minimum, since the concession only applies to those few who meet the eligibility criteria.
33. **Limitations** - The discretionary companion bus pass would only apply for journeys starting inside the Borough and may not apply to journeys starting outside of the Borough since this is at the discretion of the relevant local authority. So a resident passholder may be able to take a companion for free to a destination outside of the Borough, but they may have to pay the commercial fare to return to the Borough boundary.

Cost

34. The Council is negotiating with local bus operators over the appropriate level of reimbursement for concessionary fare travel in 2008/09. Early negotiations show a possible budget requirement of £2.5M to £3M for option 1, with a value dependent on the number of trips made (see paragraph 36). The current expenditure on concessionary travel is £1.950M, which with annual inflation included gives a base budget for 2008/09 of £1.989M. The Department for Transport proposes to pay the Council an additional £482,000 and an additional £29,000 has been found within the Department from efficiencies, so leaving a potential deficit of up to £500,000 depending on the level of trip making. A budget of £2.7m is suggested for option 1, requiring the Council to add £200,000 to the current budget. Provision has only been made within the MTFP for option 1, i.e. the minimum scheme, any addition above the minimum scheme will increase the funding requirement as detailed in paragraph 35.

35. Current travel patterns suggest that the cost of option 2 will be up to £300,000 more than option 1 and that option 3 will be up to £360,000 more than option 1. However, these estimates are based on current usage patterns, which may change after 1 April 2008 as users react to the new travel possibilities then available.
36. The cost of a variation of Option 2, to allow travel between 2300 and 2400 (but not before 9.30) is likely to be small.
37. Unlike this year and last, the bus operators have indicated that they are unwilling to negotiate on a “fixed pot” basis; rather that they wish to be reimbursed on the per trip approach set out in law, since it is unclear how passholders will react to the new travel opportunities made available by the 2007 Act. This means that much of the budget risk rests with the Council and it may be prudent to introduce the lowest cost scheme. This decision is for 2008/09 only and arrangements for 2009/10 onwards will be reviewed next year in light of changes in travel behaviour and average fare.
38. It is hoped to provide a verbal update on the progress of the negotiation with local bus operators to members at this meeting.

Outcome of Consultation

39. Currently, the situation regarding the approach of neighbouring authorities is fluid with Durham County Council favouring a scheme similar to option 2 above which is the same as their current scheme. Local authorities in the Tees Valley are still formulating their response, but one possibility is that they would offer the statutory arrangements without any discretionary elements. The Association of North East Councils is seeking to co-ordinate the exchange of information about what the detail of each scheme is likely to be.

Legal Implications

40. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

41. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

42. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

43. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Key Decisions

44. This is a Key Decision because it is significant in terms of its effects on communities living in more than one ward.

Conclusions

45. This report concludes that:

- (a) The implementation of the statutory concessionary fare travel scheme for local bus travel from the 1 April 2008 until 31 March 2009 is the most effective option given the current financial resources available to the Council.
- (b) The continuation of the taxi voucher scheme on the same basis as now will continue to meet some of the travel needs of those who cannot use local bus services.
- (c) The provision of companion passes for resident passholders who need to be accompanied due to disability is still relevant for those who are eligible on medical grounds.

Recommendations

46. It is recommended that:-

- (a) the national statutory concessionary fare travel scheme for local bus travel be adopted by the Council for 2008/9;
- (b) evening travel after 2300 hours on weekdays be also permitted;
- (c) the provision of companion passes for resident passholders who need to be accompanied due to disability be continued;
- (d) the taxi voucher scheme continue unchanged for 2008/9;
- (e) no other additional elements be added to the national statutory scheme;

Reasons

47. The recommendations are supported by the following reasons:

- (a) To agree a scheme for concessionary local bus travel for people aged over 60 and for disabled people which is affordable in the current budget context.
- (b) To be as consistent as possible with other authorities in order to provide a coherent understandable scheme for pass holders and operators.

Background Papers:

Government Guidance Papers

Richard Alty
Assistant Chief Executive (Regeneration)

Simon Houldsworth : Extension 2701
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