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**REVISION TO THE DARLINGTON CONCESSIONARY FARE TRAVEL SCHEME  
2008/09**

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**Responsible Cabinet Member - Councillor David Lyonette, Transport Portfolio**

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

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**SUMMARY REPORT**

**Purpose of the Report**

1. To consider making discretionary revision to the national scheme for concessionary bus travel from 20 July 2008.

**Summary**

2. The Council provides the statutory concessionary fare travel scheme. This gives all passholders free travel on local bus services from 9.30am until 11pm on weekdays, all day weekends and Bank Holidays, across England. In addition, the Council has paid for free travel to be extended to midnight during the week in Darlington, and for eligible Darlington residents to take a companion for free to help them travel within the Borough, in County Durham, Northumberland and Tyne and Wear.
3. The current arrangement means that passholders travelling before 9:30am on weekdays have to pay for their journey. Whilst many passholders have been able to pay or reschedule their journey; some have found it impossible to do so, for example when undertaking voluntary charitable work.
4. A reduction in the cost of the Council's insurance contract means that the sum of £200,000 in 2008/09 has become available for expenditure on other activities (see separate report on this issue). It is thus possible for Members to use this budget saving to provide free travel all day, every day, within the Borough. Members should be aware that the actual cost of this provision will not be known until early 2009 due to new patterns of trip making and volatile costs within the bus industry. The cost is estimated to be £200,000.
5. It is recommended that any change to the detail of the 2008/09 concessionary travel is introduced at the same time as Arriva's new bus network for the town on 20 July 2008, to minimise any confusion over the date when the details of the scheme change.

6. Early indications are that the budget sum required for 2009/10 will be higher than that required for 2008/09, due to significant cost increases in the price of diesel being reflected in the calculations used for reimbursing bus operators, potentially higher levels of trips and, possibly, claims for additional capacity provision.

### **Recommendation**

7. It is recommended that:
  - (a) A further discretionary amendment is made to the Concessionary Fare Travel Scheme for Darlington in 2008/09 from 20 July 2008, permitting Darlington resident passholders (and a companion if appropriate) to travel for free within the Borough before 9:30am Monday to Friday.
  - (b) The Medium Term Financial Plan be revised by adding £200,000 to the budget for Concessionary Fare Travel in 2008/09.

### **Reasons**

8. The recommendations are supported by the following reason:
  - (a) To provide all day, every day travel on local bus services for resident passholders to enable them to participate fully in the life of the Borough, without being restricted by ability to pay for travel.
  - (b) To make adjustments to the budget for concessionary fare travel to fund the estimated costs of this discretionary addition to the statutory bus pass scheme.

**Richard Alty**  
**Assistant Chief Executive (Regeneration)**

### **Background Papers**

No Background papers were used in the preparation of this report.

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cc

S17 Crime and Disorder	No impact
Health and Well Being	Eligible residents will be able to access early morning health appointments at GP surgeries and hospitals in Darlington by bus at no cost.
Sustainability	Bus travel has the potential to reduce car trips within the Borough, with positive benefits for the environment.
Diversity	Eligible disabled residents will benefit from free travel all day every day within the Borough as well as the national scheme outside the Borough. In addition those that meet the criteria will be entitled to a Companion pass to allow them to have assistance when travelling by bus.
Wards Affected	All
Groups Affected	Residents aged 60 and over, and those meeting legal definitions of travel disability.
Budget and Policy Framework	This report recommends an increase of £200,000 in the budget to fund free travel before 9:30 am Monday to Friday.
Key Decision	This is a key decision. It has not been advertised in the Forward Plan as the proposed action is to give earliest benefit to affected groups, in response to an opportunity that has very recently arisen.
Urgent Decision	No, but a convenient date for introducing any change would be 20 July 2008 when the local bus network changes.
One Darlington: Perfectly Placed	Environmental and social benefits of promoting bus travel.

## MAIN REPORT

### Information and Analysis

9. The Concessionary Bus Travel Act 2007 broadened the previous statutory bus travel concession so that passholders can travel anywhere in England from 9.30am to 11.00pm on weekdays, and all day at weekends and on Bank Holidays on local buses. The new arrangements started on 1 April 2008 and are administered locally, so that resident passholders remain a member of the Darlington scheme. In Darlington, all resident passholders can also travel for free at the Council's discretion after 11.00pm weekdays and some resident passholders may take a companion for free if they are eligible to do so.
10. The budget for both the bus pass and taxi voucher schemes in 2008/09 is £2.2m, net of £0.5M government grant towards the additional cost of the arrangements introduced on 1 April 2008 (as detailed in the report to Special Cabinet on 16 January 2008). Members considered the affordability of the scheme at that time in the light of other commitments in the Corporate Plan and the Medium Term Financial Plan (MTFP). As highlighted in that report there was, and still is, considerable uncertainty about the costs of providing free travel in the first year of the new national travel scheme, where this Council now has to reimburse local bus operators for every trip made in, or from, the Borough.
11. The reimbursement process is designed to comply with the law regarding concessionary travel schemes, with bus operators being "no worse off, no better off" as a result of the scheme (when compared to a situation where there is no scheme at all). In Darlington, local bus operators are paid an amount per trip for every passholder boarding a bus within the Borough, plus a small amount to reflect the additional costs of transporting more people than would have occurred without the scheme.
12. Since 1 April 2008, it has been apparent that some resident passholders have been unable to change the time of their journeys to avoid travelling before 9:30am Monday to Friday. Common reasons for this include the start times of voluntary work or training courses attended by passholders. This resulted in some passholders paying for these journeys, either at the time, or in advance via a commercial discount ticket. This situation contrasts with that in County Durham where residents of that area have been given free travel, all day every day within the County.
13. It is suggested that Members consider the provision of a further discretionary amendment to the statutory scheme, so that resident passholders can travel for free before 9:30am Monday to Friday. This would enable resident passholders to board a bus for travel within the Borough all day every day (the free travel would also apply to a companion for eligible passholders). It would not entitle them to board a bus elsewhere in England before 9:30am Monday to Friday unless the local scheme for that area gives them this right. This would also mean that the change would not apply to passholders resident in County Durham or elsewhere, although it is not anticipated that the continued time restriction of 9:30 am Monday to Friday for these passholders would be a problem, since they are less likely to be boarding a bus in Darlington before 9:30 am.

14. It is recommended that the change is introduced at the same time as Arriva's new bus network for the town on 20 July 2008, to minimise confusion about the change date between the current scheme details and those proposed.

### **Financial Implications**

15. The estimated cost of providing the proposed enhancement is £200,000, with a further £5,000 in administration costs (including sending a letter to all bus passholders). The enhancement budget cost can only be an estimate as there is no data available on how travel patterns have changed since the introduction of the scheme in April 2008 as concessionary trips before 09:30am are no longer recorded (passholders purchase a commercial ticket). Arriva provides data on a four weekly basis in arrears and therefore at this time we only have a single set of data. This is a total figure, not split by service or day or time. The current scheme has only been negotiated with Arriva until March 2009. Future years' schemes and reimbursement rates will have to be negotiated using average fares and generation factors. Estimated costs of future year schemes can only be a rough guide but it is anticipated that with increasing fuel costs and trips levels remaining either the same or increasing, scheme costs will increase further.
16. This year's provision could be funded from budget savings made in the procurement of the insurance contract for the Council. The Medium Term Financial Plan includes savings of £225,000 in 2008-09, rising to £300,000 per annum from 2009-10. The insurance procurement has now been completed and is to be reported to cabinet on 8 July 2008. The outcome is an annual saving of £900,000 for this Council in total. Excluding savings that are ring-fenced to schools and Housing Revenue Account, the saving on all other services is £495,000. This saving is significantly more than the predicted amount included in the MTFP, thus enabling resources to be released to fund this proposed high priority service enhancement.
17. There is considerable risk in making this further discretionary amendment due to uncertainties over the number of trips that will be made in the first year of the new national arrangements, the cost of each trip (see paragraph 18 below) and any additional payments requested by bus operators. In agreeing the 2008/09 scheme, Arriva North East reserved the right to seek further payments for the provision of additional capacity to meet the demand generated by the scheme. Such payments should be made on the basis of the "no worse off, no better off" principle outlined above.
18. Arriva have increased some bus fares from 14 June 2008 due to the sharply increased cost of diesel. This increase in bus fares is reflected in the reimbursement calculations for 2008/09 since bus operators should be "no better off, no worse off" as a result of the scheme. Such higher costs (as well as the specific capacity costs mentioned in 17 above) and potential increases in trips mean that the 2009/10 scheme is likely to cost more than this year's scheme, by more than the general rate of inflation.

## **Outcome of Consultation**

19. Extensive consultation was undertaken during consideration of the Council's Corporate Plan and budget. Representations were made in support of extending the proposed enhanced scheme to allow free travel before 09:30am. Discussions have been held with passholders at the All Our Futures event and elsewhere. Comments on the current scheme have been both positive and negative, largely depending on the individual circumstances of the passholder. The ability to travel on any local bus service, enabling residents to catch a bus in Darlington and travel beyond the Borough Boundary into the Tees Valley, County Durham and North Yorkshire has been welcomed by many, as has the potential to use their pass in other parts of England when visiting family and friends or on holiday.