

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Planning Portfolio Holder

7<sup>th</sup> July 2009

**AUTHOR/S:** Executive Director / Planning Policy Manager

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### DEPARTMENT FOR TRANSPORT CONSULTATION ON OPTIONS FOR CHANGE TO THE ADMINISTRATION OF CONCESSIONARY BUS PASSES

#### Purpose

1. To agree the Council's response to a Department for Transport (DfT) consultation on options for change to the system of administration of concessionary bus passes one year after the introduction of a national scheme of free travel for the over 60s.
2. This is not a key decision.

#### Background

3. The DfT is consulting on options for possible changes to two aspects of the administration of concessionary travel in England. The first is the responsibility for administering the statutory minimum bus concession. The second is the ability of local authorities to introduce their own discretionary travel concessions which might be in addition to, instead of, or completely different from, the statutory minimum bus concession. There will be a later consultation on funding.
4. The free off-peak concessionary bus travel throughout England was introduced on 1 April 2008 and has now been in operation for just over a year. It replaced a scheme of a half-fare minimum concession which was introduced in 2001 which last provided for travel within Cambridgeshire only. Whilst funded by Central Government, the statutory minimum concession is currently administered by local authorities known as Travel Concession Authorities (TCAs). The majority of TCAs are currently 'lower-tier' local authorities: non-metropolitan district councils (also known as 'shire' districts), the same authorities which administered the previous scheme and have not changed since 2001.
5. TCAs are also able to offer discretionary concessions over and above the statutory minimum, reflecting each authority's own specific financial, demographic and transport circumstances. Such discretionary elements must be funded from the TCAs own resources.
6. DfT advises that a number of problems with the current arrangements for administering concessionary bus travel have been identified by local authorities, stakeholder groups and operators. These include: scheme variations across TCA boundaries; too many negotiations with bus operators; lack of capacity in some TCAs; difficulty of accurately funding TCAs; and the non-alignment of TCA and Transport Authority responsibilities. The Government is therefore considering what improvements can be made to the current arrangements. This consultation is part of that process.
7. In addition to addressing some of the problems of the current arrangements, the Government is also looking to ensure that the experience of the concessionary

passenger is enhanced, that the system is administered as efficiently as possible and is sustainable in the long term.

8. The options for change to the statutory minimum concession include: leaving things as they are now (i.e. largely with district councils); moving responsibility to upper tier authorities only; or centralising administration completely. A further option would be to administer the concession at a regional level, although this would require primary legislation and would require a longer timescale to implement.
9. The Government favours a shift of responsibility from district to county councils. It believes that such a change could realise some efficiencies, but it could also generate significant synergies because it would harmonise concessionary travel responsibilities with wider transport authority ones for the first time. The Government also believes that it is also the option most likely to realise the Government's aspiration to increase the roll-out of smart ticketing across England.
10. There is a clear link between any changes made to administrative responsibilities for the statutory minimum concession and the ability of authorities to introduce their own discretionary travel concessions. The consultation also identifies a number of options for changing the way such discretionary concessions are administered, including: leaving things as they are now; removing the ability of district councils to implement discretionary concessions; or district councils only being able to implement discretionary concessions jointly with the relevant upper tier authority.

### **Considerations**

11. South Cambridgeshire District Council is a TCA. The system is administered by the Revenues Team within the Finance and Support Services. Transport policy issues are dealt with by the Planning Policy Team. Negotiations with the bus operating companies over the cost of each concession have been conducted jointly across all the Districts and have been led by the County Council. In theory, Cambridgeshire therefore has one scheme. However, the Districts have all exercised the option to provide discretionary concessions for other disadvantaged groups and there are therefore variations to the concessions being offered.
12. The national scheme operates for all journeys after 9.30am. The way in which the scheme works is that each 'leg' of a journey is treated as a single trip. Most journeys are return journeys – two trips. The authority in which the journey commences pays the fare. Therefore all return journeys which start and finish within South Cambridgeshire are funded by the District Council. Any return journeys which involve crossing the District boundary are only funded one-way by the District Council, the return fare being funded by the District in which the return trip commences.
13. The greatest implications for South Cambridgeshire as a current TCA concern the administration of the scheme.
14. The Council's proposed response is set out in answer to 11 questions asked by Government but can be summarized as the present administrative arrangements in Cambridgeshire appear to work well with the Districts and County operating in concert to offer a countywide scheme with local variations to take account of differential discretions being offered by District Councils. There is a single negotiation with the bus operating companies on the concessions and ticketing (although there is scope for improvement in future negotiations) and the District Councils administer the issue of concessionary passes. The problems described in the consultation document may be just be teething problems with a new system which is just 1 year

old. Provided that District Councils retain the option to offer additional concessionary passes in response to local needs, then whether it is higher or lower tier authorities which administer the system is not significant and a system which strikes the right balance between administrative efficiency, costs and service to the public should prevail. At present, with the administrative provisions put in place in 2008 with the introduction of the 'new' system, on balance, the District Council is content that the current system works well and that resolving the teething problems identified in the consultation document may be the best way forward.

### Options

15. The options are addressed in the DfT consultation and the consultation response being:
- (a) District Councils to be responsible for the administration of the Concessionary Fares Scheme.
  - (b) County Councils to be responsible for the administration of the Concessionary Fares Scheme.
  - (c) Regional bodies to be responsible for the administration of the Concessionary Fares Scheme.
  - (d) Government to be responsible for the administration of the Concessionary Fares Scheme.

### Implications

16. Addressed in the report and consultation response.

17. Financial	None provided that the TCAs are fully funded and that only that part of the Council's grant which covers concessionary fares is transferred to any new TCA(s)
Legal	None
Staffing	Part of a post with the Revenues Section would not longer be needed.
Risk Management	See financial implications.
Equal Opportunities	None

### Consultations

18. The following have been consulted in the preparation of this report:
- (a) The Council's Transport Champion
  - (b) Head of Revenues
  - (c) Head of Accountancy

### Effect on Strategic Aims

19.	<b>Commitment to being a listening council, providing first class services accessible to all.</b>
	None
	<b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>
	None
	<b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>

None
<b>Commitment to assisting provision for local jobs for all.</b>
None
<b>Commitment to providing a voice for rural life.</b>
None

### Conclusions/Summary

20. One year after the introduction of a national scheme of free travel for the over 60s which as with previous schemes is administered by District Councils, the Government is consulting on options for change to the system of administration. Whilst administration remaining with District Council's is an option, the Government's preferred option is to transfer administration to County Councils.
21. In Cambridgeshire, a number of the disadvantages of the present system have not occurred in Cambridgeshire where the Districts and the County Council already act in concert to negotiate concessions with the bus operators leaving the Districts to focus on the issue of bus passes. With the introduction of the new scheme last year, South Cambridgeshire put in place effective and efficient systems administered by the Revenues Section which are wholly funded by the government grant for concessionary fares. This system works well.
22. A system administered by County Councils could work equally well and provided that no more monies were transferred to a new TCA than the District Council's costs of administering the Concessionary Fares Scheme, then there is no reason to oppose such a change. However, as the current system in place in Cambridgeshire works well for the District Council and is adequately financed by Government, there is no reason to advocate change. More significant will be a proposed consultation on funding which will take place later this year.

### Recommendations

23. To agree the consultation response set out in Appendix 1.

**Background Papers:** the following background papers were used in the preparation of this report:

Department for Transport: Possible changes to the administration of concessionary travel

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