

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet
AUTHOR: Development Services Director

12 January 2006

CONCESSIONARY FARES

Purpose

1. The purpose of this report is to outline changes to the way that the Concessionary Fares regime operates across England and the implications for this District and the scheme currently operating across Cambridgeshire.

Effect on Corporate Objectives

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| 2. | High quality, accessible, value for money services | <ul style="list-style-type: none">• Concessionary fares enable the elderly to access services and facilities, which will have a direct bearing on their quality of life.• Promoting the use of public transport is a sustainable mode of travel.• The Council is working in partnership with the Cambridgeshire Districts and the County Council on a countywide scheme. |
| | Quality village life | |
| | A sustainable future | |
| | A better future through Partnerships | |

Background

3. The Council currently issues bus passes on request to men and women over 60 years of age and those others within the eligibility criteria, such as people with disabilities. This currently allows pass holders to travel at half-fare anywhere within Cambridgeshire, including Peterborough, providing that their journey starts or finishes within the county.
4. The current scheme is funded by all the districts of the county and administered by the County Council. Bus companies are reimbursed on the basis of pass sales, proportioned according to the service mileage undertaken in each district.

New Scheme

5. The Government's 2005 Budget announced that a free concessionary bus fare scheme for those eligible, as outlined in paragraph 3, would be introduced from 1 April 2006. This would permit free travel outside the morning peak (after 9.30am) within the district boundaries for pass holders. This follows previous schemes introduced and now running in Wales and Scotland.
6. Due to the short timescale in which to introduce any new scheme and the complexity of the issues, all the Cambridgeshire authorities agreed to fund a study by

consultants to identify a deliverable scheme for implementation by April 2006. The outcomes of the study include:

- (a) The scope of the scheme could take – including options of running the scheme across Cambridgeshire rather than on a district-by-district basis, and to extend the statutory minimum arrangement, such as the peak hour start time;
- (b) A forecast of the impact on revenue for operators;
- (c) An explanation of how the new scheme could address current weaknesses;
- (d) Identification of process improvements to simplify the scheme operation and reduce costs;
- (e) Full design for the operation of the scheme, from data collection through to revenue distribution including hardware and software requirements;
- (f) Operator consultations;
- (g) A financial plan identifying scheme set-up and on-going costs;
- (h) A full implementation plan for operation by April 2006.

Issues for Consideration

- 7. The statutory minimum scheme is just for travel within the district after 9.30am. Councils can agree to fund an increase in the scheme, for example, to allow travel over a wider area and at any time.
- 8. Three possible options for a new scheme would be:
 - a. Maintain a County and Peterborough wide scheme allowing free travel across the whole area, including to towns across the county border;
 - b. Provide free travel within each district and then half-fare concession across the rest of the county;
 - c. Provide free travel within each district with no further concessions.
- 9. For each option a decision would be required as to whether morning peak travel would be allowed. In rural areas with only one bus a day which runs before 9.30am, not allowing peak travel could be a distinct disadvantage.
- 10. The statutory minimum scheme would mean some residents would be worse off. For example, residents close to the Cambridge or external district boundary, would currently be half-fare to qualifying residents. Under the new scheme only the section of the journey within South Cambridgeshire would be free and the rest of the journey would be at full fare resulting in a more costly journey than previously. It would also present a confusing situation for both the operators and passengers on any journey crossing a district boundary, and a substantial number of routes within South Cambridgeshire cross a district boundary.
- 11. There are some administrative and technical problems to overcome in establishing an effective way of reimbursing the operators for whichever scheme is chosen. Option b. could be particularly difficult to administer and reimburse.

12. Operators had to be notified by 1 December 2005 as to what the new scheme will be from 1 April 2006. They have been informed that a statutory minimum scheme will operate, although this does not preclude an enhancement in the scheme before it comes into operation.
13. At present it is not known exactly what each option would cost the Council. As an indication however, if the Council were to introduce an interim 12-month scheme from 1 April 2006, as outlined in the Consultant's Initial Report, the Council's current payments would double. The Council could then use the following year to enable more detailed analysis and negotiation with the operators to take place culminating in an agreement on a way forward from April 2007.
14. In order for a County and Peterborough wide scheme to work it requires all authorities to agree to the same scheme and agree to fund any extra concessions.

Financial Implications

15. The new scheme will result in additional costs to the Council, partly offset by an increase in the Revenue Support Grant from the Government. The financial contribution from the Council will not be known until further, awaited, advice is received from the Consultant. It is expected that this will be available in time for the 2006/7 budget due to be presented to Cabinet on 9th February 2006.

Legal Implications

16. None, provided the District Council complies with the Statutory Minimum scheme from 1 April 2006.

Staffing Implications

17. Continued involvement of staff from Development Services and Accountancy.

Risk Management Implications

19. Risk to the Council would arise if the decision were taken to provide a concessionary fare scheme on more beneficial terms than required by the Government. The Government will not provide additional funding for such a scheme and the Council would therefore need to divert funding from other areas of Council expenditure.

Consultations

20. The Council has been working with all the Cambridgeshire Districts and the County Council on a new concessionary fares scheme.

Conclusion

21. It is hoped that the Consultant's work will allow us and our partners to develop and deliver a scheme to meet the statutory minimum needs as well as the identification of

options to provide an enhanced level of service. However, the Council is not alone in facing budgetary constraints which could restrict the ability to provide an enhanced service.

22. To try to ensure that pass holders do not suffer a reduced level of service, it will be vital that the Council and its partners across Cambridgeshire continue to work together to deliver a county-wide approach. A fragmented scheme delivered on a district-by-district basis may undermine the level of service currently offered.

Recommendations

23. Cabinet is recommended to sign-up to providing an interim 12-month scheme which complies with the statutory minimum requirements, and that a further report on funding will follow in due course to determine whether there is scope to provide an enhanced level of service.

Background Papers:

Concessionary Fares Study – Briefing Paper August 2005
Cambridgeshire and Peterborough Concessionary Fares Scheme – Consultant's Initial Report

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