

CONCESSIONARY FARES
(Report by Head of Environment & Transport)

1. INTRODUCTION

- 1.1 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.

2. BACKGROUND

- 2.1 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 holders to travel at half-fare anywhere within Cambridgeshire, including Peterborough, providing that their journey starts or finishes within the County.
- 2.2 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. This Council also provides direct reimbursement to Community Transport schemes for bus pass holders relating to specific needs services, such as local shopping trips to market towns.

3. NEW SCHEME

- 3.1 The Government's 2005 Budget announced that a free concessionary bus fare scheme for those eligible, as outlined above, would be introduced from April 2006. This would permit free travel outside the morning peak within the district boundaries for passholders. This follows previous schemes introduced and now running in Wales and Scotland.
- 3.2 At the present time, we are still waiting for full Government guidance to be published relating to the specific requirements of the new scheme although we do know that this will only be funded on a District by District basis. This is unlike the scheme operating in Wales where bus travel is free anywhere within the Principality.

3.3 On the basis of the short-time scale 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 are to include:

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

4. ISSUES FOR CONSIDERATION

4.1 The statutory minimum scheme is just for travel within the district after 9.30am. Councils can agree to fund an increase to the scheme, for example, to allow travel over a wider area and at any time.

4.2 Three possible options for a new a 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

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 morning peak travel could be a distinct disadvantage.

4.2 The statutory minimum scheme would mean some residents would be worse off. For example, a journey from Fenstanton to Cambridge would currently be half fare to qualifying residents. Under the new scheme only the section within Huntingdonshire 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.

- 4.3 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.
- 4.4 Operators must be notified by 1st December 2005 as to what the new scheme will be from 1st April 2006. The government guidance and confirmation on funding is still yet to be released. Without this it is impossible at this stage to calculate exactly what each option would cost the Council.
- 4.5 As an indication however, if we were to introduce an 'Interim 12-month Scheme' from April 2006, as outlined in the Consultant's Initial Report, our current payments would double. We would then use the following year to enable more detailed analysis and negotiations with the operators to take place culminating in an agreement on a way forward from April 2007.
- 4.6 Cabinet have previously been appraised of the likely funding scenarios for the new scheme as part of the report from the Director of Commerce and Technology relating to Government financial support to Local Authorities (15th September 2005)
- 4.7 An MTP Bid would be required to meet this sum as part of our budgetary processes and it is suggested that this be developed now on the basis of the short timescales for introduction of a revised scheme from April 2006.
- 4.8 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.
- 4.9 Additionally, at the request of Cabinet, Consultants have recently completed a study relating to 'Improving Rural Access' as part of the Council's wider agenda of improving accessibility. This study explores a range of options available to the Council to extend the current eligibility for those holding a bus pass to those such as Young People and Jobseekers. The recommendations of this report will need to be carefully considered, together with the wider implications of the overall change to free travel, as the Council decides the type of scheme it wishes to implement within Huntingdonshire.

5. CONCLUSION

- 5.1 While there are still many unknown aspects to how Government expects to see this new scheme delivered across England, it is hoped that the Cambridgeshire study will allow us and our partners to develop and deliver a scheme to meet minimum needs as well as the identification of options to provide an enhanced level of service. There

are however some districts within Cambridgeshire with budget constraints which could restrict their ability to provide an enhanced service.

- 5.2 To try to ensure that pass holders do not suffer a reduced level of service it will be vital to ensure that this Council and its partners across Cambridgeshire continue to work together to deliver a countywide approach. A fragmented scheme delivered on a District by District basis may undermine the level of service currently offered.
- 5.3 A verbal update will be given at the Cabinet meeting if necessary to inform of any emerging guidance, given the short timescale to scheme implementation.

6. RECOMMENDATION

It is recommended that Cabinet note the current position and that a further report and MTP bid will follow in due course

BACKGROUND INFORMATION

Concessionary Fares Study – Briefing Paper August 2005
Concessionary Fares – Improving Rural Access Study (Steer Davies Gleave. Final Report August 2005
Report to Cabinet, 15th September 2005 – Consultation on Changes to the way the Government provides financial support to Local Authorities
Cambridgeshire and Peterborough Concessionary Fares Scheme – Consultant's Initial Report

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