

CONCESSIONARY FARES
(Report by Head of Environment & Transport)

1. INTRODUCTION

- 1.1 The purpose of this report is to update Cabinet on current discussions relating to the introduction of the new Concessionary Fares regime on 1st April 2006.
- 1.2 This follows the Cabinet resolution on 24th November 2005 that a statutory minimum concessionary fare scheme for an interim 12-month period be adopted by the Council

2. BACKGROUND

- 2.1 The previous report to Cabinet outlined the Government plans to move to a free travel scheme from April 2006. Towards the end of November the Department for Transport (DfT) finally published guidance and timescales for the implementation of the new scheme. This outlines the statutory obligations that concessionary fares authorities have to meet. The first timescale was to announce by 1st December 2005, that the statutory minimum requirement would be met, which was approved by Cabinet on 24th November 2005.
- 2.2 The previous report also outlined a range of issues that would need to be resolved to meet the new statutory requirements by April 2006, which included;
- The scope of the free scheme i.e. district or countywide scheme
 - Funding levels likely to be forthcoming from Government
 - Scheme administration
 - New generation factor
 - Operator reimbursement
 - Widening of the eligibility criteria as part of Council's accessibility agenda

3. THE NEW SCHEME

- 3.1 The Transport Act 2000 placed the statutory duty on District/City authorities to administer the half-fare regime currently in operation on all single and return journeys. The national minimum scheme applies to anyone over 60 years of age and for those with qualifying disabilities and operates between 09.30 and 23.00. However the current countywide scheme exceeds the statutory minimum by providing (a) the additional benefit of free travel for those who are

registered blind or partially sighted and (b) no time restriction on the use of the scheme.

- 3.2 The statutory minimum requirements of new scheme will permit free travel for those eligible within district boundaries only on all registered bus services outside the morning peak i.e. after 09.30. Legislation also allows the scheme use to be restricted to Mondays to Fridays.
- 3.3 Legislation also allows Operators to claim additional costs arising from operating the new scheme. This would almost certainly be by any need to provide extra capacity as a result of any demand created. It is possible that this could probably be avoided by introducing the time restriction.
- 3.4 Authorities will be permitted to consider additions to the statutory minimum i.e. to operate a scheme over a wider area, extending eligibility and permitting use before 09.30.
- 3.5 Following agreement to run the minimum statutory requirement during 2006/07, meetings have been held with Operators since December last year and it has been agreed that reimbursement during 2006/07 will begin to be made on based on actual journeys undertaken. From April 2007, in line with Central Government guidance, a complete revenue-forgone system will be introduced where payment will be fully based on actual journeys undertaken. This will allow authorities to collect data throughout 2006/07 to enable them to budget accordingly based on how much the scheme actually costs.

4. FINANCIAL IMPLICATIONS

- 4.1 The Consultant working on behalf of the partners in the scheme, together with the County Council, has produced an estimate of potential costs of the various options available based on current available data. It must be accepted that the figures are based on a number of assumptions that mean the figures are only illustrative. Table 1 below outlines the impact on Huntingdonshire:

Table 1

Option	Possible cost range £000
1) Statutory scheme Travel after 9.30am No subsidy outside District boundary	450 to 490
2) Statutory scheme plus part subsidy for travel within other Cambridgeshire Districts Travel after 9.30am Traveller pays flat fare of £1.75 for travel going outside District No subsidy on Cambridge Park and Ride	560 to 600

3) Free Countywide Scheme Travel after 9.30am No payments for travel within County No subsidy on Cambridge Park and Ride	645 to 690
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4.2 Without additional funding the budget for 2006/07 would have been £213k. The current MTP proposes an increase of £232k giving a total available sum of £445k.

4.3 The Government consider that we have received £503k in extra grant relating to Concessionary Fares which if added to our previous spending would give £716k. Based on the Council's financial strategy any increase over £445k will require additional savings during the strategy period.

5. THE COUNTYWIDE POSITION

5.1 Discussions have been on-going between all the authorities within Cambridgeshire to try to agree a common position on what is likely to be the most favourable scheme and one that each Authority can afford to fund. The current indicative position is outlined in Table 2 as follows;

TABLE 2

Statutory scheme plus part subsidy for travel within other Cambridgeshire Districts	Huntingdonshire South Cambridgeshire East Cambridgeshire
Free Countywide Scheme	Peterborough City Cambridge City (City costs do not vary significantly between options as they have much less out of district travel)

Fenland have indicated that they are prepared to go with the majority view.

5.2 These discussions have included issues such as the need for individual Council's to have the ability to offer special (lower) flat fare rates where they have a town close to a neighbouring City. e.g. Yaxley to Peterborough or are close to a District boundary e.g. Fenstanton to Cambridge. Lower rates would need to be set so that travel in these circumstances would be no more than under present scheme.

5.3 The figures exclude subsidy to towns outside Cambridgeshire e.g. if subsidy were to be continued between St. Neots and Bedford there would be an increased cost to be funded. Table 3 below indicates some typical scenarios;

TABLE 3

Settlement	Destination	Current Fare	Half- Fare	Net. Position (£1.75 flat fare)
Fenstanton	Cambridge	£3.15 return	£1.57	£0.18 worse-off
St. Ives	Cambridge	£3.50 return	£1.75	No difference
Huntingdon	Cambridge	£4.85	£2.43	£0.68 better-off
Yaxley	Peterborough	£2.70 day rider	£1.35	£0.40 worse-off

- 5.4 All options exclude subsidy on Cambridge Park and Ride. If subsidy were to be continued there would be a further increased cost. Exceptions can be made to the after 9.30am limit for villages where this would have a major impact due to infrequent services, such as one service per day before the qualifying period.
- 5.5 It would be extremely difficult to have a mixed scheme countywide in the first year so if some Council's are currently unable to support a free County-wide scheme during 2006/07, then it is likely that a Statutory scheme, plus part subsidy outside the District, would have to be recommended.
- 5.6 For the subsequent year(s) 2007/08 and beyond, the level of funding is more difficult to assess at this time, particularly when moving to a revenue-forgone based system. This will need to be based on detailed patronage and monitoring data from Operators during 2006/07 on which to base future budgets. The financial implications of widening the eligibility criteria based on research associated with the current Rural Access Study and Accessibility Action Plans would also need to be considered.

5. COMMUNITY TRANSPORT

- 5.1 Certain community transport journeys, primarily day-to-day service journeys to Market Towns, are currently reimbursed at half-fare level directly to operators. There is no statutory duty to include these schemes for either free travel or the current half-fare level, but there is some concern that to exclude them may undermine the operations in terms of people switching to registered bus services.
- 5.2 There is also the possibility that the Councils within Cambridgeshire may be vulnerable to legal challenge on the grounds of discrimination from pass holders who do not have access to conventional bus services because of their age, disability or remoteness from the bus network.

6. RECOMMENDATION

It is

(i) recommended that Cabinet approve the provision of Option 2, Table 1 for a Statutory scheme plus part subsidy for travel within other Cambridgeshire City/District areas provided that all City & District Council's within Cambridgeshire make the same undertaking ; and

(ii) that free travel on Community Transport services is made available to pass holders for services which access Market Towns within Huntingdonshire

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 Reports

Report to Cabinet 24th November 2005 – Concessionary Fares

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