

**CONCESSIONARY FARES**  
**(Report by Director of Operational Services)**

**1. INTRODUCTION**

- 1.1 The purpose of this report is to update Cabinet on recent discussions relating to the introduction of revised arrangements to the Concessionary Fares regime that was introduced on 1<sup>st</sup> April 2006.

**2. BACKGROUND**

- 2.1 Cabinet approved the new statutory minimum national Concessionary Fares travel scheme on 23<sup>rd</sup> February 2006 permitting free travel within Huntingdonshire between 09.30 to 23.00 Monday to Friday and all day weekends and Bank Holidays. The new scheme commenced on 1<sup>st</sup> April 2006 and replaced the previous countywide half-fare scheme.
- 2.2 In addition to the statutory minimum scheme, all authorities within Cambridgeshire, including Peterborough, agreed to permit travel outside their own District to other areas of Cambridgeshire and Peterborough at agreed flat-fare rates. This option was approved by Cabinet on 26 February 2006 at an estimated cost of between £560K and £600K for 2006/07. Cabinet were also informed that the estimated cost had been provided by the County Council based on a number of assumptions due to the lack of detailed information from the bus operators and so it was not possible to guarantee that the cost would not exceed £600k.
- 2.3 Some exceptions were permitted to the statutory minimum to allow those registered blind or partially-sighted to travel free across Cambridgeshire and Peterborough at any time, pass use on certain pre-09.30 services where the only bus departs before this time. Cambridge Park & Ride was excluded from the scheme.

**3. REVISED SCHEME**

- 3.1 Following the commencement of the new scheme, there has been general disquiet from the public regarding the perceived restrictions of the scheme and this led to the local press leading a campaign to have the scheme changed. The primary concern of those entitled to travel was that the scheme was too restrictive and did not provide free travel throughout the whole of the County and Peterborough. Within

Huntingdonshire, this was a particular issue for those living in the parishes in the north of the District where free travel was not available to Peterborough.

- 3.2 Since the introduction of the scheme, certain services have shown a decline in patronage, particularly on travel into Cambridge and on Park & Ride services generally. Such reductions affect the agreed targets set between Government and the County Council contained with the Local Transport Plan. This therefore limits the ability of the County Council to secure reward funding from Central Government which is based on generally increasing patronage levels on a year by year basis.
- 3.3 Following the introduction of the new scheme, discussions have been on-going between the County Council, the District and City Councils and bus operators into the options to widen the scheme to permit free travel across the County for the rest of the current year and next year until the Government's, already announced, national scheme becomes effective from April 2008 when it is assumed extra grants will be available to fund the extra cost. This focussed on the amount of funding that each District and City Council could commit to such a revised scheme and whether the Operators would accept a cap on their reimbursement in return for the resulting simplification of the scheme. To complete the picture, the County Council also agreed to consider a funding contribution via LPSA reward funding to make-up any shortfall.
- 3.4 Agreement in principle was reached between partners to widen the scheme from 1<sup>st</sup> October permitting free travel across the County from 09.30 to the last bus and all day weekends and Bank Holidays. As with the previous scheme, there would be some exceptions to allow pass use on services where the only bus is pre-09.30, allowances for certain journeys outside Cambridgeshire and the acceptance of passes on Cambridge Park & Ride services.
- 3.5 Formal agreement to widen the scheme has been possible by all parties agreeing new financial arrangements where District and City authorities have agreed a level of maximum funding they will commit to a scheme for the remainder of 2006/07 and a maximum for 2007/08. This is supported by bus operators agreeing to cap the level of reimbursement they receive from the scheme and the County Council agreeing to underwrite any additional costs over and above these figures.
- 3.6 A summary of the agreed funding levels is attached as Annex A.
- 3.7 It is understood that should LPSA funding be required, that the County Council will seek the approval of the relevant LSP Board to the use of such funds.

- 3.8 Patronage data from bus operators is beginning to emerge. While Stagecoach has relatively robust data for the early periods of the new scheme, for other operators this is much sparser although information from Cavalier/Huntingdon & District is indicating actual costs about 11% above previous estimates (similar to Stagecoach Cambridge). As such data becomes available in greater detail from Operators, this will allow current scheme costs to be more accurately estimated.

#### **4. CONCLUSIONS**

- 4.1 Due to the need to publicly announce a revised scheme from 1<sup>st</sup> October 2006 with other partners, it has previously been agreed that the Council would participate given the agreed objective to widen the scheme across the County if this could be achieved.
- 4.2 While actual scheme costs will become clearer over the coming weeks and months, the financial implications for the District Council are now fixed and agreed based upon them not exceeding the indicative limit of £600k reported to Cabinet in February. It has been assumed that inflation of 5% will need to be added for 2007/08 forming a maximum of £630k in that year. However it has also been made clear that if actual scheme costs within the District come in under these levels, then the Council will only meet those costs and that, under no circumstances, will the Council pay £600K regardless of actual costs.
- 4.3 This revised scheme only runs until March 2008 because a new national statutory travel scheme will be introduced from that date.

#### **5. RECOMMENDATION**

It is

**Recommended that Cabinet endorse the revised scheme to operate as from 1<sup>st</sup> October 2006 and note the maximum cost of the scheme to this Councils.**

#### **BACKGROUND INFORMATION**

Report to Cabinet, 23<sup>rd</sup> February 2006 – Concessionary Fares

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