

## HAMPSHIRE COUNTY COUNCIL

### Report

<b>Committee:</b>	Economy, Transport and Environment Select Committee
<b>Date:</b>	3 November 2016
<b>Title:</b>	Concessionary Travel
<b>Reference:</b>	7880
<b>Report From:</b>	Director of Economy, Transport and Environment

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#### 1. Purpose of Report

1.1. To update the Economy, Transport and Environment Select Committee regarding the Hampshire Concessionary Travel Scheme which became the responsibility of Hampshire County Council on 1 April 2011.

#### 2. Contextual Information

2.1. Since April 2008 those who have reached age 60 (this has since risen in line with the rise in female retirement age), together with eligible people with disabilities who are resident in England, have been entitled to a free annual bus pass which allows them free off-peak travel on local buses anywhere in England. This scheme, funded directly by central government, was operated in Hampshire by district councils, known as Travel Concession Authorities (TCAs), with Hampshire County Council acting as scheme administrators.

2.2. On 31 March 2010, Parliament approved responsibility for concessionary fares to move to upper tier authorities, such as Hampshire County Council, with effect from April 2011.

2.3. The statutory English National Concessionary Travel Scheme (ENCTS), provides for free bus travel between 0930 and 2300 hours on weekdays and at any time during weekends. Many district councils used their own funds to enhance this statutory scheme by varying degrees, providing discretionary concessions such as tokens or railcards, as well as extending, in some cases, the statutory pass scheme to community transport, or by allowing bus travel at additional times.

2.4. The funding for such local enhancements did not pass to the County Council, although district councils can still fund enhancements for their local residents by using their Wellbeing powers if they wish to do so.

2.5. The County Council considered it essential in the interests of equity, and to avoid the potential risk of challenge, to offer a standard scheme in all areas of the county. The level of the scheme to be offered was followed by a countywide

consultation to identify residents' priorities and to inform a detailed Equalities Impact Assessment (EqIA). The County Council received over 1,600 responses.

- 2.6. The Environment & Transportation Select Committee met to review the proposals on 5 October 2010, and again on 17 November to undertake pre-decision scrutiny of the Executive Member's Decision on 19 November 2010.

### **3. The Hampshire scheme**

- 3.1. It was estimated that the statutory scheme for a pass for free bus travel from 0930-2300 Monday to Friday and anytime at weekends would cost £12.5 million a year including administration. This was to include free travel on local buses, Cango, and numbered car-share and taxi-share services.
- 3.2. Following the consultation and the EqIA, the recommended scheme included several enhancements: all day travel for holders of a disabled person's pass; a companion pass for those unable to travel unaccompanied; half fare travel for pass holders on Dial-a-Ride and Call&Go services; and vouchers for those unable to use the bus for use on Dial-a-Ride and Call&Go voluntary car schemes and participating taxis. The enhancements increased the cost of the proposed scheme by £775,000 to £13,275,000
- 3.3. The enhanced scheme was approved in November 2010 and at Full Council in February 2011, it was agreed for the Concessionary Fares Budget 2011/12 that the Council increase its contribution by £350,000 to allow all pass holders to travel from 0900 on any bus. The 0900 extension was continued until April 2015 when it was restricted to infrequent services as part of the Bus Subsidy Review following significant reductions in Government funding. All day travel for holders of a disabled person's passes was retained throughout.

### **4. Progress to date**

- 4.1. Transition to the countywide scheme was smooth, in spite of the need to renew around 90,000 passes which were due to expire on 31 March 2011.
- 4.2. Passes had initially been issued annually, increasing to four years by 2004. Passes are now issued every five years except where shorter period passes are appropriate on a case by case basis.
- 4.3. Pass applications are now handled by Hantsdirect and regular renewals dealt with by our retained contractor, Euclid. Online application has been introduced and now accounts for a quarter of applications.
- 4.4. In 2011 there were 194,000 passes on issue of which 13,000 were classified as for disabled users. 56,000 residents chose alternative, discretionary, concessions such as tokens or railcards.
- 4.5. As of September 2016 there were 256,433 passes on issue, of which 18,485 are for disabled users and 3,237 for disabled plus companion. 4,468 residents chose the alternative of vouchers.
- 4.6. In the year to December 2015, 9,651 residents joined the scheme, of whom 2,496 applied online.

4.7. Special schools or mainstream schools with attached units are encouraged that their pupils apply for a disabled person's pass to encourage independence. 2,495 passes have been issued to those aged 25 or under. A programme to remind schools of this is currently underway.

4.8. Although pass issue is at record levels, passholder journeys have been reducing in Hampshire which is in common with other authorities. Passholders in Hampshire made 11,349,855 journeys in 2015/16 which was 5.89% fewer than in the year before. Figures from our specialist consultants suggest that this is a common trend across the authorities that they support.

	Patronage decrease 13-14 to 14-15	Patronage decrease 14-15 to 15-16
Hampshire	1.26%	5.89%
Herefordshire	7.88%	7.52%
Gloucestershire	3.10%	1.91%
Worcestershire	4.21%	5.80%
Shropshire	0.78%	3.43%

4.9. Reductions in the bus network may be seen as a cause, but overall bus use in Hampshire is close to record levels at 31,422,811 journeys in 2015/16 so it is likely that other considerations play a part. These could include the rising age of eligibility which means that most passholders are not eligible for a pass until they retire, which was not the case in the recent past when passes were available for men and women from age 60, also more retirees have access to a car than was the case historically.

4.10. Government funding was used to ensure that all local bus operators in Hampshire have been equipped with Smartcard electronic ticket machines to ensure that concessionary passes are accurately recorded. Surveyors are also used to monitor correct behaviour by drivers and operators.

4.11. Reimbursement to bus operators has risen from £10,393,589 in 2011/12 at an average fare of 85p to £12,647,814 in 2015/16 at an average fare of £1.11. Reimbursement calculations follow Department for Transport guidelines. In addition, payments to community transport operators for half fare travel on Dial-a-Ride and Call&Go services amounted to £129,837 in 2015/16 and payment for free travel on car-share and taxi-share services was £25,435. Both figures are in addition to direct funding for those services. The budget for concessionary travel for 2016/17 is £13,625,000 including administrative costs.

## 5. Direction of Travel

5.1. Government thinking behind transferring responsibility for concessionary travel to upper tier authorities was to make back office efficiencies. The current scheme costs of £13.6 million compared to the estimated annual costs of £15.1 million in 2010/11 before Hampshire County Council took over responsibility.

5.2. The need for further efficiencies is ongoing and this involves looking at all aspects of administrative and operator costs. New specialist consultants have been appointed at a saving of £57,400 over their four year term. They will assist

in dealing with standard operator reimbursement calculations as well as appeals for additional costs which account for around £1million of annual expenditure.

- 5.3. Passes are automatically renewed on expiry but only after checking the list of users against Tell Us Once, the multi-agency system which notifies a range of authorities when a resident had passed away and the National Fraud Initiative to identify whether a passholder is still resident in Hampshire. This is to avoid possible distress and wasted expense.
- 5.4. In spite of checks around 1% of passes are returned as 'gone away', while data from other schemes suggest that a proportion of passes issued are not used. From January 2017, older person's passes will no longer be automatically renewed if they have not been used in the previous six months. This does not affect their eligibility and a communications programme will make residents aware that they simply have to make one phone call for the pass to be renewed. Disabled person's passes will be unaffected by this change.
- 5.5. At present just over 25% of new applications are made online and greater use of this will be encouraged in line with the Council's digital strategy.
- 5.6. Disabled person's passes are a great aid to personal independence and access to services but there is anecdotal evidence that their availability is less well known than passes for older people. It is proposed to promote awareness of the scheme in the year ahead using existing communication channels.

## **6. Conclusions**

- 6.1. Concessionary travel is a statutory scheme in which costs are driven by demand. It has a particular benefit in achieving independence for users who, in turn, contribute to the local economy and community life.
- 6.2. At a cost of £13.6 million a year, concessionary travel represents almost one quarter of the total expenditure on Highways and Transport so it is important that unnecessary costs are avoided and that efficient systems provided and value for money is achieved in payments to operators.
- 6.3. The process of streamlining pass applications and renewals will continue, ensuring that passes are only issued where required. Every effort will continue to be made to ensure that those who can benefit from the scheme are aware that is available to them.
- 6.4. The appointment of new consultants will contribute to further efficiencies whilst new software being developed by our suppliers will enable further analysis of usage patterns to help the scheme to reflect the wider community.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	Yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	no
Corporate Improvement plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u> Concessionary Fares – Executive Member – Environment Decision Report	<u>Reference</u> 1866	<u>Date</u> 19 November 2010
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

#### **Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

This report is an update to the Select Committee and is not proposing any change or decision, therefore it is considered that an equalities impact assessment is not required.

### **2. Impact on Crime and Disorder:**

2.1. Impact assessments are undertaken in advance of any formal executive decision. Information about those impact assessments, including equalities and impact on crime and disorder and on climate change, will be set out in the appendices to the relevant decision making reports. This report is an update to the Select Committee and is not proposing any change or decision, therefore impact assessments have not been undertaken.

### **3. Impact on Climate Change:**

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

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