

HAMPSHIRE COUNTY COUNCIL

Report

Committee:	Environment and Transportation Select Committee
Date of meeting:	5 October 2010
Report Title:	Concessionary Fares
Report From:	Director of Environment

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1. Purpose of Report

1.1. To inform the Committee regarding the transfer of responsibility for concessionary fares from borough and district councils to Hampshire County Council from 1 April 2011.

2. Contextual Information

2.1. From 1 April 2011, responsibility for the English National Concessionary Travel Scheme (ENCTS), which provides free bus travel for older people and disabled people, will move from district councils to county councils across England.

2.2. ENCTS provides free travel on local buses in England between 0930 and 2300, Monday to Friday, and at any time at weekends.

2.3. Hampshire County Council is required by law to publish a Concessionary Travel Scheme on 1 December 2010 to start from 1 April 2011.

2.4. In 2008/09 Hampshire districts spent approximately £15.1 million on concessionary fares, including administration and overhead costs. There are 193,000 passes on issue in Hampshire.

2.5. Individual districts can and do fund additions to the statutory pass scheme. As a result, 56,000 Hampshire residents opt for so called 'discretionary' travel benefits such as tokens or railcards as an alternative to the pass.

3. Funding

- 3.1. The Department for Communities and Local Government is consulting on the funding to be provided but the results will not be known until December/January so funding has been calculated on the basis of the £15.1 million figure less the 12% efficiency saving announced by the last Government. This would result in likely funding in the range £12.3 to 13.9 million, which is less than the cost of the current schemes in Hampshire.
- 3.2. There is a significant risk that Government funding, when decided, will be insufficient to meet even the costs of the basic statutory scheme.
- 3.3. The annual increase in the cost of the concessionary fares scheme in Hampshire is predicted in 2011/12 to be 3.98%, due to fare increases and economic and demographic changes. This is in excess of the current price inflation allowance of 2.5% built into the medium-term financial planning assumptions. This would leave the Council with an unfunded annual pressure of approximately 1.5%.
- 3.4. Should Government funding reduce, operators withdraw services, or concessionary fare costs rise, this could affect available funding for supported bus services and vice versa.
- 3.5. The percentage of pensioners in Hampshire is set to increase from 19.6% (2008 figures) to 22.1% by 2026.
- 3.6. Of the 193,000 passes on issue in Hampshire, 13,000 are disabled passes. Take up is 64% and 1,800 new passes are issued each month. Take up rate could increase, depending on economic pressures on eligible residents.
- 3.7. The Department for Transport is currently consulting on reimbursement rates for bus operators and has proposed a new formula. If a lower rate results, bus operators may appeal or discontinue some routes which could be a further cost pressure on the County Council.
- 3.8. There is also a potential financial risk to the scheme from current appeals by operators against the existing scheme reimbursement rates.
- 3.9. At present a variety of schemes are offered as individual districts have made additions to the statutory scheme. To maintain these differences would be inequitable in a county-wide context, unless a fully evidenced case could be made for specific local circumstances which would justify this and could withstand a challenge on grounds of inequality. To retain the current variations would exceed the funding available.
- 3.10. A local district or borough which feels that it has specific circumstances that justify an additional local concession could provide this itself, or could ask the County Council to provide this on its behalf if it was able to meet the full costs, including those of the more complex administration which would result. It will be for the County Council to decide if it will act on behalf of a local district or borough in this way.

- 3.11. So that a fully informed and legally safe decision can be made on the scheme, consultation is being undertaken over the 12 weeks to 8 October and an Equalities Impact Assessment (EQIA) is being carried out. The consultation has included local passenger transport forums, Older People's and Learning Disability Forums, community groups, local authorities and a sample of existing users. Approximately 4,000 consultation forms have been issued and over 800 returned to date.
- 3.12. The scheme will be informed by the County Council's responsibilities under the Disability Discrimination Act 1995 to take account of the disabilities of disabled persons, even where this means treating them more favourably than others.
- 3.13. The consultation has stated that only the statutory scheme can be taken as a given, but consultees have been asked to express their priorities for enhancements that might be possible if sufficient funding was made available by Government.
- 3.14. An EQIA is an essential part of informing decision making with regard to changes in a front line service such as concessionary travel. The consultation process and widespread engagement with stakeholders and partners is central to informing the EQIA.
- 3.15. Under the current schemes, almost 56,000 residents in eight districts choose tokens instead of bus passes. Tokens are not part of the statutory scheme. In some areas tokens are offered to all eligible residents, in other areas they are limited to disabled users, or to those in higher age groups. Tokens can generally be used on community transport and taxis but in some areas local bus and rail are included. Of all these users, particular consideration would need to be given to those who cannot use buses on the grounds of disability.
- 3.16. Some users, such as those with learning difficulties or who are disabled, may be unable to travel alone. For these users, companion passes, which are not issued in all areas, would help meet this need, though, again, they are not part of the statutory scheme.
- 3.17. Currently, concessionary passholders travel free on Car-share or Taxi-share services which offer a scheduled service at bus fares, although this is not part of the statutory scheme.
- 3.18. Dial-a-Ride and Call & Go cater for those who are unable to use local buses, though they are not part of the statutory scheme. At present some schemes accept tokens, others accept passes for free or half-fare travel and some accept no concessions.
- 3.19. The consultation period has been extended until 8 October 2010, and once the results of this are analysed and fed into the EQIA, options will be developed to formulate a recommended scheme.

4. Performance

- 4.1. Given the synergies with Passenger Transport, it is considered that responsibility for administering the new concessionary fares scheme should rest with the Environment Department.
- 4.2. Pass production and Scheme Administration are largely unaffected by consideration of the scheme itself. Contracts are currently out to tender so that new contracts will be in place by January 2011.
- 4.3. Preparations are underway to operate the customer pass application process in-house from April 2011. This follows discussions with district and borough councils which indicated that they do not wish to continue with this role. This will provide a single point of contact at a time when many queries and concern may be raised.
- 4.4. Bringing the administration of concessionary travel in-house will offer the potential to develop the scheme progressively across the County Council to include other Smartcard-based initiatives. Discussions are ongoing with Culture, Communities and Rural Affairs, Adult Services and Hantsdirect.

5. Conclusion

- 5.1. The transition of this scheme from district to county level is highly sensitive from user, administrative and funding perspectives. Close liaison with users, borough and district councils, internal and external stakeholders, Members and transport operators is intended to enable a smooth transfer from 1 April 2011. The results of consultation and EQIA will allow options to be developed and presented as part of the decision making process.

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.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. An Equalities Impact Assessment has been developed to consider the full implications of a policy change in this area.

2. Impact on Crime and Disorder:

2.1. None.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

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

Not applicable.