

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

13 MARCH 2008

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION

Regeneration & Transport - Lead Cabinet Member - Councillor R Cook

INTRODUCTION OF THE ENGLISH NATIONAL CONCESSIONARY TRAVEL SCHEME

1. Summary

The purpose of this report is to provide an update on progress with the implementation of the English National Concessionary Travel Scheme (ENCTS) for bus journeys by the over 60s and people with disabilities to be introduced on 1st April 2008.

2. Recommendations

It is recommended that:

1. Approval is given in principle to seeking to negotiate local enhancements to the English National Concessionary Travel Scheme (ENCTS). The enhancements sought will enable residents of Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees borough councils to travel before 9.30am and after 11.00pm on weekdays.
2. Subject to agreement, an enhanced scheme operates for a one-year period from 1st April 2008 to March 31st 2009 inclusive, with negotiations carried out on a Tees Valley wide basis.
3. Approval to determine the Stockton contribution to a joint Tees Valley offer for the year 2008/09 be delegated to the Corporate Director of Development and Neighbourhood Services in consultation with the Corporate Director for Resources and Cabinet Member for Regeneration and Transport.
4. A further report is provided to Cabinet, in November 2008, regarding any potential impact upon resources for the scheme in 2009/10 following bus passenger usage data collection and analysis.

3. Reasons for the Recommendations/Decision(s)

The need to agree payments with bus operators for the new English National Concessionary Travel Scheme and any local enhancements to it from 1st April 2008 to March 31st 2009 inclusive.

4. Members Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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SUMMARY

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RECOMMENDATIONS

It is recommended that:

- 1 Approval is given in principle to seeking to negotiate local enhancements to the English National Concessionary Travel Scheme (ENCTS). The enhancements sought will enable residents of Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees borough councils to travel before 9.30am and after 11.00pm on weekdays.
- 2 Subject to agreement, an enhanced scheme operates for a one-year period from 1st April 2008 to March 31st 2009 inclusive, with negotiations carried out on a Tees Valley wide basis.
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DETAIL

- 1 Stockton-on-Tees Borough Council agreed to the recommendation to participate in the Tees Valley Enhanced Concessionary Travel scheme in a report presented to Cabinet on 1 February 2007. The enhanced concessionary travel scheme enables those who qualify for free concessionary travel under the Transport Act 2000 to travel anywhere within the area covered by Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees Borough Councils at any time of day and at no charge to the pass holder.

- 2 Agreement was reached with bus operators on operation of the scheme for one year on the basis of fixed payments to operators. The cost of the agreement for the year from 1 April 2007 to 31 March 2008 inclusive is over £2.5 million, not including administrative costs.
- 3 On 22 March 2006 the Chancellor of the Exchequer announced that from 1 April 2008, the government intended to introduce a new national scheme to apply throughout England. This would bring concessionary travel in England into line with the national schemes currently operating in Scotland and Wales.
- 4 The Concessionary Bus Travel Act 2007 received royal assent on 19 July 2007. Under the Act eligible pass holders will be entitled to free concessionary travel on any local bus service between 9.30am and 11.00pm on weekdays and at any time at weekends. Local enhancements to the scheme to be agreed under Section 93 of the Transport Act 1985.
- 5 The present Tees Valley Enhanced Concessionary Travel Scheme has local enhancements enabling cross boundary travel anywhere within the area covered by Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton councils and also removing all restrictions on the time of travel.
- 6 It is, therefore, necessary to agree a scheme including any local enhancements to operate from 1 April. Operators have indicated that they would be willing to agree on local enhancements to the ENCTS that would enable pass holders to travel at any time of day; removing the national restriction on free travel before 9.30am and after 11.00pm on weekdays. It is recommended that a one-year local enhancement on this basis be sought. Payments to operators should be based on fixed payments reflecting the number concessionary journeys made with each participating operator, the average fare of each operator and a reimbursement factor based on Department for Transport guidance. It is further recommended that negotiations are carried out on a Tees Valley wide basis in order to secure consistency between authorities.
- 7 As well as local enhancements governing the hours of operation of the scheme, Stockton Council has been asked by Help the Aged to consider introducing an alternative token scheme where residents can choose to have tokens that can be used on taxis rather than a bus pass. Because tokens are not as secure as Smartcards and could be exchanged or traded, it is not considered appropriate to consider such a scheme until more secure and focussed means of allowing taxi use are available. A full assessment of the likely demand and financial implications for the Council would be needed. Any token scheme would also need to be assessed against the cost (and provision) of other services including Boroughbus and Community Lynx.
- 8 The Tees Valley authorities have also been asked to consider allowing companions of pass holders qualifying for free travel on grounds of disability. Of the Tees Valley authorities only Darlington grants free travel to companions. Initial discussions with operators indicate that they would prefer a scheme where special companion passes are issued rather than grant free travel to anyone boarding a bus as a companion to a disabled pass holder. The cost of implementing free travel for companions would be difficult to estimate until the ENCTS has operated for at least a year. Operators would expect 100% fare reimbursement on journeys by companions. In considering the issue of companions the provision of specialist transport services like Dial a Ride has to be considered. Residents who receive Disabled Living Allowance (DLA) that contains a mobility component could be expected to provide for the cost of companions. For the above reasons, it is not recommended that free travel for companions be considered until all the implications for the Council are clearer.

- 9 Payments to operators for the English National Concessionary Travel Scheme and any agreed local enhancements to it will need to reflect changes in operating costs. Fares charged by the bus industry are presently increasing at well above the general inflation rate, and fuel prices have risen particularly sharply since mid-2007. Operators are seeking further substantial increases in payments to reflect fare increases.
- 10 Operators will need to be reimbursed for cross boundary trips beyond the old Cleveland County area (for which payment is already being made under the Tees Valley Enhanced Concessionary Travel Scheme). Payments for journeys to Darlington, Newcastle, Sunderland and Durham will now have to be made, along with any other long distance trips commencing in Stockton-on-Tees. From 1 April 2008 reimbursement will be based on any passenger boardings in the Council's area, regardless of the issuing authority for the pass.
- 11 The Secretary of State has determined that the new passes issued for the ENCTS should be Smartcards capable of recording passenger boardings. This will enable more accurate reimbursement methods to be adopted once buses have been fitted with ITSO compliant Smartcard readers. In preparation for the new scheme, Stockton (along with the other Tees Valley authorities) engaged in a registration process for passes under the new scheme. To date, over 25,000 residents have registered for the new pass. Data and photographs to enable production of the new passes have been sent to the card production bureau to enable passes to be produced. Passes will be posted directly to residents along with a leaflet and wallet for holding the pass.

FINANCIAL IMPLICATIONS

- 12 The financial implications for the Council of introducing the English National Concessionary Travel Scheme (ENCTS) are that it will increase the cost to the Council of providing concessionary travel in 2008/09. The total cost to Stockton of providing the current Tees Valley Enhanced Concessionary Travel scheme is just over £2.5 million, plus any administration and distribution costs for passes. Approximately £80,000 potential revenue previously obtained through the issue of passes was also lost to the Council in 2007/08.
- 13 However, £82,468 has been made available to Stockton Council in government grant for 2007/08 to cover the cost of introducing the ENCTS. The government has provisionally allocated £649,000 to support the increased cost of introducing the ENCTS in 2008/09. The grant will increase to £664,000 in 2009/10 and £682,000 in 2010/11.
- 14 The Tees Valley Authorities of Stockton, Hartlepool, Redcar and Cleveland and Middlesbrough are issuing an initial joint offer to operators for the Tees Valley (excluding Darlington). Following that offer there will be joint negotiations with the major operators and a key element will be to persuade operators to continue to negotiate at a Tees Valley level.
- 15 The total Tees Valley Payment to all bus operators in 2007/08 is over £8 million. The offer being made to operators by the Tees Valley Authorities for 2008/09 is consistent with identified increases in fares and costs, plus estimated additional trips generated by the ENCTS (especially for longer distance journeys that are presently not allowed). It is expected that the costs of the final scheme will be deliverable within the grant made available to Stockton.

LEGAL IMPLICATIONS

- 16 The principle set out in the Travel Concession Regulations 1986 is that operators both individually and in the aggregate are financially no better and no worse off as a result of their participation in the scheme. Because no operator has refused to participate in the Tees Valley Enhanced Concessionary Travel and all have agreed in principle to participate in the ENCTS (and any locally agreed enhancements to it) in 2008/09, there is, as yet, no requirement on the Council's part to issue participation notices. Should agreement not be reached with any operator(s), then participation notices would have to be issued under the 1985 Transport Act no later than 3 March 2008. If participation notices are issued, then operators have the right of appeal against being made to participate in the scheme and/or the payments. There are presently over 80 appeals from 2007/08 that are still to be determined although none of these are in the Tees Valley.

RISK ASSESSMENT

- 17 The concessionary scheme is considered a medium risk as the financial implications are significant. Legal action could be taken against the Council dependant upon its action strategy.

COMMUNITY STRATEGY IMPLICATIONS

Economic Regeneration & Transport

- 18 Bus services, by providing an environmentally sustainable alternative to the car, assist in easing congestion and reducing harmful emissions. Despite bus patronage overall continuing to fall, the increased take up of concessionary travel passes is helping to reduce the decline. In 2006/07 there was a small increase (+0.15%) in the overall number of trips recorded for BVPI 102, due primarily to the introduction of free concessionary travel. The English National Concessionary Travel Scheme will have an impact towards achieving targets to reduce traffic growth and emissions.
- 19 Residents who are over 60 or who qualify for free concessionary travel through disability will be able to access goods and services by public transport at no cost. This will mean more journeys can be made for shopping/leisure purposes, which will help stimulate growth in spending. Access to part time employment opportunities will also be enhanced for elderly citizens wishing to supplement their pensions. The shopping survey commissioned by Stockton and other Tees Valley councils shows that access to shopping facilities by bus remains vitally important to the economic health of our town centres. Removal of the cost barrier to travel for a significant number of residents will encourage more shopping/leisure to be made.

Safer Communities

- 20 The introduction of free concessionary travel means that the over 60s and people with disabilities will be able to travel further and use more than one bus service without incurring any cost. This is significant as it will mean that greater access to lower cost goods and services will be achieved using public transport. The enhanced scheme substantially improves access to education and employment opportunities for people with disabilities and learning difficulties who qualify for the concession under the 2000 Transport Act because it provides for travel across local authority boundaries, opening up access to some specialist courses not available in Stockton-on-Tees.

Children and Young People

- 21 Access to education and lifelong learning are key elements to promoting social inclusion and improving well-being and the quality of life. The introduction of free concessionary travel means that transport costs are no longer a determinant in deciding whether to take up educational opportunities for young people who qualify for the ENCTS through disability. Free concessionary travel across local authority boundaries provides access to specialist courses in other centres that are not provided within the borough. Young people who do not qualify for free transport under the ENCTS can still obtain unlimited half fare travel under the Council's Pathfinder scheme.

Healthier Communities and Adults

- 22 The Council has given priority to improving access to healthcare facilities. This has been achieved through two successful bids under Urban and Rural Bus Challenge. The Hospital Links scheme involves improved and extended commercial bus services, which have achieved 8-14% growth in patronage. The Community Lynx Demand Responsive service operates in rural areas and gives priority to residents needing to access health care facilities.
- 23 The restriction on journeys before 9.30am under the government's statutory minimum scheme would have an adverse effect on residents with early morning hospital appointments. For this reason, retention of the existing ability to travel at any time is being sought.

Liveability

- 24 By providing free bus travel across as broad an area as possible, access to arts, cultural and leisure facilities throughout the Tees Valley sub-region and beyond is being opened up. Introduction of the ENCTS will mean that the over 60s and people with disabilities living in other authorities will find visiting attractions like the Arc centre and the Preston Hall Museum far less expensive and more attractive.

CONSULTATION INCLUDING WARD/COUNCILLORS

- 25 Extensive consultations with stakeholders on transport issues were undertaken as part of the process for the production of the second Local Transport Plan. All Elected Members were provided with a copy of the Department for Transport guidance note 'Concessionary Travel for Older and Disabled People: FAQs for local authorities'. Consultations have taken place with residents groups and forums representing elderly citizens over recent years.
- 26 Groups representing elderly citizens and health interests have expressed concern at the possible introduction of a limitation on travel before 9.30am under the ENCTS, a restriction on the statutory schemes that was removed by the present Tees Valley Enhanced Concessionary Travel Scheme.
- 27 The only reservations expressed by residents about a free scheme have been fears that it would lead to cuts in bus services or to concessions offered to other groups, particularly young people, as has reportedly been the case in other authorities. In Stockton-on-Tees Borough Council such concerns have been unfounded. Residents were reassured that the Council had not considered cuts to Boroughbus services or to its Pathfinder scheme in order to fund concessionary travel. A few residents have complained that free concessionary travel has caused overloading on buses during the morning peak period and therefore want the restriction on travel before 9.30am under the government scheme to be imposed.

28 Overall, elderly citizens have welcomed the English National Concessionary Travel Scheme because it enables free travel throughout England and provides free access to leisure and health facilities across the region and beyond by bus. The local branch of the National Pensioners Confederation has always favoured a national scheme for England, but Stockton residents also wish to retain the ability to travel before 9.30am, particularly for healthcare appointments.

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Background Papers

Concessionary Travel for Older and Disabled People: FAQs for local authorities
Local Government Finance: Formula Grant Distribution – A Consultation Paper (ODPM)
1985 Transport Act
Concessionary Fares Schemes – Explanatory notes on the provisions of the Transport Act 1985
Concessionary Travel Regulations 1986
2000 Transport Act
Report to Cabinet Free Concessionary Travel Scheme 1st December 2005
Report to Cabinet Free Concessionary Travel Scheme 9 March 2006
Concessionary Fares for Older and Disabled People: Local Authority Guidance for 2007-08
Concessionary Bus Travel Act 2007

Ward(s) and Ward Councillors:

The provision of concessionary travel is relevant to Members in all wards.

Property

None.