

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

11 FEBRUARY 2010

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Regeneration & Transport - Lead Cabinet Member - Councillor R Cook

ENGLISH NATIONAL CONCESSIONARY TRAVEL SCHEME UPDATE

1. Summary

The purpose of this report is to advise Cabinet of the progress of the introduction of the English National Concessionary Travel Scheme (ENCTS) since its introduction on 1st April 2008 and to advise of the financial implications of operation of the scheme for Stockton-on-Tees Borough Council in 2010/11. The report acknowledges the findings of the recent Scrutiny review of this service area approved by Cabinet in November 2009. It also addresses previous Cabinet requests for a review of the way in which disabled entitlement to ENCTS passes are assessed and updates Members on progress towards future pass issue from libraries.

2. Recommendations

It is recommended that:

1. Approval is given to seeking continuing participation in the Tees Valley wide enhancement to the English National Concessionary Travel Scheme (ENCTS) offering free travel within and between the areas covered by Stockton-on-Tees, Hartlepool, Middlesbrough and Redcar & Cleveland Borough Councils.
2. The Council enters into dual negotiations with the bus operators for 2010/11 based on either continuation of the any time of day enhancement or a nominal charge for journeys made before 9.30 under the enhanced scheme.
3. Any agreed continuation of the enhancement enabling travel at any time of day operates for a one-year period commencing on 1st April 2010.
4. Any changes to the administration system for vetting applications on grounds of disability are deferred to 2012.
5. Charges for replacement passes remain at £5 for the first pass and £10 for subsequent passes.

6. New computers be provided in all main libraries, commencing at Stockton and Billingham, plus cameras and software, to enable them to register residents for the English National Concessionary Travel Scheme (ENCTS).

3. Reasons for the Recommendations/Decision(s)

The decision of Cabinet to consider a report reviewing the operation of the English National Concessionary Travel Scheme (ENCTS) six months after the commencement of its operation.

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.

AGENDA ITEM

REPORT TO CABINET

11 FEBRUARY 2010

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

ENGLISH NATIONAL CONCESSIONARY TRAVEL SCHEME UPDATE

SUMMARY

The purpose of this report is to advise Cabinet of the progress of the introduction of the English National Concessionary Travel Scheme (ENCTS) since its introduction on 1st April 2008 and to advise of the financial implications of operation of the scheme for Stockton-on-Tees Borough Council in 2010/11. Updates are provided on disability assessment and the roll out to libraries of bus pass issue.

RECOMMENDATIONS

It is recommended that:

1. Approval is given to seeking continuing participation in the Tees Valley wide enhancement to the English National Concessionary Travel Scheme (ENCTS) offering free travel within and between the areas covered by Stockton-on-Tees, Hartlepool, Middlesbrough and Redcar & Cleveland Borough Councils.
2. The Council enters into dual negotiations with the bus operators for 2010/11 based on either continuation of the any time of day enhancement or a nominal charge for journeys made before 9.30am under the enhanced scheme.
3. Any agreed continuation of the enhancement enabling travel at any time of day operates for a one-year period commencing on 1st April 2010.
4. Any changes to the administration system for vetting applications on grounds of disability are deferred to 2012.
5. Charges for replacement passes remain at £5 for the first pass and £10 for subsequent passes.
6. New computers be provided in all main libraries, commencing at Stockton and Billingham, plus cameras and software to enable them to register residents for the English National Concessionary Travel Scheme (ENCTS).

DETAIL

1. The English National Concessionary Travel Scheme (ENCTS) came into operation on 1st April 2008. Under the ENCTS, holders of a concessionary pass are entitled to travel on buses free of charge between 9.30am and 11.00pm on weekdays and at any time at weekends. Under the Concessionary Bus Travel Act 2007 local enhancements are allowed to the ENCTS including, for example, removal of restrictions on the time of travel and use of companion passes.
2. In January 2009, Cabinet considered a report on implementation of the ENCTS and approved a local enhancement in the Tees Valley that removed all restrictions on the time of travel. This was to operate for the year ending 31 March 2010 and continued the policy of allowing travel at any time of day. No capacity problems have been experienced as a result of the enhancement. Should the local enhancement be removed, it is very difficult to assess the impact upon resources but a reasonable assumption would be a small potential saving in the region of 1 to 3%. Removing the concession would very likely result in most journeys simply being delayed until after 9.30am.
3. In March 2009, agreement was reached with the operators on continuing the fixed payment system in 2009/10. Although one operator had indicated a willingness to negotiate a two-year agreement, this could not be reached.
4. Public Transport and Community Transport provision were analysed as part of the Efficiency, Improvement and Transformation (EIT) review process. Cabinet approved the recommendations of the Regeneration and Transport Select Committee, including that 'officers enter into dual negotiations for the English National Concessionary Travel Scheme concession 2010/11 subsidy with the alternative option of introducing a reduced fare for pass holders travelling before 9.30am Monday – Friday'.
5. It is, therefore, recommended that approval is given to seeking continuing participation by this Council in the Tees Valley enhanced scheme offering free travel within and between the areas covered by Stockton-on-Tees, Hartlepool, Middlesbrough and Redcar & Cleveland Borough Councils at any time of day.
6. It is further recommended that this be subject to the continuing participation of the other local authorities in the scheme, available budgets and any agreed system of nominal charges for trips before 9.30am as previously approved by Cabinet.
7. Because of continuing uncertainty as to the future funding of the scheme and the system of reimbursement to operators, it is also recommended that any agreed local enhancement operate for a period of one year commencing on 1st April 2010.
8. As of 1st December 2009, Stockton had 33,128 active passes of which 30,761 passes were for the over 60's (93.9%), with 2,367 (6.1%) issued on grounds of disability. Of the passes issued on grounds of disability, 14.5% were for an unspecified disability because the recipient was pass-ported the concession through already qualifying either for the Blue Badge scheme or in receipt of the higher rate of mobility component of Disabled Living Allowance. 43.9% of passes issued to people with disability were for those with a long term disability/injury, with a further 15% qualifying on the grounds of being unfit to drive through physical disability. 15.3% of passes were issued to residents with learning disabilities, 6.4% to the blind or partially sighted and 4.9% to those with no hearing and/or speech.

9. With regard to the qualification for a pass on the grounds of disability, the Department for Transport strongly recommended that independent health professionals should undertake assessments in place of GPs. Their view is that in the case of an assessment of the inability to walk occupational therapists or physiotherapists are often best placed to assess eligibility due to their professional knowledge of mobility. Transferring assessment to such specialists implicitly suggests the importance of making judgements based on physical mobility rather than medical conditions. In Stockton applicants wanting a pass on grounds of disability have to complete a form. Any claim has to be proven and if the opinion of the General Practitioner is required he/she is sent a form that has to be returned. The applicant is informed after the GP has responded as to whether the application is merited. The GP then charges the council for the opinion and completing the form. Typically, GPs charge £25 for this although some charge up to £30.
10. Following the decision of Cabinet in January 2009, an investigation of the availability and cost of using occupational therapists in Stockton has been undertaken. It is unlikely that an assessment system based on their use can be introduced within the next two years due to lack of availability and cost. An alternative system based on using a designated general practitioner as an alternative could be implemented, but this will still cost substantially more than the present system. The next mass renewal of passes will not be needed until 2012/13 as all existing passes have an expiry date of March 31 2013. It is recommended that any new system is not adopted until 2012, when arrangements are being made for replacement of the existing passes.
11. Since Cabinet agreed to introduce charges for lost/stolen passes in January 2009, the demand for replacement passes has fallen from over 70 a month to just over 20 a month. Whilst some of the 1,080 passes replaced up to December 1st may have been 'lost' simply because the pass holder wanted a pass with a different photograph, the charges of £5 for a first replacement pass and £10 for subsequent replacements appear to have encouraged residents to take more care of their passes. Although the cost of printing passes has recently increased from £2.51 to £2.78 per pass, it is recommended that the charges for replacement passes remain at their present level.
12. In January 2009 Members were informed of proposals to extend the number of outlets at which ENCTS applications can be made to all libraries in 2009. Although the new customer contact centre at Thornaby is now processing ENCTS applications, it has not been possible to add any more outlets at this stage. Following discussions with ICT it is apparent that adding more high bandwidth network connections in libraries will be difficult and expensive. It was agreed that rather than add new computers to undertake the task, the use of existing computers to process ENCTS would be preferable. However, the existing equipment in libraries does not meet the minimum standards needed to process ENCTS applications. Therefore, £20,000 will be used from existing resources in 2010/11 to provide libraries with new computers, cameras and software to enable them to process ENCTS applications.
13. The Department for Transport (DfT) has also set up three national working parties to review the operation of the ENCTS. These cover:
 - Funding and concessions
 - Reimbursements and
 - Eligible Services
14. The Eligible Services Working Party is the only one that has produced any changes to the scheme to date. These entailed firming up the criteria by which bus services qualify for ENCTS payments. The changes included, for example, elimination of temporary rail substitute services and seasonal services (those operating for less than six weeks) from qualifying for

payments. As indicated in Department for Transport (DfT) Concessionary Bus Travel Bulletin 19, the national review is expected to produce recommendations on funding and concessions and reimbursements this year for implementation in 2011/12.

15. In November 2009, the DfT announced a consultation exercise on the distribution of special grant to support the ENCTS. Special grant has been allocated to travel concession authorities for the last two years. The final year of the scheme is 2010/11 after which a new system of funding to support ENCTS is likely to be introduced. A consultation in 2007 resulted in the special grant being distributed on the basis of population, bus journeys, retail floor space and overnight visitors. Of the four available options, this was the one supported by Stockton under which the council would receive the most grant. Stockton was allocated special grant of £649,000, £664,000 and £682,000 for the three years commencing in 2008/09. However, the substantial increase in the costs of the scheme exceeded the grant allocated to many authorities, which resulted in the LGA calling for the funding to be reviewed.
16. The DfT consultation document now proposes that the final year of special grant is redistributed on the basis of the first year's operation of ENCTS. The big losers in the exercise have been the London authorities (£28.63 million) who will have their grant cut by half. Other, primarily rural, authorities would lose between £50,000 and £340,000 based on the indicative redistribution. Merseyside, with an extra £1.15 million, is the only PTE area to gain significantly. Of the unitary authorities, Derby (£2.87 million) and Nottingham (£2.31 million) stand to gain most. In the north east, Darlington would gain £0.84 million under the proposed redistribution. This compares to Tyne & Wear gaining £20,000 and Redcar & Cleveland £60,000. The grant for Hartlepool, Middlesbrough and Stockton would remain unchanged.
17. Stockton's response to the consultation states that whilst a redistribution of special grant is welcome, the allocation to Stockton and the other former Cleveland authorities is inadequate. This is because the four councils had a pre-existing concessionary travel scheme that allowed cross boundary travel within the old Cleveland area, which made up approximately 20% of all journeys. The increase in trips for which the councils have been allocated special grant therefore only reflects cross boundary journeys to destinations outside Cleveland. Comparison with the proposed increased allocation for Darlington, which before ENCTS had a scheme allowing only journeys within the authority, is particularly appropriate.
18. As well as the formal response form, Stockton has provided the DfT with information supporting the case for more grant to be allocated to the four ex-Cleveland authorities, although there is no historical data available from operators as to the exact number of cross boundary journeys made between individual authorities or on individual services. The DfT intends to publish its proposed final allocations of special grant in January 2010, so that Parliament can approve any revised payments to be made in 2010/11. Any change in DfT special grant allocation will have a commensurate effect on the 2010/11 budget. The Authority will ensure that appropriate lobbying of DfT, local MPs and Ministers continues to ensure Stockton's allocation is evidenced as being fair and equitable given our high baseline of 20%.
19. On December 9, the Chancellor announced as part of the Pre-Budget Report (PBR) that there will be changes in the age criteria by which people will qualify for an ENCTS pass on grounds of age. The qualification age will be harmonised so that both men and women will have an identical qualifying age of 65 by 2020, which will also be the retirement age. The change will be phased in starting in April 2010, but no one who is currently aged between 60 and 65 and has already been issued with a ENCTS pass will lose their entitlement.
20. It was also announced that (subject to parliamentary approval) responsibility for scheme administration would move exclusively to the upper tier authorities. Stockton will, therefore,

continue to be responsible for administering the English National Concessionary Travel Scheme. It was also announced that a simpler system for calculating payments to operators will be introduced, but no details are being provided pending the outcome of a judicial review.

21. Because the Department for Transport Working Parties may make recommendations that will impact upon the operation of the scheme locally, it is recommended that operation of the ENCTS is kept under review and that any changes to the ENCTS recommended either by the DfT working parties or local authorities be the subject of a further report to Cabinet where appropriate.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

22. Detailed Financial analysis is exempt information under Local Government Act 1972 and appears as confidential information at **Appendix 1** to this report.
23. A system of fixed payments for implementing the ENCTS was agreed between the Tees Valley authorities and the bus operators. The agreement means that apart from exceptional circumstances, the payments for 2009/10 are known to both the local authorities and the bus operators. In Stockton-on-Tees, payments totalling approximately £3.5 million were agreed with operators. However, a new operator, Tees Valley Coaches started up several commercial services after 1st April 2009 and has sought payments for journeys made by ENCTS pass holders, which the operator is legally entitled to.
24. The financial implications of the English National Concessionary Travel Scheme are that it may place a substantial additional financial burden on the council in 2010/11 and beyond. Stockton Council will be expected to meet the financial implications of the increased number of journeys being made under the ENCTS as well as industry costs (and fares) rising at a rate that is higher than the general inflation rate.

Legal

25. The Council is required to comply with the Concessionary Bus Travel Act 2007 and any regulations issued by the Secretary of State in connection with the Act. The scheme operating in Stockton and more broadly in the Tees Valley is compliant with the 2007 Act as well as the Transport Act 1985 and the Transport Act 2000 in respect of concessionary travel and with the relevant regulations produced by the Secretary of State. The local enhancement operated jointly with Hartlepool, Middlesbrough and Redcar & Cleveland Borough Councils is allowed under Section 93 of the 1985 Act as amended by the 2000 and 2007 Acts.

RISK ASSESSMENT

The concessionary fares situation is currently categorised as high risk, with cost and revenue implications for the council still to be determined.

COMMUNITY STRATEGY IMPLICATIONS – Key areas of impact

Environment and Housing

26. Bus services, by providing an environmentally sustainable alternative to the car, assist in easing congestion and reducing harmful emissions. Any increase in bus patronage in Stockton-on-Tees will have a significant impact towards achieving targets to reduce traffic

growth and emissions. The increased take up of passes, especially in areas of high car ownership, is encouraging as it shows more residents are prepared to use the bus as an alternative to the car for some journeys.

Healthier Communities and Adults

27. The ENCTS means that any resident with a pass can attend doctors, dentists or hospital appointments using public transport without cost including before 9.30am on mornings.

Economic Regeneration and Transport

28. Residents who are over 60, or who qualify for free concessionary travel through disability, will enjoy free access to work, shopping and leisure including part time employment opportunities. However, the free of charge access to other major shopping centres means that shopping facilities in Stockton-on-Tees are facing increased competition for the patronage of many residents who travel by bus.

Arts, Leisure and Culture

29. By providing free bus travel throughout England, access to arts, cultural and leisure facilities has been improved. This will mean that the over 60s and people with disabilities living in other authorities will find visiting attractions like the Arc and the Preston Hall Museum far less expensive and more attractive. Conversely, Stockton-on-Tees residents are now able to travel free of charge to regional attractions including the world heritage site of Durham Cathedral and The Baltic Centre.

Older Adults

30. The introduction of free concessionary travel means that the over 60s and people with disabilities will be able to travel further without incurring any cost. This is significant as it will mean that greater access to services will be achieved using public transport.

Equality Impact Assessment

31. An equality impact assessment (EIA) for the concessionary travel scheme was carried out in March 2008. The key actions in the EIA action plan are:-
- Improve consultation to BME community through contact with places of worship/ meeting.
 - Investigate means of publicising registration/eligibility for people with learning difficulties.
 - Council Venues for issuing of passes should be DDA compliant.
 - Social Services to supply data on residents who would benefit from the service.
 - Review the need for mass renewals and registrations and minimise the requirement for residents to re-register/renew passes.

CONSULTATION INCLUDING WARD/COUNCILLORS

Consultations have regularly taken place with residents groups and forums representing elderly citizens. The Over 50s Assembly has been kept briefed on progress and has had the opportunity to raise any questions relating to concessionary travel. Concessionary Travel has also been on the agenda at meetings of Stockton Council's Public Transport Forum, which is open to all residents. Groups representing elderly citizens and health interests are pleased at the continued removal of restrictions on travel before 9.30am because of the need to attend doctors and hospital appointments. A small number of residents have stated that they would be prepared to pay a nominal sum for each

journey made. However, the Council cannot introduce charges for passes (except replacement passes) or for journeys made after 9.30am on weekdays or at any time on weekends under ENCTS, as this would be contrary to the Concessionary Bus Travel Act 2007. It is, however, possible to levy charges for journeys made under any enhancements to the scheme; namely journeys made before 9.30am on weekdays.

Name of Contact Officer : John Kavanagh
Post Title : Public Transport Manager, Technical Services
Telephone No : 01642 526774
Email Address : john.kavanagh@stockton.gov.uk

Background Papers

Department for Transport Concessionary Bus Travel Bulletin 19 December 2009
Consultation Paper: 'Local Authority special grant funding in 2010/11 for the national bus concession in England' November 2009
Projections of Expenditure on Bus Concessionary Travel by English Travel Concession Authorities. (LGA October 2009)
Cabinet Report Review of Operation of English National Concessionary Travel Scheme January 2009
Equality Impact Assessment: Concessionary Fares March 2008
Concessionary Bus Travel Act 2007
Cabinet Report Free Concessionary Travel Scheme 10 March 2006
Concessionary Travel for Older and Disabled People: FAQs for local authorities
Cabinet Report Free Concessionary Travel Scheme 1 December 2005
Cabinet Report Goldcard Concessionary Fares Scheme 10 March 2005
Transport Act 2000
Concessionary Travel Regulations 1986
Local Government Finance: Formula Grant Distribution – A Consultation Paper (ODPM)
Transport Act 1985
Concessionary Fares Schemes – Explanatory notes on the provisions of the Transport Act 1985

Ward(s) and Ward Councillors:

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

Property

None.