

## **TAUNTON DEANE BOROUGH COUNCIL**

**EXECUTIVE 6 FEBRUARY 2008**

### **REPORT OF DEMOCRATIC SERVICES MANAGER**

#### **CONCESSIONARY TRAVEL**

This matter is the responsibility of Executive Councillor Simon Coles

#### **1.0 Purpose of the Report**

To provide information on the operation of the Council's Concessionary Travel Scheme.

#### **2.0 BACKGROUND**

- 2.1 Since 1974 the Council has run two Concessionary Travel Scheme. The first was between 1974 and 1984 using Travel Tokens. The second was from 1990 to the present day, where there is now a statutory concessionary bus pass scheme or, in certain circumstances, a choice of travel vouchers.
- 2.2 The first scheme was introduced to assist pensioners in receipt of DSS Income Support or anyone of any age (5 years +) suffering from a long term disability of injury. It ran until 1984 and was reintroduced in 1990 giving £20 per year in tokens.
- 2.3 In January 1991 the use of tokens was extended to include taxis and private hire operators. The value of this concession has risen over the years to £30 and users now use vouchers rather than the old tokens.
- 2.4 The concessionary pass scheme for 2006-2008 established free passes across the County and also to a number of locations outside the county that were able to be reached by direct bus service and/or had a through fare available from a point in Somerset.

#### **3.0 THE CHANGE TO THE EXISTING SCHEME**

- 3.1 In April 2008 the bus pass scheme will change. The Concessionary Bus Travel Act 2007 provides that everyone aged 60 and over in England, and disabled people in England, will get free off peak travel on all local buses anywhere in England.
- 3.2 The Act guarantees free bus travel for those eligible from 9.30a.m. until 11.00p.m. on weekdays and all day weekends and Bank Holidays.

#### **4.0 WHO ADMINISTERS THE SCHEME**

- 4.1 The authority responsible for the issuing of passes and the management of the scheme is the District or Unitary authorities. These authorities are known as TCAs (Travel Concession Authorities). Currently a TCA is responsible for reimbursing bus operators for concessionary trips made by its residents. The new legislation means that from 1 April 2008 a TCA will be responsible for reimbursing operators for eligible journeys starting within its boundary, regardless of where the eligible person is resident.
- 4.2 In Somerset the district councils act in a consortium with the County Council match funding administration costs and taking the role of overall scheme management.
- 4.3 Individual Districts retain responsibility for issuing passes although Mendip and Taunton Deane outsource this responsibility to the County Council. The County Council has carried out this role for us since 2004. Taunton Deane does not have the luxury of a transport “professional” and the expertise and knowledge that the County officers have, has been invaluable.

## **5.0 FUNDING**

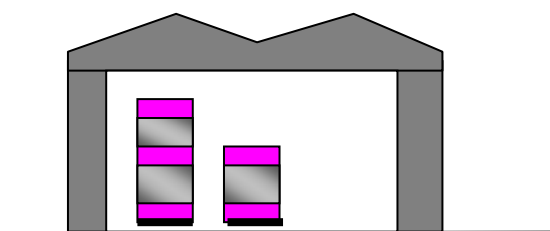
- 5.1 The Council receives partial funding of the scheme through the Revenue Support Grant system although many districts have complained that the additional amounts made available as a result of the 2006 scheme, and expected to be allocated for the 2008 scheme, are insufficient.
- 5.2 Bus companies are reimbursed for actual bus usage based on the number of times a pass is presented against an average fare travelled e.g. if 1000 passes are seen and the average fare (based on adult fare payers) is £2.30 then the company is reimbursed £2,300.00. This figure is modified to take into account the number of passholders who would not have travelled if no scheme existed (generated travel). In Somerset this figure is currently 72% (The Somerset partnership pays for 72% of travel). However, the County Council have negotiated a further reduction down to 70% for 2008/09. In the example above therefore the partnership would actually pay the operator £1,656.00.
- 5.3 In order to make their claim large operators must submit a claim based on a monthly return of pass-holders using the service and the monthly average fare on a route-by-route basis. By this method trends can be checked and unusual or outlandish claims monitored.
- 5.4 The scheme continues to bring significant assistance to eligible passengers through the ability to travel for those on low incomes. There is evidence from the claims and from users letters that significant changes to travel patterns have been made including significant generation of trips on services going to the coast and other leisure destinations and for those visiting relations more frequently.

5.5 One benefit associated with the scheme has been a rise in overall patronage of non-passholders this is attributed to fare paying adults accompanying free pass-holders on trips and on the greater stability in service revisions brought about by the more profitable services now being operated by bus companies (greater revenue has led to greater stability which in turn has led to greater confidence for the general public and thus to rises in non pass-holder patronage).

5.6 In Somerset the TCAs have made the decision to extend the mandatory scheme at limited additional cost to those non conventional services serving the community. Slinky and Dial-a-ride are entitled to the same level of concession as those who use standard bus services whilst those with door-to-door community transport are able to reclaim half the fare up to a ceiling which is set each year. This ensures that even those who live off of the bus network are able to get benefit from the scheme thus addressing the needs of the rurally isolated.

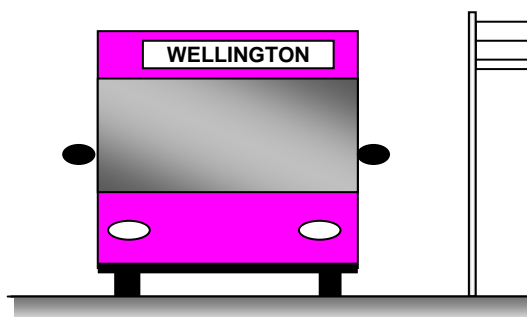
## 6.0 Reimbursement of Concessionary Bus Fares

6.1 The Travel Concession Scheme Regulations 1986 specify that bus operators, both individually and in the aggregate, should be financially no worse or better off through participation in the scheme. This chart illustrates the process of calculating the reimbursement to bus operators.



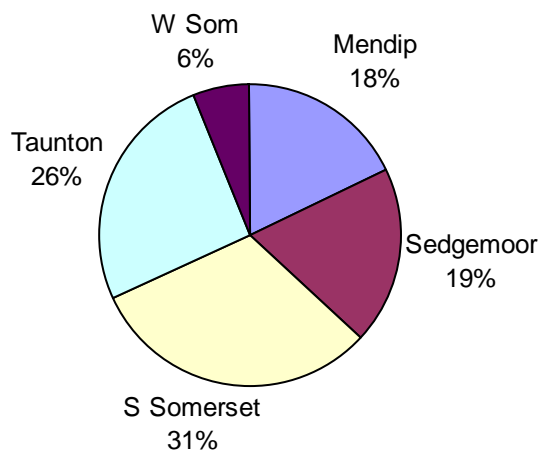
Information from electronic ticket machines on busses is used to obtain the number of adult single tickets issued and the price of these tickets.

This information is collated at each bus depot and passed to Somerset CC where it is used to calculate the cost of the average adult single fare across Somerset



The bus driver issues a 'nil-value' ticket for each concession holder who boards the bus. Thus the electronic ticket machine keeps a record of the number of concessionary journeys undertaken.

The bus companies supply Somerset CC with the number of concessionary journeys. This figure is multiplied by the average adult single fare to obtain the gross revenue operators would have received if concession holders had paid for their fares. This figure is then reduced by 28% to allow for additional trips generated by the concession.



Somerset CC reimburses the bus companies each month. Somerset CC adds a 0.8% administration charge and then recharges each district with an agreed share of the total cost. Each district's share is based on the proportion of passenger miles undertaken in each district.

- 6.2 Attached as Appendix A to this report is a copy of the Briefing on Concessionary Travel which was circulated to Members with the Budget packs. This gives a summary of the information relating to Concessionary Travel together with details of the cost of the scheme to the Council. Also attached as Appendix B is a summary of costs by District in Somerset
- 6.3 Mark Pedlar, Group Manager – Transport, Somerset County Council will be present at the meeting to answer any detailed questions that members might have.

Greg Dyke  
Democratic Service Manager

## Concessionary Travel 2004/05 – 2008/09

The table below is the same as that provided in the Budget Consultation pack. It shows the historic and forecast spend on Concessionary Travel. The forecast information for 2007/08 and 2008/09 is based on the latest projections received from the County Council who carry out the administration of the scheme.

This table also shows the impact that the cost of Concessionary Travel has on an average band D council taxpayer.

Year	2004/05	2005/06	2006/07 *		2007/08		2008/09**
	Actual £000	Actual £000	Budget £000	Actual £000	Budget £000	Forecast £000	Budget £000
Spend on Bus Travel	251	280	571	1,077	962	1,500	1,908
Vouchers Scheme	96	114	100	97	90	90	90
<b>Total Spend</b>	<b>347</b>	<b>394</b>	<b>671</b>	<b>1,174</b>	<b>1,052</b>	<b>1,590</b>	<b>1,998</b>
Estimated RSG increase	-	-	(586)	(586)	(616)	(616)	(628)
Specific Government Funding	-	-	-	-	-	-	(388)
<b>Net Cost to TDBC</b>	<b>347</b>	<b>394</b>	<b>85</b>	<b>588</b>	<b>436</b>	<b>974</b>	<b>982</b>
<b>Impact on Band D Council Tax</b>	<b>£8.97</b>	<b>£10.09</b>	<b>£2.16</b>	<b>£14.94</b>	<b>£10.96</b>	<b>£24.48</b>	<b>£24.46</b>

\* There was a reduction in the eligible age in 2006/07 from 65 down to 60.

\*\* Transferring to the National Scheme.

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**The TDBC figures are draft and subject to finalisation at Executive Agenda Setting.**