



meeting **ENVIRONMENT AND SUSTAINABILITY SELECT COMMITTEE**

date **12 DECEMBER 2005**

agenda item
number

CONCESSIONARY FARES – PROGRESS TOWARDS IMPLEMENTATION OF A NEW SCHEME FROM APRIL 2006

Purpose of Report

1. (a) To advise Members of the progress in respect of implementing a new concessionary fare scheme on 1st April 2006.
- (b) To seek agreement on the performance and monitoring of the new service.

Background

2. In the Budget speech on 17 March 2005, the Government announced free off peak local bus travel, to be made available from April 2006, for those aged 60 or over and for people with disabilities. Additional funding of £350m has been allocated. This requires as a minimum District Authorities (the Travel Concession Authority – TCA – who fund the scheme) to provide free local travel within their district area, on bus services only from 9.30 am, as opposed to the current half fare scheme. The 14th September Cabinet meeting considered a number of preferred scheme options, and gave approval to enter into agreement with scheme partners and transport providers and to publish the new scheme on 1 December 2005.

Current Nottinghamshire Scheme

3. The Transport Act 2000 (s145 to s150) provides for a national minimum standard for local authority concessionary travel schemes. Within the TCA area, senior citizens and people with disabilities in possession of a bus pass must be offered, as a minimum, half-fare travel on local buses from 9.30 am to 11.00 pm Monday to Friday with no time restriction on weekends and Bank Holidays. Authorities are free to offer more generous schemes or alternatives (e.g. tokens) under their Transport Act 1985 powers.
4. The current Nottinghamshire Concessionary Partnership Scheme exceeds the statutory minimum requirements in the following areas:-
 - Multi modal travel (bus, rail, community transport, tram)

- Countywide and inter-county travel at half fare
 - No time restrictions on any day
5. The Partnership agrees that the current scheme significantly benefits all Nottinghamshire elderly and disabled residents in line with the following policies and strategies:-
- Access to Services
 - Social Inclusion
 - Community Strategy
 - Promoting Public Transport
 - Integrated Transport Strategy
 - Sustainable Transport Network
 - Healthy and Independent Living
6. The costs for the Nottinghamshire scheme in 2004/5 was £2.483m. The Districts funded the statutory element of £1.130m. The discretionary element of £1.353m was funded by the County Council (£676k) and the Districts (£677k). The total value of the travel being £6.35m when on bus revenue and operator discounts are included.

New National Minimum Standard

7. The 2005 budget announcement makes changes to the level of statutory concessionary travel by replacing the minimum half fare by free travel. The new statutory minimum schemes must be in place for 1 April 2006 and satisfy the following criteria:-
- District authorities have a statutory duty to provide a free scheme in their area.
 - Free local bus travel within the TCA for elderly and disabled persons.
 - Bus only travel.
 - Travel only between 9.30 am and 11.00 pm Monday-Friday and all day at weekends and bank holidays.
 - Scheme to be published by 1 December 2005
 - Reimbursement arrangements to be determined locally on the established basis of operators being no better or worse off as a result of the scheme.
8. The change to requirements anticipates that any enhancements to the minimum duty may be made but funded locally. The current half fare scheme must be modified to meet the new regulations which will be published in December 2005.
9. However, there are a number of concerns for local authorities relating to the introduction of the free scheme as follows:-
- The final funding allocation from DfT will not be announced until early December.
 - The scheme and associated funding is for local bus travel only after 9.30 am and does not take account of the need to travel outside district

boundaries to access key services. (eg main hospital facilities are not available in 5 district areas).

- The new minimum scheme is restricted to bus travel from 9.30 am Monday – Friday and all day weekends and bank holidays. It does not cover all forms of local travel including local rail, tram and community transport services. In some areas this could significantly distort or limit travel choice for citizens.
- Guidance was required from Government on the factors to use in a scheme for reimbursement purposes. Due to the complexity of the issue the DfT set up a working group who have produced informed guidance for TCAs, which outlines all elements to be considered when introducing a scheme. The County Council is represented on this working group.

Preferred Scheme for Nottinghamshire and Costs

10. Cabinet agreed to three schemes for consideration and implementation subject to agreement with the districts and operators and a report to Cabinet confirming the option adopted : -
- (1) Current half fare scheme uplifted to a Countywide free scheme from 9.30 am with half fare travel before 9.30 am.
 - (2) Free bus/tram travel within the resident's LTP area (Greater Notts or North Notts) from 9.30 am with half fare within and between the two areas before 9.30 am.
 - (3) Free bus/tram travel within the district area from 9.30 am in addition to the current Countywide half fare scheme without time restriction and multi-modal.

Half fare travel for all the options will be available on rail and community transport without time restriction.

11. The options have been assessed against a benefits matrix (Appendix 1) of factors complementing the respective policies and priorities for the participating authorities. Cabinet agreed that option 3, a minimum statutory free scheme within the TCA with the current half fare countywide scheme be provided but uplifted to (1) or (2) if funding is available. The districts have all agreed that this is the best way forward.
12. In July the Government issued comprehensive consultation on changes to the formula for distributing revenue grant to local authorities including the additional £350m for concessionary fares. Indicative allocations have been shown for each TCA in Nottinghamshire amounting to £5.238m in addition to current statutory and discretionary funding giving a total possible fund of £7.912m for 2006/7.
13. The new scheme will operate for one year and will be reviewed in 2006/07 in light of cost and operational experiences.

Updated Nottinghamshire Position

14. Negotiations commenced with the transport operators on option 3 above, using a single pass to cover both inter-district and inter county travel. Initial discussions have highlighted significant operational problems that this option would present. The main issues relate to user and driver confusion at point of boarding, multiple border confusion and anomalies, boarding delays therefore late running of vehicles, revenue loss through over-riding and the overall complexities of one pass doing two functions dependant on location and time.
15. The status for each of the options under consideration is as follows : -
 - County wide free scheme – *not thought to be affordable with indicative total funding, additional contributions from scheme partners would be required.*
 - Two areas – North and South (free within districts and half fare across areas) – *now thought possible due to increase in potential scheme funding.*
 - Statutory free and half fare countywide scheme – *although operationally difficult to implement the only option the TCAs can currently agree to based on the available funding.*
16. Initial discussions with operators has suggested that a fixed funding scenario for year 1 (2006/07) to be adopted, thus avoiding the high risks associated with implementing the new scheme, additional take up, number of journeys and additional resources. This will enable the Partnership to minimise risks and enable a full review to be undertaken in 2006 (April to September).
17. Discussions are continuing with the operators and districts based on the new indicative funding allocations. A position statement including feedback from Cabinet held on 7th December and a decision regarding the new scheme will be reported orally to the Committee.

Neighbouring Authorities

18. Consultation with our neighbouring authorities has been undertaken. The current proposals are summarised below but are subject to amendment when funding levels are clarified.

Derbyshire – Free district travel and flat fare for longer journeys

Leicestershire – Free district travel and flat fare for longer journeys

Lincolnshire – District free travel only

Nottingham City – Free within the Greater Nottingham area

South Yorkshire – Free travel throughout South Yorkshire

Implementation and Management

19. It is proposed to continue the Nottinghamshire Partnership Scheme, led by the County Council, which is highly efficient in that eight councils are working in partnership effectively, to ensure their citizens receive a high quality and user-friendly service and that support for the scheme is managed effectively. This has been achieved through the pooling of resources and the single

management of the scheme. The Nottinghamshire Partnership scheme currently offers greater choice for travel, providing half fare concessions before 9.30 am and with no evening restriction. Additionally the scheme significantly benefits from the "freedom card" bus pass system which helps minimise fraud, improves audit and financial controls, reduces the need for substantive surveys and ensures correct payments are made to the transport operators for trips made and revenue foregone. The Partnership has agreed that additional management costs of £20k will be required to support the new scheme. An additional member of staff will be appointed by the County Council to provide this support within the current management arrangements. Their role will be to supervise the implementation and monitoring of Nottinghamshire's Concessionary Travel scheme on behalf of district Council and operator partners.

20. It is envisaged that the new scheme will operate in the same way as the current scheme, with journeys into neighbouring local authority areas supported in line with the existing half fare scheme arrangements. The new scheme will offer the same facilities as at present together with the additional facility of free off peak travel within the district area. For example journeys between any two points in Nottinghamshire and/or the City of Nottingham or to main destinations in adjoining counties will be charged at half-fare, but free of charge if the journey is wholly within the district within which the passholder resides.
21. In order that the scheme can be implemented for the 1st April 2006 deadline it is essential that the partnership reach agreement on the new scheme by 9th December 2005 due to the design, print and distribution timescale for information / passes to end users. An effective marketing and information plan will ensure users are aware of their new travel opportunities and how to make best use of the new scheme. A chart illustrating the marketing and publicity time line and activities required to implement the scheme is shown at Appendix 2.
22. A number of concerns regarding the process for implementing the scheme has been submitted to Government by the LGA Public Transport Consortium and supported in a separate letter from the Cabinet Member for Environment and Sustainability. This has resulted in the issue of Frequently Asked Questions (FAQs) from the DfT (Appendix 3)

RECOMMENDATION

23. It is RECOMMENDED that :-
 - (a) Committee note and comment on the contents of the report;
 - (b) further reports be submitted on the performance and monitoring of the new scheme.

PETER WEBSTER
Director of Environment

Appendices

Appendix 1 - Benefits Matrix

Appendix 2 - Marketing Plan

Appendix 3 – DfT Frequently Asked Questions

Background Papers Available for Inspection

DfT Guidance for TCAs

Cabinet report 14th September 2005

Cabinet Report 7th December 2005

DfT Guidance 22nd November 2005 (www.dft.gov.uk)

Letter to DfT from County Councillor S Smedley 9th August 2005

Letter from DfT to County Councillor S Smedley 12th September 2005

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CONCESSIONARY FARES OPTIONS – BENEFITS MATRIX						APPENDIX 1
			CURRENT	COUNTYWIDE	TWO FREE	FREE PLUS
	Option	Max	SCHEME	FREE	AREAS	HALF FARE
Option	Ranking	Score	Score	Score	Score	Score
User/Driver/Operator friendly	1	15	5	10	7.5	7.5
Promotes Social Inclusion	2	13	5	12	10	9
Provides Max Access to services	3	12	4	10	7	6
Promotes and Sustains Public Transport	4	11	5.5	11	9	6
Partnership/Management efficiency	5	10	0	10	10	10
Implications on Tenders Cost/Capacity	6	9	4.5	4.5	4.5	4.5
Minimises Fraud	7	8	4	8	8	8
Easy to Implement	8	7	7	7	5	7
County wide travel	9	5	0	5	2.5	5
Time restrictions	10	3	0	0	0	3
Multi modal	10	3	0	3	3	3
Any significant audit issues	10	3	1.5	1.5	1.5	1.5
Maintains community transport support	13	1	0	1	1	1
	TOTAL	100.0	36.5	83.0	69.0	71.5

The current scheme is not available as an option due to it not meeting the new Statutory minimum requirements.

Timetable or Scheme leaflet production and distribution schedule

Week by week progress		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9
1	Supply information for copy and timetable/route if available									
2	Finalise body copy excluding final timetable detail if not available									
3	Registration of service, therefore final confirmation of timetable and route details									
4	Route details for mapping sent to Pindar									
5	Final copy approval									
6	Mapping work from Pindar approved									
7	Copy, maps and timetable to graphics for design									
8	Design layout from graphics									
9	Amends made and final design approval									
10	Sign off leaflets for printing									
11	Artwork produced									
12	Artwork to printer									
13	Printer's proof delivered									
14	Printer's proof approved									
15	Printing plates made									
16	On press									
17	Finishing									
18	Deliveries									

Note: Door to door distribution, if required, will add an extra 2 weeks minimum before start date of service/scheme. i.e. allow 11 weeks minimum not 9 as above. The areas highlighted in yellow involve incurring costs which is why final approvals are essential at each stage to avoid wasting money on late amendments.

Definitions for clarification

Body copy	The general text to be included in the leaflet, travel information, maps, fares, contacts etc. This to be agreed before design work is commissioned
Timetable and route details	The <u>final</u> agreed timetable and route as registered.
Design layout	The style and look of the leaflet. This is <u>not</u> an opportunity to revise copy as this will have already been agreed at step 2.
Artwork	The finished electronic files that are sent to the printer
Printer's proof	A PDF file sent back by the printer as a check that they have received the artwork data correctly. Note, this is not a further opportunity to change copy or design
On press	The actual printing of the leaflets. Note, printing press time will have been prebooked therefore any delay at this point will have a major impact on delivery.
Finishing	Trimming, folding and packing for delivery

FREQUENTLY ASKED QUESTIONS

Free off-peak local bus travel for older and disabled people in England

This information is mainly intended for use on non-local authority websites relevant to older and disabled people. However, local authorities may also find it useful for answering enquiries. They may wish to customise it to include specific details about their concessionary travel schemes, how to apply and who to contact for further details.

1. What is happening to concessionary fares ?

The Government is changing the statutory minimum requirement for older and disabled persons' travel concessions. It will change from **half-fare** district area off-peak local bus travel to **free** off-peak local district area bus travel.

2. So when is free off-peak local bus travel being introduced ?

The Government currently intends to introduce free fares on 1st April 2006 in the local district area. However a final decision on the start date is still to be made.

3. Why do we have to wait until then ?

There are practical reasons for an April 2006 introduction date. It allows time for the necessary legislation to be made and to arrange the additional funding being provided to local authorities and for administrative arrangements to be established.

4. Who will be eligible ?

People aged 60 and over and disabled people who qualify under the categories listed in the Transport Act 2000 - these categories can be found on the Department for Transport's website at

www.dft.gov.uk/local-transport/concessionaryfares

5. Where and when will I be able to use my pass ?

Concessionary travel schemes will continue to be the responsibility of District and Unitary Councils, or in metropolitan areas, the Passenger Transport Executives.

Each district authority will have to provide at least free off-peak bus travel within their boundaries. However, they will remain able to work together to provide county-wide or area-wide schemes, or to offer concessions on specific cross-boundary journeys, at their own discretion. Nottinghamshire Concessionary Partnership manages the concessionary fare scheme for the county on behalf of the eight local authorities in the area and is led by the County Council. The Partnership proposes to continue the half fare county-wide and inter-county concessionary scheme at anytime for bus, tram,

train and community transport . This which will supplement the district statutory minimum, subject to funding availability.

Nottinghamshire Local Government Association (LGA), which the County Council is a member, are also investigating plans to amend the current scheme to incorporate the new statutory requirements and to explore the possibility of extending the countywide half-fare scheme to either of the following options if the funding allocation can support it : -

- Free bus/tram travel within Greater Nottingham or North Nottinghamshire, depending on where the entitled resident lives, from 9.30am with half fare travel within and between the two areas before 9.30am.
- County-wide free travel from 9.30am with half fare travel before 9.30am

The Government will announce how it will distribute the extra funding by the end of the year. Therefore the County Council is unable to make firm decisions on the revised concessionary travel scheme until that time.

6. When will I be able to use my pass ?

Passes will be valid for free local bus travel after 9.30am Mondays to Fridays and all day at weekends and Bank Holidays. However, local authorities will retain their discretion to offer concessions at other times- see '5' above.

7. Will there be a charge for the pass ?

Passes offering the statutory minimum of free off-peak local bus travel will be free of charge.

However, local authorities will be able to charge for more generous or alternative schemes if they wish, so long as a free pass providing the statutory minimum remains available as an option.

8. Will I be able to have free or discounted travel on other transport like trams, ferries or rail?

The statutory minimum covers local bus services. A local authority may add travel on other modes based on their judgement of local needs and circumstances and their overall financial priorities. see '5' above.

9. Why aren't you introducing a nationwide free scheme like in Wales and Scotland?

Although a national scheme is an attractive idea, it would require primary legislation, take longer to implement and considerably increase the cost of providing concessionary travel. The Government is providing extra funding to enable local authorities to offer free local bus travel and this will be a significant enhancement as most bus journeys are within the local area. It remains open to local authorities to co-operate to provide wider area schemes, for example covering a whole county – and many already do so such as in Nottinghamshire.

With devolution there inevitably comes differences in approach - but these are decisions for the devolved administrations to take, depending on their own funding and policy priorities. One of the consequences of devolution is that there may be differences in what is offered.

10. I currently receive travel tokens – will they still be available?

Local authorities will still have the discretion to provide travel tokens if they decide to do so.

11. How do I apply for a pass ?

Contact your local District or Unitary Council, or in metropolitan areas, the Passenger Transport Executive (PTE).

12. How will the free local bus travel be funded?

The Government is providing an extra £350m to local authorities in 2006/07 to fund the cost of providing free local bus travel.

13. Will the changes affect concessions for young people ?

No. Concessionary fares for young people will not be affected by the changes, other than for those for qualifying disabilities.

Please await further information before contacting your local council as discussions on a new scheme are still underway.