

12 November 2015

Agenda Item: 5

**REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT AND
PROPERTY**

NOTTINGHAMSHIRE CONCESSIONARY TRAVEL SCHEME 2016 / 2017

Purpose of the Report

1. To seek approval for the Nottinghamshire Concessionary Travel Scheme for 2016 / 2017, publication of the draft scheme notice on 1 December 2015, the final scheme notice on 3 March 2016 and the proposed funding (subject to Full Council budget approval in February 2016).
2. To seek approval to continue with the County Council's additional discretionary elements of the scheme which are estimated to cost £1.245m in 2016 / 2017.
3. To seek Committee approval to grant delegated power for the Service Director for Environment, Transport and Property to agree the final reimbursement arrangements and associated financial commitments from 1 April 2016 in conjunction with the Chairman and Vice Chairman of the Transport and Highways Committee, the Chairman of the Finance and Property Committee and the Service Director for Finance and Procurement.

Information and Advice

4. The County Council has been a Travel Concession Authority (TCA) since April 2011 and has the duty to provide free travel on local bus services for the holder of a valid English National Concessionary Travel Pass. Free travel is available between 0930 and 2300 weekdays and all day at weekends and on bank holidays.
5. Concessionary travel passes are available to those who qualify on the grounds of age or disability. The age of entitlement is gradually being increased in line with the rise in state pension age for women.
6. The eligibility criteria for a concessionary travel pass on grounds of disability are defined in legislation and summarised below as a person who:-
 - Is blind or partially sighted
 - Is profoundly or severely deaf
 - Is without speech

- Has a disability, or suffered an injury, which has a substantial and long-term adverse effect on their ability to walk
 - Does not have the use of both arms whether by the loss of limbs or otherwise.
 - Has a learning disability
 - Would have an application to drive a motor vehicle refused due to a disability
7. TCA's are allowed to offer, and fund, additional travel entitlements using discretionary powers from Section 93 of the Transport Act 1985. The County Council offers two additional travel entitlements for Nottinghamshire residents which are discounted travel on the tram and a companion's travel facility attached to passes issued for certain disabilities. It is anticipated that both of these discretionary elements which cost approximately £1.245m per year will continue.
 8. Holders of Nottinghamshire concessionary travel passes are entitled to free travel on the tram at the same times as on local bus services detailed in paragraph 4. This is a contractual arrangement as part of new tram agreement which commits the County Council to fund this discretionary element on the tram network until August 2020. Reimbursement for concessionary tram travel has been estimated using all data currently available but is under constant review as patronage levels become established following the recent opening of the new tram lines. Unlike the statutory bus concession, detailed in paragraph 10, the County Council is responsible for reimbursing the tram operator for travel by Nottinghamshire pass holders only. This requirement covers the entire Nottingham tram network.
 9. Passes with the additional companions' entitlement are issued to people who are blind, have a severe walking disability or a severe learning disability and would have difficulty travelling alone. The pass allows one additional person to travel with the pass holder at the same discounted rate for all journeys commencing in Nottinghamshire.
 10. The County Council is responsible for reimbursing transport operators for all statutory free concessionary travel whereby the holder of a valid English concessionary travel pass boarded a bus within the administrative boundary of Nottinghamshire irrespective of which English Travel Concession Authority (TCA) issued the pass. The Council has a duty to issue a notice of the proposed scheme by 1 December 2015 and a final scheme notice by 3 March 2016 to enable the scheme to commence on 1 April 2016. The final notice must detail scheme entitlements and reimbursement arrangements.
 11. The transport operators have a duty to accept travel passes on the local bus services they operate. Travel is permitted under the terms of carriage of each operator.
 12. Reimbursement is calculated to ensure that the transport operator is "no better or no worse off" as a result of carrying the concessionary passengers. The Department for Transport (DfT) has issued guidance to assist with these calculations. Although it is not mandatory to use this guidance it has been used as the basis of negotiations with transport operators to minimise the risk of any appeals against the level of reimbursement. A small number of services, mainly rural shopper, market day or infrequent services, do not fall within the scope of the guidance and a local methodology will be used to calculate reimbursement for these services.

13. In recent years the Council has negotiated fixed reimbursement arrangements with most operators which have helped to maintain network stability and service provision, whilst giving financial security to all parties, during times of significant network change. The current two year arrangements are due to end in March 2016. There are 23 transport operators currently participating in the Nottinghamshire scheme of which 19 are bus operators, 1 tram operator and 3 community transport schemes. Of these 15 are on fixed reimbursement arrangements albeit with review clauses should significant network or patronage variations occur.
14. Negotiations with the transport operators are underway with a view to agreeing a mixture of fixed and variable reimbursement arrangements as in previous years. Several factors impact on the type of arrangement applicable for each operator including network stability and competition. Negotiations will take account of the new tram lines and the potential impacts on bus patronage levels this may create.
15. The actual costs of the scheme will be determined through historic passenger data, the final reimbursement agreements with the operators and the subsequent demand for travel. At present there are 167,500 Nottinghamshire pass holders and the County Council makes total reimbursement of £10.56m (2015 / 2016 figures) to transport operators for approximately 11 million journeys per annum.

Other Options Considered

16. No other options are available for the national scheme as the provision of concessionary travel for elderly and disabled people is a statutory duty.
17. The County Council funds additional discretionary elements for Nottinghamshire pass holders as described in paragraphs 7, 8 & 9 above. The County Council considers that these additional elements are of significant value to the users therefore has ruled out, at a very early stage in the process, the removal of this support.

Reasons for Recommendations

18. The recommendations ensure that the County Council meets its statutory duty whilst continuing to provide a wide range of travel opportunities and choices for the residents of Nottinghamshire. The need for the delegated authority in recommendation 3 ensures that the County Council can issue the statutory notice for the scheme and agree reimbursement levels by the 3 March 2016.

Statutory and Policy Implications

19. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Equal opportunities Implications

20. The provision of the concessionary travel scheme and the additional discretionary elements ensures that elderly and disabled can access key services thus improving their quality of life and enhancing social inclusion.

Financial Implications

21. The cost of reimbursement to transport operators (for statutory and discretionary entitlements) and scheme management is budgeted to be £11.329m in 2016 / 2017. As detailed in paragraph 15 the final costs will be subject to agreements with transport operators and the subsequent demand for travel during 2016/17. Detailed monitoring of the patronage data will be undertaken on a regular basis and any variation to predicted costs will be reported.

RECOMMENDATION

- 1) Committee approves the Nottinghamshire Concessionary Travel Scheme and proposed funding for 2016 / 2017 and publication of the scheme notices on 1 December 2015 and 3 March 2016, subject to recommendation 3 and Full Council budget approval.
- 2) Committee approves to continue with the County Council's additional discretionary elements of the scheme which are estimated to cost £1.245m in 2016 / 2017.
- 3) Committee grants delegated power for the Service Director for Environment, Transport and Property to agree the final reimbursement arrangements and associated financial commitments from 1 April 2016 in conjunction with the Chairman and Vice Chairman of the Transport and Highways Committee, and Chairman of the Finance and Property Committee and Service Director Finance and Procurement.

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For any enquiries about this report please contact: Mark Hudson – Group Manager, Transport & Travel Services or Dave Bennett, Concessions and Ticketing Officer.

Constitutional Comments (SJE 12.10.2015)

22. This decision falls within the Terms of Reference of the Transport & Highways Committee to whom responsibility for the exercise of the Authority's functions relating to the provision of passenger transport services, including bus and rail initiatives, has been delegated.

Financial Comments (DJK 13.10.2015)

23. The financial implications are clearly detailed within the report.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Department of Transport – Concessionary Fare Scheme Guidance – October 2015

Electoral Divisions and Members Affected

All