

## CONCESSIONARY TRAVEL FOR PEOPLE AGED 60 OR OVER AND THE DISABLED

### 1. INTRODUCTION

This report recommends a number of changes to the Council's concessionary travel schemes for all aged 60 or over and the disabled, as a consequence of legislative changes, which come into effect from 1 April 2006.

A one page summary that outlines the current and recommended future council policies, together with the financial impact, is shown in Appendix 1.

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### 2. BACKGROUND

- 2.1 In his budget speech on 16 March 2005 the Chancellor of the Exchequer's final comment was: 'It is now time with the resources available to legislate so that in every community of the United Kingdom there is, from next year, free local bus travel for every pensioner and every disabled person too'.
- 2.2 It has subsequently been confirmed that the announcement is for free travel on registered local bus service with the scheme to be administered locally and not for a national scheme. The Government will simply amend the existing **statutory minimum scheme** and replace the current half-fare with a zero fare. The new statutory minimum scheme will require the Council to provide **off-peak** free travel **within the District** for all aged 60 or over and the disabled.
- 2.3 However, Local authorities throughout Hampshire currently work together to provide a 'Countywide' half-fare bus pass, which offers much more than the statutory minimum scheme i.e. travel **all day** anywhere in Hampshire or any journey that starts or finishes in Hampshire.
- 2.4 In addition, this Council currently provides a wholly discretionary scheme which gives the option of £40 worth of tokens, **instead of** a half-fare bus pass for all aged 80 or over, all aged 60 or over who qualify for benefits and to certain disabled groups.
- 2.5 In light of the changes being made to the statutory scheme, some changes are also being recommended to the Council's discretionary scheme to make the policy more focussed on needs and the administration more financially efficient.

### 3. CONTINUATION OF COUNTYWIDE SCHEME WITH FREE TRAVEL

- 3.1 Subject to expenditure implications, it will be possible to continue with the operation of the existing countywide scheme as a free travel scheme, whilst keeping all other aspects the same. There is universal support amongst most of the districts within Hampshire to do this for many reasons, including:

- The public will assume that what they are currently able to do for half-fare they will be able to do for free and any curtailment of travel opportunities to the statutory minimum may be highly contentious.
  - A simple change from half to free travel under the existing scheme would have the significant advantage that existing half-fare passes could be retained and arrangements made with operators to treat them as free travel passes, thus allowing the change-over to be phased. (The fare passes are issued on a rolling basis throughout the year and it has been made clear that everyone who is eligible must be able to travel free from 1 April 2006, regardless of when their current expires).
  - The Department for Transport (DfT) consider that the overall level of funding being made available by the Government should be adequate to cover the additional costs of implementing the statutory minimum scheme. With the exception of some larger urban authorities, independent research commissioned by the Hampshire authorities generally supports this view.
  - The DfT is working on best practice guidance that will promote the benefits of joint working between local authorities in countywide or similar multi-authority schemes – they certainly do not appear to see the free travel scheme breaking up existing arrangements of this type.
  - The countywide scheme is very well established and the administrative arrangements that have developed over several years work very well. Introducing a new local scheme before 1 April 2006 would be a major and costly administrative challenge, which would be virtually impossible to do in the time now available.
- 3.2 For the above reasons, the options of providing a statutory minimum free scheme or a countywide off-peak free scheme are not being recommended. The comparative costs of the various options are shown in paragraph 6 for information.
- 3.3 It seems likely that only one district council within Hampshire will not participate in the countywide scheme next year, on the grounds of cost. That council has been investigating introducing a district wide scheme, which may possibly operate under the umbrella of the countywide scheme.
- 3.4 The introduction of free local bus travel for all aged 60 or over and the disabled will inevitably result in more eligible persons taking up their free Farepass, compared to the numbers that that applied for the half Farepass. Research carried out by the transport consultants to the countywide scheme forecasts that the numbers that apply may increase from 10,060 to 13,558.

3.5 The transport consultants have confirmed that it is possible within the legislation to include the Hythe Ferry within the Farepass scheme. This is being recommended to prevent any reduction in the usage of the ferry as a result of the introduction of free travel on registered local bus services and to possibly stimulate further growth in the ferry service. The cost implications are not expected to be significant in the impact on the fare pass scheme.

## **4. REVIEW OF WHOLLY DISCRETIONARY SCHEME**

### **4.1 Local Policy**

A number of District Councils in Hampshire offer a variety of token schemes. Most of them pre-date the countywide Farepass scheme referred to above and are now in the process being reviewed, in light of the changes being made to the statutory scheme and the consequential affects.

In this Council those eligible for tokens i.e. all aged 80 or over, or all aged 60 or over who are on housing or council tax benefit and certain disabled, can currently agree if they choose to, not to apply for a Farepass but accept the tokens instead. The tokens are currently worth £40 (50p silver plastic disc are issued).

The Farepass can only be used on registered local buses services, whereas tokens can be used to pay fares on local buses, Hythe Ferry, Isle of Wight Ferries, WRVS Rural Transport, Dial-a-Ride Services, Luncheon Club Mini-Buses and Taxis registered by NFDC. The tokens can also be exchanged for a senior citizen railcard.

Some of the tokens are currently used on the buses but a significant proportion is used to pay for taxis. The tokens are currently available to all aged 80 or over, regardless of their financial means.

It is recommended that in future any wholly discretionary policy should be targeted to those in genuine need, as the free countywide Farepass will be widely available to all aged 60 or over and the disabled.

As an interim measure, pending wider internal review of the community transport facilities available across the district, it is recommended that the wholly discretionary scheme, should only apply to all aged 60 or over who qualify for housing or council tax benefit and the disabled.

It is likely that a review of Passenger Transport in the New Forest will result in fewer residents having close access to scheduled bus services. A free Farepass will have limited benefit to residents who do not have close access to scheduled bus services or Hythe Ferry. Also, the future of at least some Cango services, which accept Farepass, is not assured.

Community transport is a viable alternative option. It is therefore recommended that an internal review be undertaken to ascertain if additional support can be provided to further improve the provision of community transport in rural parts of the District that are not served by registered local bus services.

## 4.2 Administrative Arrangements

In a recent report prepared the transport consultants have suggested moving from travel tokens to a local voucher scheme. The introduction of the free Farepass and the move towards a more 'needs-focused' policy for the wholly discretionary scheme is expected to eliminate the use of tokens/vouchers for local bus travel.

The introduction of a local voucher scheme for taxi's and community transport operators' etc. would have overall benefits, compared to travel tokens. Most significantly, national travel tokens are paid for in advance, whether or not they are ever used. It is typical for less than 90% of those issued to be used. Local vouchers would not be paid for until redemption.

Discretionary concessions are now issued on a rolling basis throughout the year, based on the birth dates of those taking up the option. It is recommended that officers be authorised to put in place administrative arrangements to cater efficiently for a local voucher scheme, to be implemented during 2006/07.

## 5. FINANCIAL IMPLICATIONS

- 5.1 The Chancellor has set aside £350M in 2006/07 for the introduction of free travel for all aged 60 or over and the disabled. This will be distributed to authorities as part of the Revenue Support Grant (RSG). The method of distribution to authorities has been subject to formal consultation and considerable lobbying.
- 5.2 The level of grant that the council will receive will be known very shortly but initial indications suggest that the council's additional investment in concessionary travel in 2006/2007, as recommended in this report, will be more than covered by additional grant.
- 5.3 There is a risk that the level of anticipated grant may not materialise because the distribution formula has not yet been finalised or that other adjustments to RSG may offset the anticipated adjustment. If this happens then the policies recommended in this report may need to be promptly reviewed and amended if necessary.

## 6. COST OF CONCESSIONS

- 6.1 The consultants have estimated that in 2006/2007:
  - 6.1.1 The cost of providing a statutory minimum free travel scheme across the district would be £723,328.
  - 6.1.2 The cost of participating in the free countywide scheme during **off-peak** hours would be £734,398.
  - 6.1.3 The cost of participating in the free countywide scheme on an **all day** basis will be £774,042 (compared to £255,782 for the half fare scheme in the current year).

- 6.2 In addition, the cost of providing the wholly discretionary travel vouchers in 2006/2007, as recommended in this report, is estimated at £301,360 (compared to £384,840 in the current year).
- 6.3 If all the recommendations contained in this report are approved the total estimated cost of travel concessions for all aged 60 or over and the disabled in 2006/2007 will be £1,075,402, compared to £640,622 in the current year.

## **7. ADMINISTRATION COSTS**

- 7.1 There will be significant additional administration associated with the changes recommended in this report, as a consequence of implementing the revised policies in 2006/07 and due to the significant increase in the numbers likely to apply for concessions.
- 7.2 The anticipated savings in moving from national tokens to local vouchers should broadly offset any increase in administration costs during 2006/07. In 2007/08 it is anticipated that overall savings in administration costs will materialise.

## **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1 The introduction of free travel for all aged 60 or over and the disabled on registered local bus services and Hythe Ferry and the recommended additional investment into community transport should have very positive benefits on the Council's transport initiatives.
- 8.2 The Local Government Association (LGA) is keen to see that the new statutory scheme delivers the objective of making buses available more accessible to some of the most vulnerable people in the community. The LGA Executive has agreed to explore the possibility of extending the scheme to other modes of transport.

## **9. PORTFOLIO HOLDERS COMMENTS**

The Portfolio Holder supports the proposed changes to the Council's Concessionary Travel Schemes as set out in this report.

## **10. CONCLUSIONS**

The Council is required to review its local concessionary travel policies, in light of the statutory changes to introduce free travel for all aged 60 or over and the disabled from 1 April 2006.

This report makes a number of important recommendations.

## 11. RECOMMENDATIONS

It is recommended that:

- 11.1 The Council participates in a countywide free Farepass scheme on an **all day** basis from 1 April 2006.
- 11.2 The scheme should cover Hythe Ferry, in addition to registered local bus services.
- 11.3 The wholly discretionary scheme should be aimed at all in genuine need. From 2006/07 this will initially apply to all aged 60 or over who qualify for housing and council tax benefit and the disabled.
- 11.4 An internal review of community transport provision should be undertaken to see if additional support can be provided to rural areas not served by registered local bus services.
- 11.4 Officers be authorised to put in place administrative arrangements to cater for a local voucher scheme, to replace the national tokens scheme during 2006/07.

## FOR FURTHER INFORMATION

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**APPENDIX 1: CONCESSIONARY TRAVEL FOR THOSE AGED 60 OR OVER AND DISABLED - SUMMARY OF POLICIES**

<b>STATUTORY REQUIREMENT NOW</b>	<b>STATUTORY REQUIREMENT FROM 1 APRIL 2006</b>
To provide <b>half-fare</b> off-peak travel on Registered local bus services within our area.	To provide <b>free</b> off-peak travel on Registered local bus services within our area.
<b>CURRENT POLICY</b>	<b>PROPOSED POLICY</b>
To provide a Farepass that allows for half-fare <b>all day</b> travel on registered local bus services <b>countywide</b> .	To provide a Farepass that allows for free <b>all day</b> travel on registered local bus services <b>countywide</b> and on <b>Hythe ferry</b> .

<b>DISCRETIONARY SCHEME POLICY NOW</b>	<b>DISCRETIONARY SCHEME PROPOSED POLICY 1 APRIL 2006</b>
<p>To give those aged 80 or over, the disabled and those aged 60 or over who qualify for housing or council tax benefit the option of having £40 travel tokens, instead of the Farepass.</p> <p>Tokens can be used on Ferries, Dial-a-ride services; luncheon club mini buses and taxis registered by the council, as well as registered local bus services. They can also be exchanged for a senior citizen's railcard.</p>	<p>To give the disabled and those aged 60 or over who qualify for housing or council tax benefit, the option of having £40 travel <b>vouchers</b> (not tokens), instead of the Farepass. (i.e. those aged 80 or over who are not on benefits will only qualify for the Farepass)</p> <p>Vouchers to be used as tokens are currently used, except they will <b>not</b> be redeemable on registered local bus services</p> <p>N.B. This is a holding policy pending further internal review of community transport provision.</p>

<b>FINANCIAL IMPLICATIONS 2005/06</b>	<b>FINANCIAL IMPLICATIONS 2006/07</b>
Cost of Fare passes:           £255,782 Cost of tokens:                 £384,840 Total Cost of concessions: £640,622	Cost of Fare passes:           £774,042 Cost of tokens:                 £301,360 Total Cost of concessions: £1,075,402