

CABINET – 16 NOVEMBER 2010

OXFORDSHIRE CONCESSIONARY FARES SCHEME

Report by Deputy Director (Highways & Transport)

Introduction

1. Since 2001 it has been a statutory duty of local authorities to manage concessionary travel in their areas. Until now this duty has resided with district councils, but from 1 April 2011 it will pass to county councils. The duty is in two parts:
 - To issue smart card passes, to a standard national format, free of charge to every resident in the authority's area who is entitled by virtue of age or disability, according to entitlement standards laid down nationally.
 - To reimburse bus operators for all concessionary journeys starting in the authority's area, on the basis that operators must be 'no better and no worse off' than they would be if the concession did not exist.
2. Government has progressively increased the travel concession available to users, so that now they are entitled, by law, to travel free anywhere in England, on any local bus service, between 09.30 and 23.00 on Mondays to Fridays and all day on Saturdays and Sundays.
3. There are discretionary powers to provide enhanced concessions but in practice the vast majority of cost is incurred in meeting the statutory minimum. There are currently around 100,000 concessionary pass holders resident in Oxfordshire.
4. The County Council has a duty to start issuing passes, and reimbursing bus operators, from 1 April 2011. The County Council is also obliged to publish to bus operators, for formal consultation, the basis upon which they will be reimbursed for concessionary travel. This needs to happen by 30 November 2010, and is the purpose of this report. A further report to Cabinet on 25 January 2011 will be made on full details of the scheme to be introduced from 1 April 2011. Any major issues raised by operators, in response to the consultation to be published following this meeting, will also be reported on 25 January 2011.

Reimbursement to Bus Operators

5. The Department for Transport is currently undertaking a national consultation on reimbursement arrangements for bus companies. They propose to issue definitive guidance in time for inclusion in the reimbursement schemes to be issued by local authorities by 30 November 2010.

6. The Department for Transport consider that the revised guidance will result in large reductions in the reimbursement being paid to bus operators in most cases. This will mainly be because it is now considered that more than half of all journeys made using the free pass are being made only because it is free, and would not be made if the passenger had to pay full fare; thus the proportion of journeys for which bus operators are entitled to recompense for lost fares revenue is smaller.
7. Officers therefore propose, in the document to be published on 30 November, to say that reimbursement in Oxfordshire will be in line with Government guidance.

Differences between existing district schemes

8. There are many differences between the details of how the individual Oxfordshire districts currently manage concessionary fare schemes, which have a substantial impact upon the experience of some users. It is proposed that the County Council should offer a standard service throughout the county, and therefore it will be necessary to standardise these variations. It is suggested that, because of the impact upon users, this will require a formal decision by members. The council therefore has to decide, in each case, whether to 'level up' to the highest level of service offered by any one district, or to 'level down', resulting in a reduction in service to some users.
9. It is proposed that only those discretionary issues on which an urgent decision is required be considered at this Cabinet meeting. Officers are currently consulting on the following discretionary aspects of the schemes, which will be presented for consideration at the 25 January meeting of Cabinet:
 - Whether to offer tokens and/or a Senior Railcard as an alternative to a free pass;
 - Whether to allow free travel on dial-a-ride services by concessionary passholders;
 - What is users' preferred way of applying for passes - by post, in person, on the internet, or in some other way?
10. A decision is required now on two discretionary enhancements to the scheme, which directly affect the reimbursement to bus operators; these are the hours when free travel is available, and the availability of companion passes.
11. Hours of availability.

The statutory requirement is for free travel to be available from 09.30. Three Oxfordshire districts allow the passes to be used from 09.00; there is regular lobbying from residents of the other two districts to have the same facility. Officers believe that the extra cost of the half hour extension of availability of the concession is very small (estimated around £70,000 a year), since the vast majority of free journeys made between 09.00 and 09.30 will simply be deferred until after 09.30 if free travel is not available until later. It is therefore strongly recommended that, for the 2011/12 financial year, the hours of availability of the pass be 'levelled up' to 09.00 for all users. This can then be

reviewed in time for the reimbursement scheme for 2012/13.

12. Companion passes.

All Oxfordshire districts offer people who have disability which prevents them from travelling without assistance, a special pass which allows a companion to travel with them without paying a fare. Officers understand that less than 1% of passes issued are companion passes. The cost to the county council of this concession is thus likely to be very low, and there are likely to be significant benefits to the users of being able to travel with a companion. Officers therefore suggest that companion passes continue to be offered throughout the county.

13. However, terms of eligibility for these passes varies widely from district to district. The different terms are summarised in Annex 1. Officers recommend that the terms currently used by Oxford City Council be adopted. It should be noted that this will represent a reduction in availability in South Oxfordshire especially.

Exemption of special categories of service

14. There was a change to the concessionary fares regulations in April 2009, which allows certain types of bus services to be exempted from the scheme (i.e. free travel to be made unavailable on them, thereby saving the cost of reimbursing operators for journeys made on them). The consultation document to be issued at the end of November ought to state these. The categories which are of particular relevance in Oxfordshire are:
- Pre-bookable express coach services: such services are exempt anyway if there is more than 15 miles between successive stops, but for the avoidance of doubt it is recommended that such services be stated as exempt in Oxfordshire, on the basis that the scheme is intended for local, not long-distance, travel;
 - Services “primarily for the purposes of tourism”: the open top city tours in Oxford is the main relevant service here; it is recommended that these be stated as exempt on the basis that the scheme is intended to enable people to access facilities such as shops, not for tourism purposes.
 - Services where the fare includes “a special amenity element”: in some areas this is used to exempt park and ride buses (where the fare is deemed to include the cost of parking as well); this almost certainly does not apply in Oxfordshire, but for the avoidance of doubt it is recommended that park and ride services be stated as included in the scheme (i.e. free travel is available on them) because they are a core part of the local transport network.

Financial Implications/Risk

15. The total cost of concessionary travel within Oxfordshire was estimated at £8.2m a year at 2008/09 prices and rider-ship. Pass take up, and cost to district councils of the scheme, has increased rapidly in recent years, partly due to demographic change and partly due to increasing awareness of the scheme. To set against this, since April 2010 the minimum age of eligibility

has been increasing by one month every two months, reducing potential take-up in future.

16. In theory, the cost is reimbursed by central Government; in practice there are considerable doubts over whether this will be achieved because government are seeking to make overall savings against this budget.
17. The revised methodology for reimbursement of bus companies is expected to save significant sums. This saving carries a substantial risk of consequent bus service withdrawals leading to heavy pressure on the bus subsidy budget.

RECOMMENDATIONS

18. **The Cabinet is RECOMMENDED to:**
 - (a) **publish, for consultation with bus operators, a reimbursement scheme as outlined in the 'Reimbursement to Bus Operators' section above;**
 - (b) **allow free travel for concessionary passholders, throughout Oxfordshire, starting at 09.00 (instead of 09.30) on Mondays to Fridays, this to apply for the 2011/12 financial year and be reviewed for subsequent years;**
 - (c) **to offer companion passes to those residents who are in receipt of Carers Allowance; who can supply proof that they need assistance to use public transport; or are between the ages of 5 and 15;**
 - (d) **specify exemptions from and inclusions in the scheme as recommended in the section headed 'Exemption of special categories of service'; and**
 - (e) **ask officers to report on other aspects of the concessionary fare scheme, including the outcome of consultation with passholder representatives, and any major issues raised by bus operators in the consultation on the reimbursement scheme, to the 25 January 2011 Cabinet.**

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Background papers: Nil

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Companion Passes

All five Oxfordshire district councils have offered the discretionary enhancement of a Companion Pass to support those of their residents who apply for a concessionary bus pass, but who are unable (by reason of disability or frailty) to travel unaccompanied. The Companion Pass enables a carer or companion also to travel free on local buses (albeit only within Oxfordshire) when accompanying the 'main' concessionary pass-holder.

The companion or carer does not receive a pass of their own – the 'main' holder's pass is endorsed with a mark on the front signifying that a companion may travel with them also. This mark is common to all five Oxfordshire districts – having been jointly agreed by all of them – but is not recognised beyond Oxfordshire.

However, each Oxfordshire district council offers slightly different criteria for the issue of a Companion Pass, and in developing a common Oxfordshire concessionary fares scheme it will be necessary to resolve these slight areas of difference between the current district council-administered schemes.

Cherwell District Council offers Companion Passes to those residents who are in receipt of Carers Allowance or who can supply proof of eligibility that they are so disabled that they need assistance to use public transport.

Oxford City Council offers Companion Passes on a similar basis to Cherwell District Council. However, Oxford City Council automatically offers a Companion Pass to any eligible disabled concessionary pass-holder who is aged between five and 15. Oxfordshire County Council may wish to consider 'levelling-up' to this standard of provision (i.e. offering the companion 'add-on' to all Oxfordshire disabled residents (aged 5-15) who apply for a concessionary bus pass).

West Oxfordshire District Council offers Companion Passes only to those who, "in the opinion of the Council" are so disabled as to be unable to use public transport unaccompanied. No mention is made in WODC's eligibility criteria of the receipt of Carers Allowance. In seeking a common eligibility standard across Oxfordshire, the County Council may wish to extend receipt of Carers Allowance as being a factor which would lead to the issue of a Companion Pass for West Oxfordshire residents.

South Oxfordshire District Council states that "If you are applying for a bus pass because of a disability you will **automatically** [my emphasis] receive a disabled pass which will allow you to travel with a companion". Unless the County Council wishes to extend such a facility to all disabled residents who apply for a bus pass (to which the bus operators might conceivably object) then any common scheme in Oxfordshire would involve a diminution in the level of provision in this district.

Vale of White Horse District Council offers Companion Passes only to registered blind people or those who use a wheelchair. This is a lower level of provision than in other Oxfordshire districts where, for example, a person with severe learning difficulties could apply for a Companion Pass if they were unable to travel by bus unaccompanied.

A common scheme based on that currently offered by Oxford City Council would extend the provision of Companion Passes to certain categories of disabled pass-holder in Vale of White Horse.