

CABINET – 25 JANUARY 2011

OXFORDSHIRE CONCESSIONARY FARES SCHEME

Report by Deputy Director of Environment & Economy (Highways & Transport)

Introduction

1. The previous Government introduced free off-peak local bus travel for senior citizens and disabled people throughout England. The scheme was initially administered by District councils, which also had a statutory power to offer enhancements to the basic national scheme (for example extended hours of eligibility, companion passes, or alternatives to the concessionary bus pass).
2. This responsibility will transfer to County councils from 1 April 2011, when the County Council will have a statutory duty to issue concessionary passes free of charge, on request, to everybody eligible to receive one, and to reimburse bus companies for the lost revenue, and any costs they incur for all 'free' journeys made by concessionary passholders which start in Oxfordshire.
3. In November 2010 Cabinet agreed the basic Oxfordshire Concessionary Fares Scheme, which set out the basis upon which passes can be used in the county (for consultation with users and other stakeholders) and the proposals for reimbursement of bus companies (for consultation with them). The proposed scheme offers the statutory requirements plus two enhancements – a 9.00am weekday start time (instead of 9.30am) and the availability of Companion Passes to enable disabled pass-holders who are unable to travel unaccompanied to bring a carer or companion with them, free of charge. Not included in the scheme are other enhancements, for example free travel on dial-a-ride or travel tokens as an alternative. Views on this were also sought.
4. This report summarises the outcomes of these consultations, deals with the other aspects of operating the scheme which need to be agreed to ensure that the Council is fully able to meet its statutory duty and identifies the financial implications for the Council, which are likely to be significant. It considers **only** the scheme to be operated for the first year, until 31 March 2012; the initial experience will be reviewed and a follow up report submitted in autumn 2011 on the scheme to be operated from 1 April 2012.

Consultation with bus companies on reimbursement

5. A scheme for reimbursement of bus companies was published for consultation on 30th November, which included the 9am start (which had been expected to raise concerns). However none have been raised – and one operator has

explicitly welcomed the standardisation at this time. Any significant concerns on any aspect of the scheme will be reported at the meeting.

Consultation with users and stakeholders on the proposals

6. During late autumn 2010 the County Council consulted widely on the proposed Oxfordshire Concessionary Fares Scheme. The focus of the consultation was on the various enhancements to the minimum scheme which District Councils currently offer to varying degrees (and importantly meet the additional costs of, as enhancements are not funded by the Government), which would no longer be provided under the proposed Oxfordshire scheme. Views were sought on two areas in particular:
 - Provision of travel tokens or other alternative to the bus pass (eg Senior Railcard);
 - Allowing the use of bus passes on dial-a-ride services (used by disabled and mobility-impaired people who are unable to use, or who find it difficult to use, conventional public transport).

7. Some 11,000 individuals and organisations were consulted. As well as the Council's 'standard' stakeholders for public transport-related consultations, a wide range of groups representing the interests of people who are elderly or mobility impaired were consulted, and views were also invited from:
 - All members of the Octabus Dial-a-Ride scheme, and members of the Readibus and Swindon dial-a-ride schemes resident in Oxfordshire.
 - All holders of Travel Tokens in West Oxfordshire, Cherwell, and South Oxfordshire districts (these are not offered in Oxford City or the Vale)
 - The organisers of the "Henley Handibus" and "Sonning Common FISH" community transport as these two South Oxfordshire-based schemes currently fall within the scope of the concessionary fares scheme eligibility.

8. Over 3,000 paper questionnaires were returned and 148 responses were received via the e-portal. The main results from individuals were as follows:
 - withdrawing alternatives to the concessionary pass (i.e. tokens):
 - 14% IN FAVOUR ,
 - 77% OPPOSED
 - 9% either expressed no opinion, were broadly neutral, or expressed views which could not be categorised.

 - withdraw concessionary fares eligibility from dial-a-ride services:
 - 14% IN FAVOUR;
 - 31% OPPOSED
 - 55% either expressed no opinion, were broadly neutral, or expressed views which could not be categorised.

9. Many set out the reasons for their position. There were many accounts of significant hardship, particularly from disabled people and their carers. Some of these referred to travel for frequent medical appointments and even visiting

loved ones in care homes. Many elderly and disabled residents who use Travel Tokens as an alternative to the bus pass say that they do so on the grounds that they are unable to use, or find it difficult to use, conventional public transport. A bus pass is thus of no or limited value to them, whereas the Tokens can be used to pay for a taxi journey, or a similar door-to-door journey using a community transport scheme. Similarly, a number of residents in very rural areas where public transport is more limited (or does not exist) said that the concessionary bus pass offers them very limited utility compared to the option of Travel Tokens.

10. More than 50 responses were received from organisations, mainly Town and Parish Councils. Half of these were against not offering tokens and nearly half against not allowing bus passes to be used on Dial-a-Ride, with the remainder split fairly evenly between support for the proposals and neutrality. Particular views expressed included:
 - The leader of West Oxfordshire District Council was against both proposals, which he saw as anti-rural.
 - Cherwell District Council accepted the proposals but called for a countywide review of Dial-a-Ride and Community Transport.
 - The City Council's Area Committees were strongly opposed to not accepting bus passes on Dial-a-Ride
 - Unlimited (which represents disabled and mobility impaired people in Oxfordshire) was strongly against not issuing tokens, but felt this could be restricted to those with defined needs. There was no objection to modest charges for Dial-a-Ride use but there might be a case for means tested assistance; use of Dial-a-Ride by individuals should also be rationed.
 - Bus Users UK Oxford Branch accepted the proposals, arguing that maintaining the level of conventional bus services is a higher priority.
 - Oxfordshire Rural Community Council was opposed to both proposals.
 - Dial-a-Ride operators Henley Handibus and Readibus were strongly opposed to not accepting bus passes on Dial-a-Ride. Readibus argued that it was discriminatory for the County Council to use its discretion to allow a 9am start time for those able to use buses while not using its discretion to allow bus pass use on Dial-a-Ride services (used by those whose disabilities prevent bus use).

11. The core purpose of the concessionary travel scheme is to benefit older and disabled members of society by reducing transport costs and enhancing mobility and access. The proposal to withdraw the eligibility of the pass on dial-a-ride services could therefore be taken as meaning that such a benefit would effectively be withdrawn from those residents who were most disabled or mobility-impaired (very often the most elderly), and that this would be a perverse outcome. The counter argument would point to the high cost of providing dial-a-ride services (roughly £250,000 per annum for the Octabus dial-a-ride, and £225,000 per annum for the Cherwell Dial-a-Ride), the very high cost per passenger journey of subsidy for them and whether it is appropriate, given these high costs, to effectively offer a further subsidy to the users to enable them to travel free of charge. On balance, taking Equalities Impact Assessment considerations into account, it is proposed that the Oxfordshire scheme should include free travel on Dial-a-Ride services.

12. There were also a smaller number of comments in favour of the proposals. Some made reference to the use of bus passes by older commuters and use of tokens for coach or taxi travel to London or the airports.

Continued provision of discretionary enhancements by existing local authorities

13. The Cabinet Member for Growth and Infrastructure has written to the Leaders of all District Councils, inviting them to consider whether they wish to continue to fund tokens or other discretionary enhancements after 1 April 2011. The change in legal powers from that date means that this would probably have to be implemented by the county council on their behalf, with funding from the districts. Any responses received from District Councils will be reported orally.
14. In response to the general consultation, Didcot Town Council have said that they presently 'top-up' the value of tokens issued in their area by the district council, and have asked whether they could continue to do this from 1 April 2011. This would only be practicable if the County Council were continuing to issue tokens in at least some areas of the county, since the infrastructure would not otherwise be in place to manage this.

Issuing of Concessionary Passes

15. A separate report on the agenda deals with arrangements for the issuing of concessionary passes.

Financial and Staff Implications

16. These are likely to be very significant: the cost of operating the Concessionary Fares scheme in Oxfordshire in 2010/11 is estimated at £8.71m, up from £7.48m in 2009/10, but despite a Government undertaking that, when responsibility for the scheme passed to county level, there would be an equivalent transfer of funding, the grant Oxfordshire is due to receive in 2011/12 (which is based on a formula applied to all Shire Counties), is only going to be £4.26m – potentially leaving a shortfall of £4.45m in 2011/12. Oxfordshire has been hit hardest nationally in this respect, with an overall reduction in grant (compared to current operating cost) of 51%, compared to the average of 23%.
17. The majority of the cost of the scheme lies in reimbursement to operators. Government guidance on this (issued in late November 2010), and the formula it includes, should result in a significantly reduced level of reimbursement to operators and therefore cost savings. The cost is also dependent upon whether bus companies are able to make justifiable claims for extra costs for provision of extra capacity for additional passengers generated – and the extent of such claims will not be known until at least February 2011.

18. For all of these reasons, the cost of reimbursement cannot be known with any precision at this stage – and may vary throughout the year due to changes in fares, numbers of trips made by passholders and so on, so the figure of £8.2m identified in the Council's budget setting process remains the best estimate of this cost. Although the revised DfT reimbursement calculator suggests there would be a cost reduction, this cannot be guaranteed and in any event the final cost figure will be significantly higher than the Council is due to receive in grant. In addition, any savings from this could be offset by additional Council subsidy requirement to maintain existing services if these become more expensive to operate or are no longer able to be operated commercially.
19. Estimates have been received from District Councils for provision of a card-issuing service for 2011/12, which together add up to just over £400,000. In most cases these are based on assumptions about the number of applications received during the year, and could depend upon variations in this number.
20. There will be additional in-house costs to the County Council for: assessment of claims each month; negotiation with bus companies; a specific resource for handling any enquiries (as newly issued cards will have a county contact telephone number) and, most significantly, a staffing requirement (estimated at 3 FTE), for managing reimbursement and the scheme more generally. There will also be various other (relatively) minor consequential costs, such as smartcard licensing. These costs will need to be managed from within existing Council resources and are likely to mean prioritising work on this statutory responsibility over other activities. One member of staff is expected to transfer from Cherwell District Council under TUPE regulations.
21. The particularly unfavourable funding position on this scheme, coupled with the overall financial situation, means there is considerable pressure to reduce avoidable cost and, in this context, the cost of offering travel tokens (or alternatives) throughout Oxfordshire (which could be up to £700,000 per annum) would be very difficult to justify. However, the cost of permitting free travel on dial-a-ride in Oxfordshire (estimated as £100,000 per annum based on the current - albeit limited - service provision) is considered justifiable.

RECOMMENDATION

22. **The Cabinet is RECOMMENDED to:**
 - a) **To allow free travel on Dial-a-Ride services for concessionary passholders during 2011/12;**
 - b) **not offer any alternative (such as tokens or a senior railcard) to the standard concessionary pass, during 2011/12;**
 - c) **delegate to the Deputy Director (Highways and Transport), in consultation with the Cabinet Member for Growth and Infrastructure, the authority to manage all aspects of the County Council's concessionary fares scheme during 2011/12, in accordance with the**

principles set out in this report and the report to Cabinet on 16 November 2010, and to incur expenditure as necessary for the purpose; and

- d) ask officers to report back on experience of running the scheme during 2011/12, and invite Cabinet to agree the details of the scheme for subsequent years (including possible changes to the scheme and the taking over of pass-issuing by the County Council).**

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Background papers: summary of responses to consultation on discretionary enhancements – in Members Resource Centre

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