

MANDATORY CONCESSIONARY FARES SCHEME

1 SUMMARY

Members to receive an update on the introduction of a Mandatory Concessionary Fares Scheme and adopt the provisions of the Transport Act 1985.

2 INTRODUCTION

- 2.1 This Government pledged to introduce a half-fare mandatory concessionary fares scheme early in its term of office. The new scheme manifested itself within the Transport Act 2000, which proposes that a half fare scheme operating within each local authority area be introduced by 1 June 2001.
- 2.2 Essex County Council and all Essex District Councils agreed continuation of the County wide scheme as this provides a more generous scheme to participants. For administrative purposes a better date for commencement of the scheme is 1 April 2001 and this was agreed by Members at an earlier meeting. In the knowledge of the 'free' scheme being introduced in April, Members further agreed that those participants renewing their passes from 1 January 2001 be charged an apportioned fee based on the existing scale of charges. This has been successfully introduced for those participants renewing in January, February and March 2001.
- 2.3 At that same meeting Members requested that officers arrange for all 2001/2 renewals to be compressed into a six month period, April to October, in order that early warning could be given to demand and the consequential impact on the 2001/2 and 2002/3 Budgets. This aspect is dealt with later in the report.
- 2.4 The Commencement Order for the Statutory Instrument to introduce the new scheme has not been enacted at the time of drafting this report. However, a dichotomy exists in that the authority needs to "sign up" to the new scheme before its introduction on 1 April 2001. It is therefore suggested that if Members are content to follow through and adopt the scheme, the Head of Revenue and Housing Management be delegated to sign on behalf of the Authority.

3 REPLACEMENT PASSES

- 3.1 The Council will need to agree a fee for the re-issue of lost and damaged passes as this is a requirement under the scheme.

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- 3.2 Some Essex authorities are proposing to introduce a charge to reflect the full cost of administration. This would be close to £15.30 in Rochford, similar to a replacement Car Park Season Ticket. However, in view of the client base, the Head of Service is recommending that the replacement pass charge remains at £4.00.

4 LEGAL IMPLICATIONS

It is necessary for the Council to formally adopt the new County-wide scheme and to declare that it is a scheme devised under the provisions of the Transport Act 1985 and not Transport Act 2000.

5 FINANCIAL IMPLICATIONS

- 5.1 The proposals contained in this report have no significant impact on the Budget. The scheme has been reported as being likely to cost the Council £75,100 in 2001/2 and appropriate funding has been provided. This is an uplift of 34% on the 2000/1 Budget.

Minute 439/00 resolved:-

- (1) That with effect from 1 April 2001 all bus passes are to be renewed annually between April and September for the financial year 2001/2 and that a report be submitted to the Transportation and Environmental Services committee at its first meeting after August 2001 with a view to implementing future renewals during the first month of each subsequent Financial Year.
- (2) That any bus passes falling due for renewal during the 2001/2 Financial Year be dated until the end of that Financial Year, so that future renewals conform to (1) above.
- 5.2 These resolutions have the effect of vastly increasing the workload of the small team who handle bus pass renewals. At present, passes are renewed on a rolling twelve month programme which spreads the workload evenly across the financial year. Equally, the Council has a cash flow advantage by this method of renewal as one-twelfth of the overall budget is spent each month.
- 5.3 The proposals at (1) and (2) above would compress expenditure into the first six months of 2001/2 and into the first month of subsequent years. This does not appear to demonstrate sound financial management. Additionally, participants in the scheme may become confused by the issue of passes for varying lengths of time when, in the past, they have been accustomed to obtaining a twelve month pass. Undoubtedly, with the compression of renewals into a short timescale at the Division's busiest time, delays in renewals may occur, thus causing inconvenience to concessionaires.

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- 5.4 It is understood that Members were concerned about the impact that the new scheme would have on the 2001/2 and 2002/3 Budgets and saw the revised renewal arrangements as a solution; but the Head of Revenue and Housing Management and the Head of Financial Services are entirely satisfied that the budget provision is adequate. The figure was calculated in conjunction with transport consultants MCL who have provided predicted take-up for the whole of the County using a financial model which has been applied nationally.

6 CONCLUSION

- 6.1 It is now necessary for the Council to agree a replacement pass fee and formally adopt the County-wide Scheme and declare that it is provided under the Transport Act 1985.
- 6.2 The Head of Service is also asking Members to reconsider the phasing of work associated with pass renewals or to consider the engagement of temporary staff to administer the anticipated peak of work from mid-February to the end of March each year. This would be in the region of £3,500 (representing two temporary clerical staff for a six week period).

7 RECOMMENDATION

It is proposed that the Committee **RESOLVES**

- (1) That the council formally adopt the provisions of the Essex Countrywide Concessionary Travel Scheme – a scheme devised under the provisions of Transport Act 1985 – this representing a more generous scheme than one which might be provided under Transport Act 2000.
- (2) That the Head of Revenue and Housing Management be authorised to sign up to the Scheme on behalf of the Council.
- (3) That the fee for the issue of a replacement half-fare concessionary travel pass be £4 and that this be reviewed annually with other fees and charges.
- (4) That the Council continue its established practice of renewing concessionary travel passes on a phased basis throughout the year.

S Clarkson

Head of Revenue & Housing Management

Background Papers:

MCL Scheme Report
Transport Acts 1985 and 2000

For further information please contact Steve Clarkson on:-

Tel:- 01702 546366 Ext 3120
E-Mail:- steve.clarkson@rochford.gov.uk