

**REPORT TO THE MEETING OF THE EXECUTIVE 18 MARCH 2009**

**PORTFOLIO: PLANNING & TRANSPORTATION**

**REPORT FROM HEAD OF PLANNING & TRANSPORTATION**

**SUBJECT: CONCESSIONARY TRAVEL – TRANSFER OF RESPONSIBILITIES TO ESSEX COUNTY COUNCIL**

**1 DECISION BEING RECOMMENDED**

- 1.1 That Essex County Council should accept responsibility for administering the Adult Concessionary Fares Scheme on behalf of Rochford District Council and the other Transport Concession Authorities for the financial years 2009/10 and 2010/11.
- 1.2 That the Portfolio Holder for Planning & Transportation be authorised to agree the detailed arrangements for the transfer of the scheme.

**2 REASON/S FOR RECOMMENDATION**

- 2.1 The establishment of the national travel concession has increased the financial uncertainty for the 12 Essex Travel Concession Authorities (TCAs) who are statutorily responsible for providing concessionary bus travel.
- 2.2 The cost of the travel concession puts significant pressure on the delivery of other District Council services and increases the risk of commercial bus de-registrations in the event of failing to achieve a balanced settlement with the bus operators.
- 2.3 Given the current financial climate, and its potential impact on resources, the transfer of the administration of the scheme to Essex County Council (ECC) as a way of increasing financial certainty will be beneficial and should ensure greater stability for the bus network.
- 2.4 The Department for Transport (DfT) is currently considering the appropriate level of local government at which responsibility for the scheme should be discharged; if there is a change, formally transferring responsibility to County Councils, it is likely this would start in the financial year 2011/12.
- 2.5 The key responsibilities to be transferred are:
  - To transfer the operational responsibility for concessionary travel to ECC with effect from 1 April 2009.
  - ECC to discharge the functions of each of the Essex TCAs pursuant to arrangements made under Section 101 of the local Government Act 1972.

- The Essex TCAs will make an agreed contribution to the cost of concessionary travel based on the 2008/9 year payment.
- The arrangement will continue thereafter on the same basis for a two year period until 2011.
- ECC will enter into “agency” agreement arrangements with the local councils under Section 101 of the Local Government Act 1972.
- ECC will, for the purposes of concessionary travel, manage the relationship with all bus operators.
- ECC will fund any increase in cost beyond the agreed contribution from the local councils due to growth in the volume of travel, inflation and any other costs associated with concessionary travel.
- ECC will manage and fund all appeals and judicial reviews that result from the scheme during the period covered by the agreement.
- ECC will fund and manage all the technical administration of the scheme.
- ECC will continue to manage and administer the Participation Agreement with the TCAs.
- ECC will make reports to and seek guidance from the TCAs as agreed.
- The TCAs will manage the public interface issuing scheme passes and are seeking funding from ECC to deliver this function.
- The TCAs would like to remain active participants in agreements with bus operators.

### **3 ALTERNATIVE OPTIONS CONSIDERED**

- 3.1 The Council could decide to continue with the current arrangements for the administration of the concessionary travel scheme, though if the majority of the Essex TCAs agree to transfer responsibility, this could result in additional costs and administrative complications for the delivery of the scheme.

### **4 OTHER SALIENT INFORMATION**

- 4.1 Whilst the responsibility for administration of the scheme would transfer to the County Council, the day to day management of the scheme would continue with each district/borough council for the duration of the agreement. This would primarily be the arrangements for the issue of new passes to those turning sixty years of age and replacement passes as required.

**5 RISK IMPLICATIONS**

- 5.1 There is a significant organisational risk associated with the delivery of the concessionary travel scheme related to negotiations around the level of remuneration to the bus operators and the potential for legal challenge. At present, such matters are dealt with by consultants acting on behalf of the 12 Essex TCAs, but this arrangement is unwieldy and difficult to manage.
- 5.2 Transfer of responsibility to the County Council would eliminate the organisational and financial risk.

**6 RESOURCE IMPLICATIONS**

- 6.1 The financial background is considered to be commercially sensitive information and has therefore been circulated separately as an exempt appendix to this report. Any discussion of this information would have to be following exclusion of the public and press.

**7 LEGAL IMPLICATIONS**

- 7.1 A legal agreement between the Essex TCAs and Essex County Council is being prepared to specify the detailed arrangements for the scheme transfer.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: \_\_\_\_\_

**Head of Planning & Transportation**

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**Background Papers:**

None

For further information please contact Shaun Scrutton on:-

Tel:- 01702 318 100  
E-Mail:- [shaun.scrutton@rochford.gov.uk](mailto:shaun.scrutton@rochford.gov.uk)

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