
CONCESSIONARY BUS TRAVEL

1 SUMMARY

- 1.1 This report is to update Members on the arrangements for the introduction of the national bus pass, due to be implemented in April 2008, and to consider whether the additional travel concessions currently offered in Essex should be retained as part of the new scheme.

2 INTRODUCTION

- 2.1 The provisions of concessionary fares became a statutory responsibility for Authorities with the implementation of the Transport Act in 2000. In April 2006, a free local off peak travel pass was introduced by the government, and the Concessionary Bus Travel Act 2007, to be implemented in April 2008, will extend the local scheme by the introduction of a national travel pass.
- 2.2 The new scheme, which is applicable to people aged 60 and over and eligible disabled people, will allow national off-peak travel from 9:30am to 11pm on weekdays and all day at weekends and bank holidays.
- 2.3 The number of bus pass holders in the district increased considerably in April 2006, when an earlier half fare scheme was replaced by free local travel, and the numbers are expected to increase further in April 2008, when the national pass is introduced.
- 2.4 There are currently 13,120 bus pass holders in the district, and this number is expected to increase to around 16,500 when the national pass is introduced. The Department of Transport anticipate the take up of passes to be around 85% of eligible people across England.
- 2.5 Under the current arrangements bus pass holders in the district are only eligible for free off peak travel on local services within Essex. However, under the new concession from April 2008, eligible bus pass holders will be able to board any local bus in England and be entitled to free off peak travel to any destination.
- 2.6 Authorities will retain the ability to offer additional travel concessions above the statutory minimum, although these will only be available to pass holders within their issuing Authority or as agreed with neighbouring Authorities.
- 2.7 Rochford is part of the Essex Countywide Concessionary Travel Scheme, which is jointly operated by all the Authorities in Essex. Essex County Council co-ordinates and manages the scheme on behalf of all the Authorities with the assistance of MCL Transport Consultants.

3 ADDITIONAL TRAVEL CONCESSIONS

- 3.1 Each Authority in the Essex Countywide Travel Scheme operates in a similar way and currently offers additional concessions, above the statutory

minimum. These concessions currently allow travel from 9am rather than 9:30am and the issue of companion passes to eligible people who are unable to access public transport without assistance.

- 3.2 Essex County Council has requested guidance from each Authority with regards to these additional concessions and whether they wish to continue to offer these in their area, when the national bus pass is operational from 1 April 2008.
- 3.3 Travel concessions over and above the statutory minimum create additional costs for the issuing Authority. However, these costs are difficult to calculate as they are determined by the number of passengers travelling between 9am and 9:30am and the number of journeys a pass holder undertakes with a companion.
- 3.4 The current information available shows an average of around 6.0% of weekly journeys taken before 9.30am. Most essential journeys are likely to be made before 9am by people who have to be at work or medical appointments and involve a journey that starts before 9am.
- 3.5 Of the journeys currently made between 9am-9.30am it is anticipated that 90% will transfer to after 9.30am. The number of weekly concessionary journeys will therefore reduce by around 0.6%.
- 3.6 When a pass holder travels with a companion it effectively doubles the cost of the fare, as two fares have to be reimbursed rather than one. The average cost of reimbursement per companion pass holder varies depending on the area the pass holder lives and the number of journeys. Current information available suggests that this type of pass would cost in the order of £60-£80 per annum.
- 3.7 Given the costs associated with the additional concessions, it is anticipated that the Essex Countywide Scheme will opt for the statutory minimum with regards to the free off-peak travel times of 9:30am to 11pm.
- 3.8 Rochford currently issues 132 companion passes, which is a low number in comparison to the number of bus passes issued. It is understood that a number of Essex Authorities will continue to offer the companion pass after 1 April 2008, taking account of the low number likely to be issued.
- 3.9 There is little doubt, as discussed later in the report, that the costs of the national scheme will be substantial and there is considerable doubt about the likelihood of the full costs being reimbursed by the government. That being the case, it is considered that it would be prudent for Rochford to adopt the statutory minimum times for the national scheme to reduce the financial risk, particularly given the difficulty of accurately calculating the additional cost burden of maintaining the earlier start time.
- 3.10 The number of companion passes issued by the authority is not anticipated to increase significantly as a result of the introduction of the national scheme.

Companion passes do assist a small number of disabled people, in particular, to make use of public transport, though as Members will be aware there are also other local choices available through the community transport and taxi voucher schemes. On balance, it is considered there would be merit in continuing to issue companion passes.

4 SMART CARDS

- 4.1 The Department of Transport has informed Authorities that the national concessionary bus travel pass will be delivered by ITSO (Integrated Transport Smartcard Organisation) compliant smartcards from 1 April 2008. The bus pass will have to conform to specifications set out in the regulations. These will specify the design of the pass, including the requirement to have the issuing Authority, the holders photograph, an expiry date and a personalised ID number displayed.
- 4.2 The bus pass will incorporate ITSO smartcard technology to ensure that the number of journeys made by pass holders is accurately recorded for reimbursement purposes between Local Authorities and bus operators. However, in Essex, buses are not yet fitted with smartcard readers, although they will still be shown to the driver as a flash card when boarding the bus.
- 4.3 All bus pass holder details in Rochford are held on a database, which is being updated to include a photograph of each holder, and arrangements are in hand for the production and distribution of the new smartcard national bus pass by 1 April 2008.

5 REIMBURSEMENT

- 5.1 The Concessionary Bus Travel Act 2007 changes the basis for reimbursement to the bus operators. Previously Authorities were obliged to reimburse operators for journeys made by their residents who are bus pass holders. However, from April 2008 each Authority will have to reimburse for all eligible pass holders boarding buses in their area, off peak, irrespective of which Authority issued the pass. There will therefore be greater financial implications for those authorities with large shopping centres, airports and other attractions.

6 ENVIRONMENTAL IMPLICATIONS

- 6.1 With the large number of free travel passes being issued this may encourage holders to leave their cars at home and reduce their carbon footprint.

7 LEGAL IMPLICATIONS

- 7.1 The Council has a statutory duty to provide the national free bus pass to its eligible residents and there would be serious implications if this was not provided.

8 FINANCIAL IMPLICATIONS

- 8.1 The arrangements for remuneration of the bus companies for the local travel scheme has resulted in increased costs for the Essex authorities. The financial implications of the new scheme will be considered through the forthcoming budget making process. Initial indications from MCL Transport Consultants are that the budget for 2008/09 will need to be around £726,000, compared to £520,000 for 2007/08 and actual costs of £434,000 in 2006/07, a 67% increase in 2 years. The Government have announced funding of £212m in 2008/09, £217m, in 2009/10 and £223m in 2010/11 to be paid by special grant. In previous years, additional funding was received through the Revenue Support Grant and the amount received by individual authorities could not be identified. Payment by special grant will mean that we will know how much funding we have been allocated. However, at this stage we do not know how much we are likely to receive in 2008/2009.

9 RECOMMENDATION

- 9.1 It is proposed that the Executive Board **RESOLVES**
- (1) That the statutory minimum off peak travel from 9.30 am to 11 pm weekdays and all day at weekends and bank holidays be the preferred option reported to Essex County Council for Rochford.
 - (2) That Companion passes continue to be offered to eligible residents of the district that require assistance when travelling.

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Background Papers:-

None

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