

BRECKLAND COUNCIL

Report of the Executive Member for Governance to the CABINET 12th May 2009

Concessionary Bus Fares

1. Purpose of Report

- 1.1 This report provides an update on recent changes to the concessionary bus fares scheme and seeks clarification on areas where discretionary concessions may be applied.

2. Recommendations

- It is recommended that the Executive Board
- 2.1 Agree the principle that the surplus budget be reallocated
- 2.2 Confirm the decision whether to
- 1) Allow the concession for eligible pass holders to use the Thetford to Norwich National Express coach service
 - 2) Continue to allow the flexibus services to attract concessionary travel now that they no longer form part of the national statutory scheme
 - 3) Continue to allow concessions to operate from 8:30 prior to the core start time of the statutory scheme

Note: In preparing this report, due regard has been had to equality of opportunity, human rights, prevention of crime and disorder, environmental and risk management considerations as appropriate. Relevant officers have been consulted in relation to any legal, financial or human resources implications and comments received are reflected in the report.

3. Information, Issues and Options

3.1 Background

- 3.1.1 Changes to the concessionary bus fares scheme have resulted from a change in the way that the costs of the scheme are allocated, and arising from the Department for Transport (DfT) consultation which resulted with new guidelines being issued. Some services that were previously mandatory under the national scheme now become discretionary, in that the district authority can make its own decision whether to grant a concession to journeys starting within their district
- 3.1.2 The report provides an update on the budgetary position resulting from changes to the scheme, in particular to the way in which the costs of the Norfolk scheme is allocated, and highlights areas where discretionary concessions may be considered to support the Council's priorities.

3.2 Issues

- 3.2.1 Since the introduction of free passes to qualifying residents and the expansion of the scheme nationwide, the costs of the scheme have escalated. However the impact of this has been mitigated by a change in the way that the costs of the scheme across Norfolk are apportioned. Prior to 2008/09 the subsidies paid to bus operators were based on the number of cards allocated across all of the districts. However this was changed from April 2008, with the districts incurring the costs of the journeys starting within the district. The result of this change means that budget forecasts are significantly below the approved budgets. This is subject to confirmation of quarter 4 outturn figures following analysis of the bus operator submissions by the scheme

administrator. The total budget approved for the payment of subsidy to bus operators, issue of cards and administration of the scheme amounts to £1.051m in 2009/10. Using the revised forecasts provided by the scheme administrator, the total costs for providing this service can be reduced by £388,340. It is suggested that this reduction can be taken as an efficiency to contribute to the efficiency target approved in the budget. The reduced scheme costs provides the opportunity for the authority to grant additional benefits to residents that meet stated priorities and still remain within budget

- 3.2.2 New guidance from DfT takes services on which the majority of seats can be reserved in advance of travel outside of the statutory concession. However local authorities have the powers to grant a concession on these routes. This affects both coach routes and the flexibus services that operate in the Breckland district.
- 3.2.3 The National Express coach route operating between Thetford and Norwich has been allowing concessionary bus pass holders to travel free of charge since the new national scheme was introduced. As this scheme now clearly falls outside of the new guidelines the authority has been requested to confirm whether it intends to continue to allow this concession. The route has replaced other local services, and is now the only bus route travelling from Thetford to Norwich, although public transport users have the option of using the train. It is understood that Norwich City Council has decided not to allow the discretionary concession for journeys starting in Norwich, which means that the free travel would only be applicable for journeys starting in Breckland. The return journey would be subject to a charge (although the operator allows half price travel for some customers). The costs of granting a concession on this route are unknown, as the coach operator has never charged the authorities for this service; therefore we have not incurred any costs so far. As a result we do not hold data to help us forecast usage. Guidance is sought whether to grant pass holders a discretionary concession to allow them to use passes on journeys starting in the district for this particular route.
- 3.2.4 The flexibus service replaces a number of local routes by offering travellers the opportunity to pre-book travel between destinations outside of a rigid timetable. It has successfully replaced a number of local services, and is a more efficient method of providing a service in a rural community than a standard service that can only operate an infrequent service. The Wayland flexibus service has been operating since 2007, and new service is planned to start in the summer covering the Attleborough/East Harling/Diss area. Costs of concessions have been paid by the authority in 2008/09 and have been included in the 2009/10 budgets. It is estimated that these amount to approximately £7,500 p.a. per area (i.e. £15,000 for the two areas). Guidance is sought whether to grant pass holders a discretionary concession to allow them to use passes on journeys starting in the district for the flexibus services.
- 3.2.5 The statutory scheme operates between the core hours of 9:30 to 23:00. Breckland has previously granted a concession to allow journeys to start at 8:30 to allow pass holders additional flexibility for what can be somewhat restricted timetables. This is in line with the rest of Norfolk authorities. However, Norwich City Council has considered its own concession and has opted not to continue this for 2009/10. The costs of granting this concession are unclear, although the scheme administrators have indicated that authorities could save 2-3% (approximately £11-16k in Breckland) of the scheme costs by not allowing pass holders to have free travel before 9:30. This concession was granted before the national scheme started and the costs have been covered in the 2009/10 budget.

3.3 Options

- 3.3.1 Remove the surplus budget to assist the Council's efficiency plan
- 3.3.2 To grant discretionary concessions to allow the continuation of concessions that were previously in the statutory scheme (advantages and disadvantages are set out in appendix A). All concessions encourage the use of public transport and support

environmental objectives by providing alternative means of transport to private cars as well as supporting the development of prosperous communities.

3.3.3 Not to grant these concessionary concessions

3.4 **Reasons for Recommendation(s)**

3.4.1 To aid budget management and reallocation of surplus resources

3.4.2 To clarify instructions issued to the bus operators and the scheme administrator.

3.4.3 Granting of the concessions would support the Council's Strategic Business Plan and help it develop flourishing rural communities by improving access to services for people who live in villages, especially those who are older, disabled or suffer from health problems. It will ensure that people who live in villages enjoy reasonable access to basic services

4. Risk and Financial Implications

4.1 **Risk**

4.1.1 Risks are covered in appendix A

4.2 **Financial**

4.2.1 Proforma B is attached

5. Legal Implications

5.1 Concessionary Bus Travel Act 2007

6. Other Implications

- a) Equalities: No equalities impact assessment has been carried out as equality issues are implicit within the process
- b) Section 17, Crime & Disorder Act 1998: No
- c) Section 40, Natural Environment & Rural Communities Act 2006: No
- d) Human Resources: No
- e) Human Rights: No
- f) Other: No

7. Alignment to Council Priorities

7.1 Prosperous Communities – encourage inward investment, protect and enhance town centres, develop flourishing rural communities

Environment – protect natural environment

8. Ward/Community Affected

8.1 All

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Key Decision Status (Executive Decisions only):

Non key decision

Appendices attached to this report:

Appendix A – Advantages/Disadvantages and Risks

Thetford to Norwich National Express route – award a concession

Advantages	Disadvantages
<p>Provide an opportunity to travel free of charge outside the district for residents relying on public transport.</p> <p>Public relations opportunity/Risk of adverse publicity if pass holders who currently take advantage of the scheme are refused free fares without prior publicity if concession is not granted</p>	<p>Could encourage residents to travel outside of the district for shopping/entertainment, reducing spending power within the local economy.</p> <p>Inconsistent approach to neighbouring authority could cause confusion to some residents.</p> <p>The concession would add to the costs of the scheme as it has not been previously charged.</p> <p>Costs unknown</p>

Flexibus scheme – award a concession

Advantages	Disadvantages
<p>Supports the Strategic Business Plan objectives of developing prosperous and sustainable communities, and improving access for rural communities.</p> <p>Provides a flexible service to residents linking communities to market towns.</p> <p>Economic benefit from encouraging the use of our market towns.</p> <p>No additional cost of operating concession as we have already been paying for this type of scheme in previous years (negligible saving if operator reverted to a standard service, which would be eligible under the national scheme)</p> <p>Avoids risk of adverse publicity and cost of publicising changes to the scheme should the authority choose not to continue the concession</p> <p>Supports a county scheme that benefits residents and communities other than just pass holders (currently 10k+ journeys p.a. on the Wayland service)</p>	

Extended Hours – Continue to allow early start time of 8:30

Advantages	Disadvantages
<p>Infrequent services within core time may prevent some pass holders using the bus service</p> <p>No additional cost of operating concession as we have already been paying for this extension in previous years</p> <p>Avoids risk of adverse publicity and cost of publicising changes to the scheme should the authority choose not to continue the concession</p>	