

# **Cabinet Member for Prosperity**

## **Agenda**

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**Date:** Friday, 24th July, 2009  
**Time:** 10.00 am  
**Venue:** The Tatton Room - Town Hall, Macclesfield SK10 1DX

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The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

### **PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT**

1. **Apologies for Absence**

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda.

3. **Public Speaking Time/Open Session**

In accordance with Procedure Rules Nos.11 and 35 a total period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the meeting. Individual members of the public may speak for up to 5 minutes but the Chairman will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers.

During public speaking time, members of the public may ask questions of the appropriate Cabinet member who has responsibility for the matter in question. Where a member of the public wishes to ask a question of a Cabinet member at an executive meeting, 3 clear working days' notice must be given to the Democratic Services Manager.

4. **Minutes of Previous meeting** (Pages 1 - 2)

To approve the minutes of the meeting held on 8 May 2009.

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For any apologies or requests for further information, or to give notice of a question to be asked by a member of the public

**Contact:** Paul Mountford

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**E-Mail:** [paul.mountford@cheshireeast.gov.uk](mailto:paul.mountford@cheshireeast.gov.uk)

5. **Department of Transport Consultation on the Administration of Concessionary Travel: Proposal to respond** (Pages 3 - 14)

To endorse or not, the attached response to the DfT consultation exercise which has been approved by the other members of the Cheshire Districts Concessionary Travel Scheme (Cheshire East, Cheshire West and Chester, Halton and Warrington).

## **CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cabinet Member for Prosperity**  
held on Friday, 8th May, 2009 at Westfields, Sandbach

### **PRESENT**

Councillor J Macrae, Cabinet Member for Prosperity

Officers:

Brendan Flanagan, Tatton Park and Visitor Economy Manager

Paul Mountford, Democratic Services

### **1 TATTON PARK BOARD**

Tatton Park was owned by The National Trust, with whom Cheshire East Council had a 99-year, fully-repairing lease (formerly with Cheshire County Council) with 52 years to run. Within the constraints of the lease, Tatton was currently managed as a trading account on a quasi-commercial basis, with around 800,000 visits annually. It operated a successful events programme, including the annual RHS Flower Show. The Park was a driver for the cultural and visitor economy of Cheshire East and was important to the ongoing development of the visitor economy of the area.

It was proposed that the governance arrangements in place under the former County Council be continued until alternative arrangements were made in future. There was a need to put in place management arrangements that carried forward the achievements to date and best place Tatton Park to deliver positive outcomes for the economy and communities of Cheshire East. It was suggested that the governance of the Board be based on the terms of reference and membership set out in the Annex to the report.

### **RESOLVED**

That the terms of reference and membership for the Tatton Park Board as set out in the Annex to the report be approved.

The meeting commenced at 10.00 am and concluded at 10.20 am

Councillor J Macrae

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**CHESHIRE EAST COUNCIL****REPORT TO EXECUTIVE MEMBER**

Date of report: 29<sup>th</sup> May 2009  
 Report of: Director of Places  
 Executive: Councilor Jamie Macrae  
 Member:

**TITLE: Department of Transport Consultation on the Administration of Concessionary Travel: proposal to respond**

Is this a Key Decision? No

\* One that affects finances over £1m or significantly affects two or more wards

**1.0 What is the report about?**

1.1 The Department for Transport (DfT) are consulting all local authorities and other stakeholders on the way that resources should be allocated to fund the English National Concessionary Travel Scheme.

**2.0 What Decision is required by the Portfolio Holder?**

2.1 To endorse or not, the attached response to the DfT consultation exercise which has been approved by the other members of the Cheshire Districts Concessionary Travel Scheme (Cheshire East, Cheshire West and Chester, Halton and Warrington).

2.2 The closing date for responses was 21 July. Hence the response has been submitted; the Portfolio Holder is asked to endorse this on behalf of East Cheshire.

**3.0 How does the Decision contribute to the Council's Corporate Priorities?**

3.1 By encouraging high levels of use of the bus network the concessionary travel scheme supports a healthy bus industry and supports priority 5.1.2: Facilitating appropriate transport for the public and service users.

3.2 Also because the target "market" for concessionary travel is people over 60 and disabled people it supports two key priorities in the adult health and well being area: 2.1.2 Increasing for older and disabled people their choices and their control over the resources made available to them; and 2.1.3 Helping older people to keep their independence as long as possible.

3.3 It is therefore important that the Council contributes to the national debate on concessionary travel issues.

**4.0 Report Details**

4.1 The consultation is concerned with three issues:

- Which tier of Government should be responsible for administering concessionary travel with particular reference to whether in two tier areas the burden should move from district to county level;
- Whether district councils should retain powers under the 1985 Transport Act to offer discretionary travel concessions; and

- Whether there are any other funding issues which need to be considered ahead of the consultation on the comprehensive spending review for 2011- 14.

4.2 As a unitary authority Cheshire East Council is not directly affected by the first two points. However it is important to make clear that economies of scale and efficient administration are being achieved by the Cheshire Scheme which operates on a sub-regional basis. Any changes imposed by central Government should not adversely affect these benefits.

4.3 It is also important to make the point that any funding arrangements take into account the growth in the target population and the uptake of the scheme. So far funding for the scheme has been adequate at the level of the new Council. This has not been the case in some other areas. Rather than abandon what is essentially a well financed scheme consideration should be given to establishing a contingency fund to compensate proven examples of underfunding. In this way if there are any dramatic developments in the local economy or demographic changes, it will be possible to bid into this fund.

4.4 The response is attached for consideration.

## **5.0 Officer's Recommendations**

5.1 That the attached proposed response be endorsed.

## **6.0 Reasons for the Recommendation**

6.1 To ensure that the interests of Cheshire East Council are represented in this consultation.

## **7.0 What will it cost?**

7.1 There are no immediate costs to responding to the consultation. However if the Government does not take revenue allocation decisions which sustain the current level of funding, the Council could face a future shortfall.

## **8.0 What are the legal aspects?**

8.1 The consultation is taking place within the legal framework of the Concessionary Travel Act 2007 and the Transport Acts of 1985 and 2000.

## **9.0 What risks are there and how can they be reduced?**

9.1 The principal risk is on the revenue stream and the efficiencies achieved by running a sub-regional scheme. They can be reduced by accepting the proposal.

## **10.0 What is the impact of the decision on equality and diversity issues?**

10.1 Any adverse impact on the revenue funding for the scheme could reduce the potential for discretionary travel concessions which would have a negative effect on benefits for people in rural areas (via taxi vouchers and community transport) and older and disabled workers (who currently benefit from the half price pre 9.30 concession).

## **11.0 Are there any other options?**

11.1 These are outlined in 2.1.

For further information:

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Background Documents:

Department for Transport: Possible changes to the Administration of Concessionary Travel, consultation paper.

Documents are available for inspection at:

<http://www.dft.gov.uk/consultations/open/concessionarytravel/consultationdocument080509.pdf>

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## CONSULTATION RESPONSE FORM

### CONSULTATION ON POSSIBLE CHANGES TO THE ADMINISTRATION OF CONCESSIONARY TRAVEL

#### **PART 1 - Information about you**

Name	Dave Perkins
Address	Integrated Transport Service Cheshire, Rivacre Business Centre, Mills Lane, Ellesmere Port, Cheshire
Postcode	CH66 3TL
email	dave.perkins@cheshireeast.gov.uk
Company Name or Organisation (if applicable)	Cheshire Districts Concessionary Travel Scheme on behalf of the Councils of Cheshire East, Cheshire West and Chester, Halton and Warrington.
Please tick one box from the list below that best describes you /your company or organisation.	
<input type="checkbox"/>	Small to Medium Enterprise (up to 50 employees)
<input type="checkbox"/>	Large Company
<input type="checkbox"/>	Representative Organisation
<input type="checkbox"/>	Trade Union
<input type="checkbox"/>	Interest Group
<input checked="" type="checkbox"/>	Local Government
<input type="checkbox"/>	Central Government
<input type="checkbox"/>	Police
<input type="checkbox"/>	Member of the public
<input type="checkbox"/>	Other (please describe):
<p>If you are responding on behalf of an organisation or interest group how many members do you have and how did you obtain the views of your members:</p> <p>Four unitary Councils. Officers and members of each council has been consulted and all have agreed to submit the following response.</p>	
<p>If you would like your response or personal details to be treated <b>confidentially</b> please explain why:</p>	

**PART 2 - Your Comments**

1. Are there other problems, stemming from current administrative arrangements, that are not covered by this list?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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Please explain your reasons and add any additional comments you wish to make:

The experience of the Cheshire Districts Scheme ( the Cheshire Scheme) has been that overall it has been successful in meeting statutory requirements and offering additional discretionary benefits at County or local level depending on the circumstances. This is underlined by the fact that the scheme has been operating for 20 years but has retained the membership of all participating local authorities and enabled concessionary travel to be enabled uninterrupted despite local government reorganisations in 1998 and 2009.

However a problem which applies to a handful of TCAs is that, as with the Cheshire Scheme, they have cross boundary routes which go outside the English National Concessionary Travel Scheme (ENCTS) area. Discussions to introduce a truly national scheme would help overcome this anomaly

2. Do you think that the current level of administration is the most appropriate?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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Please explain your reasons and add any additional comments you wish to make:

Our assessment would be that Option 2 is preferable in two tier areas. We believe that our experience demonstrates that the "hybrid" system which the Cheshire Scheme has been operating over the past 20 years can be effective.

However it could have been improved had there been an element of cross subsidy between districts as there have been situations when some districts had insufficient funding while their neighbours had a surplus. The recent Local Government Reorganisation has ironed out these differences.

An additional problem for operators and indirectly for the financial integrity of schemes is that, without full smart ticketing systems, drivers will make more mistakes if routes operate different concessionary schemes in different areas. By agreeing a common set of operating arrangements across the sub-region, the Cheshire Scheme largely overcame this obstacle.

3. Do you think a system of 'higher-tier' administration would be the most appropriate?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
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Please explain your reasons and add any additional comments you wish to make:

Administration at the County level could achieve cost savings and make it easier for bus operators to understand and administer. It would also make negotiations of operator reimbursement simpler and iron out some of the anomalies in funding remarked on above.

Counties would however have to ensure that they were able to deal with face to face applications for new and replacement passes and administer local variations if these were appropriate.

Experience of the Cheshire scheme indicates that local variations can be managed. Before the introduction of the free local scheme one district, Ellesmere Port and Neston, successfully ran a quarter fare local variation administered by the then half fare Cheshire Scheme.

4. Do you think a centrally administered statutory minimum concession would be most appropriate at this time?

YES ☐

NO ☒

Please explain your reasons and add any additional comments you wish to make:

There are four main reasons:

1. Such a system would disadvantage small operators which are a key element of competitiveness in this area. Local councils have a good track record of working with these companies through negotiating contracts for bus services. They can achieve significant synergies when assessing performance and carrying out due diligence checks for both operations.
2. It would be difficult to develop a system which was applicable in all areas. For example conurbations have different rates of reimbursement to semi-rural and deep rural areas.
3. The current system works well and has shown with the introduction of free local, free national and the smart card schemes that it can respond at relatively short notice to changes in policy. The fact is that the introduction of the ENCTS smart card had the potential for being another "computer disaster story" but local government in partnership with the DfT made it work.
4. The Welsh experience where the reimbursement rate is agreed nationally but calculated locally suggests that local administration is still required.

<b>5. Do you think a regional tier of administration might ultimately be most appropriate?</b>	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
<p>Please explain your reasons and add any additional comments you wish to make:</p> <p>1. They cover too diverse an area and exhibit the problems identified in point 2. in Question 4.</p> <p>2. Regions do not at the moment have a credible infrastructure for delivering personal services of the nature of dealing with individual applications for new and replacement passes. Setting up such a structure for this purpose alone, when nearly all other personal services are delivered elsewhere would be prohibitively expensive</p> <p>3. It would be perceived as remote by key client groups who place great emphasis on face to face contact.</p> <p>.</p>		

<b>6. Are there other options for administering the statutory minimum concession that are missing from this list?</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
<p>Please explain your reasons and add any additional comments you wish to make:</p> <p>To recognise and endorse the kind of voluntary sub-regional schemes that the Cheshire Scheme represents. These can achieve economies of scale where appropriate e.g. for negotiations, shared reimbursement arrangements and single smartcard operating systems but still allow for local discretionary variations.</p>		

<b>7. Should all local authorities retain the ability to establish discretionary travel concessions using powers under the 1985 Transport Act as now?</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
<p>Please explain your reasons and add any additional comments you wish to make:</p> <p>There is inevitably a balancing act between meeting local need (e.g. taxi vouchers or funding community transport as an alternative to "big bus" in rural areas) and having a system which is easily understood in cross boundary situations (e.g. cost of travel before 0930). the latter issue is often the cause of considerable bewilderment by passengers who find it hard to accept that different conditions may apply depending on the direction of travel and the type of ticket held on a cross boundary route. Two measures could be introduced to obviate this:</p> <p>1. to extend and provide resources for the current statutory scheme to allow peak time journeys.</p> <p>2. to encourage, through guidance, neighbouring TCAs, sub-regional schemes and operators to share information and co-operate in unifying discretionary schemes where they involve a number of cross boundary routes.</p>		

<p><b>8.</b> Should the ability to establish discretionary travel concessions using powers under the 1985 Transport Act be limited to upper tier authorities only?</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input checked="" type="checkbox"/></p>
<p>Please explain your reasons and add any additional comments you wish to make:</p> <p>Please see the response to question 7.</p>		

<b>9.</b> Should lower tier authorities ability to establish discretionary travel concessions using powers under the 1985 Transport Act be limited to circumstances where they had to act jointly with upper tier authorities only?	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
<p>Please explain your reasons and add any additional comments you wish to make:</p> <p>This would take away powers which are the legitimate prerogative of district councils. However if the consensus were to move the administration of the statutory scheme to the upper tier, an obligation to consult about discretionary proposals would be appropriate.</p>		

<b>10.</b> Do you have any relevant data that could inform the cost/benefit estimates that will be used in the final Impact Assessment?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
<p>Please explain your reasons and add any additional comments you wish to make:</p> <p>We can provide data about the cost of administering the smart card operation as a sub-regional scheme as opposed to a single authority operation. This data convinced our then eight districts that large cost savings could be achieved by operating a single system with no loss of independence. This has helped ensure that Cheshire is in the vanguard of on-bus smart card development.</p>		

<b>11.</b> Bearing in mind that there would be a separate consultation on the funding implications of any changes to the administration of concessionary fares, are there any other issues around funding that are not considered here?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
<p>Please explain your reasons and add any additional comments you wish to make:</p> <p>1. Currently non-smart Counties have their ITSO fees paid by the DfT, while those Authorities who have taken the initiative and implemented smartcards have to pay their ITSO fees from their own resources. This has the perverse effect of rewarding those who do not go smart, and penalises those that do. Introducing financial incentives to go smart would encourage local authorities to put pressure on operators and enable the public purse to benefit from the savings which will accrue.</p> <p>2. Any funding arrangements need to take into account the future growth of the target population and of the uptake of the scheme. In Cheshire West and Chester and Cheshire East Councils funding for the scheme has been adequate but account needs to be taken of future growth. The principal of operators being "no better and no worse off" will be stretched when full buses force a public demand for more services. This point has almost been reached in a few key services in this area.</p> <p>3. We also recognise that in a few areas funding has been inadequate. However rather than abandon what is essentially a well financed scheme consideration should be given to establishing a contingency fund to compensate proven examples of underfunding. In this</p>		

way if there are any dramatic developments in the local economy or demographic changes, it will be possible to bid into this fund.

If you have any other general comment that you would like to make concerning this consultation, please give them here:

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