

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 25 June 2012

Report of: Strategic Director, Places and Organisational Capacity

**Subject/Title: Discretionary Enhancement to the English National
Concessionary Travel Scheme**

Portfolio Holder: Cllr Rod Menlove, Environmental Services

1.0 Report Summary

- 1.1 This report outlines options for consideration in respect of usage of concessionary bus passes on flexible and community transport. Recent changes in provision of flexible transport within the Borough have highlighted a need for clarity over the council's adopted policy in this area.

2.0 Decision Requested

- 2.1 Cabinet considers the options outlined below and decides the appropriate policy that they wish to adopt:
- 2.1.1 Adopt a policy that views flexible / demand responsive transport has a significant amenity element, and therefore would bar concessionary pass holders from using them to secure transport free at the point of use. This would have the impact of removing current entitlement to free travel from users of flexible / demand responsive transport in the north of the borough.
 - 2.1.2 Adopt a policy of admitting section 19 transport provision to the scheme. This would have the impact of allowing entitlement to free transport on any section 19 service, and would allow all such providers to receive reimbursement of revenues foregone and costs incurred in accepting passengers using concessionary passes. This would allow users of flexible / demand responsive transport in the south of the borough to travel free at the point of use.
 - 2.1.3 Continue with the current policy until such time as the ongoing public consultation on the policy options has concluded on 22 June 2012 and been assessed and the Cabinet has had the opportunity to formally consider it.

3.0 Reasons for Recommendations

- 3.1 The current policy contains an apparent anomaly in that demand responsive transport in the north of the borough is provided through registered public transport – entitling passengers to travel free at the point of use if they hold a concessionary pass – whereas demand responsive transport in the south of the borough is provided by a “section 19” service, with no provision for usage of the concessionary pass.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including – Carbon Reduction - Health

- 6.1 By allowing free concessionary travel to all users of demand responsive transport, the entire costs of such transport will fall to the taxpayer. There is likely to be significantly higher demand for transport as it would be free at the point of use, exceeding the capacity available. As no price signal would be in place (and hence transport be provided at least in part on a willingness and ability to pay), “rationing” of the available capacity would therefore take the form of availability of vehicles, “first come first served” booking mechanisms etc.
- 6.2 Alternatively, should Cabinet decide to adopt a model that would seek to claim that demand responsive transport has an amenity element, and therefore would exclude all demand responsive transport from the concessionary scheme, there are likely to be impacts on users currently making use of the service.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 The option outlined in 2.1.1 above would reduce expenditure by approximately £35,000 per annum, and would be a direct saving.
- 7.2 The option outlined in 2.1.2 above would result in an increase in expenditure of approximately £75,000 a year, which is unbudgeted. There are no suitable offsetting savings within the Cheshire East transport budget, and therefore if Cabinet were to adopt this policy an application for a Supplementary Revenue Estimate may potentially be

required to be funded from general reserves. Attempts will be made to find sufficient savings from other Cheshire East budgets to off set the financial implications of this decision, but if required a formal application to Council through a supplementary revenue estimate may be necessary at a future date if sufficient savings cannot be found.

- 7.3 The option outlined in 2.1.3 above would result in neither an increase nor reduction in expenditure in the short term. A report to Cabinet would be produced outlining options with associated costs or savings following the public consultation analysis.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The English National Concessionary Travel Scheme was established on 1 April 2008¹. It entitles older and disabled residents to free off-peak bus travel on any registered local bus service. Operators of local bus services are required to offer free travel to passengers presenting a valid concessionary bus pass. Local transport authorities are required to make suitable arrangements to issue passes to entitled applicants, and to reimburse operators of local bus services for revenue foregone or costs incurred. Cheshire East Council is the travel concession authority for the borough, and therefore is responsible for setting policy and establishing an appropriate budget for concessionary travel in the area.
- 8.2 Local authorities are free to enhance their discretionary travel schemes with locally-adopted and funded policies. In Cheshire East, previous council decisions have resulted in two main enhancements – all day travel for persons entitled to concessionary travel passes by virtue of blindness, and pre-09.30 subsidised travel for all concessionary pass holders. Until 1 April 2012, an additional discretionary policy of offering free travel on transport operated under section 19 or section 22 of the Transport Act 1985. In effect, this entitled passholders to free travel on dial-a-ride schemes in the borough.
- 8.3 The council is free to adopt discretionary policies in this area. Cabinet should be mindful, however, of the risk of challenge should a revised policy be adopted during the period of public consultation, since it may be viewed as taking a decision before the full impact of the public consultation has been understood.

9.0 Risk Management

- 9.1 There are risks attached to all three options, since there is a risk of legal challenge that the council will have predetermined a significant component of the current public consultation on transport issues. In addition, there is a risk

¹Concessionary Bus Travel Act 2007

that the financial impacts of the three options are either under- or over-estimated.

10.0 Background and Options

- 10.1 In the deliberations over the Council's 2012-2015 business plan, Cabinet proposed and Council adopted a budget that required the cessation of this latter discretionary policy. From 1 April 2012, the Council would no longer reimburse operators of dial-a-ride transport schemes – in effect, requiring them to charge a fare for the transport provided. In January 2012, whilst the budget was still at a formative stage and had not been adopted by Council, the proposal was communicated to the two dial-a-ride schemes operating in Cheshire East. This led to a cascade of events that eventually has resulted in the ending of the council's relationship with Community Transport Macclesfield District and the demise of East Cheshire Community Transport.
- 10.2 In seeking to ensure vulnerable residents were able to continue to receive some form of demand responsive transport whilst a long term solution is procured, the council has acted quickly to ensure appropriate transport provision is secured. In doing so, two separate schemes exist – one in the north of the borough, operated as public transport; the other, servicing the south of the borough, operated using the council's vehicles and drivers under a permit issued under section 19 of the Transport Act 1985.
- 10.3 Due to the differences in licensing regimes, and the requirements of the Concessionary Bus Travel Act 2007, an anomaly has arisen whereby concessionary bus pass holders are treated differently based on which demand responsive travel scheme they are able to utilise. This has been brought to the attention of Cabinet to determine if they desire to change the adopted policies in relation to concessionary travel. These options are outlined in paragraph 2.1.1 – 2.1.3 above.
- 10.4 Cabinet members' attention is brought to the ongoing public transport consultation. Users of demand responsive transport, non-users and general stakeholders have been asked to comment on aspects of demand responsive provision, most pertinently:

Which of the following options would you prefer the Council to implement for concessionary pass holders on flexible transport services?

Please choose one option only

- *Free travel, but with a limited frequency of service (e.g. once per week / fortnight)*
- *Apply a part subsidy and part passenger fare, with a moderate frequency of service (e.g. once / twice per week)*

- *Apply a full fare and provide the maximum frequency of service possible*

10.5 Cabinet are therefore advised to take into account the risks attached to determining in advance of the end of the public consultation process a significant element of the consultation, and the associated risk of legal challenge.

11.0 Access to Information

There are no background papers relating to this item.