

## **Changes to the Gold Card Concessionary Travel Scheme for Elderly and Disabled People from April 2008**

### **SUMMARY**

- 1.1 Derby City Council along with Derbyshire County Council and the various borough and district councils in Derbyshire are part of the Gold Card concessionary bus fares scheme for elderly and disabled people.
- 1.2 From 1<sup>st</sup> April 2008 the scheme will need to change to meet the requirements laid down by central government as part of the new national concessionary fares scheme. The new statutory scheme will offer free travel on local buses across England to people over 60 and those with certain disabilities between 9.30am and 11pm Monday to Friday and at all times on Saturday, Sundays and Bank Holidays. To allow this to happen new style standard national concessionary passes will need to be issued in a smartcard format
- 1.3 As the scheme will now cover travel in all of England the new national concessionary cards can only be issued to the groups of people specified under the terms of the Transport Act 2000. This is because the authority where the bus trip takes place will now be liable for the cost of the journey no matter where the pass was issued. So for example the cost of a pass holder from Derby making a trip by bus in York will be paid for by York City Council. It is therefore essential that nationally only those entitled to a new card are issued one.

The current Gold Card scheme is more generous than the statutory scheme and gives free travel to certain groups of disabled not covered by the Act. This means that there are a number of categories of disabled people who currently receive a Gold Card who will not be entitled to receive a new national concessionary card.

- 1.4 To continue to offer these groups of people concessionary travel just within Derbyshire would mean operating two pass systems with associated additional costs and would involve negotiation of two separate reimbursement methods with operators. It would also require additional spending to pay for it beyond the extra funding which is going to be made available by central government to the various partners in the Gold Card scheme to pay for the new national scheme.
- 1.5 The current Gold Card scheme also offers other additional travel benefits which the new national scheme will not provide including, free bus travel at all times for certain groups of disabled people, free/half fare rail travel, and free Dial a Bus travel on Community Transport bus services.

- 1.6 To allow the current Gold Card discount scheme which allows card holders to receive reduced prices at certain shops and restaurants to continue it has been proposed that the rear of the new card be coloured gold to distinguish it from other cards issued elsewhere in the country. Also it is proposed that the cards should have a barcode on the back which will allow them to be used a library card as well.
- 1.7 As the new card will be in a smartcard format they will cost more to produce. It is therefore proposed that the cost of issuing replacement cards should be increased from the current £1 to £5.

<b>RECOMMENDATION</b>
-----------------------

- 2.1 To approve amendments to the existing concessionary travel scheme for elderly and disabled people from April 2008 so that it continues to meet the statutory minimum government concessionary fare scheme requirements only.
- 2.2 To approve the cost of retaining the “Gold Card” identity and associated publicity launch along with the library bar code.
- 2.3 To approve the increased charge for issuing replacements cards.

<b>REASON FOR RECOMMENDATION</b>
----------------------------------

3. Approval of the amendments will allow the Council to continue to meet its statutory requirements to provide free local bus travel.



DERBY CITY COUNCIL

## **COUNCIL CABINET** **27<sup>th</sup> November 2007**

Report of the Corporate Director of Regeneration and Community

### **Gold Card Concessionary Travel Scheme for Elderly and Disabled people from April 2006**

#### **SUPPORTING INFORMATION**

- 1.1 As a result of the Transport Act 2000 it has been a statutory duty of unitary authorities such as Derby and district and borough councils to provide concessionary travel to elderly and disabled people within their area. As prior to this date Derby City Council was already part of the Derbyshire wide Gold Card scheme a decision was taken by the partners to maintain this arrangement. As well as the statutory requirement of offering half price local bus travel to people over 60 and the disabled this scheme offered the following additional benefits-
  - Free travel at any time for people with certain types of serious disabilities
  - Discounted travel on trains and community transport dial a bus services
  - County wide travel and cross boundary travel into adjacent County/Metropolitan areas.
- 1.2 Since April 2006 as a result of government changes to the statutory scheme it was agreed to continue with these additional benefits along with the addition of free local bus travel for people over 60 and all disabled people after 9.30 Monday to Friday and at anytime Saturday, Sunday and Bank Holidays. Due to financial pressures in April 2007 the half fare concession prior to 9.30 Monday to Friday for people over 60 and those with less serious disabilities was withdrawn.
- 1.3 From April 2008 the revisions to the statutory scheme means the following groups of people will be entitled to a new national concessionary card -
  - People over 60 years of age
  - Blind or partially sighted people
  - Profoundly or severely deaf people
  - People without speech
  - People with a disability or who have suffered an injury which has a substantial and long term adverse effect on their ability to walk
  - People who do not have arms or has long term loss of the use of both arms

- 1.3
- People with a learning disability, that is, a state of arrested or incomplete development of mind which includes significant impairment of intelligence and social functioning
  - People who if they applied for the grant of a licence to drive a motor vehicle under part III of the Road Traffic Act 1988, would have their application refused pursuant to section 92 of the Act (physical fitness) otherwise than on the ground of persistent misuse of drugs or alcohol.

These changes introduce three additional classes of eligibility compared to the current Gold Card scheme

- People without speech
- People who are severely deaf.
- People who do not have arms or have long term loss of the use of both arms

- 1.4
- Apart from specifying the groups of people entitled to a concessionary card the Transport Act 2000 also states that free travel 'on local buses only' is available Monday to Friday between 09.30am and 11.00 pm and at all times on Saturdays, Sundays and Bank Holidays. The Gold Card has always been more generous offering concessionary travel on trains and on community transport buses as well as free travel before 9.30 on local buses for certain groups of more seriously disabled people.

The groups of people who will not be entitled to a national concessionary card along with the additional travel facilities which will no longer be available and a breakdown of the costs involved are listed below -

- Free travel on buses after 09.30 am Monday to Friday and at all times Saturday, Sunday and Bank Holidays and half fare travel at all times on trains for people with enduring mental illness supported by community services. Around 900 of this type of pass are currently in circulation Derbyshire wide at an estimated cost of £71000 a year. Under the terms of the 2008 statutory concessionary fares scheme these people cannot be issued with a national pass.
- Free travel on buses after 0930 Monday to Friday and at all times Saturday, Sunday and Bank Holidays and half fare travel at all times on trains for people having a disabled parking badge. Around 2,300 of this type of pass are currently in circulation Derbyshire wide at an estimated cost of £182,000 a year. Under the terms of the 2008 statutory concessionary fares scheme these people cannot be issued with a national pass.

- 1.4
- Free travel on buses and trains at all times for people in receipt of attendance allowance. There are around 9,600 of this type of pass currently in circulation Derbyshire wide. However these people would qualify for the statutory national concession as they will be over 60 years of age. The national pass does not entitle them to the free travel on trains at any time or on bus before 09.30, or on Community Transport buses.
  - Free travel on buses and trains at all times for people in receipt of the middle/higher rate care component of DLA. Around 10,000 pass of this type are currently in circulation Derbyshire wide. Under the terms of the 2008 statutory concessionary fares scheme these people would not be issued with a national pass if they are under sixty years of age. The estimated cost of £355,000 for the year assumes 45% of the above people would be eligible for a national pass by age, however the national pass would not entitle them to the free travel on train at any time, or on bus before 09.30, or on Community Transport buses.
  - Free and half fare rail travel concession at all times. The estimated cost of this is £140,000 for the year of which some £14,000 is included in the figures above.
  - Free travel on Community Transport Dial a Bus Services. Some 150,000 journeys are made per year on Dial a Bus Services Derbyshire wide. The estimated cost of this is £290,000 for the year of which some £29,000 is included in the above figures)

The total cost of these additional travel concessions for the scheme as a whole is estimated to be £1 million per year.

## OTHER OPTIONS CONSIDERED

2. To continue to offer free travel within Derbyshire to the groups of people not entitled to a national concessionary card would mean operating two pass systems with associated additional costs and would involve negotiation of two separate reimbursement methods with the bus operators. It would also require additional spending to pay for it beyond that which is going to be made available to the various partners in the Gold Card scheme by central government to pay for the new national scheme.

<b>For more information contact:</b>	Chris Hegarty Tel 01332 715045 e-mail <a href="mailto:chris.hegarty@derby.gov.uk">chris.hegarty@derby.gov.uk</a>
<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications

**IMPLICATIONS**

**Financial**

1.1 The table below shows the funding available for the county wide scheme.

	£m	£m
<u>Funding</u>		
Existing level		9.3
Additional DfT grant (at a mid level to pay for new national scheme)		3.5
		12.8
<u>Cost estimates</u>		
07/08 cost plus 7.5% increase	14.2	
Exclude the existing additional local concessions	(1.0)	13.2
Total scheme shortfall		0.4

It is anticipated that the proposed scheme will cost the City Council approximately £3.300 million. The latest proposed Concessionary Fares budget for 2008/09, based on 2007/08 levels plus standard inflation at 2.5% is £3.376m. The cost of the national scheme can therefore be met within assumed budget levels for 2008/09. This assumption is before any appeal costs are considered. Inflationary pressures in future years, plus the uncertainty of usage on the national scheme, create a difficult financial picture to predict for following years.

1.2 In March Cabinet were informed of the possible additional costs to the current scheme that maybe incurred as a result of appeals lodged by two of the bus operators Stagecoach and Trent Barton against the reimbursement offered. An agreement was made between the various partners in the scheme on the basis of initial claims from operators that the DCTSP may face a final award to operators resulting in additional costs of up to £1 million. It was agreed that this sum would be met as shown

Authority	%	£	Authority	%	£
Amber Valley	03.125	31,250	Derbyshire Dales	03.125	31,250
Bolsover	03.125	31,250	Erewash	03.125	31,250
Chesterfield	03.125	31,250	High Peak	03.125	31,250
Derby	25.00	250,000	North East Derbyshire	03.125	31,250
Derbyshire	50.00	500,000	South Derbyshire	03.125	31,250
			Totals	100.00	1,000,000

- 1.3 Since that time the two operators have submitted a final claim totalling £4million. The appeals are now being considered by an independent adjudicator appointed by the DfT. The adjudicator's decision is final and no appeal can be made. No indication has been given yet when a decision will be announced but it is hoped to be made this calendar year.
- 1.3 If the settlement is as high as £4m, the cost to the City Council will be approximately £1m. This potential pressure is being considered in the 2008-11 budget planning process.

## **Legal**

- 2.1 The current scheme is formally laid down and operated in accordance with relevant legislation in the Transport Act 1985, and the Transport Act 2000.
- 2.2 The current Derbyshire Concessionary Travel Scheme Agreement with the City, Borough and District Councils secures joint funding, with the City and District Authorities acting as the agents for the issue of passes and the County Council acting as the agent for financial reimbursement to the operators.

## **Personnel**

3. None directly arising.

## **Equalities impact**

- 4 The scheme has the potential to significant improve the quality of older and disabled peoples lives.

## **Corporate Priorities**

5. The proposal predominantly comes under the Council's Objective of:
  - Leading Derby towards a better environment
  - Helping us all to be healthy, active and independent

