



DERBY CITY COUNCIL

COUNCIL CABINET
14 MARCH 2006

ITEM 24

Cabinet Member for Planning and Transportation

Extension of the Gold Card Concessionary Travel Scheme for Elderly and Disabled People from April 2006

SUMMARY

- 1.1 In the 2005 budget the Chancellor announced the introduction of “free local bus travel” from April 2006 for over 60’s and disabled people in England.
- 1.2 Derby City Council, along with Derbyshire Council and the various borough and district councils in Derbyshire is part of the Gold Card bus concessionary fares scheme for elderly and disabled people, which offers holders a range of benefits above the existing minimum requirements.
- 1.3 Cabinet is being asked to consider amending the existing Gold Card scheme to allow us to meet our new statutory responsibilities to provide bus free travel after 9.30am within Derby and to go beyond these to:
 - retain the additional benefits of the present scheme for half fare travel before 9.30am.
 - extend free bus travel after 9.30am to apply also to travel across Derbyshire and to routes that finish outside of the County boundaries.
- 1.4 The enhanced scheme is being proposed to apply for 2006/7 only. Its provisions will be reviewed for 2007/8 as future affordability becomes clearer.

RECOMMENDATION

- 2.1 To approve amendments to the existing Gold Card concessionary travel scheme for elderly and disabled people so that it meets the new statutory minimum government concessionary fare scheme requirement from April 2006, continues to offer the additional benefits provided in the current scheme and extends these to provide additional new benefits including free travel across Derbyshire, as set out in paragraph 1.5
- 2.2 To note that the cost of the county-wide scheme is uncertain beyond 2006/7 and that the extent of the enhanced provisions will need to be kept open for review for 2007/8 in the context of affordability.

REASON FOR RECOMMENDATION

- 3.1 Approval of the amendments will allow the Council to meet its statutory requirements to provide free local bus travel whilst continuing to offer the enhanced provisions enjoyed under the existing scheme.



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Report of the Corporate Director of Regeneration & Community

Extension of the Gold Card Concessionary Travel Scheme for Elderly and Disabled people from April 2006

SUPPORTING INFORMATION

- 1.1 In the 2005 budget the Chancellor announced the introduction of “**free local bus travel**” from April 2006 for over 60’s and disabled people in England. The basic statutory scheme required that these groups should receive free travel on local buses between 9.30am and 11pm Monday to Fridays and all day Saturday, Sunday and Bank Holidays within the area of the responsible local authority. So in the case of Derby the statutory minimum scheme would only need to cover local bus travel in the city itself - however the government has left it open to local authorities to offer additional enhancements if they wanted.

To pay for this, an additional £350 million of funding was made available nationally to local and unitary authorities.

- 1.2 A concessionary fares scheme for elderly and disabled people has been available to residents of Derby since 1983. The scheme is a partnership jointly funded by Derby City Council, Derbyshire County Council and the various borough and district councils in Derbyshire.
- 1.3 The scheme was reviewed as a result of the Transport Act 2000 which made the provision of half fare off peak concessionary travel for elderly and disabled people a statutory duty for unitary and district authorities within their own area. However as the existing scheme already offered more than the statutory requirements the partners agreed to stay with the existing scheme.
- 1.4 The existing scheme offers the following additions to the current statutory half fare provision:
- no time limits so card holders can travel at half fare during peak periods
 - free travel for some disabled people
 - half or free travel on train services
 - travel across all of Derbyshire and cross boundary travel to key destinations outside of the county.
 - a standard eligibility age for men and women of 60

and since 2004 discounts at many leisure and retail outlets

- 1.5 Under the terms of the act the provision of free local bus travel from April need only apply to the area within the district or unitary authority boundaries. However, the partners in the existing Derbyshire wide scheme consider that it would be preferable to extend the provision of free travel countywide. Some of the practical implications of a district only free travel scheme would include
- the need to issue a different concessionary cards specific to each of the nine local authority area within the County
 - how the bus drivers would identify the different passes and ensure that free travel journeys were only made in the respective district areas bearing in mind that bus stops and ticket fare stages do not follow district boundaries
 - the existing electronic ticket machines on buses do not have the capacity to deal with the extra number of passes proposed and local authorities would have to meet the cost of any modifications required.
- 1.6 Whilst the difficulties of implementing a county-wide scheme should not be underestimated due to the complex nature of the negotiations required between the various local authorities and the different bus companies involved, the partners in the scheme have committed themselves to introducing one.
- 1.7 A county-wide scheme covering all the local authority areas is therefore proposed with the following restrictions on bus services for the different classes of Gold Cards.

Existing Half Fare Gold Card

- Where a journey is made from any stop in Derbyshire to any other stop in Derbyshire before 0930 on Mondays to Fridays: Card Holder to pay **HALF FARE**.
- Where a journey is made from any stop in Derbyshire to any other stop in Derbyshire after 0930 on Mondays to Fridays until the end of timetabled services or at any time on Saturdays, Sundays and Public / Bank Holidays: Card holder to travel **FREE**.
- Where a journey is made from any stop in Derbyshire to any stop outside Derbyshire to key destinations such as Burton, Nottingham or Sheffield within the scheme or vice versa prior to 0930 Monday to Fridays :Card Holder to pay **HALF FARE**; after 0930 on Mondays to Fridays until the end of timetabled services or at any other time on Saturdays, Sundays and Public/Bank Holidays : Card Holder to travel **FREE**.

Existing Free Travel Gold Card

- Where a journey is made from any stop in Derbyshire to any other stop in Derbyshire at any time: Card holder to travel **FREE**.
- Where a journey is made from any stop in Derbyshire to any stop outside Derbyshire to key destinations such as Burton, Nottingham or Sheffield within the scheme or vice versa at any time: Card holder to travel **FREE**.

- 1.8 There will no changes to the existing concessionary rail service arrangements. Details of the proposed administrative arrangements are shown in Appendix 2.

- 1.9 Free travel may result in some overloading on a number of services at particular times and local authorities will have to decide whether to meet the cost of providing additional transport. This will be the most likely cause of additional costs and is not quantifiable.
- 1.10 The financial implications of the proposal are set out in Appendix 1. There is some concern as to the affordability beyond 2006/7, given uncertainty over what level of take up there will be and the potential impact of needing to provide additional services, and also future inflation affecting the bus services. Consequently, it is proposed that this scheme is introduced for one year only to cover the period from 1 April 2006 to 31 March 2007 with an option to extend it subject to agreement by all parties.

OTHER OPTIONS CONSIDERED

- 2.1 The provision of free local bus travel for the over 60's and disabled people is a statutory requirement from April 2006. As explained in 1.4 the option of free travel being provided only within the district or unitary authority boundaries has been examined but has been rejected because of the practical complexities and the desire of the different partners to maintain a countywide scheme.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Details of the proposed administrative arrangements

IMPLICATIONS

Financial

- 1.1 The estimated cost of the proposed county-wide free scheme in 2006/7 would be at least £12.1 million of which some £2.8 million will be contributed by the City Council. The scheme costs will increase in 2006/7 if additional buses have to be provided to cope with demand, so these are minimum figures only. The 2006/7 approved revenue budget contains adequate provision to meet the expected overall costs, using additional funding provided through the revenue support grant settlement.
- 1.2 The longer term affordability of the scheme is more uncertain as:
 - Transport inflation in the bus industry has been very high in recent years, and is sensitive to fuel prices
 - Increases in demand may be realised gradually, and have a greater impact in 2007/8 than in 2006/7.

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. The statutory instrument setting out the proposed change to concessionary travel schemes were published in February 2006. Transport Operators participate voluntarily in concessionary travel schemes, although there are powers to compel participation.
- 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

- 3.1 None directly arising.

Equalities impact

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

Corporate objectives and priorities for change

- 5.1 The proposal predominantly comes under the Council's Objective of
 - **strong and positive neighbourhoods,**
 - **a healthy environment**

DETAILS OF THE PROPOSED ADMINISTRATIVE ARRANGEMENTS
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Proposed administrative arrangements**1.1 *Recording of Fares Foregone***

- All journeys must be recorded electronically by a ticket machine capable of storing all data for tickets issued on a computer
- A ticket shall be issued to all passengers making either a free fare or half fare journey.
- Ticket classes shall be included in the ticket machine's stored data so that all tickets issued shall be recorded against the correct type of Gold Card.

1.2 *Payment*

- Reimbursement will be based on revenue displacement.
- Data of fares foregone shall be supplied electronically by operators at the end of each calendar month.
- Payment to operators shall be made at monthly intervals at the mid point of the month based on the following:
- For the 2006/2007 financial year (April 2006 – March 2007) add 7.25% to the total of reimbursement and revenue foregone in the 2005 calendar year.
- Operators to retain half fare concessionary revenue collected before 0930 hours Monday to Friday to meet additional costs other than where there may be a requirement to provide an additional vehicle. Such requirement to provide an additional vehicle to be subject to audit and survey.
- Where network changes result in an operator's mileage increasing or decreasing over the year the reimbursement payment will be adjusted proportionately using this year's BSOG claim as the base point.