

Report to the Cabinet

Report reference: C/090/2006-07.

Date of meeting: 18 December 2006.



**Epping Forest
District Council**

Portfolio: Community Wellbeing.

Subject: Concessionary Fares.

Officer contact for further information: Brian Moldon (01992 – 564606).

Democratic Services Officer: Gary Woodhall (01992 - 56 4470).

Recommendations/Decisions Required:

- (1) That the Council's continued participation in both the Essex Countywide and the Transport for London schemes in 2007/08 be agreed; and**
- (2) That, in view of the latest projections for 2006/07, a revenue DDF saving in the sum of £100,000 and a revenue CSB saving in the sum of £100,000 be noted.**

Introduction:

1. The Transport Act 2000 provided for the introduction of a national minimum standard for local authority concessionary travel schemes. The concession offered at least half-fare reductions for elderly and disabled people for travel on local buses within the travel concession authority's area. The Act was commenced so as to require the statutory minimum to be made available as from 1 June 2001.
2. On 16 March 2005, the Chancellor of the Exchequer announced, as part of the budget speech, that the minimum requirements under the Transport Act 2000 were to be increased. With effect from April 2006, the requirement increased from half-fares to free fares for the elderly and disabled people on local bus services.
3. A report was presented to Cabinet on 19 December 2005 asking Members to agree that Epping Forest District Council would continue to participate in the Essex countywide scheme.
4. The Council also has a concessionary fare scheme running in conjunction with Transport for London. A report was made to Cabinet on 14 November 2005 asking Members to agree that Epping Forest District Council would continue with a Transport for London pass for free travel on buses in the North East of London.

Current Position:

5. In common with other Essex authorities, Epping Forest District Council has worked in partnership with Essex County Council to provide an enhanced version of the statutory scheme. Under this scheme, bus passes have been provided that allow free fare travel within the County boundaries. This exceeds the statutory minimum scheme, which only requires concessionary travel within the district boundaries. People over 60 and people with disabilities have benefited from free bus travel within Essex from 9.00am Monday to Friday and all day at weekends and bank holidays.
6. As the basis of the scheme changed fundamentally for 2006/07, a prudent view was

taken in setting the estimates. Substantial increases were anticipated in the number of passes that would be issued. Figures comparing pass take up at 31 March 2006 and 30 June 2006 shows several districts have seen increases of more than 50%, with Braintree having the highest increase at 60%. However, the movement in take up in the Epping Forest District in the same period was only 25%. The combination of the initially prudent estimate and the lower than average increase in take up mean that there is likely to be a CSB saving of £100,000 and a DDF saving in the current year of £100,000.

7. The Transport for London scheme is unique amongst district councils as no other districts have schemes that involve bus travel so far beyond their boundaries. The scheme is operated on the same basis as the Essex countywide schemes in relation to eligibility and times of use, although a small charge is made for the passes.

8. There has been a reduction of 51% in the number of passes requested this year. This reduction is the result of the ability to now use the Essex travel pass for free travel on a number of London buses. This reduction was estimated within the budget and therefore no movement in budget is necessary.

Concessionary Fare Scheme 2007/08:

9. The Essex countywide scheme will remain the same as 2006/07 with a minimum change approach being adopted due to the fundamental changes in the statutory requirements for 2008/09.

10. At an officer meeting on 6 November, MCL have produced projected costs for 2007/08. The costs have been updated to take effect of changes to the growth in travel activity (1%); demographic change (2.11%); and fare increases (9%). This totals a 12.11% increase on 2005/06 outturn data. These additional costs in 2007/08 are why the saving is split between CSB and DDF.

11. The Transport for London scheme will also remain the same as 2006/07. There is no anticipated increase in number of passes or costs, and no increase in charges for the passes is recommended.

Concessionary Fare Scheme 2008/09:

12. On the 22 March 2006 the Transport Secretary announced that from 1 April 2008 the local entitlement for free bus travel would be extended to allow bus travel in every area of the country. It will mean that whether using the bus locally, or when visiting other parts of the country, older and disabled people will be able to travel for free.

13. Following the initial announcement very little additional information has been made available, but the following points have emerged:

- The scheme will continue to be administered locally.
- The authority in which the journey starts will pay the cost of travel. This will have an implication for towns, cities and neighbouring towns, particularly cities that attract large visitor numbers.
- Operator reimbursement will be managed locally.
- An additional £250m will be paid by formula grant. However, the allocation formula is under review.
- The Department for Transport have indicated it may be 18 months before the regulations appear.

14. The impact of this new scheme would mean that the Transport for London scheme would stop in 2008. Although as the journeys will still be starting in this District there is unlikely to be any budget saving.

15. The impact on Epping Forest District Council is currently unknown. However, the

London Boroughs and the areas that would attract large visitor numbers are currently lobbying for the greater share of the additional £250m. Although it should be pointed out, that the vast number of journeys to areas that attract large numbers would normally start from outside of that area.

Statement in Support of Recommended Action:

16. Residents are familiar with the existing schemes and the Council is able to continue to participate in both schemes whilst benefiting from a reduction in the budgeted expenditure.

Other Options for Action:

17. There is no practical option to participation in the Essex scheme, as without it the Council would not be able to meet its obligations under the Transport Act 2000. If Members wished, the Council could cease to operate the scheme with TFL. This would provide a one-off budget saving of approximately £80,000 in 2007/08.

Consultation Undertaken:

18. Transport for London have been consulted and are willing to enter into a scheme with the Council in 2007/08.

Resource Implications:

Budget Provision: CSB saving of £100,000 from 2006/07 and a £100,000 DDF saving in 2006/07.

Personnel: Nil.

Land: Nil.

Community Plan/BVPP references: The 2006/07 BVPP included the aim "To implement a system for issuing bus passes in order to reduce inconvenience to users of the countywide concessionary fare scheme." This has been achieved.

Relevant statutory power: Transport Act 2000.

Background papers: N/A.

Environmental/Human Rights/Crime and Disorder Act Implications: N/A.

Key Decision reference (if required): N/A.