

NORTH LINCOLNSHIRE COUNCIL

**HIGHWAYS AND PLANNING
CABINET MEMBER**

**PUBLIC TRANSPORT
CONCESSIONARY FARE SCHEME 2009/2010**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The Council must publish a concessionary fare scheme statement for 2009/10 by 1 December.
- 1.2 The statement sets out the concession provided for passholders and the terms of reimbursement for bus operators.
- 1.3 We propose to make no change to passholders' conditions in the coming year. There are small changes to the terms of reimbursement.
- 1.4 The total cost of the scheme is difficult to predict but it may be £1.8m in 2009/10.

2. BACKGROUND INFORMATION

- 2.1 Since 1 April 2008, people aged 60 and over and people with disabilities have been entitled to free local bus travel throughout England. The Council must issue passes to eligible residents. It must also reimburse bus operators the money they lose by providing free travel.
- 2.2 The Council provides a concession which is better than the Government's minimum requirements...
 - North Lincolnshire passholders can travel free within the area all day every day
 - Free bus travel is available to companions of people who are unable to use public transport on their own and
 - Passholders may travel at reduced fare on local trains (Free if they are blind, deaf, limbless, severe learning disabled or unable to walk).
- 2.3 Bus operators are entitled to be "no better off and no worse off" than they would have been without the scheme. This means that...

- They do not get paid more if passholders make more trips because their journey is now free.
- If passholder numbers rise so much that more buses are needed, the council must pay any extra cost.
- The Council must also pay bus operators' administrative costs arising from the scheme.

2.4 In 2008/09, the Council reimburses bus operators on the basis of:

Number of passholder journeys x average adult fare x 71%.

2.5 The average adult fare is calculated using a "basket" of single, return and day ticket fares.

2.6 The 71% reimbursement factor reduces the amount paid so that we do not pay for extra passengers generated by free travel. This rate was set following advice from consultants in Autumn 2007.

3. OPTIONS FOR CONSIDERATION AND ANALYSIS

3.1 From the passholder's point of view, the concessions offered by the Council work well. We have no proposal to change them.

3.2 Setting the right reimbursement factor is more difficult. The Council cannot control the demand for passholder travel or the fares charged by the operators. This makes it difficult to predict the budget needed.

3.2 Reimbursement factors can also be very contentious. If operators think that a council has set too low a rate, they may appeal. They may also decide to increase fares or reduce services to cover any cut in income and there is no control over this.

3.3 The Department for Transport (DfT) has given advice on reimbursement. This includes the Reimbursement Analysis Tool (RAT), a financial model which helps to calculate an appropriate factor.

3.4 Transport staff and a member of the Value for Money team have looked at the current reimbursement level in North Lincolnshire and considered proposals for the coming year. Their findings were...

- It was very difficult to get a clear answer from the RAT. The output is very sensitive to inputs and assumptions – and in some cases we do not have the data needed.
- The RAT itself is highly contentious. Major bus groups dispute that it can give a reasonable estimate of lost revenue.
- Significant reduction of the money paid to operators will result in higher fares increases or reductions in service. Passholders are over half the

total number of users on many bus services in North Lincolnshire and are therefore vulnerable to cuts.

3.5 The Council's current reimbursement factor of 71% is high compared with many other English authorities, though it is below the 73.4% paid in Wales and Scotland.

3.6 Many councils have seen huge growth in the number of passholder journeys in 2008/09. Here, however, the increase is about 7%. This does not justify a large cut in the reimbursement factor.

3.7 At the moment, we do not make any payment for extra capacity or administration costs, though we may need to do so in the future. If reimbursement at the current rate covered any such payments, we could avoid some unpredictable burdens on future budgets.

3.8 In view of this, we propose that...

- The reimbursement factor should remain at 71% in 2009/10 and
- This rate should include any payment required for extra capacity or administration.

3.9 These terms are included in the draft scheme statement for 2009/10. (Appendix).

4. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

4.1 Finance

4.1.1 The Government has provided a grant towards the extra cost of the countrywide scheme. In 2008/09, the Council will receive £0.409m and in 2009/10 £0.419m.

4.1.2 The total available for reimbursement in 2008/09 is £1.633m. This includes the grant referred to above. Expenditure is expected to be about £1.590m.

4.1.3 Reimbursement costs in 2009/10 may be about £1.8m. However, this will vary due to the level of fare increases and the number of passholders travelling. Both are unknown. An additional £150,000 has been identified for this budget in the three year planning process.

4.2 There is no staffing, property or IT implication.

5. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

5.1 Statutory. The Transport Act 2000 and the Concessionary Bus Travel Act 2007 require the council to provide free travel on local buses for people aged 60 and over and people with disabilities. Payments to operators are

governed by the Travel Concession Schemes Regulations 1986 and subsequent advice.

- 5.2 Environmental. Free fares encourage the use of buses rather than the private car. Passholder journeys will continue to increase in 2009/10. The number of people applying for passes for the first time has also grown, showing that some journeys previously made by car are now made on the bus.
- 5.3 Diversity. Free fares help people older and disabled people on limited incomes to gain access to employment, shops, medical facilities and other services.
- 5.4 There are no Section 17 or crime and disorder implications.
- 5.5 Risk. The cost of reimbursement will depend on the number of passholders travelling and the level of fare increases. These are unpredictable. Though reasonable allowances can be made, there is no guarantee that the eventual cost in 2009/10 will not exceed the budget allocated.

7. OUTCOMES OF CONSULTATION

- 7.1 We have consulted the five main bus operators serving North Lincolnshire about the proposals.
- 7.2 Comments received suggest that the terms of the draft scheme are acceptable.
- 7.3 We originally proposed that weekly tickets should be included in the "basket" of fares. This was not acceptable to Stagecoach because they do not consider that in the absence of a concessionary fare scheme, many over 60's are likely to buy a weekly ticket. This proposal has not been pursued.

8. RECOMMENDATIONS

- 8.1 That the draft Concessionary Fare Scheme Statement for 2009/10 be approved.

SERVICE DIRECTOR HIGHWAYS AND PLANNING

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Background Papers used in the preparation of this report:

North Lincolnshire Concessionary Fare Scheme Statement 2007/08

Travel Concession Schemes Regulations 1986

Advice from the Department for Transport available at
<http://www.dft.gov.uk/pgr/regional/buses/concessionary/>

Letters from Stagecoach East Midlands and East Yorkshire Motor Services Ltd held on file CF 08 Consult held by the Public Transport Team.



Travel Concession Scheme
for Elderly and Disabled People
From 1 April 2009

Version 5.2

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North Lincolnshire Council Travel Concession Scheme

Scheme Statement from 1 April 2009

1. Introduction and Amendments

- 1.1 This document sets out the details of North Lincolnshire Council's Travel Concession Scheme as required by the Transport Act 1985, Section 149 of the Transport Act 2000 and the Concessionary Bus Travel Act 2007.
- 1.2 It replaces the scheme statement which came into operation on 1 April 2008. This statement covers the provision of free fare English National Travel Concessionary Travel Scheme (ENCTS) as required by the Concessionary Bus Travel Act 2007.
- 1.3 This scheme statement (Version 5.1) will take effect from Wednesday 1 April 2009. It will be reviewed during 2009.
- 1.4 The Council reserves the right to amend the Scheme at not less than 28 days notice.

2. Travel Concessions for Elderly and Disabled People

Where and When the Scheme Applies

- 2.1 The scheme covers the whole of the Unitary Authority of North Lincolnshire.
- 2.2 For holders of passes issued by North Lincolnshire Council the scheme has no time restriction and applies at any time and on any day for journeys beginning within the boundary of North Lincolnshire.
- 2.3 For holders of ENCTS passes issued by other authorities who may board buses in North Lincolnshire, the scheme applies from 09:30 Monday to Friday and all day on Saturday, Sunday and bank holidays.

Bus Services on which the Scheme Applies

- 2.4 The concession is available on all local services running wholly or partly within North Lincolnshire.
- 2.5 "Local Bus Service" has the meaning defined by Section 2 of the Transport Act 1985.
- 2.6 Dial a Ride Services: The concession is available on dial a ride and other services provided under Section 19 of the Transport Act 1985 running wholly or partly within North Lincolnshire to meet the needs of members of the public who are elderly or have disabilities.
- 2.7 **Rail:** The concession is available for any passenger journey made between any two stations in North Lincolnshire and between any North Lincolnshire station and: Habrough, Healing, Stallingborough, Great Coates, Grimsby Town, Grimsby Docks, New Clee, Cleethorpes, Thorne South, Stainforth and Hatfield, Kirk Sandall and Doncaster.
- 2.8 The rail concession is available via Barnetby only for any passenger journey made between North Lincolnshire stations and Gainsborough Central, Lincoln, and Market Rasen.
- 2.9 The concession is not available on long distance coach or bus routes which are not

registered as local services or on rail or bus excursions, tours, private hire vehicles, special services and any others which are not open to the general public.

General Requirements

- 2.10 The pass is not transferable and may only be used by the person to whom it was issued.
- 2.11 The concession is only available to people who normally live within North Lincolnshire. They will be:
- Eligible for inclusion on the North Lincolnshire electoral roll or,
 - In the case of a disabled person aged under 18, have parents eligible for inclusion on the North Lincolnshire electoral roll or
 - Be known to the Council's Social Services as resident within North Lincolnshire.
- 2.12 Possession of a travel concession pass does not guarantee any person the right to a place on any particular train or passenger service vehicle, nor the right to a seat on such a vehicle.
- 2.13 All people travelling at concessionary rates are subject to the conditions of carriage of the public transport operators. They will be asked to show proof of eligibility on boarding any bus or train and may also be asked to show proof of eligibility at any time on any journey. The Council accepts no liability for any loss, injury or inconvenience incurred as a result of using a travel concession pass.
- 2.14 Passes are normally valid for five years. There is no charge for the issue or replacement of passes.
- 2.15 The Council reserves the right to withdraw, amend or replace any pass.

Concessionary Passes: Eligible People

- 2.16 The categories of people eligible to receive a pass are:

Concession Group A

- Men and women aged sixty and over:
- War Pensioners:
- People registered with North Lincolnshire Council Adult Services as being physically disabled or learning disabled or partially sighted and who possess a valid registration card issued by that Directorate or, in the case of a child aged under 18, registration by NCH Kaleidoscope:
- People who are deaf:
- People without speech:
- People who are medically unfit to drive (excluding those who are unfit to drive on the grounds of persistent misuse of alcohol or drugs):

Concession Group B

- Blind,
- Profoundly or severely deaf
- Limbless
- Severe Learning Disabled (defined as "People with a permanent organic learning

disability which prevents them living in the community without significant help and support") and

- those who have a disability or have suffered an injury which has a substantial and long term effect on their ability to walk 100 metres without stopping, without severe discomfort or without help from another person.

2.17 Applicants with disabilities must have an impairment which is permanent or likely to last at least 12 months.

2.18 The Council will also provide concessionary travel for companions of people who are unable to travel on public transport by themselves. This will be indicated by a "+C" symbol on the disabled person's pass, not by the issue of a separate pass to the companion.

2.19 Concessionary passes are not available to disabled children under five as they would normally travel free of charge on local bus and rail services.

The Concession

2.20 Bus

2.21 The holder of a valid North Lincolnshire travel pass will be allowed to travel free on local bus services throughout England. On journeys starting outside North Lincolnshire, eligibility for free travel may be restricted to between 09:30 – 23:00 only, except on Saturday, Sunday and bank holidays.

2.22 Rail

Concession Group A

A holder of a valid North Lincolnshire pass in Group A and companions to people with disabilities will be allowed a reduction of:

- 50% of the normal cost of a standard class return ticket: and
- 34% of the normal cost of a standard class single ticket.

Concession Group B

A holder of a valid North Lincolnshire pass in Group B will be allowed to travel free in standard class accommodation on local rail services within the area defined in paragraphs 2.7 and 2.8 above.

Pass Issue

2.23 In order to obtain the travel concession eligible people must first obtain an identification pass. Applications for these passes can be made to North Lincolnshire Council.

2.24 Applicants will be asked for proof that they are eligible, as specified by the Council. A photograph taken and a pass will be issued by the Council or its contractor. It will be sent to the applicant by post.

2.25 Applicants who require a companion to accompany them must provide written confirmation as specified by the Council that he or she can only travel on public transport with a companion.

3 Participation of Public Transport Operators in the Scheme and Reimbursement of Revenue Forgone

General Conditions

- 3.1 Section 145 (1) of the Transport Act 2000 and Section 1 of the Concessionary Bus Travel Act 2007 require operators to provide concessionary travel for people in possession of an English National Travel Concession Scheme (ENTCS) pass.
- 3.2 All operators participating in the scheme shall recognise and accept a valid ENTCS pass as reasonable proof of the holder's entitlement to concessionary travel within the defined boundaries of the scheme.
- 3.3 Before allowing travel at concessionary rates, the driver, conductor, inspector or ticket office clerk shall exercise reasonable care that the pass shown is being used by the person whose photograph it bears and the pass is not beyond its expiry date.
- 3.4 Operators will be allowed to join the scheme or add services to the scheme at any time provided that they give the Council's Public Transport Team at least 28 days notice in writing of their intention to do so.

Principles of Reimbursement

- 3.5 Operators will be financially no better and no worse off as a result of participating in the scheme.
- 3.6 Operators are required to provide accurate and timely records of the number of passholders boarding their services in North Lincolnshire.
- 3.7 All operators will inform the Council of any changes in services or fares on any services on which concessions are available. This information shall be given not later than seven days before any change is made.
- 3.8 If an operator charges premium fares on any service on which the concession is available the Council will limit its reimbursement to the level of fares prevailing on commercial services in the area.
- 3.9 Normal reimbursement arrangements may be amended by specific terms or requirements set out in local bus service contracts issued by the Council.

Calculation of Reimbursement

- 3.10 The Council will reimburse local bus operators for
 - Journeys made by North Lincolnshire passholders starting within North Lincolnshire at any time on any day and
 - Journeys made by holders of ENTCS passes issued in other areas starting within North Lincolnshire after 09:30, Monday to Friday and all day on Saturday, Sunday and bank holidays.
- 3.11 The Council will also reimburse operators of local bus services for free travel by companions of disabled people who hold ENCTS travel passes issued by
 - Hull City Council,
 - The East Riding of Yorkshire Council,
 - South Yorkshire PTE and
 - North East Lincolnshire Council

for journeys returning from North Lincolnshire to their home authority area after 09:30, Monday to Friday and without time limit on Saturday, Sunday and bank holiday.

These passholders will have a pass bearing the same "+C" symbol which is used by North Lincolnshire Council.

3.12 The Council will reimburse bus operators using the formula:

Average adult fare x 71% x Number of passholder journeys starting within North Lincolnshire

3.13 Average adult fare will be calculated as:

Value of adult single, return and day and day out tickets
Number of journeys

using the following assumptions about the number of journeys per ticket:

Adult single tickets:	1
Adult return tickets:	2
Adult day tickets (Scunthorpe) :	3
Adult "Day Out" tickets:	4

One average fare value will be calculated for each local bus service operator in North Lincolnshire.

3.14 The average fare will be calculated using journey and revenue figures for a minimum of one month. (Four weeks or one calendar month).

3.15 This reimbursement will be deemed to cover the cost of providing any extra capacity to carry additional passengers resulting from the effects of the travel concession scheme.

3.16 This reimbursement will be deemed to cover any additional administrative costs incurred by operators because of the operation of the travel concession scheme.

Payments

3.17 The Council recognises the importance of prompt concessionary fare payments in maintaining operators' cash flow.

3.18 Where the estimated total sum due to the operator in 2009/10 exceeds £10,000, the council will make payments in the middle of each four week period on the following dates:

17 April 2009	4 September 2009	22 January 2010
15 May 2009	2 October 2009	19 February 2010
12 June 2009	30 October 2009	19 March 2010
10 July 2009	27 November 2009	
7 August 2009	18 December 2009	

3.19 These payments will comprise:

- An on-account payment of 85% of the estimated total for the period
- A balancing payment which will be calculated as:

Average adult fare x 71% x Number of passholder journeys in previous period
minus on-account payment for previous period.

3.20 The balancing payment may be withheld if the operator fails to provide within four weeks of the previous month end accurate records of the number of passholders boarding their services at stops within North Lincolnshire.

3.21 Operators do not need to submit invoices for these payments.

Confidentiality

3.22 The Council will treat any information provided by any operator in the utmost confidence.

Access for Survey

3.23 All operators will be required to allow the Council's officers to have access, free of charge, with reasonable frequency to their vehicles on which concession are available to:

- Survey, count or estimate the number of passholders carried and the fares paid: and
- Obtain any other information which the Council considers necessary to enable it to calculate or verify payments due under the concessionary fare scheme.

Access for Audit

3.24 In order that the Council may verify claims for reimbursement operators may be required to make available to officers of the Council books, vouchers, records (including computer records) and documents relating to their claims.

3.25 Operators may also be required to provide such further information and explanations relating to the above books, vouchers, records and documents as the Council thinks necessary.

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Concessionary Fares 2009 10
DAH 7 Oct 08