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Introduction

1.1 Last year, Members reviewed the Concessionary Travel Scheme at the request of the budget working party. The concern was about the provision of the non-statutory scheme, which offered travel tokens to the value of £15 if people eligible – senior citizens and people with specific disabilities – chose to opt out of the statutory bus travel scheme.

1.2 The concern was specifically about the misuse of travel tokens and this Committee recommended the introduction of a voucher scheme – whereby the vouchers are redeemed retrospectively and can only be used by the person entitled to the concession - to replace tokens, with the value remaining at £15.

1.3 Members will recall that eligible people currently have the choice of a bus pass offering enhanced travel county-wide at half price fare (the statutory scheme only makes provision for travel district-wide) or vouchers which are accepted by registered firms including taxis, coach operators and the rail company.

1.4 The Government is introducing a new statutory bus travel scheme from April 2006, the details of which have to be finalised by this Council with the bus operators by 1st December. The statutory scheme will entitle eligible people to free off-peak travel within the District. (The proposal at 2.1 goes beyond this).

1.5. Clearly there has been a need to research the impact of the new scheme on resources and that research has only recently been completed. With a need to finalise details by 1st December – any changes to the statutory scheme require four months' notice– this means that decisions need to be made in a fairly short timescale and a report will go to the Executive on 8th November, with any comments from OSC Social Well-being to be fed into that meeting.

The Recommendation to Executive

2.1 The recommendation is that the Council continues its partnership with neighbouring authorities and introduces a county-wide free bus travel scheme for eligible people all day and every day. This is beyond the statutory requirement of free off-peak travel within the district boundaries.

2.2 The likely impact of such a move will be that the cost of the free bus travel scheme will be in the region of £290,000. This is an estimated cost based on research including evidence from the Welsh experience of introducing such a scheme. The current cost of the bus scheme is approx £120,000. In effect, the impact is predicted to increase concessionary journeys by 100,000. Current take-up rates of the bus pass in Copeland are just 18% of the 17,310 eligible people.

2.3 While the exact amount of additional resources from central government remain unclear, the fairly detailed research which has been undertaken predicts that the additional resources WILL be sufficient to meet the additional cost. If this proves not to be the case, then clearly the whole proposal will require to be reviewed.

2.4 The research mentioned above was conducted jointly with all North West local authorities. Therefore, all of the Cumbrian authorities are facing a similar timescale to this Council. For this reason, it cannot be confirmed at this stage whether all Cumbrian authorities will adopt the same stance and offer free county-wide travel. The feeling from joint meetings, however, is that this is likely (with the possible exception of Barrow, who, as Members might recall, restricted the current scheme to district-wide travel a few years ago).

2.5 It is intended that the voucher scheme, which people can opt for should they chose not to participate in the statutory bus travel scheme, remain at £15.

2.6 There MAY be an additional option that could be added in and that is the provision of a railcard for eligible people, IF the Council can partner with a neighbouring authority to buy railcards in sufficient bulk to reduce the cost sufficiently to bring it within the parameters of the £15 voucher scheme. If not, the vouchers will continue to be accepted by the rail operator.

What was the impact of introducing vouchers?

3.1 There were teething troubles with the voucher system in so far as when the scheme was introduced, not all transport providers had registered with the Council. This was in spite of an extensive ringround of as many providers as could be identified, followed up with a letter and registration form. This list has continued to expand throughout the year and will be considerably longer in April 2006 than in 2005.

3.2 There have been additional complaints that not all taxi firms will accept the vouchers. Research is continuing into this. The introduction of the voucher scheme should be easier for taxi firms, who previously had to send or drive to Burnley in Lancashire to redeem the tokens. All firms can now redeem the vouchers in Whitehaven. The only apparent reason for not accepting vouchers at the moment is that they remain unaware of the scheme. The voucher scheme offers a handling fee to transport providers of 5 per cent.

3.3 Unexpectedly, the main bus provider who accepts vouchers from Eden Council, refused to accept vouchers from Copeland Borough Council unless there was a considerably enhanced handling fee. This has meant that those eligible who chose to use vouchers on buses have been unable to do so.

3.4 The saving from the introduction of vouchers over the first six months of operation is estimated at £22,670. The eventual saving over a 12 month is difficult to predict. The travel tokens were bought in bulk at the start of the financial year. The estimated saving is based on half the amount of travel tokens the Council used to buy against the number of vouchers which have been redeemed over a six month period. Providing there is no substantial change in the pattern of use of the vouchers over the next six months, then the saving over a year could be nearer £45,000.

Conclusions and possible recommendations

4.1 The proposed new scheme – bearing in mind that there is still some uncertainty until confirmation of the additional grant from Government has been received – would offer eligible people:

either

free 24/7 bus travel within Cumbria

or

vouchers to the tune of £15 to be spent with transport providers registered with the Council in West Cumbria.

or **POSSIBLY (see 2.6)**

a senior citizen railcard.

4.2 Members of this Committee, responding to quite extensive consultation last year, felt quite strongly that people eligible for the scheme should have a choice and the recommendation they made looks like making a considerable saving.

4.3 The conclusion reached, therefore, is that the proposal on the table at the moment is an enhanced package for the user at a reduced cost to the Council (provided the Government grant does cover the additional costs of the statutory scheme).

4.4 As a result of this, it would appear unnecessary at the moment to embark on a full-blown review as had been predicted in this Committee's work plan. Clearly, there may be a need for this if

- a) the amount of additional grant from the Government does not cover the predicted increase in cost of the statutory scheme
- b) next year, when the full impact of the new statutory scheme can be better quantified, it is found that predictions have been erroneous and there is a need to evaluate the evidence.
- c) next year, the full impact of the introduction of the voucher scheme does not meet the savings currently predicted on the basis of 6 months travel.

4.5 The introduction of free bus travel should offset the decision by the bus company not to accept vouchers without a significant increase to the handling fee.

4.6 The need to engage more transport providers in the voucher scheme might be solved by better publicity of the scheme for both transport providers and users, and the Committee might consider whether this should be a recommendation to the Executive.