

CONCESSIONARY TRAVEL (SCRUTINY REPORT)

**ITEM
EXE**

LEAD MEMBER: Cllr Mrs M Woodburn, Chair, OSC Social Well-being

LEAD OFFICER: Tim Capper

REPORT AUTHOR: Jane Murray

Summary: This report makes recommendations for the concessionary travel scheme, which the Overview and Scrutiny Committee for Social Well-being has kept under annual review.

Recommendations:

- 1) that the Executive note the continued support of the Concessionary Travel Scheme by the Overview and Scrutiny Committee for Social Well-being, which offers people who are eligible a choice of travel.
- 2) that the Executive is asked to note the efficiency savings from the introduction of vouchers.
- 3) that a railcard be offered on a one-year trial basis, to be financed by a current underspend on the budget for 2006-07 and **subject to** the regional grant settlement for this Council for 2007-08 having no adverse impact on the proposal for a one-year trial.

Impact on delivering the Corporate Plan: The Committee believes that the scheme promotes social inclusion and is important in addressing rural isolation, in addition to supporting rural transport links..

Impact on other statutory objectives: The provision of a bus pass to eligible people for free travel within Copeland is a statutory duty. (The extension of free bus travel to the whole of Cumbria and the alternative option of travel vouchers are the concessionary elements).

Financial and Human Resource Implications: The current concessions budget for 2006-07 is £598, 898 and is operating at an underspend. It is estimated the introduction of a railcard would cost in the region of £4,500 - £5,000, comfortably within the current predicted underspend.

Project & Risk Management: In the first year of operation, the Cumbria-wide free bus travel is an unknown quantity, but monitoring of current use and predictions would strongly suggest that there will continue to be a sufficient underspend to accommodate a railcard trial.

Key Decision Status

- Financial No
- Ward No

Other Ward No
Implications:

Background

1.1 The Overview and Scrutiny Committee for Social Well-being carried out a full review of concessionary travel in 2004 amid concerns that the travel tokens, which were issued at that time as an alternative option to the statutory bus pass, were being misused by some people not entitled to them or not being used at all (the Council paid upfront for the tokens).

1.2 Following this review, the Executive accepted recommendations to introduce travel vouchers instead of tokens, which were to be signed by the person eligible to receive concessionary travel and for which the Council would incur expenditure only when they were redeemed, limiting the potential for fraudulent or non use.

1.3 Following this review, the Committee has monitored the concessionary and statutory travel schemes annually. Last year, a recommendation was made to the Executive to introduce a railcard option if it could be brought within the cost to the Council of the travel vouchers (a slightly higher cost per head was thereafter established and this was not introduced in 2006-07).

1.4 Another recent development has been the change from 1st April 2006 to the statutory travel scheme, from half price bus travel within a local authority district to free bus travel within the district. In practice, this Council has gone one step further and offered free bus travel across Cumbria for journeys starting and finishing in Copeland, a move which this Committee continues to support.

1.5 It has been the long-held view of the committee that the concessionary travel scheme is important in addressing social inclusion issues, in supporting the viability of rural transport links, and should allow eligible people a choice of travel most appropriate to their needs.

Comparison and Analysis of Use

	2003-04 ¹	2005-06
No of users of tokens/vouchers	9,400	8,320
Cost of tokens/vouchers	£141,000	£80,750
No of bus pass users	2,700	4,000 ²
Cost of buss pass use	£113,000 (£42 per head)	£132,200 (£33.65 per head)

2.1 There would appear to be a slight swing towards bus pass use over the above three year period. The number of people using the scheme remains pretty constant.

2.2 Cost per head of the bus pass has dropped over the past three years, however has continued to cost more than twice as much per head than vouchers.

2.3 Monitoring of the scheme for the first part of 2006-07 shows a similar pattern of use – half way through the year no further swing towards bus pass use has yet been noted.

2.4 Taking account of the slight swing to bus pass use, the decision to introduce vouchers (instead of tokens) represents a saving to the Council of approximately £26,000.

2.5 Predictions for free bus travel in 2006-07 have been based on doubling the cost per head for bus travel at around £66 per head. The cost of the bus pass use is currently marginally higher than anticipated, however the cost of the voucher scheme is showing a comfortable underspend (November 2006).

Argument for Railcard Trial

3.1 The Committee's argument for a wide choice of travel options is not solely based on their own views, but equally on the consultation which took place during the 2004 review, when a strong case was made for a mix of travel options.

3.2 It was noted at that time that the south of the Borough favoured rail travel and a railcard option, as there is not an extensive bus service.

¹ Figures supplied for the review in 2004.

² Figure supplied from regular monitoring of 'live' usage.

3.3 The discount for bulk purchase of railcards over the £20 face value is as follows:

1-2,000 cards	15% discount	£17.00 per card
2-5,000 cards	17.5% discount	£16.50 per card
5-10,000 cards	20% discount	£16.00 per card

3.4 There is an option to bulk purchase with Allerdale Borough Council allowing for greater volumes to be purchased at more favourable rates to both authorities.

3.5 This would bring the cost of the card almost within reach of the cost of the voucher entitlement if the administrative costs currently paid to the taxi, rail and coach operators are taken into account.

3.6 Evidence would suggest that around half the vouchers are currently spent with the rail operator.

Conclusions

4.1 There continue to be some unknowns:

- What will be the impact of the move to free Cumbria-wide Travel *at the end* of Year 1? All the indications are that costs will be well within budget, but it remains an unknown.
- Will the regional grant settlement for 2007-08 continue to reflect the same budget for concessionary travel. Other Districts have complained about the methodology and changes may result.
- What impact would a railcard have? It is known that half of the vouchers for 2005-06 were spent on either railcards or train travel. Will a significant number of other users be attracted by a railcard marginally increasing cost per head or will a number of bus pass users switch to a railcard significantly reducing cost per head?

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4.2 The Committee feel that they would like to respond to people by offering a railcard, but that a definitive decision cannot be made until some of these unknowns are answered. There is, however, some urgency to move quickly once some of the unknowns are clearer if the benefits of joint purchase with Allerdale are to be achieved (and explains why the Committee feel that an 'in principle' decision would be desirable).

4.3 They are, therefore, recommending that, providing the financial settlement for 2007-08 has no adverse impact on the proposal for a one-year trial, that a railcard is introduced on the clear understanding this is on a trial basis and is reviewed in September 2007 when the impact of the changes and the unknowns can be better quantified.

4.4 An estimate of a trial for one year puts the cost in the region of £4,500. There is every indication that the underspend will more than adequately meet the predicted cost of a trial and indeed, if some users were attracted from bus pass use to this alternative option, then the cost of the trial would reduce considerably.

Consultees: Corporate Team
Accountancy Services