

Title of Report:	Concessionary Fares Travel Tokens	Item 10
Report to be considered by:	Executive	
Forward Plan Ref:	EX0778	

Corporate Plan Priority:	Improving Transportation and tackling all forms of Social Exclusion across the District
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Purpose of Report: To seek approval to amend the Concessionary Fares Travel Tokens Scheme.

Recommended Action: To remove the existing three band values of tokens and replace with one single value of £30 per annum as an interim measure for 2004/05.

Reason for decision to be taken: As a consequence of the decision taken by the Council on the 1st March 2004 to deliver a 7.9% Council Tax increase, a saving of £150,000 has to be achieved in 2004/05 to meet a reduction in the current year's budget provision.

List of other options considered:

- (1) Reduction in value across all 3 band values.
- (2) Replacement of 3 band values with 2.
- (3) Remove Travel Token Scheme

Key background documentation:

- 2004/05 Budget Report to Council 1 March 2004 (Appendix 7D Item 9)
- Guidance on concessionary fares for disabled people (published by DETR May 2001)
- Council policy document on concessionary fares scheme (1999)

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Implications

Policy:

The current policy was adopted in July 1999 and this report seeks to amend that policy.

Financial:

Full Council approved the budget for 2004/05 on 1 March 2004. This reduced the budget pressure for Concessionary Fares from £205,000 to £55,000 to deliver a 7.9% Council Tax increase. This can only be achieved by reducing the overall cost to the Council of the concessionary fares travel tokens scheme by £150,000. A total budget provision of £689,420 is available to meet the cost of tokens and half price bus passes for 2004/05. The outcome of a further review of the scheme will identify the potential budget provision for 2005/06 onwards.

Supporting Information

1. Background

- 1.1 The Council has provided two travel schemes for the elderly and residents with disabilities since 2001.
- 1.2 The Concessionary Travel Tokens scheme was adopted by the new Unitary Authority from the former Newbury District Council in July 1999 and was supplemented by the Statutory Minimum Half Fare Bus Pass Scheme in July 2001 in accordance with DETR Guidance of May 2001.
- 1.3 From April 2003 the eligible age differential between men and women was removed and men of 60 became eligible for either the Half Fare Bus Pass or Concessionary Travel Tokens, this has incurred additional cost for the Council.
- 1.4 There are currently three band values determined by residency and the distance from “designated centres” which are considered to be areas which possess a Post Office and basic food shopping facilities. These values, details of which are provided in Appendix 10(a), have remained unchanged since 2001. A summary of this information is provided in the following table together with the associated cost of provision in 2003/04.

Banding	Annual token value per person	No. of Residents in receipt of tokens/bus passes	Cost of provision in 2003/04 (£)
Band A	£28.00	12,192	341,376
Band B	£44.50	2,255	100,347
Band C	£61.50	4,685	288,127
Bus Passes		2,001	92,000
Totals		21,133	821,850

2. Options for Achieving Savings (Interim Measure for 2004/05)

- 2.1 To achieve the approved budget of £689,420 for 2004/05, the following options have been considered.
- 2.2 **Option 1** - It is recognised that there are a number of anomalies in the banding distribution and whilst one option would be to reduce each band value proportionately, this would do nothing to address the problems associated with the geographical distribution policy. To deliver a more equitable system would be very time consuming and could not be adopted in time for the July commencement date, although this could be investigated for future years.
- 2.3 **Option 2** - A further option would be to replace three bands with two, perhaps on an urban/rural basis. However, as with the above option, there is insufficient time to adequately investigate this proposal before July.
- 2.4 **Option 3** – The introduction of a single band token value has a number of advantages and details of a range of estimated savings that are achievable with the introduction of a single allocation are provided in Appendix 10(b). These include estimated savings either at the existing £28.00 band (A), or with an inflation increase to £30.00. It is believed the savings shown in Model 4 as detailed in Appendix 10(b) are achievable. This is the preferred option/model combination.

2.5 There is of course the potential for those currently in receipt of the higher band (B) and (C) value tokens and who will be the most affected by this reduction, to transfer to the Half Fare Bus Pass if they consider it beneficial. The increase in cost resulting from this has been estimated on the basis of between 20% and 30% opting to transfer to such a Pass from these categories. The cost of provision of a bus pass currently averages £44 per pass although the cost is dependent on usage.

2.6 **Option 4** – As there is no legal obligation to provide concessionary travel (other than the statutory half fare bus pass scheme), the scheme could be removed altogether. In fact many of our neighbouring authorities do not provide such concessions to their residents. This would provide total savings to the Council of approximately £730,000 on tokens. There would however be an increase in the cost of half fare bus passes to be offset against this saving. However, it is not recommended that this option is pursued at this time.

3. Recommendations

3.1 To achieve the required saving of £150,000 and meet the tight implementation timetable it is recommended that a single band of £30.00 per annum paid in tokens to all eligible West Berkshire residents, is introduced with immediate effect to replace the existing three band system (**Option 3**).

3.2 This option will provide a 7.14% increase in token value for 65% of the eligible residents although it is recognised that there will be a reduction of 28p and 60p per week respectively for those residents currently in bands B and C. However, discussions are taking place with the voluntary Handybus and car operators to investigate whether the subsequent impact on these services can be minimised, particularly for those residents in more rural areas.

Appendices

Appendix 10(a) – Concessionary Travel Tokens Bandings

Appendix 10(b) – Options for Achieving the £150,000 Budget Saving (2004/05)

Consultation Responses

Local Stakeholders: None Applicable

Officers Consulted: John Ashworth, Mark Edwards, Sandra Pugh

Trade Union: Not Applicable