

---

**REPORT TO:** Cabinet

**DATE:** 19 October 2005

**DEPARTMENT:** Development Services

**REPORTING OFFICER:** Head of Transport  
*(John Burton)*

**SUBJECT:** THE CONCESSIONARY FARES SCHEME

**WARDS AFFECTED:** ALL

**FORWARD PLAN REF:** N/A

---

**1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to provide an update on the government's new free fare Concessionary Fares scheme, which is to be introduced on 1<sup>st</sup> April 2006 and to seek approval to the continuation of the existing countywide concessionary fares scheme.

**2.0 RECOMMENDATIONS**

2.1 That following the introduction of free fares in April 2006, the continuation of the "countywide" concessionary fares scheme be approved.

**3.0 RECOMMENDED REASON FOR DECISION**

3.1 The continuation of the countywide concessionary fares scheme complies with the Corporate priority of improving transport in the rural parts of the District.

**4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION**

4.1 To offer transport concessions on local journeys only.

**5.0 BACKGROUND INFORMATION**

5.1 The existing national concessionary fares scheme was introduced on 1<sup>st</sup> June 2001. It generally provides for half fare travel on local buses for the disabled and people aged 60+ within certain time restrictions.

5.2 The Council, together with the other District Councils in North Yorkshire and York, who form the North Yorkshire Concessionary Fares Partnership, have extended the national scheme. The scheme has been enhanced to provide: -

- Extension of the times when the half fare concession can be used;
- Provision of a pass for a companion for certain types of disability;
- Concessionary travel within North Yorkshire and York.

In addition, the Council has also continued to offer travel tokens to residents who waive their right to a half fare bus pass and funded the use of bus passes on community transport services.

5.3 The Council scheme was extended still further in September 2004 when a half fare rail pass for travel on the Leeds-Harrogate-York line was offered as an alternative to a bus pass.

5.4 The total cost of the concessionary fares scheme in 2004/05 was £460,000 and this is predicted to increase to £550,000 in 2005/06 as a result of the continuing increase in take up and use of the half fare passes. This funding is provided largely from a contribution from on-street parking income of £350,000 with the deficit funded from the General Fund.

## 6.0 FREE FARE SCHEME

6.1 The government have announced that they intend to introduce a free fare scheme for the disabled and people aged 60+ from April 2006. The government have said they will only fund the free fare scheme on local journeys although they would like existing countywide schemes to continue.

6.2 £350m has been identified nationally by government to fund the free fare scheme. The government are currently consulting on how this should be allocated to local authorities through RSG but, unfortunately, the final decision on this will not be taken until after Cabinet needs to take a decision on whether concessionary travel will continue to be offered on countywide bus services.

6.3 It is estimated that the cost of the free fare scheme will be £1.1m and the latest indications are that the Council will receive sufficient additional funding to meet the extra cost of the new scheme. There should, therefore, be **no impact on the General Fund**. Should circumstances change a further report will be made to the Cabinet Members for Transport and Resources.

6.4 The North Yorkshire Concessionary Fares Partnership have commissioned consultants to examine the cost of the new scheme and to advise on reimbursement rates to bus operators. They have also advised on the options for continuing with a countywide concessionary fares scheme or reverting back to purely districtwide schemes.

## 7.0 CURRENT POSITION WITH PARTNERSHIP

- 7.1 The Council currently acts as lead authority for the North Yorkshire Concessionary Fares Partnership and deals with payments to all the bus operators on behalf of all the District Councils in North Yorkshire and the City of York.
- 7.2 All the Councils contribute towards funding the administration costs of the partnership and each meet their own costs of payments to operators.
- 7.3 Officer discussions have been held with all the partners to see if there is continued support for the concessionary fares scheme to operate across the whole of the county rather than just on local bus services. These discussions have confirmed that there is strong support and each authority will shortly be reporting to their respective Cabinet/Cabinet Member to confirm support at Member level. Hence this report.
- 7.4 However, if one or more of the partners do not support the principle of a countywide scheme then the future of the whole Partnership may be put in jeopardy.
- 7.5 The consultants report, referred to in 6.3 above, has recommended that the countywide scheme should be continued. They have advised that the cost of continuing with the countywide scheme will not be significantly greater than a scheme based on District Council boundaries. The reasons for this are twofold. Firstly, there are relatively few cross boundary journeys and they only make up about 8% of the total number of trips. Secondly, significant savings are being made on the cost of administration of concessionary fares and making payments to bus operators as a result of the Partnership working together.

## **8.0 STAFF RESOURCES**

- 8.1 The new concessionary fares scheme will greatly increase the take up and administration of passes and payments to the bus operators. It has been estimated by the Partnership that use could increase by up to 20%.
- 8.2 There will therefore be a need to increase resources in the Concessionary Fares team to ensure that the administration of the scheme, usage surveys and payments to bus operators are dealt with efficiently.
- 8.3 A separate report to the HR Committee on the 13<sup>th</sup> October 2005 seeks approval to recruit an extra full time and two part time members of staff and a verbal update will be provided at the Cabinet Meeting.

## **9.0 STAFFING COSTS**

- 9.1 The funding of the Concessionary Fares Team is only partly met by the Council as the majority of costs are charged to the 7 District Councils in North Yorkshire and the City of York. Therefore the costs to HBC of the 3 new posts are only £13,132 as detailed below:

<b>Post</b>	<b>HBC Contribution</b>	<b>NY Partnership Contribution</b>	<b>Total Cost</b>
Senior Admin Assistant	£8,343	£15,157	£23,500
Reimbursement Officer (p/t)	£1,866	£11,460	£13,326
Survey Officer (p/t)	£2,923	£8,770	£11,693
<b>Total Contribution</b>	<b>£13,132</b>	<b>£35,387</b>	<b>£48,519</b>

- 9.2 The North Yorkshire Concessionary Fares Partnership have already considered the need to increase staff resources as a result of the new free fare scheme and each authority has, subject to final approval, agreed to fund their share of the increased administration costs, subject to all authorities confirming support for the continuation of the “countywide” concessionary fares scheme.
- 9.3 The Council’s contribution towards these increased administration costs will be met from the extra government funding for the new free fare scheme. However, if there is a shortfall in this funding then it may be possible to increase the contribution from on-street parking income. There should, therefore, **be no impact on the General Fund.**

## **10.0 CONCLUSIONS**

- 10.1 The government have announced their intention to introduce a free concessionary fares scheme from April 2006 and the current indications are that they will provide the extra costs of providing these concessions.
- 10.2 The government will only fund the cost of the extra concessions for local journeys although, when the small number of cross boundary journeys and the savings in administration costs which are made through the North Yorkshire Concessionary Fares Partnership are taken into account, there is likely to be no significant additional costs from operating a countywide scheme. Cabinet are, therefore, recommended to support the continuation of the NY Partnership and the provision of transport concessions for countywide journeys by bus.
- 10.3 In terms of the emerging Corporate Priorities the continuation of the countywide concessionary fares scheme supports “Traffic and Transport – improving access to public transport in the rural areas”. The Council’s corporate principles also support the continuation of the Partnership as it provides good Value for Money and is an example of Effective Partnership and Joint Working.

**Background Papers – None**

**OFFICER CONTACT:** Please contact Mr John Burton, Head of Transport if you require any further information on the contents of this report. The officer can be contacted at the Department of Development Services, Knapping Mount, West Grove Road, Harrogate, HG1 2AE, by telephone on 01423-556606 or by e-mail – [john.burton@harrogate.gov.uk](mailto:john.burton@harrogate.gov.uk)

**SUSTAINABILITY ASSESSMENT/CRIME AND DISORDER**

		<b>Implications are</b>		
		<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>
A	Economy	✓		
B	Environment	✓		
C	Social Equity			
i)	General	✓		
ii)	Customer Care/People with Disabilities	✓		
iii)	Health Implications	✓		
D	Crime and Disorder		✓	

If all comments lie within the shaded areas, the proposal is sustainable.

KEY WORDS –