

Concessionary Fares Briefing Note **23rd June 2010**

The Pre-Budget Report in December 2009 included a package of reforms to concessionary bus travel in England, including changes to responsibilities for administering the concession and plans to re-establish the link between the age of eligibility for free England-wide local bus travel and the state pension age as part of a wider package of changes to increase the age at which pensioner benefits can be received in line with pension age changes.

1. Future Administration of the Scheme

With effect from 1st April 2011 responsibility for administering the scheme will be transferred to County Councils. An order under section 9 of the Concessionary Bus Travel Act 2007 will be presented to Parliament for scrutiny in due course.

The Department for Communities and Local Government will consult in July 2010 on how the financial implications of the change will be taken forward as part of the next three year local government finance settlement.

2. Age of Eligibility

The age of eligibility for concessionary bus travel has been altered in line with the changes that are being made to the state pension age from April 2010. This means tying the age of eligibility for the bus pass to the pensionable age for women. Men will continue to become eligible for a concessionary bus pass when they reach the pensionable age of a woman born on the same day. By 2020 the age of eligibility will be equalised at 65 for men and women.

The changes to the age of eligibility will not impact on anyone already in possession of a bus pass. The changes will only affect those due to turn 60 on or after 6 April 2010 and will bring eligibility for the national bus concession into line with changes to other entitlements that have already been announced by the Department for Work and Pensions, such as the change in the age of eligibility for the Winter Fuel Allowance.

3. Concessionary Fares Funding

Consultation was carried out on the Special Grant funding for 2010/11 and has resulted in some changes to the distribution of the total grant. However, the grant for Redditch for 2010/11 remains unchanged at £239,400.

From April 2011 non-metropolitan councils will no longer receive funding for concessionary travel and instead the funding will be directed to county councils, unitary authorities, metropolitan districts and the 33 Travel Concession Authorities in London.

The majority of funding for concessionary travel is currently provided to local authorities via the formula grant settlement. The Department for Communities

and Local Government (CLG) will carry out consultation, which is planned for July 2010, on the next three year local government finance settlement. This will look at how the totality of funding for concessionary travel is distributed and consider the funding implications of the administrative changes. In order to inform this consultation, CLG's Settlement Working Group, which comprises of representatives from local authority bodies, will examine the issues in detail over the coming months.

N.B. The funding is to provide the statutory scheme for England and any discretionary enhancements are funded from the local authority's own resources.

4. Discretionary enhancements

The current Worcestershire Scheme includes some enhancements to the statutory England concessionary bus travel scheme:

- a) Free pre-9.30 a.m. travel on journeys starting within Worcestershire. - In 2008/09 this applied to all Worcestershire passes but from 1 April 2009 Worcester City and Wyre Forest removed this concession from their pass holders. It now only applies in the four other districts.
- b) Companion passes.
- c) Reimbursement of community transport schemes.

DfT has confirmed that orders have been placed confirming Worcestershire County Council as the Travel Concession Authority and removing all powers from District Councils to create enforceable concessions. Although Districts will no longer have enforcement powers to use with Bus Operators to create discretionary enhancements to the statutory national scheme but may use their well being powers to fund concessions and this is a practical way of retaining some concessions such as Community Transport.

DfT will fund Worcestershire County Council for the statutory scheme only and national funding will be reduced by £180 million per year to reflect reduced administration costs, changes in eligibility and potential changes to the method of reimbursement for bus operators. Levels of funding will be clearer after October 2010.

DfT and LGA suggest that districts councils may wish to fund their County Council's to retain discretionary enhancements such as pre 09:30 weekday travel. However the County will need to provide a uniformed approach across all districts as it will not be practical to implement a fragmented scheme.

Funding of Companion passes is not an issue as the level of resource required is relatively small in relation to the overall cost of the scheme. District Councils retain the capability to fund Community Transport by using their wellbeing powers.

5. The Worcestershire Scheme

The Scheme must be reissued every year, and the first draft must be provided to Operators for consultation by 1st December of each year, with the final version being published by the following March.

- a) WCC have asked the Districts to tell them of any discretionary enhancements that they require to be included – to be paid for by the Districts.

It should be noted that in 2009/10 Worcester City Council and Wyre Forest District Council removed the pre-9.30 a.m. enhancement. This caused a considerable amount of confusion for both bus drivers and pass holders. It also had unintended consequences such as causing difficulties for children travelling from outside Worcester to a special school to start at 9a.m.

The discretionary enhancement would only apply to journeys starting within the district council's own boundaries unless it reached a reciprocal agreement with other districts.

We do not currently have any data on the cost of pre-9.30a.m. travel although JMP Consulting will provide an estimate by the end of June 2010.

- b) WCC has also raised the issue of branding of the passes. These currently carry the logos of the District Council on the front of the card, with small monochrome logos of the Worcestershire Hub and Worcestershire County Council (headed "supported by") on the reverse.

Under the current legislation the front of the card must carry the logo of the Travel Concession Authority, therefore cards issued after 1st April 2011 will therefore carry Worcestershire County Council logo on the front of the card. It is possible to include a small RBC logo on the reverse of the card but this will not be in a prominent position.

If RBC were to fund additional concessions that only applied to residents of the Borough, the use of the Concessions Pass as evidence of entitlement will present a problem after 1st April 2011.

6. Proposed Data Provision Requirements

The consultation on the special grant funding also included a proposal to introduce data requirements for local authorities regarding costs and the reimbursement arrangements for concessionary travel. This was supported by the majority of respondents and more detailed proposals will now be developed.