

INFRASTRUCTURE OVERVIEW AND SCRUTINY COMMITTEE

Committee Report

Public

Date of Meeting:

31 January 2002

Title: CONCESSIONARY FARES BEST VALUE REVIEW

Report of: The City Treasurer

Report reference: Financial Memo 2001/02 No 136

Summary & Recommendations:

1. Members are asked to note:

- i. The Executive Summary details showing improvements introduced to Concessionary Bus Pass administration as part of the Best Value review of the service.
- ii. The Action Plan detailing the timetable (and targets where applicable) of initiatives flagged up by the review to improve Concessionary Fares take-up and administration over the medium term (to 2004/5).

2. Members are asked to consider supporting a recommendation to the Executive that the £20,000 efficiency savings retained in the Concessionary Fares budget (of the total £100,000 savings) be used to finance the introduction of Concessionary Railcards for qualifying residents who find the train more convenient than bus travel.

3. Members are further advised that the final draft of the Best Value Review of Concessionary Fares will be submitted for scrutiny on the 7th March 2002.

Contact Officers: Peter Mason

Ext: 7270

Carolyn Mitchell

7236

CITY OF CARLISLE

To: The Chairman and Members of Financial Memo

The Infrastructure Overview and Scrutiny Committee 2001/02 No 136

31 January 2002

CONCESSIONARY FARES BEST VALUE REVIEW

1. INTRODUCTION

1. As Members will be aware from previous progress reports, the final draft of the Best Value Review of Concessionary Fares will be presented for Member scrutiny on 07 March 2002.
2. During the review, efficiency savings of £100,000 p.a. have been identified. The Executive has recommended the use of £80,000 of these savings to help fund new Council initiatives in 2002/03, e.g. Community Safety, leaving £20,000 p.a. to support further improvements to the Concessionary Fares Scheme.
3. This report details for Member scrutiny in executive summary format (see Appendix 1):
 - i. Improvements made to the Concessionary Fares Scheme during the Best Value Review;
 - ii. Passholders' and eligible non-passholders' (and their representatives') suggested 'wish list' of improvements with cost implications and the suggested way forward (see Appendix 1.4).
 - iii. Action Plan targets to achieve further improvements over the next three years (see Appendix 2);

2. RECOMMENDATIONS

2.1 Members are asked to note.

- i) The Executive Summary details showing improvements introduced to Concessionary Bus Pass administration as part of the Best Value review of the service.
- ii. The Action Plan detailing the timetable (and targets where applicable) of initiatives flagged up by the review to improve Concessionary Fares take-up and administration over the medium term (to 2004/5).

2.2 Members are asked to consider supporting a recommendation to the Executive that the £20,000 efficiency savings retained in the Concessionary Fares budget (of the total £100,000 savings) be used to finance the introduction of Concessionary Railcards for qualifying residents who find the train more convenient than bus travel.

3. Members are further advised that the final draft of the Best Value Review of Concessionary Fares will be submitted for scrutiny on the 7th March 2002.

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City Treasurer

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Contact Officers: Peter Mason Ext: 7270

Carolyn Mitchell 7236

City Treasury

Carlisle

29 January 2002

PBM/CH/f1360102

Appendix 1

Carlisle City Council Concessionary Fares Scheme

Best Value Review 2001/2002

Executive Summary

Executive Summary

1. Improvements to the scheme during the Best Value Review.

| | Scheme at 31st March 2001 | Scheme at 31st March 2002 |
|--|--|---|
| Cost of service (see Section 4.1.4) | Estimated bus operator remuneration for the next financial year (i.e. from 1 st April 2002) = approx. £649,000. | Actual bus operator remuneration for the financial year = approx. £570,000. |
| Eligibility (see Sections 1 & 4.1.3.1) | Passes for half-fare travel only available to people over state retirement age who work less than 30 hours per week or residents who were registered blind. | Passes available to all resident over state retirement age and residents under state retirement age who have qualifying disabilities. |
| Extent of travel (see Sections 4.1.3.1 & 5) | Half-fare concessions available on journeys within the District with participating bus operators and journeys beyond the boundary which start or end in the District with Stagecoach and White Star. | Half-fare concessions county-wide with all participating bus operators and on journeys beyond the county boundary which start or end within the District on all but 2 services. |
| Participating bus operators (see Sections 4.1.3.1 & 4.1.3.3) | Limited number of participating bus operators. | All bus operators providing local services. |
| Lifespan of Passes (see Section 4.1.2) | Annual renewal required | No expiry date on Passes – expect to be renewed only when they are replaced with Smartcards. |
| Bus operator remuneration (see Section 4.1.3 & 4.1.4) | Based on estimated Pass use through surveys etc. | Based on actual Pass use from provision of actual ridership figures from bus operators. |
| Administration of scheme (see Section 4.1.1 & 4.1.2 & 4.1.4 & 5) | Manual records of Passes issued. Bus operator payments reviewed annually. | Computerised database of Passes issued. Bus operator payments reviewed quarterly. |

2. What will be achieved during the next 3 years if the Action Plan is met? (see section 5)

- Introduction of Smartcards.

- More accurate payments to bus operators.
- Extension of scheme to males 60 to 64.
- Increased take-up by people with disabilities.
- Introduction of alternatives to bus passes e.g. Railcards.
- Improved scheme publicity.
- Extension of scheme to provide concessionary travel in rural areas where alternatives to mainstream public transport provision are introduced.

2. The Executive has recommended that £80,000 of the savings are taken to fund other areas of the Council's budget, leaving a balance of £20,000 to support further improvements to the Concessionary Fares Scheme.

During consultation Passholders and eligible non-Passholders (and their representatives) suggested the following 'wish list'

i. Free bus travel to qualifying pensioners and disabled people.

Likely to cost a minimum of half a million pounds but expected to be higher.

ii. Introduction of travel tokens/vouchers.

If 34% of non-passholders opted for tokens (net cost £20 per concession) then the cost would be approx £68,000. However, it is likely that this would be higher if low Pass users swapped to tokens.

iii. Introduction of Concessionary Railcards to qualifying pensioners and disabled people as an alternative to concessionary bus passes.

If 15% of non-Passholders opted for Railcards then the likely cost would be in the region of £22,500.

Based on findings available Members are asked to consider the introduction of Concessionary Rail cards as an alternative to Concessionary Passes with effect from 1st April 2002.

Appendix 2

Summary Action Plan 2002 – 2004

| Meeting Residents/Members aspirations | | | |
|---------------------------------------|--------------------------------|--------------------|---------------------------|
| <u>Action</u> | <u>Method/work involved</u> | <u>Complete by</u> | <u>Responsible person</u> |
| Exploration of | Survey individuals and special | Sept | Concessionary |

| | | | |
|---|---|-----------------------------|-----------------------|
| Rural/disabled persons needs and options for change | <p>interest groups.</p> <p>Consultations with bus operators.</p> <p>Consult other LAs offering alternative schemes.</p> <p>Financial implications/costings.</p> <p>Increase take-up by disabled residents by 25% per annum April 2001 – March 2003 (base figure 1st October 2001=445)</p> | 2002 | Fares Project Officer |
| Increase Scheme take-up and concessionary use on journeys within and beyond the District. | <p>Develop and use a range of publicity and promotional materials suitable for all eligible residents, including those with disabilities.</p> <p>Discussion with bus operators re. promoting Pass use.</p> <p>Work with Transport personnel within the City and County to promote Pass use.</p> | 2002/03 | Project Officer |
| | | | |
| | | | |
| Customer Satisfaction/ Aspirations Survey | Survey | Bi-annually (2003/4) | Project Officer |

| Review existing policies and Issue and Administration Procedures | | | |
|---|--|---------------------------------|---|
| <u>Action</u> | <u>Method/work involved</u> | <u>Complete by</u> | <u>Responsible person</u> |
| Implementation of Smartcards | <p>Consultations with LAs already using Smartcards.</p> <p>Attendance at relevant Transport Strategy meetings and Smartcard implementation groups.</p> <p>Work with other members of</p> | <p>2002</p> <p>As necessary</p> | <p>Head of Revenues</p> <p>Head of Revenues</p> |

| | | | |
|--|---|---|---|
| | <p>Clubbcard consortium.</p> <p>Costings.</p> <p>Develop framework for smooth implementation and effective administration</p> | <p>2002 – ongoing</p> <p>2002</p> <p>2002</p> | <p>Head of Revenues</p> <p>Head of Revenues</p> |
| Investigate third party administration | Explore options, particularly in relation to Smartcards. | March 2002 | Head of Revenues |
| Implementation of Travel Concessions (Eligibility) Bill | Develop framework for smooth implementation and effective administration. | 2003 | Project Officer |
| National Travel | Develop framework for smooth implementation and effective administration when the need arises. | As required | Project Officer |
| Concessionary Fares Scheme County-wide | Participate in the County-wide Concessionary Fares Working Group. | Ongoing | Project Officer |
| Ensure relevance of the scheme to broader aims of the Council (and beyond) | Policy review | Ongoing | Project Officer |
| Benchmarking Exercise 2003/4 | Survey | November 2004 | Project Officer |