

**BROMSGROVE DISTRICT COUNCIL**  
**POLICY AND STRATEGY SCRUTINY COMMITTEE**

**2ND NOVEMBER 2004**

**INTERIM REPORT OF THE CONCESSIONARY FARES TASK GROUP**

Responsible Portfolio Holder	Councillor P. J. Whittaker
Responsible Head of Service	Head of Community Safety and Engineering

1. **SUMMARY**

- 1.1. To consider receive an interim report on the work of the Concessionary Fares Task Group.

2. **RECOMMENDATION**

- 2.1 Members' views are requested.
- 2.2 Members are also requested to consider the reformation and membership of the Task Group.

3. **BACKGROUND**

- 3.1 The Concessionary Fares Task Group was established by this Committee at its meeting held on 16th December 2003. The Task Group has met on two occasions 21st January 2004 and 31st March 2004. The minutes of the meetings of the Task Group are attached at Appendix 1.
- 3.2 At the meeting held on 21st January 2004 the Task Group considered the results of a survey which had been carried out of pass holders, bus operators and other interested parties. The survey examined opinions on the current concessionary fares scheme and the way it was operated.
- 3.3 Members noted that there was a lack of background data with which to predict journey patterns and usage of the scheme. Consequently any increase in reimbursement payments could not be predicted with any level of accuracy. It was recognised that there was a lack of historical data which would allow the Council to accurately predict any changes in the amount of travel undertaken by pass holders and therefore the cost to the Council
- 3.4 Members identified a need to keep the scheme running whilst a complete review of the scheme took place. The Task Group identified the need to complete the review in order to allow any recommendations for change to be taken in to account in the preparation of the budget for 2005/6 and agreed the review should be completed by the end of October 2004. Members identified a number of issues which they would wish to take in to account in carrying out their review.
- 3.5 The Task Group recommended to this Committee that, subject to the agreement of the bus operators,

1. As from 1 June 2004 the Concessionary Fares scheme be amended by removing the parish boundaries element to allow free travel within the District and up to £1 off the cost of any journey ending outside the District
  2. The Concessionary Fares Task Group be authorised to carryout a thorough review of the concessionary fares scheme and be requested to submit a report to the meeting of the Policy and Strategy Scrutiny Committee on 2nd November 2004 which would then be reported the Executive Cabinet on 10th November and would feed in to the preparation of the 2005/6 budget
- 3.6 The above recommendations were approved by this Committee at its meeting held on 10th February 2004.
- 3.7 At its meeting held on 31st March 2004 the Task Group received a presentation from Mr David Ivill of JMP Consultants on aspects of the operation of concessionary fares schemes in Malvern Hills, Worcester City and Wychavon. JMP Consultants administered the concessionary fares scheme on behalf of those councils. The costs of administration were paid by the County Council.
- 3.8 Members were of the opinion that savings could be made if the County Council were to take on the administration of concessionary fares scheme. It would also allow for a greater level of auditability of the scheme and enable the Council to have a better understanding of the number of users of the scheme and therefore the amounts which should be paid to individual bus operators. .
- 3.9 The Task Group recommended to this Committee that,
1. Worcestershire County Council be asked to take on the administration of this Council's concessionary fares scheme with effect from 1st June 2004
  2. Redditch Borough Council and Wyre Forest District Council be approached to see if those authorities would also be interested in the County Council providing administration of their schemes.
  3. That the notes for the bus operators on the revised concessionary fares scheme be approved and adopted.
- 3.10 The recommendations were approved by this Committee at its meeting held on 26th April 2004. On going discussions are being carried out with the Worcestershire Joint Members Integrated Passenger Transport Forum and through the leadership of respective Councils regarding the development of strong transport partnership working across north Worcestershire.
- 3.11 It is now three months since the new scheme has been in place, and there have been a number of claims made from the operators via JMP Consultants. Due to the nature of the claims, not all the claims from all the operators have been received, so it is not possible to accurately predict any potential savings from all the operators.
- 3.12 However, First Midland Red Bus Limited, who represent 70% of our claims, have submitted two claims under the new scheme showing initial potential savings. Early indications would show a modest saving on budget. Officers are reluctant to speculate on precise figures this early in the year especially as not all the claims have been submitted. Any saving that is made will of course only be for 9 months of the financial year 2004/2005. With the winter period approaching it would be appropriate to delay assessment of further potential savings until early in the new year. There will inevitably be a rise in fares at some stage by operators because of the ongoing fuel price rises which are in excess of inflation. The Council needs to

bear any potential increase in mind for the next scheme so that the concession on fares made for journeys outside the District can be increased accordingly if required.

- 3.13 Further consideration has also to be given to other transportation issues such as WRVS Rural Rides, other community transport issues, and finally the possibility of developing partnerships with the County Council on transportation matters
- 3.14 The Council will also be sending out a follow up questionnaire which will provide an idea of customer satisfaction with the current scheme.
- 3.15 When the Task Group was originally established the membership was Councillors G.N. Denaro (Chairman), A. N. Blagg, B. L. Fuller. and E. C. Tibby. Of these four members Councillor Fuller is now a member of the Executive Cabinet and cannot therefore take part in a scrutiny exercise and Councillors Blagg and Tibby are no longer members of this Committee. Councillors Blagg and Tibby are not prevented from being members of the Task Group. Both members have indicated that they would wish to continue to be members of the Task group.
- 3.16 As it is at present too early to make an informed assessment of potential savings, as shown in paragraph 3.12 above, it is proposed that the Task Group should not meet again until early January 2005. At this point claims for six months operation of the scheme will have been submitted and the Task Group will be able to make recommendations to the meeting of this Committee to be held on 8th February 2005 which can then be fed in to the budget process.
- 3.17 Officers and the Chairman of the Task Group are aware that there are still some difficulties with the operation of the scheme e.g. some bus drivers are inconsistent in their operation of the scheme. There was also public disquiet in some areas when some bus companies apparently increased fares when the new scheme came in to operation. These issues continue to be investigated and solutions sought with the bus companies.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Initial indications show a potential saving for the year 2004/2005 but it is too early to make an informed assessment for budget purposes.

#### **5. LEGAL IMPLICATIONS**

- 5.1 None.

#### **BACKGROUND PAPERS**

None.

#### **CONTACT OFFICERS**

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**CONCESSIONARY FARES TASK GROUP**

**CONFERENCE ROOM, THE COUNCIL HOUSE**

**21ST JANUARY 2004**

**MINUTES**

**Present:-** Councillors G.N. Denaro (Chairman), A. N. Blagg, B. L. Fuller C. B. E., Q. F. S. M. and E. C. Tibby

The Task Group considered the results of a survey which had been carried out of pass holders, bus operators and other interested parties. The survey examined opinions on the current concessionary fares scheme and the way it was operated. The survey had highlighted a number of problems which were being experienced with the current scheme including:-

- Some public dissatisfaction with the scheme
- The complexity of the current scheme
- The dissatisfaction of some of the bus operators with the current scheme
- The lack of accurate data on usage patterns
- The lack of auditable figures for usage of the scheme by customers of individual bus operators

Members discussed the three options outlined in the questionnaire, and the conclusions drawn from the statistics. Option B, which would have allowed pass holders reduced fare travel throughout the County, was dismissed because of the lack of interest from pass holders. The retention of the existing scheme, although the most popular amongst pass holders, was also discounted because of the immense difficulties that operators currently had in implementing the scheme. Members were concerned that at least one of the bus operators was so dissatisfied with the scheme that they were considering withdrawing. It was agreed that option A, which was an amalgamation of the two types of bus pass used in the current scheme, would provide the best interim scheme for pass holders.

Members also noted that there was a lack of background data with which to predict journey patterns and usage of the scheme. Consequently any increase in reimbursement payments could not be predicted with any level of accuracy. Members agreed that because of the nature of journeys made by pass holders, the current system for reimbursements, and the overall provision of bus services around the District, the new scheme should not cost more to implement. It was recognised that there was a lack of historical data which would allow the Council to accurately predict any changes in the amount of travel undertaken by pass holders and therefore the cost to the Council.

Members identified a need to keep the scheme running whilst a complete review of the scheme took place. The Task Group identified the need to complete the review in order to allow any recommendations for change to be taken in to account in the preparation of the budget for 2005/6 and agreed the review should be completed by the end of October 2004. Members identified a number of issues which they would wish to take in to account in carrying out their review including:-

- The use of technology such as smart cards
- Increasing the auditability of the scheme
- The need to be able to monitor usage of the scheme
- Whether or not changes to the scheme would increase user numbers
- Whether or not the scheme could be broadened to include other forms of transport such as trains and taxis
- Whether or not a general discount card would be appropriate
- How the scheme related to car parking passes.
- Access to hospitals
- The Rural Rides scheme

**RECOMMENDED** that, subject to the agreement of the bus operators,

1. As from 1 June 2004 the Concessionary Fares scheme be amended by removing the parish boundaries element to allow free travel within the District and up to £1 off the cost of any journey ending outside the District
2. The Concessionary Fares Task Group be authorised to carryout a thorough review of the concessionary fares scheme and be requested to submit a report to the meeting of the Policy and Strategy Scrutiny Committee on 2nd November 2004 which would then be reported the Executive Cabinet on 10th November and would feed in to the preparation of the 2005/6 budget

**CONCESSIONARY FARES TASK GROUP**  
**CONFERENCE ROOM, THE COUNCIL HOUSE**

**31ST MARCH 2004**  
**MINUTES**

**Present:-** Councillors G.N. Denaro (Chairman), A. N. Blagg and E. C. Tibby

Observer Councillor J. A. Ruck

**1. Apologies for Absence**

Apologies for absence were submitted by Councillor B. L. Fuller C.B.E., Q.F.S.M.

**2. Declarations of Interest**

No declarations of interest were made.

**3. Minutes**

The minutes of the meeting of the Task Group held on 21st January 2004 were approved as a correct record.

**4. Concessionary Fares Schemes in Worcestershire**

Mr David Ivill of JMP Consultants attended the meeting and advised the Task Group on aspects of the operation of concessionary fares schemes in Malvern Hills, Worcester City and Wychavon. JMP Consultants administered the concessionary fares scheme on behalf of those councils. The costs of administration were paid by the County Council.

The task group asked Mr. Ivill a range of questions and the following points were made:-

- The simplified system that Bromsgrove had recently agreed would make it easier for bus companies to provide the council audited figures for bus pass use.
- Such data can be easily checked the information provided by ticket machines used by First Bus
- Payments to bus companies should be on the basis that the bus companies are submitting claims for payment not invoices. The council should pay what the council considers the bus company is due not what the council is billed for.
- The County Council is keen to establish a county wide concessionary fares scheme
- The County Council pay JMP to administer the scheme on their behalf and this includes the administration of the schemes which cover Worcester City, Malvern Hills and Wychavon.
- The County Council are keen to introduce smart cards
- The government has stated that all smart cards must comply with a standard format and it was likely to be 12-18 months before such cards became available
- The bigger the smart card scheme the cheaper the scheme would be to operate.
- Smart cards could be issued through the Worcestershire e – hub offices
- Redditch Council has recently amended its concessionary fares scheme and the new scheme will remove free bus use and replace it with a fare of 30p within the Borough and half fare outside the Borough

Members were of the opinion that savings could be made if the County Council were to take on the administration of concessionary fares scheme. It would also allow for a greater level of auditability of the scheme and enable the Council to have a better understanding of the number of users of the scheme and therefore the amounts which should be paid to individual bus operators. It was noted that the new scheme was to come in to force at the beginning of June 2004. If the County were to take on the administration on the scheme from that date the bus operators would need to be given 28 days notice of the change. It was therefore important that a decision on the matter be made as soon as possible and this would require a special meeting of the Policy and Strategy Committee being called to discuss the recommendations from this task group before making recommendations to the Executive Cabinet.

**RECOMMENDED** that,

3. Worcestershire County Council be asked to take on the administration of this Council's concessionary fares scheme with effect from 1st June 2004
4. Redditch Borough Council and Wyre Forest District Council be approached to see if those authorities would also be interested in the County Council providing administration of their schemes.

#### **5. Concessionary Fares Scheme - Notes For Operators – Draft Document**

The Task Group considered the draft notes for the bus operators on the revised scheme which would operate from 1st June 2004

**RECOMMENDED** that the notes for the bus operators on the revised concessionary fares scheme be approved and adopted.

#### **6. Use of Concessionary Fares Scheme on Trains. Community Transport Schemes, Taxis etc**

The Task Group had previously considered the possible extension of the concessionary fares scheme so it could be used on other forms of public transport. Mr Ivill reported that from his experience elsewhere in the country it was not easy to extend the scheme to include rail use. Some authorities offered senior citizens the cost of some or all of a rail card. Train operators were often reluctant to become involved in more complex schemes. He also stated that it would be relatively easy to provide taxi drivers with readers for smart cards in the near future but in the meantime vouchers or tokens could be used.. There was however the problem that taxi journeys were significantly more expensive than those by bus and therefore to if the same level of subsidy was to be provided as for those using bus passes the number of taxi journeys would be far fewer. This would have the biggest effect in those areas of the district where there was no access to bus services.

The Chairman reported that the Wythall Link local bus service had recently come in to service and he enquired if it would be possible for its services to be covered by the concessionary fares scheme. Mr Ivill reported that concessionary fares must be made available on any bus that is entitled to fuel duty rebate. The question was therefore whether or not this service is entitled to fuel duty rebate. If it isn't, then Members can decide to allow it to take part in the scheme as an exception Steve Martin undertook to investigate and report to the next meeting of the Task Group.

**AGREED** that the position be noted.

#### **7. Expenditure – What Other Authorities Spend on Their Schemes**

Mr Ivill gave an account of what he thought Malvern Hills, Worcester City and Wychavon paid to First Bus but stated that the figures were not accurate. Steve Martin undertook to provide members of the Task Group with accurate figures.

**8. The Use of Smart Card Technology, Tokens and Taxi Vouchers in Delivering the Scheme**

It was agreed this matter had been covered during discussions earlier in the meeting.

The Meeting ended at 7.05 p.m.