

RESOURCES AND MANAGEMENT SCRUTINY COMMITTEE 22 NOVEMBER 2004 – ITEM REFERRED TO CABINET

CONCESSIONARY FARES

The Chair of the Working Group reported that at Full Council on 1st October 2003, the following resolution had been passed:

That this Council, mindful of the great concern shown by the general public resulting from the withdrawal of the full fare bus pass, resolves:-

1. To make appropriate budgetary provision for public consultation through the “Contacts” Magazine or other means in the coming financial year. The purpose of the consultation will be to determine the community’s view on the re-introduction of a full- fare bus pass and the budgetary provision, from Council Tax, that would be needed to support such a scheme.
2. Bearing in mind the work already done by the Resources and Management Scrutiny Committee in reviewing concessionary fares, to ask the Scrutiny Committee to draw up and recommend to Cabinet the questions on which the public consultation should be based.

The Concessionary Fares Working Group (Cllrs, Clarke, Lockett, Grainger, Griffiths, McCauley, Blandamer, Peet, Wright) had been undertaking work in order to respond to the request of Full Council.

At the meeting of this Committee in July, a request had been made for an article to be placed in the Contacts magazine that had recently been circulated, which explained the benefits available to residents of Gedling from the current half fare scheme. The evidence was that this increased awareness has led to an increase in the numbers of half fare passes issued.

In addition the working group had commissioned work from Officers relating to the financial implications of both a full fare and half fare scheme and on the relative merits of different forms of consultation. There had been research with Nottinghamshire County Council and bus operators on the potential for different models of schemes that could be made available. The conclusions of the Working Group were detailed in the report.

RESOLVED:To recommend to Cabinet:-

- i. To not reinstate the full-fare pass because of the high level of cost.
- ii. If Cabinet insist on a consultation, then the procedures for consultation are as recommended in the report.

**RESOURCES & MANAGEMENT SCRUTINY COMMITTEE
CONCESSIONARY FARES WORKING GROUP
CHAIR'S INTERIM REPORT TO THE WORKING GROUP**

INTRODUCTION

At Full Council on 1st October 2003, the following resolution was passed:

That this Council, mindful of the great concern shown by the general public resulting from the withdrawal of the full fare bus pass, resolves:-

1. To make appropriate budgetary provision for public consultation through the "Contacts" Magazine or other means in the coming financial year. The purpose of the consultation will be to determine the community's view on the re-introduction of a full- fare bus pass and the budgetary provision, from Council Tax, that would be needed to support such a scheme.
2. Bearing in mind the work already done by the Resources and Management Scrutiny Committee in reviewing concessionary fares, to ask the Scrutiny Committee to draw up and recommend to Cabinet the questions on which the public consultation should be based.

The Concessionary Fares Working Group (Cllrs, Clarke, Lockett, Grainger, Griffiths, McCauley, Blandamer, Peet, Wright) have been undertaking work in order to respond to the request of Full Council.

At the meeting of this Committee in July, a request was made for an article to be placed in the Contacts magazine that has recently been circulated, which explained the benefits available to residents of Gedling from the current half fare scheme. The evidence is that this increased awareness has led to an increase in the numbers of half fare passes issued. Over the past week there has been an increase of approximately 40% over the normal demand. This appears to suggest that the inclusion of the article has been successful and hopefully this raised awareness will continue.

In addition the working group have commissioned work from Officers relating to the financial implications of both a full fare and half fare scheme and on the relative merits of different forms of consultation. There has been research with Nottinghamshire County Council and bus operators on the potential for different models of schemes that could be made available. The conclusions of the Working Group are detailed below.

FINANCE

The basic, rounded costs are as follows:

	£
2004/5 Half-fare scheme	285 000
Possible future scheme:	
Half-fare costs	285 000
Full-fare costs (additional)	1 168 000
Less income	<u>(429 000)</u>
Total cost	1 024 000
Increase over 2004/5 costs	739 000
Equivalent increase in Council Tax	18%

There would be a first year, one off charge of £50 000 for the issue of new passes.

The administrative costs of Gedling Borough Council and Nottinghamshire County Council are included.

Costs are estimates based on data from the 2001/2 full-fare scheme and the changes in eligibility due to new legislation. The indications are that there would be 15 700 people taking up passes, split 7 125 half-fare and 8 575 full-fare. Income is based on an annual charge of £50 for a full-fare pass.

The costs are based on the best information available, but it is considered that when smart cards are introduced and actual, rather than apportioned charges are applied, the costs to Gedling Borough Council will increase substantially.

It should be noted that there is no limit to the liability of Gedling Borough Council under the scheme.

METHODS OF CONSULTATION

CONTACTS MAGAZINE

Reaches all 47 000 households
Usually back page of Contacts
Reply paid response

Positive

Reaches every household
All (seen to) have a say
Minimal cost for FREEPOST returns

Negative

- Not a representative sample-beneficiaries likely to reply, but those not immediately affected are unlikely to reply
- Limited range of questions - not in-depth
- Recent evidence of declining response rates
- Will raise expectations of the whole community that a full-fare pass will be restored

GEDLING 500

- Randomly selected sample of 500 residents from the electoral roll
- Face-to-face interviews in own home
- Independent, externally commissioned
- Report back with cross tabulations

Positive

- Statistically very robust - the margin of error is only 4%
- Covers issues in depth
- Cost effective at £10k
- Does not raise the expectations of the whole community
- Enables more qualitative analysis of responses to a structured questionnaire

Negative

- Does not appear to give everyone a say
- Needs a bigger sample to detect geographical differences, this might not be of concern for the purposes of an overall borough but could not differential between for example rural and urban areas
- Does not seek out 'hard-to-reach' groups

INDIVIDUAL VOTE

This could be achieved using various methods, including letterbox drops to every household, letter box drops to every person on the Electoral Register i.e. a postal vote. Polling stations could be set up but these are unlikely to be as effective as a postal vote for a similar cost.

A letter box drop to every household is so similar to the Contacts option that the additional cost could not be justified. Therefore the option considered is a letter box drop to everyone on the Electoral Register.

Positive

- Reaches every person on the Electoral Register
- All (seen to) have a say

Negative

- Not a representative sample - the response is likely to be less than 30%, as in local elections, and beneficiaries are more likely to respond than those not immediately affected
- Limited range of questions (possibly only one question) - not in-depth
- Expensive at £60 to £70k

Will raise the expectations of the whole community that a full-fare pass will be restored

INFORMATION AND QUESTIONS

The following should be considered for inclusion in the consultation:

- Benefits of the existing half-fare scheme

- Additional benefits of the full-fare scheme

- Cost of a full-fare pass

- Cost to the individual Council Tax payer

- We are effectively returning £119, equal to Band D Council Tax, to 10% of the population irrespective of their financial circumstances

OTHER CONSIDERATIONS

The following were considered at some time during the meetings of the Working Group and are repeated for information.

The major bus operators are not keen to see the full-fare scheme reintroduced and could require us to modify it before they would adopt it.

The Government are unlikely to allow us to increase Council Tax sufficiently to cover the costs, with a threat of capping.

If the full-fare scheme is reintroduced it is likely that at some future date we would have to withdraw it again unless we got substantial financial help from the Government.

We can not do a letter box drop in conjunction with the Electoral Registration forms. We can not introduce an additional voting form at any election.

We may be able to give everyone eligible (15 700) a cash sum of say £25 towards there travel costs, at a cost to the Borough of £392 000. This limits our liability and helps towards travel costs.

Voucher and token schemes were considered as they would limit our liability, but the administration costs could be more than the benefits to the recipients and the bus operators are unlikely to accept them.

Increasing the cost of the pass to £100 is unlikely to reduce costs: those who calculate that they will not benefit will opt out, so income would not increase against expenditure and the overheads would remain constant.

RECOMMENDATIONS

- i. Do not consider reinstating the full-fare pass because we cannot afford it.

If Cabinet insist on a consultation, then the following procedures are recommended.

- ii. Use the Gedling 500 as the method of consultation.
- iii. Ask the Officers to write the questions in conjunction with the external consultant who will interview the Gedling 500 and submit the questions to Cabinet for final approval.

Cllr. Ged Clarke 14th October 2004