



Report to: Cabinet

Subject: Concessionary Fares – Progress Towards Implementation of a New Scheme from April 2006

Date: 15 December 2005

Author: Head of Finance

1. PURPOSE OF REPORT

- (a) To update Cabinet on negotiations to agree the revised details of the Concessionary Fares Scheme for 2006/7.
- (b) To ask Cabinet to give delegated power to the Chief Executive to agree the final arrangements for the New Concessionary Fares scheme for Nottinghamshire from 1 April 2006.
- (c) To delegate operational decisions in respect of the agreed option to the Head of Finance

2. BACKGROUND

The Cabinet Meeting held on 6 October 2005 briefed members on the Government announcement for a new local bus concessionary travel scheme from 1 April 2006. The new scheme must offer, as a minimum, District free off-peak bus travel from April 2006 for those aged 60 or over and for people with disabilities. The 6 October meeting considered a number of scheme options :-

- (1) Current half fare scheme uplifted to a Countywide free scheme from 9.30 am with half fare travel before 9.30 am.
- (2) Free bus/tram travel within the resident's LTP area (Greater Notts or North Notts) from 9.30 am with half fare within and between the two areas at all times.
- (3) Free bus/tram travel within the district area from 9.30 am in addition to the current Countywide half fare scheme without time restriction and multi-modal.

3. Cabinet gave approval to enter into an agreement with scheme partners and transport providers and to publish the statutory notice for the new scheme on 1 December 2005 and report back on the outcomes.

PROGRESS TO DATE AND PREFERRED SCHEME

4. The County Council has co-ordinated discussions and meetings between District Council finance officers and representatives of the Nottinghamshire local bus operators to determine the preferred option for the new scheme to operate from 1 April 2006 which meets the new minimum standard.
5. The options have been assessed against a benefits matrix of factors complementing the respective policies and priorities for the participating authorities. The outcome of the discussions to date is to support option 3. A minimum statutory free scheme within each District with the current half fare countywide scheme continuing. This is to include the existing discretionary half fare concession for local rail, tram and community transport services, on the assumption that the new scheme will be fully funded by the current funding and new statutory allocations. The scheme is to operate for one year and will be reviewed for 2007/08 in light of cost and operational experiences.
6. However, there is still an opportunity to achieve a more attractive option for Nottinghamshire from April 2006. The Government has announced the formula for distributing an additional £350m allocation to fund the new statutory minimum scheme across England. Indicative allocations for each District suggest that if this new funding, in addition to that currently paid by the Districts, is paid to the Partnership by the Districts, and the County Council maintains its level of financial support, then it may be possible to move from the preferred option 3 to option 1. For Gedling Borough Council, the actual additional funding allocation to be received from Government is in excess of £630,000 and some £300,000 is allocated in existing budgets to support the current scheme.

UPDATED NOTTINGHAMSHIRE POSITION

7. Discussions are continuing with the operators the County Council and districts based on the new indicative funding allocations, and a meeting of Notts Financial Officers Association on 9 December concluded that sufficient funding is available to support Option 1, subject to the agreement of all partner organisations. The expected total cost of the scheme for Gedling Borough Council is £930,000 including additional administration costs of both the District and County Councils.

There is a further meeting with bus operators on Friday 16 December and if agreement in principal can be reached with partners, it is intended to discuss the possibility of implementing a Countywide Free Scheme. The County Council were requesting a letter from each partner, indicating whether they were willing to support a free Countywide travel scheme by today (15 December) and the Head of Finance, after consultation with Group leaders, has issued such a letter subject to Cabinet approval at this meeting.

Due to the cost risks associated with increased take up, greater number of journeys and changing generation factors, Notts Financial Officers agreed that negotiations with operators should give weight to obtaining a fixed cost deal for a two year period.

In addition, the County have agreed to maintain their current level of funding uplifted for inflation and to share any additional costs 50:50 with districts if costs go above current funding levels.

8. RECOMMENDATION

It is **recommended** that Cabinet:

- i) note the progress towards implementation of a new concessionary fare scheme and support implementation of a Countywide free scheme with effect from 1 April 2006,
- ii) delegate power to the Chief Executive to agree the final arrangements for the new Concessionary Fares Scheme for Nottinghamshire with effect from 1 April 2006,
- iii) to delegate operational decisions in respect of the agreed option to the Head of Finance.

Background Papers Available for Inspection

Department for Transport Guidance – 22 November 2005 (www.dft.gov.uk)
NCC Cost Analysis 9 December 2005