

REPORT TO THE EXECUTIVE		Report No. 17
Date of Meeting	1 November 2007	
Title of Report	Concessionary Bus Travel Act 2007: Implications for North Wiltshire	
Portfolio	Leisure & Economy	
Link to Corporate Priorities	Community, Environment and Customers	
Key Decision	<p>YES (1) The decision will result in the Council requiring expenditure or making savings which amount to £50,000.</p> <p>(2) The decision will be significant in terms of its effects on communities living or working in an area compassing two or more wards within the district of North Wiltshire</p>	
Executive Workplan Ref	B363	
Public Report	YES	

Summary of Report

This report and its Appendix set out the Council's obligations to offer travel concessions, its power to fund discretionary concessions and the effect of forthcoming legislative changes. The Council must issue new bus passes for the national (English) travel scheme, which commences on 1 April 2008. It is important that details of the discretionary concessions that the Council will offer are settled now, so that production of the new travel passes can commence. Delay that would have wide implications.

Officer Recommendations

To accept Option 1 – i.e. to retain the existing discretionary concessions for bus pass holders and continue to offer £18 worth of tokens as an alternative to the bus pass (see Appendix 1).
 To authorise officers to inform MCL Transport Consultants that the Council wishes them to arrange for details of these discretionary concessions to be encoded onto the new bus passes that will be required for the national free travel scheme in April 2008.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
YES	YES	YES	NO	YES

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1. Introduction

- 1.1 The Concessionary bus Travel Act 2007 introduces a 'national' travel scheme, with effect from 1 April 2008. It extends the existing right of eligible people to free bus travel within their home District to the whole of England and changes the way in which the Council, as a Travel Concession Authority (TCA), should reimburse bus operators for revenue foregone. It also introduces a standard national bus pass, which is to be a smartcard.
- 1.2 The Council will retain the discretionary powers that it uses to offer residents better concessions than the statutory minimum entitlement. This would normally be considered as part of the budget setting process for 2008/9. However, in order to avoid delay in issuing the new bus passes next Spring, the Council is being asked to decide now which discretionary concessions it wishes to offer. This is to allow sufficient time for the smartcards to be encoded with the relevant information.
- 1.3 The Executive is recommended to continue to fund the existing discretionary travel concessions. The consultation needed to put this recommendation into budgetary context has, regrettably, delayed completion of this report. The report outlines the Council's current position and the implications of the new legislation. Background information is given in Appendix 1, including descriptions of mandatory and discretionary concessions and an examination of the social implications of the options.

2. Current position

- 2.1 To enable statutory free bus travel, the Council issues a pass to each eligible resident who applies for one. Free passes are valid on buses throughout Wiltshire and Swindon but eligible residents may instead choose travel tokens, which are also valid on some taxis and trains.
- 2.2 The Council reimburses operators for the travel undertaken by the North Wiltshire pass holders and token users. The budgeted expenditure on concessionary travel in 2007/8 is set out in the table below. In addition, a figure of £0.390m has been identified as the revenue risk associated with possible increases in travel costs through the year (as a result of appeals by bus operators against the proposed level of reimbursement).

Mandatory concessions (within RSG funding)	£0.601 m
Discretionary concessions	<u>£0.129 m</u>
Total, budgeted for 2007/8	<u>£0.730 m</u>
Additional revenue risk	£0.390 m

- 2.3 The £0.129 discretionary element can be sub divided into:-

Extending validity of bus passes to all day	£0.019 m
Passes for disabled people's companions	£0.010 m
Tokens (as alternative to a pass)	£0.100 m

3. Estimates for 2008/9

3.1 From 1 April 2008, the Council will reimburse bus operators for free travel undertaken by all English pass holders within North Wiltshire and on unbroken outgoing journeys but not on incoming journeys. Reimbursement for use of tokens will remain unchanged.

3.2 Whilst this is expected to increase the overall cost of travel concessions, it is difficult to predict precisely how people's travel behaviour will change and so costs estimates can only be broad at present. In making these, account has been taken of the potential cost of visitors' travel. However, to avoid under-estimating the overall cost effect, the possibility that some other costs could be less than currently has been ignored for the purpose of this report. The overall cost of travel concessions in 2008/9 has thus been estimated as between £0.920 m and £1.130 m. This can be broken down as follows:-

	High	Low
Mandatory concessions	£0.955	£0.765
Discretionary concessions	£0.125	£0.115
Total (passes and tokens)	£1.130	£0.920

3.3 The discretionary element can be sub-divided into:-

Extending validity of bus passes to all day	£0.029 m	£0.023
Passes for disabled people's companions	£0.016 m	£0.012
Tokens (as alternative to a pass)	£0.080 m	£0.080

3.4 To offset the increase in the cost of the mandatory concession, the Government will pay a Special Grant to English local authorities, in addition to the RSG settlement. How this will be distributed is subject to consultation until later this month but the DfT has advised the Council that it will receive at least £0.214 m and that the most generous of its four consultation options would produce £0.414 m. Therefore, on the basis of the above estimates, the higher figure is likely to meet the additional cost and this is the option that officers will be asking the DfT to implement. The Special Grant will be paid in 2008/9 and the following two years, after which it will be absorbed into the RSG.

3.5 The Executive is recommended to continue funding the current discretionary concessions in 2008/9.

Appendices:	<ul style="list-style-type: none"> • Appendix 1: Background and Implications
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none"> • None

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
<ul style="list-style-type: none"> • None 		