

REPORT TO: POLICY & RESOURCES COMMITTEE – 9 SEPTEMBER 2002

REPORT ON: ENHANCED TRAVEL CONCESSION SCHEME FOR SENIOR CITIZENS & DISABLED PERSONS

REPORT BY: DIRECTOR OF PLANNING AND TRANSPORTATION

REPORT NO: 519-2002

1 PURPOSE OF REPORT

- 1.1 To advise members that agreement has now been reached with the major bus operators to implement an enhanced travel concession scheme for senior citizens and disabled persons and to seek approval for the financial arrangements which are proposed to cover the additional cost of the scheme.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to agree that the Council participate in the scheme and to approve maximum payments to the following major bus operators in financial year 2002/03:

- i Travel Dundee of £2.15m.
- ii Strathtay Scottish of £261,000.

- 2.2 Committee is asked to note that agreement has been reached up to 31 March 2003 and that further negotiations are being held to advance participation beyond this date with specific regard to increased costs associated with participation in a free travel concession scheme.

3 FINANCIAL IMPLICATIONS

- 3.1 Planning & Transportation's budget provision for concessionary travel for 2002/03 is £2,123,000. In addition, the Scottish Executive has allocated £160,037 to ensure the implementation of the concessionary travel scheme. Therefore, the revised budgetary provision will be £2,283,037.
- 3.2 The total payments to the bus operators in 2002/03 will be £2,411,557, resulting in a shortfall of £128,520 which is to be contained within the Planning & Transportation's 2002/03 Revenue Budget.

4 LOCAL AGENDA 21 IMPLICATIONS

- 4.1 The enhancement of the concessionary travel scheme will increase the relative attractiveness of public transport and result in fewer journeys by private car, thus benefiting the city's overall environment.

5 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 The enhancement of the concessionary travel scheme for elderly and disabled persons will address the need to improve accessibility to facilities and opportunities for these priority sections of the city's population.

6 BACKGROUND

- 6.1 The Council currently operates a concessionary travel scheme for senior citizens and disabled persons which provides eligible citizens of Dundee with travel on any bus within the city's boundaries for a flat fare of 35 pence per journey (30 pence for disabled persons). In financial year 2001/02 there were 3,725,451 bus journeys undertaken by Senior Citizens/Disabled Persons fare paying passengers on Travel Dundee Services with a further 474,391 journeys on Strathtay Scottish Services. There are also a small number of journeys on other operators. This scheme is subsidised by the council and the cost in 2001/02 (including the taxi card scheme and administration costs) was £1.646 million, which was £0.541 million above our Grant Aided Expenditure (GAE) allocation from the Scottish Executive of £1.105 million.
- 6.2 In Dundee, the take-up for senior citizen passes exceeds 80%. Therefore, Dundee spends more as a Council because its senior citizens are able and choose to make more journeys. The allocation of GAE for concessionary travel on a per capita basis is therefore fundamentally flawed in such a demand led situation because it favours those Councils with an inherently low rate of take-up.

7 PROPOSED FREE CONCESSIONARY TRAVEL SCHEME

- 7.1 From 30 September 2002 the Scottish Executive intend to introduce a new minimum national standard of bus concessions which will provide eligible elderly and disabled passengers with free travel within the boundaries of local authority areas after 9.30 am on weekdays and all day at weekends. The Scottish Executive intend that this enhanced scheme be implemented by amending existing concessionary schemes operated by Local Authorities throughout Scotland.
- 7.2 Given the above, the Executive has announced that the local government finance settlements for 2002/03 and 2003/04 incorporate an additional £25 million and £45 million respectively in order to cover the additional cost to local authorities; these monies have been allocated to local authorities on a per capita basis. In addition, a further £10 million has been earmarked by the Executive in 2003/04 to be available to local authorities who are able to demonstrate that their existing allocations for 2003/04 are inadequate to cover the demonstrated additional costs of introducing the enhanced scheme.
- 7.3 The amounts allocated by the Executive cover the amount of on bus revenue previously paid by the concession pass holder. There has been no account taken of any additional journeys being made because of the free fare. The Scottish Executive agree that the advent of free travel will stimulate new journeys, but they cannot predict with certainty their numbers, patterns and costs. Additional new journeys do not automatically mean additional costs to bus operators; therefore, any additional recompense should be limited to evidence-based additional costs which are actually incurred by operators as a result of the enhancements.
- 7.4 On order to validate the above stance, the Executive will bring forward research to monitor the actual impacts of the enhanced scheme and produce an emerging conclusions report after 9 months (immediately after June 2003) and a final report after 18 months (immediately after March 2004). A 'before study' has been completed, on the basis of on-street and on-bus surveys, interviews and postal

questionnaires. When the enhanced scheme is introduced the research will be replicated to give a 'before' and 'after' picture of local conditions – so long as a council has not changed its existing local arrangements, as to do so could hamper any demonstration of need by councils.

- 7.5 The additional £10 million for 2003/04 will be made available to councils, during 2003/04, in a transparent manner based on two factors – firstly, a comparison of actual reimbursements made to bus operators before and after the introduction of the minimum national standard; and secondly the 'before' and 'after' picture of actual local conditions from the research. The research should provide validation of the variation of reimbursements. It will be for councils to claim for any additional costs, and the Executive will require evidence to substantiate that such claims relate only to costs incurred as a result of the enhancements. The Executive will invite Dundee to join the steering group for the research on this issue.

8 OTHER HARMONISATION ISSUES

- 8.1 The Scottish Executive have indicated that the enhanced concessionary travel scheme will not operate before 09.30 am Monday to Friday.
- 8.2 Both Perth & Kinross and Angus Council have indicated that they intend to have no time limitation and are working towards this with their bus operators. It could be stated, however, that this lifting of the morning peak restriction is being done for operational requirements because there are many rural areas which have very few buses after 9.30 am. A free scheme when few buses operate would be illogical and should not be directly compared with an urban scheme, such as within Dundee where there is readily available public transport services throughout the day.
- 8.3 The Scottish Executive have also indicated that the enhanced scheme should only operate on the same geographical basis as existing local authority schemes. For Dundee that would mean that the scheme would be limited to travel within the city's boundaries (other than to Ashludie Hospital).
- 8.4 The city's neighbouring authorities schemes all presently allow cross boundary travel to Dundee in recognition of its role as the regional centre for many facilities.

9 CONCLUSIONS

- 9.1 From all of the above, it can be seen that £1.43 million per annum of additional GAE has been made available to the Council by the Scottish Executive in order to fund the enhanced travel concession scheme for senior citizens and disabled persons.
- 9.2 If the local bus operators experience operational or capacity issues as a result of the scheme and as a direct result incur additional costs which are agreed by the Director of Planning and Transportation, then the Council will agree to submit a justified case to the Scottish Executive for funding from the additional £10 million earmarked in 2003/04 to cover any such costs. This will be on the basis that the costs must be clearly evidenced and that if the Council is unsuccessful in its submission, either in part or in whole, then these costs will not be reimbursed by the Council from its own resources.

- 9.3 Given the absolute necessity to ensure an equivalent financial comparison of the pre and post scheme costs, it is proposed that the Council does not depart from the hours of operation proposed by the Scottish Executive nor from the present geographical boundaries of the Dundee concessionary fares scheme.
- 9.4 With regard to the proposed equalisation of the eligible age for concessionary travel for both men and women, it is proposed that the Council also enters into early discussions with the bus operators to secure their continued voluntary participation by 1 April 2003.

10 CONSULTATIONS

- 10.1 The Chief Executive, Director of Finance, Director of Support Services and Director of Corporate Planning have been consulted and are in agreement with the contents of this report.

11 BACKGROUND PAPERS

- 11.1 None

Mike Galloway
Director of Planning & Transportation

29 August 2002

MPG/MS

Dundee City Council
Tayside House
Dundee