

Concessionary Fares

Summary

Recommendations

Board members are asked to:

- Comment on the proposed LGA response to the DfT consultation on funding for the national scheme (draft response to follow in advance of the meeting);
- Note the update on other issues relating to Concessionary Fares

Actions

- Officers to progress the lobbying activities subject to comments from the Board and report progress at future Board meetings.

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Concessionary Fares

Summary

1. This paper gives an update on the work being undertaken to resolve issues relating to the funding, administration and preparation for the new national concessionary fares scheme from April 2008.
2. A further paper outlining the LGA's submission to the Department for Transport's consultation on the distribution of funding for the national scheme will be circulated in advance of the meeting for discussion by the Board.

Funding for the national scheme

3. The Comprehensive Spending Review announcement confirmed that £212m will be paid by special grant to fund the national bus concession in England for 2008 /09. This will increase to £217m in 2009/10 and £233m in 2010/11.
4. The funding announcement from DfT confirmed that whole sum will be distributed; there will not be a contingency. It is anticipated that the funding will go into formula grant in the next spending review period.
5. Following the funding decision, DfT are consulting on:
 - the formula for distribution of the grant; four options are given;
 - which authorities it should be paid to (the document proposes paying it direct to PTAs , that a single payment should be made for London to a body nominated by the boroughs and that a single payment should be made to a county where all authorities concerned in that county agree).
6. The consultation paper sets out the assumptions on which the £212m is based; although it does not give the calculation. The paper claims that a significant allowance has been made for a greater take up of passes than they assume and to prevent shortfalls for authorities resulting from a formula distribution.
7. The LGA welcomed the decision to distribute the funding via special grant which reflects lobbying from the Board.
8. LGA officers and advisors are currently collating evidence and formulating the LGA's response to the funding consultation. A further paper setting out this response will be circulated ahead of the Board meeting for the discussion by the board.

Reimbursement of bus operators.

9. Reimbursement of operators has caused severe problems for councils in planning for the national scheme. Dramatic increases in payments to operators occurred as a result of the extension to the scheme in 2006 and subsequent

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appeals by operators. During the past year, the LGA has highlighted the importance of early and clear guidance on reimbursement methodologies to give councils confidence in planning for the national scheme, to ensure operators act in an efficient way, and to avoid further appeals.

10. The Department of Transport's original intention was for revised guidance to be published in September. Unfortunately, the department's work on the guidance was delayed and the original timescales have slipped. This delay means the guidance will only be available after most authorities have already begun work on negotiating their schemes which have to be published by 1st December.
11. The LGA has expressed serious concerns about the draft versions of the guidance that have been shared with the Concessionary Fares Working Group and have emphasised the importance of ensuring it is fit for purpose before it is published.
12. Cllr David Sparks wrote to Rosie Winterton expressing these concerns on 25th October. We have not yet received a response from the Minister; however we are continuing to work with DfT officials to resolve the outstanding issues so the guidance can be issued as soon as possible.
13. Concessionary Fares will be an item for discussion when Members of the Regeneration and Transport Board meet with the Minister at the next Bus Partnership Forum meeting on 15th November.

Financial Implications

14. Staffing and other resource implications of the report can be met within current resources.

Implications for Wales

15. The new national concession relates to England only. There is an existing national concessionary scheme in Wales.

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