

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation) (Introduced by the Executive Member for Resources)	Executive Cabinet	25 June 2009

## POSSIBLE CHANGES TO THE ADMINISTRATION OF CONCESSIONARY TRAVEL

### PURPOSE OF REPORT

1. To ask members to endorse the response to the Government on their consultation to amend the administration of the Concessionary travel scheme.
2. The consultation excludes changes to the current funding arrangements which will be a separate consultation as part of the next comprehensive spending review due in 2011. The full document can be viewed by clicking on The link is [www.chorley.gov.uk/consultation](http://www.chorley.gov.uk/consultation).

### RECOMMENDATIONS

3. That the Chorley Council response contained in Appendix A is endorsed by the Executive.

### EXECUTIVE SUMMARY OF REPORT

4. The Government is consulting on the most appropriate tier of local government that both the statutory concession and discretion should be administered at. The consultation excludes the issue of funding but in some of the options it is implicit that adjustment to current arrangements will need to be made. The consultation is generic in nature and does not recognise that in some cases the administration of the scheme is already delivered through other tiers in some areas. The main advantages and disadvantages need to be noted in this context. Chorley's main concern is around funding to Chorley, but we should also be concerned about the potential impact of any change Pan Lancashire. The key question remains one of funding and for this reason a centrally funded and administered scheme is potentially the best option.

### REASONS FOR RECOMMENDATIONS

(If the recommendations are accepted)

5. To ensure the Council's budgetary targets are achieved.

### ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. None.

## CORPORATE PRIORITIES

7. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances	✓	Develop the character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organisation	

## BACKGROUND

8. The introduction of free off-peak concessionary bus travel throughout England from 1 April 2008 gave the opportunity for greater freedom and independence to around 11 million older and disabled people in England. The concession recognises the importance of public transport for older people and the role access to transport has to play in tackling social exclusion and maintaining well-being.
9. Whilst funded by Central Government, at present this statutory minimum concession is administered by local authorities known as Travel Concession Authorities (TCA's). The majority of TCA's are currently 'lower-tier' local authorities: non-metropolitan district councils (also known as 'shire' districts), but the responsibility also rests with unitary authorities, the London boroughs and Passenger Transport Executives (PTE's).
10. TCA's are also able to offer discretionary concessions over and above the statutory minimum, reflecting each authority's own specific financial, demographic and transport circumstances. Such discretionary elements must be funded from the TCA's own resources.
11. A number of problems with the current arrangements for administering concessionary bus travel have been identified by local authorities, stakeholder groups and operators. These include: scheme variations across TCA boundaries; too many negotiations with bus operators; lack of capacity in some TCA's; difficulty of accurately funding TCA's; and the non-alignment of TCA and Transport Authority responsibilities. The Government is therefore considering what improvements can be made to the current arrangements. This consultation is part of that process.
12. In addition to addressing some of the problems of the current arrangements, the Government also wishes to ensure that the experience of the concessionary passenger is enhanced, that the system is administered as efficiently as possible and is sustainable in the long term.
13. The options for change to the statutory minimum concession include: leaving things as they are now (ie largely with district councils); moving responsibility to upper tier authorities only; or centralising administration completely. A further option would be to administer the concession at a regional level, although this would require primary legislation and would require a longer timescale to implement.
14. The Government's initial view is in favour of a shift of responsibility from district to county councils. On its own such a change could realise some efficiencies, but it could also generate significant synergies because it would harmonise concessionary travel responsibilities with wider transport authority ones for the first time. It is also the option most likely to realise the Government's aspiration to increase the roll-out of smart ticketing across England. In Lancashire to a great extent this already happens with Lancashire

County Council leading on the administration of the scheme on behalf of the district Councils.

15. There is a clear link between any changes made to administrative responsibilities for the statutory minimum concession and the ability of authorities to introduce their own discretionary travel concessions. The consultation also identifies a number of options for changing the way such discretionary concessions are administered, including: leaving things as they are now; removing the ability of district councils only being able to implement discretionary concessions jointly with the relevant upper tier authority.
16. The Government's initial preference is to move responsibility for discretionary concessions to upper tier authorities only. This would ensure any efficiency savings generated by the preferred change to the administration of the statutory minimum concession would not be lost. This would not however preclude discretionary concessions still being implemented at the district council level.
17. The Government welcomes the views of consultees as to whether they agree with the conclusion that moving both statutory and discretionary responsibilities to upper tier authorities is the right way forward. Concessionary travel is a significant policy area that already does much to improve the quality of life of millions of people. It is therefore important that any changes implemented represent the best option for the long term delivery of the policy. Government is therefore genuinely interested in the views of local authorities, operators and other stakeholders on what these changes should be.
18. The aim of the consultation is to inform a decision in principle on how concessionary travel should be administered, thereby enabling certainty to be provided at the earliest opportunity on who will be responsible for concessionary travel in the longer term. Communities and Local Government (CLG) will consult separately on the funding implications of any proposed changes. This will be undertaken as part of the formal consultation on the next three-year local government finance settlement.
19. A summary of the consultation questions and a proposed response is attached at Appendix A.

## IMPLICATIONS OF REPORT

20. This report has implications in the following areas and the relevant Corporate Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	✓
Legal		No significant implications in this area	

## COMMENTS OF ASSISTANT CHIEF EXECUTIVE (POLICY AND PERFORMANCE)

21. The current consultation is concerned with the administration of the scheme and the Council's response in Appendix A would have no adverse impact on disabled and older people in Chorley eligible for free off-peak concessionary bus travel. In addition, the preferred option to transfer discretionary concessions to upper tier authorities would ensure consistency of operation and equality of access across the County and reduce confusion amongst the public.

GARY HALL

ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION AND IMPROVEMENT)

There are no background papers to this report.

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
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**Appendix A**

<b>Option</b>	<b>Question</b>	<b>Main Advantage</b>	<b>Main Disadvantage</b>	<b>Chorley Response</b>
Problems with current arrangements	Are there other problems, stemming from current administrative arrangements, that are not covered by this list?		<ul style="list-style-type: none"> <li>- Scheme variations across TCA boundaries</li> <li>- Too many negotiations</li> <li>- Lack of capacity in some TCA's</li> <li>- Difficulty of accurately funding TCA's</li> <li>- TCA's not aligned with transport authorities</li> <li>- Conflict between authorities and operators</li> </ul>	No, the summary of the difficulties with the scheme is comprehensive.
The statutory minimum concession continues to be administered by current TCA's	Do you think that the current level of administration is the most appropriate?	<ul style="list-style-type: none"> <li>- It successfully delivered the introduction of the fee scheme</li> <li>- Authority has developed relationship with bus operator</li> <li>- Systems are in place.</li> </ul>	<ul style="list-style-type: none"> <li>- Funding distribution a problem</li> <li>- TCA's and transport authorities not assigned</li> <li>- Disagreement between authorities about contribution to the scheme</li> </ul>	No, mainly with regard to the funding issue
Only upper tier authorities administer the concession	Do you think a system of 'higher tier' administration would be the most appropriate?	<ul style="list-style-type: none"> <li>- Efficiencies and economies of scale</li> <li>- Less appeals</li> <li>- Potential reduction in formalised improved data collection</li> <li>- Less negotiation with bus operators</li> <li>- Alignment of TCA and</li> </ul>	<ul style="list-style-type: none"> <li>- Transitional impact (particularly round funding)</li> <li>- Still multiple negotiations</li> <li>- Local knowledge may be lost</li> <li>- Issues with eligibility</li> </ul>	No. Even a transfer to upper tier administration for a national scheme would create financial disparity



<p>The administration of the statutory minimum concession is moved to central government</p>	<p>Do you think a centrally administered statutory minimum concession would be most appropriate at this time?</p>	<p>transportation responsibilities - Retains local ownership</p> <ul style="list-style-type: none"> <li>- Potentially removes problem with funding</li> <li>- Reduced burden of negotiation</li> <li>- Efficiency saving in administration</li> <li>- Possible funding efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>- Creates new structure of administration</li> <li>- Transitional impact</li> <li>- Possible lack of local engagement</li> <li>- Seen as power taken back to central government</li> </ul>	<p>Yes, based upon the fact that the Governments view is that there are enough funds nationally to pay for the scheme.</p>
<p>Administration moved to regional level.</p>	<p>Do you think a regional tier of administration might ultimately be most appropriate?</p>	<ul style="list-style-type: none"> <li>- Significant reduction in TCA's</li> </ul>	<ul style="list-style-type: none"> <li>- No obvious delivery agent</li> <li>- Lack of local consideration</li> <li>- Funding issues</li> </ul>	<p>No</p>
<p>Discretionary concessions  District Councils retain ability to establish discretionary concessions</p>	<p>Should all local authorities retain the ability to establish local discretions.</p>	<ul style="list-style-type: none"> <li>- No change in the pattern of travel concessions offered</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of clarity on administration and decision making for different transportation decisions</li> <li>- Confusion amongst the public</li> <li>- Complications for funding</li> </ul>	<p>No</p>

<p>District Councils lose the ability to establish concessions</p>	<p>Should this power transfer to upper tier authorities</p>	<ul style="list-style-type: none"> <li>- Local choices are made</li> <li>- Simpler map benefiting operational concessionaries</li> </ul>	<ul style="list-style-type: none"> <li>- Loss of local control</li> <li>- Risk of reduction in services</li> </ul>	<p>Yes, this could be done under well being powers</p>
<p>Discretions established jointly with upper tier councils</p>	<p>Should discretions be jointly established</p>	<ul style="list-style-type: none"> <li>- District Councils still able to have some influence</li> <li>- Some efficiency savings</li> </ul>	<ul style="list-style-type: none"> <li>- Joint co-operation difficult to implement</li> <li>- Could impact adversely on concessions</li> </ul>	<p>No, unlikely to be deliverable</p>