

# Executive

## Concessionary Travel and Community Transport

7 February 2011

### Report of Head of Housing Services

#### PURPOSE OF REPORT

This report updates the Executive on changes to the Concessionary Travel Scheme and their implications, following the statutory transfer of the administrative responsibility for the scheme to Oxfordshire County Council from 1 April 2011. The report also updates the Executive with the effects of these changes on the Community Transport (Dial a Ride) scheme, the risks facing the scheme in the future, and the course of action that officers are taking to mitigate as far as possible any adverse effects.

This report is public

#### Recommendations

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The Executive is recommended:

- (1) To note the change in statutory responsibility for the Concessionary Travel Scheme to the Oxfordshire County Council ("the County Council") from 1 April 2011, including the changes made to the scheme by the County Council, and the effects on Dial a Ride services provided by Banbury Community Transport Association (BCTA).
- (2) To accept the County Council's delegation of its functions under section 145[2] of the Transport Act 2000 [duty to issue concessionary passes] and associated powers, to Cherwell District Council for the period up to 31 March 2012 the costs of which are to be met by the County Council.
- (3) To authorise the Head of Housing Services in consultation with the Head of Legal and Democratic Services to negotiate and complete an Agency Agreement with the County Council under section 101 of the Local Government Act 1972 and section 19 of the Local Government Act 2000 that gives effect to the rights and responsibilities referred to in [2] above.
- (4) To approve the further examination and development of the alternative proposals within the Cherwell District for longer term community transport provision identified in paragraphs 2.12 to 2.15, of the report and to note the cost implications referred to in paragraph 2.16.
- (5) To request that the County Council undertake a County Wide review of community transport and related services in the light of the effects of the changes in the Concessionary Travel Scheme and from future funding of Community Transport, the results of which to be reported back to the Executive.

## **Executive Summary**

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### **Introduction**

- 1.1 Responsibility for the concessionary travel scheme statutorily transfers to the Oxfordshire County Council from April 2011 and the County Council have made a number of decisions regarding the future scope of the scheme across the County. In the Cherwell District some 22,000 people currently use the scheme with 18,000 having bus passes and 4,000 opting for the current alternative of travel tokens.
- 1.2 As a result of public expenditure reductions the County Council have agreed changes to a number of the components of the scheme, perhaps the most significant of which are the extension of travel passes to community transport Dial a Ride services for 2011/12, and the withdrawal of travel tokens from 1 April 2011 [a discretionary community transport service currently offered by the District Council to complement the concessionary fares service]. Currently travel tokens in Cherwell can be used on buses, Dial a Ride and for taxis (Paragraph 2.2).
- 1.3 In addition, the County Council have indicated that it is not in a position to administer the scheme itself from April 2011 and has asked if in the interests of service continuity the District Councils continue to administer the scheme on its behalf until 31 March 2012. The County Council would meet Cherwell's costs in continuing to administer the scheme on that basis (Paragraphs 2.3 to 2.5).
- 1.4 Community Transport (Dial a Ride) services are affected by a number of changes that will affect its future operation. The extension of concessionary travel passes for use on Dial a Ride services will have a beneficial effect on the current provider. However the withdrawal of travel tokens by the County Council may significantly affect a number of taxi operators in the District who currently transport people who use travel tokens. The future uncertainties in funding from the County Council and Cherwell District Council in 2012/13 arising from the need to meet the Government's public expenditure reductions requires the urgent examination of other options to supplement community transport in the District. Currently Cherwell District Council provides an annual grant (£187,000 2010/11) to BCTA for Dial a Ride services and in addition £24,000 is provided by the County Council. (Paragraphs 2.7 to 2.11).
- 1.5 Dial a Ride is the dominant service within community transport provision within the District, and in view of the implications of the changes in the concessionary fares scheme and in potential future funding, Officers have been working on contingency measures to mitigate at least in part, the future potential effects of these changes on Community Transport services within the District. (Paragraphs 2.12 to 2.16).

### **Proposals**

- 1.6 To note the transfer of the concessionary fares function to the County Council on 1 April 2011.
- 1.7 To approve Cherwell Districts Council's continuation of service delivery of the concessionary fares function on behalf of the County Council under an Agency Agreement from 1 April 2011 to 31<sup>t</sup> March 2012.

- 1.8 To approve the further examination and development of potential alternative options within the provision of Community Transport in the District to, as far as possible, seek to mitigate any effects of negative changes to the existing service in the future.
- 1.9 To request that the County Council undertake a County wide review of community transport and related services in the light of the effects of the changes in the Concessionary Travel Scheme and on Community Transport.

## **Conclusion**

- 1.10 Changes in the statutory responsibility for the Concessionary Travel Scheme, changes in the scope of the scheme, and future levels of funding for community transport will have significant effects on existing customers of the service and on community transport Dial a Ride provision. Alternative options need to be developed, as far as possible, to offset some of the effects of the changes.
- 1.11 In addition, in order to provide service continuity the District Council needs to continue on the County Council's behalf, to administer the front line services of the concessionary travel scheme until 31<sup>st</sup> March 2012 to allow the County Council time to be fully prepared to administer the scheme from that date. In view of the effects of these changes on concessionary travel, and in view of future funding for community transport, a County Wide review of community and special transport needs to be undertaken by the County Council.
- 1.12 A number of actions to raise awareness of these changes are taking place in the forthcoming months as shown below.
  - A letter is to be sent to all Parish Clerks encouraging the development of Car Volunteering Schemes.
  - A letter is to be sent to all travel token holders advising them that travel tokens will cease to be valid with effect from 30 April 2011 and giving them the opportunity of transferring to travel passes from 1 April 2011.
  - Travel passes due for renewal before 1 April 2011 will be renewed in February and March 2011, and passes will be issued for customers transferring from travel tokens.
  - A letter will be sent to taxi operators advising them that travel tokens will not be issued by the County Council from 1 April 2011 and that existing tokens may continue to be used but will have to be reclaimed by the taxi operators direct from National Travel Tokens from 30 April 2011 rather than via Cherwell District Council. The letter will also enquire about the availability of multi purpose vehicles for potential use as an alternative to current Dial a Ride provision.
  - A letter will be sent to all bus operators informing them of the non issue of further travel tokens by the County Council from 1<sup>st</sup> April 2011.
  - A letter will be sent to bus operators operating in Cherwell informing them that future reimbursements will be dealt with by the County Council.
  - A letter will be sent to all Concessionary Fares customers in

Cherwell informing them of the change of responsibility for the service from 1 April 2011 and providing relevant contact details and arrangements.

- Appropriate signage, leaflets, and automated messages will be made available within the Council's Customer Contact Centre and on the Council's Website.

## **Background Information**

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- 2.1 Cherwell District Council has a good track record of delivering the Concessionary Travel Scheme, and Officers have gone to some length to ensure that service users are aware of the change in responsibility for the service from 1 April 2011. A Communications Plan has been formed to ensure customers are kept informed of the changes, and as a result, an article has been placed on the Council's website, posters have been distributed to Parish Council's, Age Concern, GP Practices, etc, and letters have been sent to all service users notifying them of the change of responsibility for the scheme from 1 April 2011, and an initial letter has been sent to bus operators. Further communications will be made in February giving more details of the forthcoming changes. The County Council have consulted Parish Councils and service users on their proposed changes to the scheme.

### **Changes in the Concessionary Fares Scheme from 1 April 2011**

- 2.2 The Government's announced funding for the Concessionary Fares Scheme continues to fall short of the actual costs. The Government funding to the County Council's Concessionary Fares Scheme is 51% less than the combined costs of the service currently provided by the Districts and so there is little scope for service enhancements to be funded by the County Council. The County Council's Cabinet met on 25 January 2011 to decide on various key elements of the scheme, and the following elements have been agreed.
- That the scheme is available from 9am daily for 2011/12 and then will be subject of review [this is half an hour earlier than in Cherwell currently].
  - Companion passes will be available for those in receipt of carers allowance, who can supply proof that they need assistance to use public transport , or are aged 5 to 15 years [ currently companion passes have only been issued in Cherwell on the grounds of disability and inability to use public transport ].
  - Travel tokens will not be issued under the scheme [£30 of travel tokens are currently offered as a discretionary policy under the scheme as an alternative to travel passes in Cherwell at an annual cost of approx £125,000. Existing travel tokens already issued by Cherwell District Council but not yet used will still be valid].
  - Travel passes will be able to be used on Dial a Ride services for 2011/12 and then will be subject of a review [this is an addition to the current arrangements in Cherwell].
- 2.3 The County Council are not in a position to deliver the scheme themselves from 1 April 2011 and have asked each District if they would continue to

administer the County's scheme on its behalf until 31 March 2012. Pragmatically this is the best way that the service can continue without the risk of service failure. This is a key issue given the vulnerability of many service users. It does however present additional communication problems in notifying the public that responsibility for the scheme and its scope is now the responsibility of the County Council albeit that the scheme continues to be provided and administered by Cherwell District Council.

- 2.4 The service that Cherwell District Council will continue to deliver will be that of front line customer service, enquiry and advice handling, and processing, issuing and renewal of travel passes. The cost of travel pass journey reimbursements will be met by the County Council. Annually there are approximately 3,500 contacts from the public with Cherwell District Council's Customer Contact Centre regarding the concessionary travel scheme, most of which are face to face enquiries. From the public viewpoint the service should continue largely unchanged although the scope of the scheme will be different. We will need to discuss with the County Council the detail of the marketing material as both parties want the logo and livery associated with the scheme to show that the service is now a County Council service, and not one provided by the District Council.
- 2.5 The costs of continuing to administer the service in the Cherwell District for a further year have been assessed, and the County Council's Cabinet at its meeting on 25 January 2011 has agreed to meet these costs. The District Council's Legal Section has very recently received a draft Agency Agreement from the County Council sets out the responsibilities etc of each party in relation to the interim measures proposed. Both parties [as well as the other District Councils, who enter into their own separate agency agreements with the County Council] are aware of the essential need to secure approval of the draft agreement before those measures commence on 1 April 2011.
- 2.6 One member of Cherwell's staff is affected by the transfer of the statutory undertaking of the concessionary fares scheme to the County Council and will therefore transfer to the County Council under the provisions of TUPE. It is likely, but yet to be confirmed, that the employee will remain in Cherwell's offices in order to deliver the concessionary travel scheme for service users in Cherwell under the terms of the Agency Agreement.

#### **Effects of Changes in the Concessionary Fares Scheme on Community Transport**

- 2.7 The proposed changes to the Concessionary Travel Scheme notably the withdrawal of travel tokens but also the extension of travel passes to Dial a Ride services for 2011/12 is expected to have an overall beneficial effect on the Community Transport Dial a Ride service. The Dial a Ride service in Cherwell is targeted at non able bodied people who have difficulty in accessing normal public transport services and is provided by Banbury Community Transport Association [BCTA], a registered charity. BCTA also provide a Shop Mobility Scheme.
- 2.8 There are 2,410 registered members [comprising existing and former users of the Dial a Ride Service], although Dial a Ride services have only been used by 551 people in the past nine months. According to BCTA this number of users is unlikely to change significantly for the full year. Each user this year will have made 34 return journeys on average. Dial a Ride provides a bookable door to door pick up and return service. The cost of a return journey is £2.50. Travel tokens can at present be used on the service by those electing to have £30 [per annum] of Travel Tokens as an alternative to a Concessionary Travel Pass. Tokens can also be used for taxi fares. The

extension of travel passes to Dial a Ride services by the County Council for 2011/12 will make travel costs free to the customer who will no longer be required to pay directly for the service, and neither will be restricted by the amount of travel tokens they hold. Travel passes cannot be used for taxi journeys whereas the current travel tokens can be, and therefore the number of taxi journeys is likely to reduce significantly.

- 2.9 The extension of travel passes to Dial a Ride services is likely to significantly increase the number of journeys undertaken each year. It is anticipated that up to a 17% increase in journeys may result.

#### **Further Effects on Community Transport from Potential Reductions in Future Grant Support**

- 2.10 Though the extension of travel passes to Dial a Ride services will have a positive service and financial benefit to community transport and Dial a Ride, there are nevertheless significant potential effects from future potential reductions in grant from either the County Council or Cherwell District Council. BCTA a registered charity, have previously reported financial losses and though a package of measures has been introduced to improve their financial position, it nevertheless remains finely balanced and they will have difficulty in absorbing any future loss of grant funding. Cherwell District Council and Oxfordshire County Council currently have a funding agreement with BCTA which expires on 31 March 2012. The level of Grant is determined annually and currently the District Council pays £187,000 of grant per annum for community transport in Cherwell, and the County Council contribute £24,000 in grant for community transport in Cherwell [this compares to community transport in other Districts such as Oxford City which pays £59,000; West Oxfordshire which pays £29,000; Vale of White Horse which pays £29,000].
- 2.11 Despite extreme funding pressures Cherwell has budgeted to maintain its level of Grant for 2011/12. Cherwell's grant funding for community and voluntary sector grants will be examined during 2011/12 in the context of meeting new government priorities and securing value for money, which could lead to cuts for the 2012/13 funding programme of these groups. The County Council's decisions on grant funding are still to be confirmed.

#### **Contingency Plans to Develop Options as an Alternative to the Current Community Transport Provision**

- 2.12 Officers have been examining additional means of providing community transport in Cherwell and have been informed that the County Council are also examining proposals for the County to provide a form of community transport in the future. In addition officers are investigating the potential for additional car volunteering schemes, the scope and need for minor changes in existing regular bus routes, and the potential for contracting with taxi companies to use underutilised people carrier vehicles with disabled access to provide a community transport service in specific areas. These are explained in more detail below though each proposal is only at a very early and exploratory phase.
- 2.13 Discussions have taken place with Oxfordshire Rural Community Council (ORCC) regarding the promotion of further car volunteering schemes within the District. Currently, two schemes exist including the Banbury Volunteer Bureau Car Scheme which provides a vital service for those needing to get to medical appointments and day centres including hospital appointments in the Horton and the John Radcliffe Hospital and has recently expanded into the Bicester area and is now serving villages to the South of the District. A joint

communication by the Council and ORCC is being made to all Parish Clerks to highlight the need for, and promote the development of, more car volunteering schemes within the District. These schemes are community and volunteer led and can be problematic and slow to develop. Typically they may take six months to come to fruition. They may not be suitable for the very frail or disabled. The costs of such schemes are often low, usually limited to set up costs of around £200 for each scheme.

- 2.14 Other potential developments include the mapping of existing commercial bus routes and examining the scope for amending routes to cover outlying areas or areas which currently make extensive use of Dial a Ride services. All buses now have level access although of course they cannot provide a door to door service, or cater for the more intensive support that some customers of Dial a Ride currently require.
- 2.15 In addition, existing taxi operators' provision is being examined to identify the extent that suitable multi person vehicles (mpv) type vehicles may be currently underutilised during the day. These may be able to provide at comparatively low cost to the Council an additional source of community transport on a limited basis.
- 2.16 In order to sustain the community transport service in the future a number of these proposals will have a cost either initially or ongoing. The Council may not be able to fund any of these alternatives in 2012/13 given the current forecasts of spending reductions.

#### **Need for a County Wide Review**

- 2.17 There remains a real need for an urgent County wide review of the implications for transport from the changes in the Concessionary Travel Scheme especially in relation to special transport for the elderly and disabled, those requiring transport to social services, luncheon clubs, GPs/hospital etc, and for those living in outlying Parishes. The County Council have responsibility for transport services across the County and therefore hold the strategic lead for this type of review.

#### **Key Issues for Consideration/Reasons for Decision and Options**

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- 3.1 Service Continuity – Following the announcement by way of Statutory Order of the transfer of the Concessionary Fare Scheme to the County Council there is a real need to inform customers of the service of the changes and ensure that the service continues seamlessly. The continued interim provision of the service on behalf of the County Council by Cherwell District Council for a year, will allow the County Council to fully prepare for a seamless transfer of the service delivery of the scheme on 1 April 2012.
- 3.2 Effects on Community Transport – Despite the overall beneficial effects of the extension of travel passes to Dial a Ride services even after the effects of the withdrawal of further travel tokens from 1 April 2011, the risk of potential reductions in the grants from Cherwell District Council and Oxfordshire County Council in the future, represent a major service continuity risk for community transport in the Cherwell District. As a contingency a number of potential options need to be developed to try and mitigate any effects on community transport in the future.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

- Option One** Accept the recommendations contained in this report, thereby allowing interim arrangements for service continuity and the consideration of the future role of community transport within the Cherwell District. This is the option advised by officers.
- Option Two** Accept the service continuity arrangements for 2011/12, but not to endorse the potential development of future community transport arrangements.
- Option Three** Not to accept the service continuity arrangements for 2011/12, but to endorse the potential development of future community transport arrangements.
- Option Four** Not to accept the recommendations in this report.

## **Resources**

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- 4.1 The costs of administering the Concessionary Fares service transfer to the County Council on 1 April 2011. However, as an interim measure to protect seamless service delivery it is proposed that Cherwell District Council continue to provide key elements of the service on the County Councils behalf under an Agency Agreement. The County Council will meet the costs of the interim service for the period of the Agency Agreement.
- 4.2 The level of grant provided by Cherwell District Council to BCTA, the current provider of Community Transport Dial a Ride services in Cherwell District is still under consideration for 2011/12. However, with continued budgetary pressures the continuation of the current level of grant to BCTA is very unlikely to be able to be sustained in 2012/13.
- 4.3 As a consequence and as a contingency a number of potential alternative options of service provision are being developed. These options will need to be considered in the light of projected available resources and will need to be reported to the Executive at a future meeting.

## **Consultations**

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- Oxfordshire County Council** Officers have worked closely with County Officers in understanding the issues that face customers from the changes being proposed. That has resulted in the proposals to provide service continuity through Cherwell providing the service on behalf of the County during 2011/12.
- Oxfordshire Rural Communities Council** This consultation is ongoing and focuses on car volunteering schemes and other community transport options.
- Banbury Community Transport Association** Officers have worked with BCTA to begin understanding the financial and business planning issues that will impact on the changes, and in turn will be affected by these changes.

**Existing customers** A communications plan is being implemented to keep customers advised of the changes that are being made.

## **Implications**

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**Financial:** The 2011/12 budget will be reported to Council on 21 February 2011 for the 2011/12 financial year with minimal reductions in grants to the voluntary and community sector. Given the substantial decreases in Local Government funding the level of grants for the voluntary and community sectors will be examined in the early part of 2011/12 with an explicit view to reduce the amount of expenditure by 24% [equivalent to the funding reductions]. This may result in the reduction or removal of financial support to some of these groups including the services provided by BCTA.

Comments checked by Karen Curtin, Head of Finance  
01295 221551

**Legal:** The proposed Agency Agreement with the County Council referred to in this Report has now been received from the County Council. The Agreement will be examined to ensure its terms accurately record the decisions reached by officers at operational level, as guided by the recommendations in this Report, including the extent of the services to be provided, remuneration for those services and other ancillary issues, in order to achieve service continuity and a seamless transition of the service to the County Council in April 2012. It is critical agreement is reached with the County Council on the delivery of the interim measures referred to in this Report before those services commence upon the transfer of statutory responsibility for concessionary fares to the County Council on 1 April 2011.

Comments checked by Richard Hawtin, Team Leader-  
Property and Contracts, 01295 221695

**Risk Management:** The risk of service continuity given that the County Council is establishing its longer term delivery arrangements is being proposed to be mitigated against by the Council undertaking the duties from 1 April 2011 on behalf of the County Council.

Wider medium term risks include the funding risk to community transport. This underlines the importance of future options for community transport being considered, in consultation with partners.

Reputation management is also of paramount importance with such a significant change, and it is important that the Communication Plan is reviewed and monitored regularly.

Comments checked by Claire Taylor, Community and  
Corporate Planning Manager 01295 221563

**Equalities** The provision of concessionary fares and community transport provides facilities for some of the most vulnerable groups in the District. In this context, the review and healthcheck that takes place between now and early 2011/12 should undergo an Equality Impact

Assessment.

Comments checked by Claire Taylor, Community and Corporate Planning Manager 01295 221563

**Wards Affected**

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All

**Corporate Plan Themes**

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**Cherwell: A district of opportunity  
A safe and healthy Cherwell**

**Executive Portfolio**

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**Councillor Michael Gibbard  
Portfolio Holder for Planning and Housing**

**Document Information**

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<b>Appendix No</b>	<b>Title</b>
N/A	N/A
<b>Background Papers</b>	
None	
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