

Report of: THE TRANSPORT & PARKING BUSINESS MANAGER

To: Executive Board

Date: 9th October 2006

Item No:

Title of Report : Concessionary Bus Fares – Possible Extension of Existing Scheme.



Summary and Recommendations



Purpose of report: To update on the operations of the free scheme since April 2006 and to consider extending the existing Concessionary Fares scheme.

Key decision: YES

Portfolio Holder: Councillor Jean Fooks

Scrutiny Responsibility: Finance Scrutiny Committee

Area(s) affected: All

Report Approved by: Sharon Cosgrove – Strategic Director, Councillor Jean Fooks – Portfolio Holder, Jeremy Franklin – Legal and Democratic Services, Christopher Kaye – Financial and Asset Management.



Policy Framework: Improving transport and mobility and maintaining financial stability.

Recommendation(s):



1. To note the current situation with the free scheme. A further report will be forthcoming once further investigations have been completed on the first quarter reimbursement returns from the two main bus companies.



2. To indicate priorities for use of any surplus funds should they appear likely.



SUMMARY

- 1 This report discusses the possibility of extending the destination of concessionary travel beyond the City boundary, and the provision of an extra Dial a Ride bus.

COUNCIL'S VISION

- 2 The proposal supports the Council's vision by Improving Transport and Mobility.

BACKGROUND

- 3 The existing concessionary fares scheme is a mandatory Full fare Bus Pass which commenced on 1st April 2006. The scheme is based on the Transport Act 2000 (as amended) for the main provision of the scheme, and the Transport Act 1985 in relation to the start and finish times and the geographical pockets which fall outside the City boundary.
- 4 As far as the boundary of travel is concerned the mandatory scheme only requires free travel to be available within the boundaries of the relevant District Council, Oxford has gone beyond this restriction for a small pocket of locations only. Adjacent District Councils do provide free travel from within their boundaries into Oxford city centre and onto the hospitals, and some other further free travel as well.
- 5 Council adopted a Motion on 24th April 2006 to request the Executive Board;
 1. To consider the feasibility of extending the free travel scheme during the current financial year beyond the boundaries of Oxford City to include other local towns such as Abingdon, Botley, Kidlington and Wheatley.
 2. To consider options to assist people who are entitled to the scheme but are not able to travel on regular buses, for example by expansion of the 'Dial a Ride' service.

FEASIBILITY OF INCREASING TRAVEL AREA

- 6 The difficulty in considering expanding the travel area is that the Council has no statistical information on how many people are likely to take up the option if it were available. This means that the Council is not able to accurately predict the financial implications.
- 7 One bus company has provided some information on the number of full payment trips made between Oxford and Kidlington and Oxford to Abingdon together with the number of concessionary trips on those routes taken by passengers in Cherwell and The Vale. From those figures and increasing them to include an assessment for other bus company travel, the number of trips used for this report are:

Oxford to Kidlington = 6,000 trips
Oxford to Abingdon = 24,000 trips
Oxford to Bicester = 6,000 trips
Oxford to Wheatley = 3,000 trips

If the current reimbursement formula is applied to these figures the additional funding required for these number of trips is £83,700, it has to be stressed that these figures are based on very scarce information and therefore must be taken as a best guess scenario.

EXTRA DIAL A RIDE

- 8 Expanding the Dial a Ride scheme would assist those residents who are entitled to free travel but cannot use regular buses due to mobility problems. The cost of operating an extra bus would be £200 per day for a full days service and £150 for a half day service. This equates to £52,000 or £39,000 per annum depending on full or part day service. A one off charge of £450 will be needed to have the additional bus painted to match the existing bus.

CURRENT SCHEME

- 9 The basis of the Concessionary Fares Scheme has changed in 2006-07 from one where the passholder made a small contribution at point of travel to one where they make no contribution. This passholder's contribution was critical to the formula used in the calculation of the reimbursement to the bus companies as it affected the underlying demand assumptions. This makes the use of the "Constant Fares Elasticity" model calculation technically incorrect . However, in the absence of an alternative, it is suggested that the use of the existing formula using last year's contribution as a notional value should be continued. The calculated reimbursement would be uplifted to compensate for this notional amount deducted, leaving the bus company no worse off. An added benefit of this will be the ease of direct comparison with historical data of each of the participants both individually and in relation to each other. The two main companies, Oxford Bus and Stagecoach have adopted this methodology.
- 10 The first quarter returns from the two main bus companies have now been received and indicate a greater increase in concessionary travel than was anticipated at the start of the free scheme. The returns are being analysed and early indications are that a worst case scenario final solution to the reimbursement costs will come close to the budget provision and might just exceed the budget. The final outcome will depend on the ongoing negotiations of the final reimbursement calculation formula. It has been indicated by the bus companies that they are not satisfied with the current reimbursement formula and are preparing a proposal to have the formula changed.

CONCLUSIONS

- 11 Any decision on extending the area of operation of the scheme, or providing an extra dial a ride bus should be delayed until the further investigations have been completed.

RECOMMENDATIONS

- 12 Executive Board is recommended to note that the current situation makes an extension of the scheme impossible to recommend at present and that a further report will be forthcoming.

Executive Board is asked to indicate priorities for the use of any surplus funds, should they appear likely.

FINANCIAL IMPLICATIONS

- 13 In order to comply with the Government free scheme from April 2006 the Council put an extra £800k into the budget compared with the previous years budget.

STAFFING IMPLICATIONS

- 14 There are no staffing implications as a result of this report.

Background Papers: none
Body of report

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📄 background papers:

