

To: City Executive Board

Date: 9th September 2009

Item No: 14

Report of: Head of Finance

Title of Report: Bus Pass – Charging for Replacement Cards

Summary and Recommendations

Purpose of report: To request that fees & charges are amended to allow a charge to be levied to customers for replacement of Lost/ Stolen/ Damaged Bus passes

Key decision? No

Executive lead member: Cllr Ed Turner

Report approved by:

Finance: Penny Gardner

Legal: Jeremy Thomas

Policy Framework: Transform Oxford City Council by improving value for money and service performance

Recommendation(s):

1. To agree that a charge should be levied for replacing lost/ stolen/ damaged bus passes.
2. To agree that the officers develop the necessary system solution to deliver the option to charge for replacement cards.
3. To agree to a charge of £5 for replacement of lost/ stolen/ damaged cards unless for a stolen card a valid crime reference number is supplied or for damaged cards the card has faded in normal use.
4. To agree to waive the fee for users in receipt of Housing Benefit & Council Tax Benefit

Introduction

1. The council issues concessionary bus passes to those over 60 or disabled whose main residence is within Oxford City. No charge is made for the card or for renewal of the card at expiry.

Background

2. A short study was undertaken in late 2008 /early 2009 into current practices for replacing bus passes by local authorities. 173 councils responded of which 83% charged for the replacement of lost/ stolen/ damaged bus passes.
3. Of those who charged the average charge was £8.59, with the lowest charge being £2 and the highest £20. £5 was the most popular level of charge with 52% of those charging using this level of fee.
4. Of the four other districts in our area West and Cherwell already charge a fee of £5 and Vale and SODC are going to recommend a charge of £5 from April 2010.
5. The cost of replacing each card to the council is £4.50 (£1 for the card and £3.50 of officer time). From January 2010 the type of cards issued will change and the new card types will cost between £1.40 and £3 per card.
6. The total of cards replaced in the period April 08 to March 09 is estimated as 1,600.
7. Other authorities report that the introduction of a charge has caused a reduction in request to replace cards by 50%.

Corporate Priorities

8. The addition of a fee for replacing lost/ stolen or damaged bus passes would assist in the delivery of the following Oxford City Council Corporate Priorities:
 - a) Transform Oxford City Council by improving value for money and service performance

Proposed Addition to Fees & Charges

9. See appendix 1 for a list of the current and proposed fee structure

Financial Implications

10. The costs of developing the financial systems to allow accounting for the charge for replacement cards into separate traceable fund is estimated at £1,600
11. Based on a charge of £5 on the 2008/09 estimate of card replacements of 1,600 cards the income would be £8,000 p.a. If a reduction of 50%

in replacement occurs this income would be £4,000 which covers the initial set up costs within 6 months of introduction

12. From 1st January 2010 the cost to the Council of issuing the new passes will increase to as much as £7.50 per card. The introduction of a charge will mitigate some of this cost and will, if other councils experience is replicated, reduce the volume of cards to be issued. Compared to a no charge position this could save the council card costs (excluding officer time) of £2,400 p.a.

Legal Implications

13. The national concessionary bus pass scheme allows charging for replacement cards

Climate Change/Environmental Impact

14. This proposal would reduce the city's carbon footprint by reducing the number of replacement cards issued and therefore reducing the impacts of card production and delivery to the environment.

Risk Assessment

15. A risk assessment has been undertaken and the risk register is attached as Appendix 2.

Equalities Impact

16. It is not anticipated that these charges will have an impact on the equality of the service provided. The concessionary passes are available to all Oxford residents who qualify. The Fees & Charges strategy allows for a concession to low income users. It is recommended that the charge is waived for those in receipt of Housing Benefit & Council Tax Benefit.

Recommendations

17. It is recommended that

1. To agree that a charge should be levied for replacing lost/ stolen/ damaged bus passes.
2. To agree that the officers develop the necessary system solution to deliver the option to charge for replacement cards.
3. To agree to a charge of £5 for replacement of lost/ stolen/ damaged cards unless for a stolen card a valid crime reference number is supplied or for damaged cards the card has faded in normal use.
4. To agree to waive the fee for users in receipt of Housing Benefit & Council Tax Benefit

Name and contact details of author:

Anna Hedges, Finance Business Partner, Finance

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Appendix 1 – Revisions to charges

Service	Description	Current Fee	Proposed Fee
New application for concessionary bus pass	Processing application for new concessionary bus pass. Issuing new pass.	£0	£0
Renewal of concessionary bus pass at end of valid date	Processing application for renewal of concessionary bus pass. Issuing new pass.	£0	£0
Replacement of lost concessionary bus pass	Issuing new card following reported loss of pass	£0	£5
Replacement of stolen concessionary buss pass	Issuing new card following reported stolen pass	£0	£5 £0 with a crime reference number (not a lost property number)
Replacement of damaged concessionary buss pass	Issuing new card following damage to pass	£0	£5 £0 if card has faded in normal use

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CEB Report Risk Register

Risk Score **Impact Score:** 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic **Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Action: Action Owner:	Outcome required: Milestone Date:	Q1	Q2	Q3	Q4	I	P
					Mitigating Control: Level of Effectiveness: (HML)										
1	Transform Oxford City Council by improving value for money and service performance	1	1	May be seen as trying to make profit by charging residents for products	Fee set at level consistent with the costs to the council and that charged by other local councils	1	1	Action: Penny Gardner	Immediate						

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