

CABINET

14 September 2005

REVIEW OF TRAVEL CONCESSIONS

REPORT OF DIRECTOR OF DEVELOPMENT

Contact Officer: Matthew Hill Tel No: 01962 848 105

RECENT REFERENCES:

PTP75, Concessionary Travel, 30 November 2000

CAB422, Concessionary Travel, 2 October 2002

CAB570, Concessionary Travel Tokens Informal Member/Officer Group, 29 January 2003

PS86, Overview and Scrutiny Work Plan 2003/04, 30 June 2003

EA6, The Establishment of the Concessionary Travel Informal Group, 8 July 2003

EA11, Review of Travel Concessions, 22 October 2003

EXECUTIVE SUMMARY:

In the Government's 2005 Budget the Chancellor announced that from 1 April 2006 each local authority would be required to provide free local bus travel for every person aged 60 and above and for every disabled person. This report sets out the options available to the Council and an initial estimate of the financial implications of meeting the new obligation. It recommends the adoption of a County wide scheme limited to off-peak hours.

The report also responds to questions raised by the former Concessionary Travel Tokens Informal Group (Appendix 10) which last met on 22 September 2003. The report recommends that the issuing of travel tokens ceases when the new bus travel concessions are introduced.

RECOMMENDATIONS:

1. That the City Council continues to be a partner in the Hampshire Bus Pass scheme administered by MCL
2. That the City Council opts for the county-wide free fare bus pass scheme that operates during off-peak hours only
3. That provision be made in the 2006/07 base budget to finance the free fare bus pass scheme commencing on 1<sup>st</sup> April 2006 at an estimated additional cost of £500,000 per annum
4. That those caring for and accompanying severely mobility impaired people should be eligible for free fare bus passes.
5. That provision is made to finance free fares on the Winchester and Bishops Waltham Dial-a-Ride services at an estimated additional cost of £20,000 per annum.
6. That the travel tokens scheme be terminated from 1<sup>st</sup> April 2006 and the savings of £160,000 per annum be used to offset the additional costs of the free fare bus pass scheme.
7. That the Director of Development be authorised to make the detailed adjustments to the Council's Travel Scheme to take account of the decisions in Recommendations 1 to 6 above.
8. That net growth of £360,000 be approved as part of the budget process and equivalent savings be identified to fund this proposal.

CABINET14 September 2005REVIEW OF TRAVEL CONCESSIONSREPORT OF DIRECTOR OF DEVELOPMENTDETAIL:1 Introduction

- 1.1 The Concessionary Travel Tokens Informal Group met on 1 and 22 September 2003 to discuss further improvements to the concessionary travel schemes that Winchester City Council offers to the public, and the minutes are attached as Appendices 1 and 2. The scope of the group's work was to consider and recommend upon the longer-term future of the use of concessionary travel tokens and other strategic issues connected with concessionary travel in the district. The group proposed that travel tokens should be offered to both men and women aged 60 years or above, and to withdraw the handling charge to those aged 80 years or over. These proposals were approved by Cabinet and are now in place. Cabinet also agreed that the Informal Group should further research a number of issues that would assist in deciding how to progress alternative travel concessions. A summary of the investigations subsequently carried out by officers are attached as Appendix 4 although the results could not be reported back to the Informal Group as it no longer exists.
- 1.2 Those deliberations have now been overtaken by significant changes nationally that will affect concessionary travel. In the Government's 2005 budget the Chancellor announced that from 1 April 2006 local authorities would be required to offer free local bus travel for every person of 60 years age and over and for disabled persons. The wider provisions of the Transport Act 1985 are unaffected. Local authorities are still able to offer other forms of travel concessions, such as travel tokens, vouchers or railcards, so long as all eligible people have the choice of a 'free travel' option that meets or betters the statutory minimum requirement. The report has been prepared on the basis of details that are currently available. The proposals will need to be implemented by means of a statutory instrument made under S147 Transport Act 2000 - which has not yet been published. If there are any significant changes a further report will be brought to Cabinet.
- 1.3 Winchester currently offers two forms of travel concession - the statutory half fare bus pass and the discretionary travel token scheme. Those aged over 60 years or certain disabled persons can claim either a half fare bus pass or opt out and claim travel tokens.
- 1.4 The half fare bus pass scheme is managed by the consultants MCL on behalf of Hampshire County Council, the district councils and the bus operating companies. The scheme allows users to use their bus pass across all council areas except Southampton (which operates its own scheme), at any time of the day and night. This is wider than the statutory minimum requirements which require off peak travel to be available within the District. Each district council pays an amount into a common pool of funds, which is then redistributed back to the bus operating

companies. The amount that each council pays into the common pool depends on a number of factors which are explained in Appendix 3.

- 1.5 The travel token scheme is run by National Travel Tokens but the distribution and management of tokens is carried out by Winchester City Council. Winchester City Council pre-purchases an amount of travel tokens which we then redistribute to those users who opt out.

## 2 Changes to the Bus Pass Scheme

- 2.1 There has been a series of meetings with MCL to establish how the free fare bus pass scheme could operate. Subject to expenditure implications, MCL have given an assurance that it is possible to operate the free fare scheme in a similar way to the half fare scheme, in that each will contribute an amount to a common pool and that the amount to contribute will be calculated for each district based on the factors already used and new factors that will be a result of creating a free fare scheme.
- 2.2 It is considered that we should not try to develop our own scheme as there are a number of issues that would incur additional expense and undermine our commitment to social inclusion. It is therefore recommended that Winchester City Council continues to be a partner in the Hampshire Bus Pass scheme that is administered by MCL.
- 2.3 As a starting point for assessment of the financial implications of the free travel scheme, MCL has estimated the cost in context of the current 'county wide' scheme. These estimates have been made using statistics from the current scheme as a base and 'modelling' the impact of the free travel scheme from this base. MCL have concentrated on net revenue foregone for which reasonable robust estimates can be calculated.
- 2.4 There are currently no time limits in operation so MCL have also estimated the cost of an 'off-peak' scheme. Based on other bus pass schemes across the country, MCL recommend that we should restrict such an off-peak choice to either after 09.00am or 09.30am. Clearly there is a benefit to the user if the scheme starts earlier but there will be an increased cost to the council and therefore the taxpayer. With all 'off-peak' schemes there will be some bus journeys that will be exempt, such as those services that may only have one journey per day.
- 2.5 MCL have also made the following assumptions regarding the free fare bus pass scheme:
  - A free fare pass will increase the take-up. It is expected that this increase will be between 15% and 25% and will attract the marginal public transport users who at present pay full fare for the few journeys they make;
  - That other concessions will continue to be made available. MCL predicts that there will be little transfer from other concessions to a free fare bus pass since they are of interest to different market groups in most cases;
  - More travel will be generated, probably comprising of an increase in the number of shorter journeys and an increase in the number of longer journeys;

- There will be an increase in administration costs to MCL and to the bus operators - in providing additional services or higher capacity vehicles to cope with the increase of free fare passengers. These will need to be reimbursed through the scheme.

2.6 There are three types of scheme that could operate. The first is the statutory minimum scheme which will be operational only within a district during off peak hours. The second is the county wide scheme operating during off peak hours. The third is a county wide scheme operating all day. From initial officer discussions with the other Hampshire Districts, it is likely that most districts will be recommended to select the third option although three districts including Winchester have indicated that they are likely to recommend the second option to their Council. MCL estimates that the three options will cost Winchester City Council the following:

<b>Existing Half Fare Bus Pass Scheme</b>	<b>District-wide with off-peak travel (Statutory Minimum)</b>	<b>County-wide scheme with off peak travel</b>	<b>County-wide scheme with all day travel</b>
£265,224	£755,648	£768,596	£810,519

Given the costs and the need to ensure that all residents benefit equally from the scheme it is recommended that Winchester City Council opts for the county-wide scheme that operates during off peak hours only. This ensures that residents who wish to travel outside of the district, as many people living outside of Winchester will do, are not denied the benefits of the scheme. The net cost to the City Council is estimated at £503,372 – the gross cost estimate less the current expenditure of £265,224.

2.7 The Government's 2005 Budget also set aside a budget provision of £420m to assist local authorities in providing the free fare bus pass. Depending on which scheme option Winchester chooses, MCL estimates that up to £652,702 could be included in the Rate Support Grant calculation for Winchester. However, the advice from the Director of Finance is that in cash terms this additional grant may not benefit those local authorities that are below the floor level for Rate Support Grant. Winchester City Council is one of those authorities and may therefore receive this additional grant as a notional allocation – but not as cash which reduces the burden on local taxation. However, further clarification by the Government on the Rate Support Grant will not be available until November 2005. It is therefore recommended that provision should be made to finance the free fare bus pass scheme on the prudent assumption that the whole cost will have to be met through the council tax. This is unavoidable to comply with the legislative requirement to introduce the scheme.

2.8 There are currently 13 registered companions who accompany severely mobility impaired people on buses in Winchester and they travel at the half fare rate. When the free fare bus scheme is implemented, there is the issue of whether or not the companion carers are allowed to travel for free or at the full fare. This issue was discussed at the meetings held with MCL and it is proposed that, since we are dealing with such a small percentage of registered companions, they should be allowed to travel using the free fare bus scheme and that it should be carefully monitored to prevent abuse of this concession. It is therefore recommended that those caring for and accompanying severely mobility impaired people on buses should be eligible for the free fare bus scheme.

- 2.9 The Dial-a-Ride services that operate in Winchester and Bishops Waltham, do so under Section 19 of the Transport Act 1985. This allows voluntary groups to operate transport services to people whom the organisation serves and does not allow the service to be run with a view to making a profit. Winchester City Council supports these services with an annual grant of just over £43,000 to providing these services with match funding from Hampshire County Council. These services therefore receive a support grant of just over £86,000 annually. Although it is not a requirement of the Transport Act 1985, the City Council does also allow users of the Section 19 services to use their half fare bus pass or travel tokens to subsidise the cost of their journey.
- 2.10 The free fare bus scheme will alter the dynamics of these services. Since most of the users are entitled to a travel concession, they will undoubtedly opt for the free fare bus pass and would expect that the Dial-a-Ride service would accept these and no longer charge them for the journey. It is estimated that this will cost an additional £39,000 to fund i.e. Winchester City Council and Hampshire County Council will each have to support the Section 19 services by a further £19,500 each year. This estimate does not take into account the possibility that the number of users may increase. It is therefore recommended that the City Council should fund this additional expenditure of an estimated £19,500 each year.

### 3 Changes to the Travel Tokens Scheme

- 3.1 Given the cost of implementing the budget proposals, it is necessary to review other aspects of expenditure on concessionary travel. Currently, the Council spends over £168,000 gross on issuing travel tokens each year. The handling charge for those under 80 years of age provides over £32,000 of income. The Council therefore spends £136,000 net each year on issuing travel tokens. In addition, the administration costs for handling and distributing the tokens amounts to approximately £26,616. The following table illustrates the number of claimants for travel tokens between July 2004 and June 2005:

<b>Travel tokens issued for the period July 2004 to June 2005</b>			
<b>Claimant Age Group</b>	<b>Number of Claimants</b>	<b>Handling Charge @ £7 per claimant</b>	<b>Total Cost of Tokens @ £26 per claimant</b>
<b>60 to 74</b>	3406	£23,842	£88,556
<b>75 to 79</b>	1196	£8,372	£31,096
<b>80 +</b>	1877	£0	£48,802

- 3.2 The Concessionary Travel Tokens Informal Group in September 2003 considered the financial benefits of changing from National Travel Tokens to local travel tokens, and surveys of users have subsequently been carried out although these were not conclusive. Further information is attached in Appendix 4, but at this stage it is recommended that no further action should be taken on this issue.
- 3.3 The Informal Group asked officers to consider extending this benefit further to those who are aged 75 years and above. However, in the light of the new free fare bus

pass and the costs of introducing this, it is reasonable to consider the wider question of whether the issue of travel tokens as an option should continue at all. The financial implications of making a range of changes are set out below (the figures based on those claimants over 60 years of age).

- 3.4 **Cease to issue travel tokens:** This will reduce the cost by £162,000 per annum (including £26,000 admin costs)
- 3.5 **Only offer travel tokens to those aged 75 years and above, with those aged 80 years and above not paying the handling charge:** This will reduce the cost by £88,000 per annum plus a proportion of the admin costs.
- 3.6 **Only offer travel tokens to those aged 75 years and above, with the handling charge removed for all claimants:** This will reduce the cost by £80,000 per annum plus a proportion of the admin costs.
- 3.7 **Only offer travel tokens to those aged 80 years and above, with the handling charge removed for all claimants:** This will reduce the cost by £119,000 per annum plus a proportion of the admin costs.
- 3.8 The travel token scheme is preferred by some beneficiaries which is why they opt for tokens rather than the bus pass. However, the new statutory scheme will be more generous in what it offers bus users. Promoting bus use is a high priority in sustainable transport terms and greater use of buses is of benefit to all in making services more viable and sustainable. Given the very high additional cost that will fall on the Council Tax payer, it is proposed that the travel token scheme not be continued after April 1<sup>st</sup> 2006 when the new bus fare scheme comes into effect. This will save £162,000 per annum which will offset part of the additional cost of the concessionary bus fares.

#### OTHER CONSIDERATIONS:

##### 4 CORPORATE STRATEGY (RELEVANCE TO):

- 4.1 To maintain budget stability through strong performance and resource management while accommodating the requirements of new legislation and duties.
- 4.2 To deliver 'Best Value' in all our services.

##### 5 RESOURCE IMPLICATIONS:

- 5.1 The recommendations for the free fare bus pass scheme and for the additional subsidy for the Dial-a-Ride services will cost the Council approximately £520,000 per annum to implement over and above the current expenditure on travel concessions.
- 5.2 If the travel tokens scheme is terminated, there could be savings of up to £160,000 per annum although this may be reduced somewhat by a higher take-up of the free fare bus pass scheme in the future.
- 5.3 Any saving from the termination of the travel token scheme can be used to offset the increased costs to the Council of the free fare bus pass scheme. If the total saving from ending the travel token scheme is of the order of £160,000 then the total increase in the Council's expenditure in 2006/07 would be £360,000 above current levels. This needs to be considered as a growth bid as part of the budget process.

Members are reminded that one of the principles agreed as part of the Financial Strategy is that *savings proposals will be sufficient to fund growth proposals and to eliminate the projected deficit*. Accordingly, savings at least equivalent to £360,000 will be required to fund these proposals. These savings are not identified in this report.

- 5.4 During the changeover period, there will be an increase in staff resources required to implement these recommendations which can be absorbed within existing staff costs.

BACKGROUND DOCUMENTS:

File 094000 Concessionary Travel

File 012501 Concessionary Travel Best Value Review

Free Travel for Older and Disabled People, Briefing Notes 1 to 5, MCL Transport Consultants Ltd, 2005

APPENDICES:

- (1) Minutes of the Concessionary Travel Tokens Informal Group on 1 September 2003
- (2) Minutes of the Concessionary Travel Tokens Informal Group on 22 September 2003
- (3) The Half Fare Bus Pass Scheme in Hampshire
- (4) Investigations Requested by the Informal Member/Officer Group.



**Appendix 1****CONCESSIONARY TRAVEL TOKENS INFORMAL GROUP****1 September 2003****Attendance:****Councillors:**

Bailey (P)  
Bidgood (P)  
Busher (P)

Hatch (P)  
de Peyer (P)  
Wright (P)

**Officers:**

Alan Jowsey - Head of Traffic and Transport

Matthew Hill - Sustainable Transport Officer

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**1. APPOINTMENT OF CHAIRMAN**

Councillor Bailey was appointed Chairman of the Informal Group for the remainder of the 2003/04 municipal year.

**2. TERMS OF REFERENCE**

The Informal Group noted the terms of reference as set out.

**3. REVIEW OF TRAVEL CONCESSIONS**

The Informal Group raised the following points during discussion:

- The philosophy behind tokens was that there was a diversity of travel usage, notably in some rural areas where bus services were less frequent. It was noted that although Winchester District was more rural, the indication from Eastleigh Borough Council was that approximately one-third of tokens were used on buses. This was probably reflective on that of Winchester District.
- The Group agreed to work upon the basis that there was to be no or minimal increase in expenditure regarding Concessionary Travel and that if savings could be identified then this be utilised to increase entitlement to those most in need.
- Mr Hill explained the costs for bus passes and tokens and the recouping via subsidy claims by the bus companies. In addition, the benefits and constraints of National and Local Travel tokens was explained.
- The benefits and drawbacks of having identification numbers and/or 'use by dates', pro-rata allocation or even using electronic cards was discussed.

- It was agreed that a 'blanket' allocation of tokens to those only receiving benefits should be discouraged as there was many 'marginal' cases of entitlement that would mean that many would be unable to claim tokens. In addition, more residents would then wish to claim their bus pass entitlement, which costs the Council more per head.
- Investigations regarding token usage were discussed and whether an indication could be gained from researching those redeemed, or by commissioning a questionnaire.
- The Group discussed whether the encouragement of 'take-up' for those aged over 75 could be created by removing handling fee for those aged over 75 and reduce allocation to those aged 60-65 years (whilst keeping bus pass entitlement). Furthermore, it could be considered that the bus pass could be given to all benefit claimants, or to double the value of tokens for those on benefit, and over 60 years. It was noted that this would have significant resource implications.
- The Group considered that some investigation should be given to how the Council should ensure that tokens were used so that a loss is not represented to the Council, as currently occurs.
- The Group noted that although Local Tokens were the preference, there should be some negotiation for their use outside the district to compensate with the anomalies of boundaries with that of healthcare trusts etc and nearest urban centres. This was noted as particularly relevant to those residents of Whiteley.

#### 4. **SUMMARY**

The Informal Group noted that it was desirable to improve access to subsidised public transport to the over 80s, and restrict usage for those aged 60-65.

Members of the Informal Group were requested to consider other potential scenarios to benefit sectors of the population for discussion at the next meeting.

An approach should be made to Eastleigh BC and Basingstoke & Deane DC regarding their negotiations with operators regarding token usage outside the district and best value regarding subsidy.

Members also requested that officers provide evidence to show the geographic take up of tokens to see if they related to frequency of bus service.

The meeting commenced at 2.30pm and concluded at 4.15pm

**APPENDIX 2****CONCESSIONARY TRAVEL TOKENS INFORMAL GROUP****22 September 2003**Attendance:

## Councillors:

Bailey (P)  
Bidgood  
Busher (P)Hatch (P)  
de Peyer (P)  
Wright (P)

Councillor Beveridge, Portfolio Holder for Transport

Officers:Alan Jowsey – Head of Traffic and Transport  
Matthew Hill – Sustainable Transport Officer  
Fred Lyon – Assistant Director of Finance  
Basil Davies – Head of Parking

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It was noted that the minutes of the previous meeting had not been circulated. However, in considering those tabled at the meeting, it was agreed that the request for information on the cost of providing totally free bus passes, and doubling the number of travel tokens, for over 60year olds on benefits had not been recorded.

Mr Jowsey commented that the cost of doubling the number of travel tokens available to those over 60 and on benefits would be twice the current cost of £30,082 (ie £60,164).

Mr Davies explained that the current statistics held concerning the half price bus fares were not particularly helpful in predicting the likely demand for free passes, as the applicants were not asked if they were in receipt of benefits. Mr Hill clarified that the relevant benefits were Income Support or Housing and Council Tax Benefits.

With regard to the potential cost of each free bus pass, it was noted that this was likely to exceed double the cost of the half price pass (ie: £39.42 X 2). The precise cost was calculated by MCL Consultants on behalf of the County and, following a discussion in which the Group noted the variances between the cost of the half price passes between local authorities, it was agreed that Mr Davies should raise concerns about this calculation at the next AGM to be held on 6 October 2003 and report to the Environment and Access Performance Improvement Committee.

Mr Jowsey also explained that cost of providing free bus fares to those on benefits over 60 years old was hard to calculate, as it was difficult to predict the numbers likely to take up this option. However an estimate could be calculated pro-rata on the number of travel tokens used by those on benefits. Mr Jowsey commented that 1000

eligible people at a cost of £100 each could request this, giving a net additional cost of £60 per person after deducting the saving of £40 for the existing half fare bus passes. However, if recommended to Cabinet, the request would be dealt with as a growth item in what was likely to be a tight budgetary process.

The Group therefore agreed not to recommend this change in policy to the Performance Improvement Committee at this stage. However, in an attempt to better estimate the likely numbers that would take up the free bus passes, it was agreed to ask applicants of the current half price passes whether they were in receipt of benefits. This would be incorporated into the questionnaire to be sent to all renewal applicants – see below.

A Member also raised questions on bullet points two and five of the minutes of the previous meeting, but the Group agreed the minutes to be a correct record.

5. **REVIEW OF TRAVEL CONCESSIONS – SUPPLEMENTARY REPORT TO THE CONCESSIONARY TRAVEL INFORMAL GROUP**

The Group discussed paragraph 2.1 of the report and the possibility of conducting a survey to discover how and where the travel tokens were being used. It was agreed that the questionnaire should be carefully drafted so as to avoid confusion or create the fear that the service was to be reduced. It was therefore agreed that the officers should draft the questionnaire and email to it to the Group for comment. The final questionnaire would then be sent to all applicants seeking to renew their tokens and it would enquire whether the applicant was in receipt of benefits.

The Group discussed paragraph 2.2 of the report – the possibility of removing the travel token charge (currently £7) for those over 80 years. Following a debate, the Group agreed to the proposal and, in noting the greater number of people who would benefit from this change who were under 80, agreed to recommend that the feasibility of extending this to 75 years and younger be further investigated at a later date.

The report also considered whether that the eligibility age should be raised from 60 to 65 in one year increments over a period of five years which would save £17,000. However, the Group concluded that this was likely to cause concern in the community and noted that changes in government legislation due to become effective in 2010 would raise the eligibility to 65 years, with the result that any Council led rationalisation would only be fully effective for four or five years. In the light of this and the relatively small amount of savings the change would make, the Group agreed to not recommend this proposal to Committee.

At the request of the Chairman, Councillor Beveridge commented that the removal of the charge to those over 80 had social and safety related advantages whereas the overall benefit of providing tokens to all 60 year olds was questionable.

The Group discussed paragraph 2.3 and the possibility of converting to a locally run travel tokens scheme and noted the experiences of Basingstoke and Deane District and Eastleigh Borough Councils who had both moved from the nationally run scheme. Members noted that the nationally run scheme was operated by Stagecoach but agreed that the option of locally run travel tokens should not be further explored until further information from the questionnaire is available. The Group also noted the lack of flexibility it offered users over the national scheme and

that it could limit the travel options for residents who lived near the district's boundaries.

With regard to paragraph 2.4 of the report, the Group noted that concessionary travel was available to those under 60 years old if they were severely disabled and proposed no change in respect of this policy.

The Group also noted the figures set out in the report at paragraph 2.6 that illustrated the number in age bands that had taken up the half price bus tokens in the period August 2002 – August 2003.

Mr Jowsey explained that the Council provided free fare bus passes to those who are registered blind and the Group endorsed the continuation of this policy.

Mr Hill presented to the Group a map that illustrated where the concessionary travel users lived. However, the Group noted limitations with the format of the map and the costs that would be involved with further analysis and therefore recommended that no further action be taken on this.

At the conclusion of the debate, Members thanked Officers for their work and Mr Jowsey confirmed that their recommendations would be reported to the next meeting of the Environment and Access Performance Improvement Committee and then Cabinet.

The meeting commenced at 2.30pm and concluded at 4.15pm

Chairman

**Appendix 3****- The Half Fare Bus Pass Scheme in Hampshire**

MCL is a consultant acting on behalf of Hampshire County Council; each District - with the exception of Southampton; and the bus operators, to provide a fair method in which to run a Half Fare Bus Pass scheme in the county.

The scheme is run as a 'pooled' resource. In other words, each local authority contributes an amount towards a single pool of money which is then redistributed to the transport operators. MCL have a complex formula to calculate how much each local authority contributes towards this single pool. This is based on the following:

- Size of District;
- Proportion of Urban Area;
- Population of District;
- Amount of other travel concessions available;
- Amount of other travel concessions that are redeemed;
- Overall bus patronage;
- Number of Bus Passes that are issued;
- Estimated number of bus journeys that would use the bus pass;

**Appendix 4****– Investigations requested by the Informal Group**

The Concessionary Travel Tokens Informal Group met on the 22 September 2003 to discuss further improvements to the Concessionary Travel Schemes that Winchester City Council offers to the public.

The Informal Group decided that the scope of the Group was to consider and recommend upon the longer-term future of the use of concessionary travel tokens and other strategic issues connected with concessionary travel in the district. The Group asked officers to research a number of issues that would assist in deciding how to progress alternative travel concessions.

These issues were:

- Conduct a survey of travel token and bus pass users to determine when, where and how they use their travel concession
- Free fare bus pass for those on certain benefits and over 60 years of age
- Change from National Travel Tokens to local travel tokens
- Removal of handling charge for travel tokens for those between 75 and 80 years of age

*(i) Conduct a survey of travel token and bus pass users to determine when, where and how they use their travel concession*

Over 11,500 questionnaires were sent out to each travel token and bus pass user in Winchester in 2003/4. Approximately 7,200 (63%) were returned. Over 2,700 of these returned questionnaires have been entered into a database for further analysis. These returns were principally from users who claimed travel tokens.

The following results regarding the use of travel tokens were derived from the questionnaires that had been entered into the database:

- 25% used tokens to purchase a Railcard
- 24% used tokens for taxi journeys
- 20% used tokens for bus journeys
- 2% used tokens for train fares
- 1% used tokens on coaches
- Less than 1% were used on Dial-a-Ride services
- 26% provided mixed answers or no answer at all

Additionally, 7% stated that they only used the tokens to subsidise journeys by Taxi to and from the airport.

It is estimated that there were a further 4,430 questionnaires that were not entered into the database. These comprised of 1,800 that were claiming travel tokens; 670 that claimed a Half Fare Bus Pass and were on benefits; and 1,960 from those who claim a Half Fare Bus Pass and are not in receipt of benefits.

In summary, 25% of respondents used their tokens to purchase rail cards; 24% use the tokens for taxi journeys; and 20% used the tokens for bus travel.

#### Results of the Survey

##### **(a) Request to establish how many users live in the Southern Parishes and would be affected by changing from National Travel Tokens to local travel tokens**

It was not possible to carry out a geographical survey of users. It is therefore not possible to directly identify what proportion live in the southern parishes and would regularly cross the Winchester borders using public transport.

##### **(b) Request to find out how many Half Fare Bus Pass Users who also claim certain benefits with a view to creating a free fare bus pass for those on certain benefits**

From the returned questionnaires, it is estimated that there are 9.4% of concessionary travel users who use the half fare bus pass but also claim benefits.

##### *(ii) Free fare bus pass for those on certain benefits and over 60 years of age*

The Informal Group discussed the motion that we should offer free fare bus passes to all those aged above 60 years who were in receipt of certain benefits. This has now been superseded by the Government's announcement of free fare bus passes for all those aged 60 years and above.

##### *(iii) Change from National Travel Tokens to local travel tokens*

The Council offers two forms of travel concession - the statutory half fare bus pass and the non-statutory travel token. The travel token scheme is managed by Winchester City Council using tokens issued by National Travel Tokens. The company National Travel Tokens is part of the Stagecoach group of companies.

Some local authorities within the Hampshire districts have already reviewed their travel concessions and decided to offer users their own brand of travel token (a 'local' travel token). The Informal Group asked officers to investigate the possibility of Winchester City Council changing from National Travel Tokens to local travel tokens. The advantages and disadvantages of each option are shown below.

##### **(a) Local travel tokens**

- There would be an initial outlay in producing the local tokens;
- The Council would have to negotiate with each individual transport operator so that they would agree to accept the tokens. Larger transport operators will require a percentage fee to cover its own costs in administering the local token;
- Local tokens only have a financial burden to the taxpayer when they are redeemed by the transport operator;



- It is possible to determine how the tokens are being used and where;
- Can have an expiry date;
- Users will find that they cannot use the local tokens outside of the District. This is particularly more important for those living in the south of the District who travel into the Solent conurbations. They may be able to use the local token to get to their destination, but may not be able to use them on a return journey.

(b) National Travel Tokens

- National Travel Tokens are purchased in bulk by Winchester City Council prior to issuing to the public. This means that even if the tokens are not redeemed, they are a financial burden to the Council.
- Scheme is already in operation and negotiations have already taken place with transport operators;
- It is not easy to determine on which transport operator National Travel Tokens are being spent. This sort of information is used to detect and act upon travel trends. It would be easier to derive this information from local tokens because each transport operator would redeem its own tokens with the Council.
- National Travel Tokens do not have an expiry date therefore can be redeemed at any time and anywhere in the country that accepts the token.

After consultation with other local authorities, officers consider that although there may be a long term saving in changing over to local travel tokens, there may be social exclusion issues that need to be considered and investigated further.

It is recommended that if we are to pursue the issue of changing over to local travel tokens, then officers must be instructed to carry out further investigation and analysis.

*(iv) Removal of handling charge for travel tokens for those between 75 and 80 years of age*

As an incentive to encourage social inclusion, the Council approved dropping the handling charge for travel tokens for those who were 80 years and above. To date over 1,300 people have received this additional benefit. This includes 213 (15%) who have changed from the Half Fare Bus Pass to claiming travel tokens. This figure is expected to rise as it is known that there are over 1,800 travel token users who are aged 80 years and above.

The Informal Group asked officers to consider extending this benefit further to those who are aged 75 years and above. This is discussed in more detail within the main body of the report.