

Title of meeting: Traffic & Transportation Cabinet Member Decision Meeting

Date of meeting: 22nd September 2022

Subject: Concessionary Fares Scheme Revision to start time and transitional reimbursement rate

Report by: Tristan Samuels, Director Regeneration

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1 The purpose of the report is to consider proposed changes to the operational hours of the older persons bus pass and a proposed revised reimbursement rate for concessionary travel.

2. Recommendations

It is recommended that the Cabinet Member for Traffic and Transportation:

- 2.1 **Approves the revised start time for holders of Portsmouth City Council older persons concessionary bus pass from 0930 to 0900 on Monday to Friday (except bank holidays);**
- 2.2 **Approves an amended transitional reimbursement rate in line with updated Department for Transport guidance;**
- 2.3 **Approves a six-month trial to allow holders of Portsmouth City Council older persons concessionary passes free travel before 0900 to hospital appointments;**
- 2.4 **Notes that all three recommendations will be monitored and reported back to Traffic & Transportation Cabinet meeting in February 2023 when the council proposes the reimbursement rate for 2023/24.**

3. Background

- 3.1 Portsmouth City Council administers the English National Concessionary Travel Scheme for residents of the city under the terms of the Concessionary Travel Act 2007, and the Mandatory Travel Concession (England) Regulations 2011. The scheme allows eligible pass holders free off-peak travel on local buses. Off peak is defined as 0930-2300, Monday to Friday and any time weekends and bank holidays. Bus operators are normally reimbursed on a 'no better no worse' basis for the loss of revenue forgone for the journeys made. This is calculated by using the average adult fare and specific additional costs incurred, because these can change, an updated scheme is required to be published annually. Since the start of the pandemic, different arrangements have been in place following Department for Transport guidance. Currently, reimbursement is based on the percentage of pre-Covid mileage operated. This is on a tapering scale.
- 3.2 The current start time for use of older persons' concessionary passes on Mondays to Fridays (except bank holidays when travel is allowed at all times as on weekends) is 0930. This is in line with the statutory scheme. Portsmouth City Council residents who are eligible for a Disabled Person's or companion pass have been able to travel at all times following a decision on 2 April 2020¹. The proposed change here would allow holders of a Portsmouth City Council Older Person's pass to travel free of charge 30 minutes earlier by bus.

4. Engagement

- 4.1 The Council has engaged with both First Bus and Stagecoach who operate local bus services in Portsmouth. Peak bus travel has reduced since the pandemic, but peak travel times have also spread due to a change in work patterns. Some bus services are yet to return to their full frequency. For these reasons, it is suggested that engagement continue with bus operators to identify any impacts on the ability to carry all intending passengers on journeys between 0900 and 0930.

5. Implications of moving start time to 0900

- 5.1 This will allow greater freedom of movement for Portsmouth residents and make it easier for them to take part in community activities or volunteer in charity settings where travel costs have been a barrier. In the recent hot weather, it will allow free travel earlier at the cooler time of day.
- 5.2 There are two potential impacts of allowing free travel for holders of Portsmouth City Council older person's concessionary passes from 0900. Those who currently pay the normal fare will use their passes and the cost of reimbursement will fall on the scheme. Portsmouth City Council's consultants, MCL, looked at this in 2018 and suggested that it would cost approximately

¹ [Disabled persons bus pass - Portsmouth City Council](#)

£78,000 if just Portsmouth residents were allowed to travel or £98,000 if all England passholders are allowed to do so. A new report for 2022 on the impact was not commissioned due to the cost and the level of accuracy would be less with concessionary fare pass at less than 70% of pre COVID levels.

- 5.3 The council believes this to have a full year effect of £78,000 based on calculations by our retained Consultants, MCL. Those passholders who currently pay to travel between 0900-0930 will have their fare met, which will be an additional cost to the scheme, Those passholders who delay their journey to 0930 and travel after 0900 instead already have the cost of their journey met but will increase the number of passengers travelling between 0900-0930. There may be a pressure on capacity due to extra people travelling between 0900 and 0930. Ultimately this could lead to a claim for extra peak vehicle costs from the bus operators. We do not think that this is likely but propose that we work with the bus operators to monitor the situation. Usage and costs will be reported back to Traffic & Transportation Cabinet meeting in February 2023 when the council proposes the reimbursement rate for 2023/24.

6. A six month trial to allow holders of Portsmouth City Council older persons concessionary passes free travel before 0900 to hospital appointments

- 6.1 With earlier hospital appointments increasingly common and travel costs potentially an issue, a trial is proposed whereby holders of older persons concessionary passes be allowed to travel free before 0900 on presentation of their pass and the relevant hospital appointment confirmation such as card, paper or digital letter or text message for the time and date in question With details to be agreed following engagement with healthcare providers and bus operators . A six month trial is proposed to assess what use would be made of such a facility. It is estimated that the full year cost would be £5,000 for both First and Stagecoach. At the time of writing First bus has agreed to join the trial. Reimbursement rate would be the same as for holders of Portsmouth City Council disabled persons concessionary passes who are eligible to travel at all times.

7. Amended transitional reimbursement rate in line with updated Department for Transport guidance

- 7.1 Concession authorities are required to publish their local concession scheme annually. This sets out how reimbursement will be calculated, any enhancements to the statutory scheme and any updates reflecting changes to Department for Transport guidance.
- 7.2 The English National Concessionary Travel Scheme for 2022/2023 for Portsmouth was approved on 24 February 2022². This reflected then DfT

² [Concessionary fares scheme reimbursement to bus operators.pdf \(portsmouth.gov.uk\)](https://www.portsmouth.gov.uk/concessionary-fares-scheme-reimbursement-to-bus-operators.pdf)

guidance that reimbursement as a percentage of pre-Covid mileage should reduce by 5% every second month from April 2022 to March 2023. As the City Council makes payments quarterly, the figures were smoothed out to reflect this without affecting overall reimbursement. See table 1 below. For 2021/22 Portsmouth was reimbursing at the lower of 90% of pre-Covid mileage or actual mileage operated.

Table 1

Payment Month	% scale down of LTA pre-Covid concessionary payment
06 April 2022	90%
01 May 2022	90%
01 June 2022	90%
01 July 2022	80%
01 August 2022	80%
01 September 2022	80%
01 October 2022	75%
01 November 2022	75%
01 December 2022	75%
01 January 2023	65%
01 February 2023	65%
01 March 2023	65%

7.3 The decision was based on guidance published before Omicron impacted on the recovery of passenger numbers so in March 2022, the DfT published further advice entitled 'Alternative Covid-19 Recovery Strategy³' recognising the impact on passenger recovery and the sustainability of bus services and suggested a revised approach. This is set out in table 2 but adjusted for quarterly payments.

Table 2

Month:	% scale down of LTA pre-Covid concessionary payments:
01 July 2022	89%
01 August 2022	89%
01 September 2022	89%
01 October 2022	82%
01 November 2022	82%
01 December 2022	82%
01 January 2023	73%
01 February 2023	73%
01 March 2023	73%

7.4 This reflects DfT guidance and allows a gentler transition to allow for the greater impacts of Covid now being experienced. Portsmouth City Council reimburses against actual mileage operated if this is below the agreed percentage. We

³ [The Next Chapter in Our Plan to Rebuild \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

anticipate that actual mileage will match or exceed the values in the table by early 2023.

- 7.5 The overall decision remains with the local authority but the DfT 'urge local authorities to be sensitive to the financial needs of operators' and suggests that the approach in Table 2 is followed. The recent operator network reviews were based on the 2021/22 reimbursement rate of 90% or actual mileage, whichever is the lower. This is greater than the current arrangements which are as set out in Table 1 and so is likely to lead to reductions in service at a time when we are trying to promote extra bus use or unbudgeted requests from operators for additional funding.

8. Reasons for recommendations

- 8.1 The cost-of-living crisis has been identified as a clear priority for the organisation as part of the council's mission to 'work together with partners and communities to stand up for Portsmouth, to improve the city and the lives of our residents, and to tackle the climate crisis' as set out in the corporate plan.
- 8.2 The increased hours of the older persons concessionary pass scheme will allow greater freedom of movement for Portsmouth residents and make it easier for them to take part in community activities or volunteer in charity settings where travel costs have been a barrier. In the recent hot weather, it will allow free travel earlier at the cooler time of day.
- 8.3 Removing travel costs for earlier hospital appointments could reduce financial pressures for older residents and improve health outcomes through improved attendance for these appointments.
- 8.4 The Council is required to provide bus companies with 28 days' notice of any change to the scheme.
- 8.5 Due to Portsmouth City Council proposing to change the travel permitted under the scheme a decision needs to be taken at Traffic & Transportation Cabinet Decision meeting.

9. Integrated Impact Assessment

- 9.1 An Integrated Impact Assessment (IIA) was undertaken in preparation for the 2022/23 annual scheme and is attached in Appendix A. The IIA identified that there were no impacts on the level of service provided to users. As the benefits to users will improve if these recommendations are adopted, no negative impacts are envisaged.

10. Legal Implications

10.1 As a Travel Concession Authority, the Council has, under Section 93 of the Transport Act 1985 (as amended) discretion to offer concessionary travel entitlements in addition to the national minimum requirements prescribed under the English National Concessionary Travel Scheme. Enhanced local entitlements under such concessions are to be funded by the Council by reimbursement to participating bus operators and are limited to travel within the Council's administrative area unless relevant agreements between neighbouring authorities are in place.

11. Director of Finance comments

11.1 The city council asked our consultants MCL to produce a report on the cost of allowing free travel from 0900 in 2018. This estimated that the additional cost would be around £78,000 per annum if only Portsmouth residents were allowed free travel from 0900. If travel was to be for all English pass holders the cost is likely to be around £98,000.

11.2 It is considered that the cost per annum to the city council is likely to be lower, due to most of the travel will be by concessionary pass holders who currently travel already from 0930 but will take advantage of travel from 0900.

11.3 The estimated full year cost for allowing free travel to hospital before 0900 for holders of Portsmouth City Council older persons concessionary passes would be £5,000 for 12 months for both First and Stagecoach. A six month trial is proposed.

11.4 It is estimated that the cost of concessionary fare reimbursement in 2022/23 will be £3.6m based on the currently planned reduction in reimbursement through the year. If the revised reimbursement with a slower rate of reduction were to be introduced the cost of the scheduled mileage is likely to be around £3.8m. Please note, both of these figures are within the allocated budget of £4.2m.

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Signed by:

Appendices:
Appendix A - Integrated Impact Assessment

Background list of documents: Section 100D of the Local Government Act 1972

Title of document	Location
Disabled persons bus pass decision paper	Disabled persons bus pass - Portsmouth City Council
Concessionary Fares Scheme Reimbursement to Bus Operators	Concessionary fares scheme reimbursement to bus operators.pdf (portsmouth.gov.uk)

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: