

APPENDIX 3

Report of: Cabinet Member for Environment and Transport

Briefing to: Overview and Scrutiny Management Committee

Date of Cabinet Decision: 16 February 2009

Subject: Concessionary Fares Scheme 2009/10 Operator Reimbursement

SUMMARY

1. The report gives details of the proposed reimbursement arrangements to the bus companies for participation in the City's Concessionary Fares scheme in 2009/10 and seeks agreement to their publication. It also seeks a number of delegations to enable the results of outstanding appeals to be incorporated into the scheme as necessary.

BACKGROUND

2. The Council is required to give notice to bus operators of the rate of reimbursement it proposes to offer them for 2009/10, and this notice must be served 28 days before the start of the scheme on 1 April 2009. Operators then have 56 days from 1 April to appeal to the Secretary of State if they are not happy with the reimbursement rate proposed.
3. In 2008/9 three appeals were made to the Secretary of State, but to date none have been determined. However, any determination will need to be taken into account in setting the final reimbursement rate for 2009/10, so the report seeks to delegate authority to the Head of Planning and Sustainability in conjunction with the Solicitor to the Council and following consultation with the Cabinet Members for Environment and Transport and Resources to make any necessary variations or amendments to the proposed reimbursement rate to reflect these determinations.

RESOURCES/POLICY/FINANCIAL/LEGAL IMPLICATIONS

4. The Council has a policy to encourage the use of public transport and the provision of a concessionary fare scheme contributes to this. It also accords with the objectives of the Local Transport Plan.
5. The estimated cost of the scheme in 2008/09 is £3,226,100 but the decision on the appeals is not known and this may have implications for the final budget out-turn. For 2009/10 it is estimated that the cost of the scheme will be £3,581.500 but again, this is subject to the determinations by the Secretary of State on the 08/09 scheme which will need to be taken into consideration in the finalised 09/10 scheme. It is proposed to reduce the reimbursement rate from 36p in the £ to 33p in the £ for 2009/10 (following calculations made using the

Reimbursement Analysis Tool issued by the Department for Transport as guidance to authorities on what to reimburse operators), and also to provide for additional costs of 9p per generated trip.

6. The Council must give bus operators a minimum of 28 days notice of the reimbursement rate to be used in the scheme. The bus operators have 56 days to appeal against this figure if they are not happy with the proposal.

OPTIONS AND TIMESCALES

7. Under the terms of the various legislation that governs concessionary fares, the Council has a statutory duty to provide a free scheme between the hours of 09:30-23:00. The Council thus has no option but to set a reimbursement rate that covers all journeys made under the terms of the scheme. The hours of operation of the City's current scheme are 09:00-23:59, with the extended times beyond the statutory minimum being an additional benefit that the Council makes available to its own residents.
8. The proposed reimbursement rates would be applicable for the whole of the financial year 2009/10.