

Leicester
City Council

WARDS AFFECTED: All

CABINET

16th August 2004

Concessionary Travel Scheme

Report of the Corporate Director, Regeneration and Culture

1 Purpose of Report

- 1.1 This report responds to a request from the Cabinet Lead Member for Environment and Development to the Corporate Director of Regeneration and Culture announced at the Council meeting on 1 July 2004 to use delegated powers to reinstate elements of the changes made to the Concessionary Travel Scheme. A resolution passed by the Highways and Transportation Scrutiny Committee Meeting on 16th June also requested Cabinet to make changes to the scheme.
- 1.2 This paper asks Cabinet to consider re-instating some elements of the scheme and to confirm how those elements will be funded from within the Regeneration and Culture Department's budgets.

2 Summary

- 2.1 The report details the changes that were made to the Concessionary Travel Scheme as a result of the Revenue Budget Strategy. The report also offers options for Members to consider if Cabinet wish to re-introduce elements of these budget reductions.
- 2.2 At the Meeting of the Highways and Transportation Scrutiny Committee on 16th June, the following amendment was agreed unanimously:-

“In the light of the Government's policy of Urban Post Office closures and the effect this will have on the need of pensioners to travel more widely, and with the knowledge of the revenue savings found by the Transport Review, the Committee requests that the Cabinet reconsider the changes made with regard to the Concessionary Travel Scheme”.
- 2.3 The report concludes that while it is possible to reinstate concessions for travel out of Leicester and rail travel, the cost of reinstating concessions for travel before 9.30am would have far-reaching consequences for existing services provided by the department.

3 Recommendations

3.1 Members are asked to consider if they wish to reinstate Travel Concessions for elders outside Leicester and by rail,

and, if you do so wish, to

3.2 Option 1
agree that £40,000 to cover the cost of the reinstatement in 2004/5 be found from the highway maintenance budget, and £60,000 pa from the same source in subsequent years.

Or

3.3 Option 2
agree that £40,000 to cover the cost of the reinstatement in 2004/5 be found from Regeneration and Culture Departmental reserves, and £60,000 pa from 2005/6 from increasing the charges for on-street parking.

Or

3.3 Option 3
agree that £40,000 to cover the cost of the reinstatement in 2004/5 be found from Regeneration budgets, and in particular from the Economic Development and Community Safety Grant Aid budget, and £60,000 pa from the same source in subsequent years.

Or

3.4 Option 4
agree that £40,000 to cover the cost of the reinstatement in 2004/5 be found from Cultural budgets, and in particular from arts and sports grants, and the deletion of the Abbey Park bonfire display, and £60,000 pa from the same source in subsequent years.

Or

3.5 Option 5
agree that £40,000 to cover the cost of the reinstatement in 2004/5 be found from Environment budgets, and in particular from the Riverside Maintenance budget, and £60,000 pa from the same source in subsequent years.

4 Financial & Legal Implications

Financial Implications

4.1 The current budget for Travel Concessions is £1.62m. Members agreed a saving from this budget of £245,000 as part of the 2004/05 Budget Strategy, made up as follows:

| | £K |
|---|------------|
| Removal of pre-0930 concession | 185 |
| Removal of concessions outside the City | 50 |
| Removal of rail concessions | 10 |
| Total | 245 |

4.2 The Chief Financial Officer advises that the savings from the Transport Review are not available to fund the re-introduction of concessionary travel. Those

savings are part of the £3.5m savings required by 2006/7 from the 3 efficiency reviews. They are therefore committed. Another source of funding would be required to reinstate any elements of the above Budget reductions.

- 4.3 Re-instating the concession for travel outside the city and the concessions for rail would require funding of £60,000 to meet the savings identified in the Budget Strategy. Assuming re-instatement from the 1st of August 2004, a pro rata sum of £40,000 would be required in this financial year from other areas.
- 4.4 Four options are suggested for meeting the sum described in 4.3 above. These options are described in section 3 of the attached supporting report.
Paresh Radia, ext 6507, Alan Tomlins ext 7390

Legal Implications

- 4.5 The current budgetary provision for travel concessions complies with the minimum level of provision required under the Transport Act 2000.
- 4.6 The Council's Budget and Policy Framework Procedure Rules provide that once the Council's budget and policy is in place the Cabinet has responsibility to implement it.
- 4.7 Corporate Directors have Delegated Authority under the Finance Procedure Rules to vire amounts in their budgets of up to £100,000. When exercising Delegated Authority Corporate Directors need to take into account overall pressures within their revenue budgets and be consistent with the Council's Budget and Policy Framework. The Council's Budget and Policy Framework Procedure Rules and the Finance Procedure Rules also have to be read in the light of the Council's Scheme of Delegation to the Corporate Director of Regeneration and Culture which specifically requires her to report to Cabinet policy developments of a strategic significance
Anthony Cross, Assistant Head of Legal Services. Ext 6362

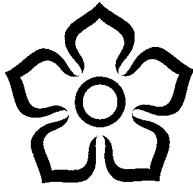
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DECISION STATUS

| | |
|--------------------------------------|----------------------------|
| Key Decision | No |
| Reason | N/A |
| Appeared in Forward Plan | No |
| Executive or Council Decision | Executive (Cabinet) |



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16th August 2004

CONCESSIONARY TRAVEL SCHEME: Supporting Information

Report of the Corporate Director, Regeneration and Culture

Report

1. Background

- 1.1 As part of the Budget Strategy process, Members agreed cost reductions in the Highways and Transportation Base Budget for the 2004 – 2005 financial year.
- 1.2 Officers identified a number of options that achieved a reduction in expenditure on the Concessionary Travel Scheme and these were considered by Members through the budget process.
- 1.3 Members agreed the following changes as part of the Council's Revenue Budget, made effective from 2nd May 2004:

 Holders of Leicester City Council Senior Citizens Travel Concession Passes were no longer able to travel at concessionary rate (half fare):

- Outside Leicester City boundary.
- Before 0930 on Monday to Friday (except on public holidays).
- On train services

- 1.4 The validity of Travel Passes issued to Disabled People was not changed.

2. Reaction to the Changes

- 2.1 Members will be aware of the reaction of elders arising from the changes.
- 2.2 Two Petitions were presented to full Council on 27th May:

- A Petition with 64 signatures was presented by Councillor Garrity - "Hendon Grange – A petition against the withdrawal of concessionary fares by bus into Oadby where banks, shops, doctors and all facilities are the most convenient."
 - A Petition with 512 signatures was presented by Councillor Smith – " We, the undersigned, object strongly to the proposed changes to older peoples travel passes. The changes will seriously disadvantage older people at a time of rising Council taxes and static pensions. We call upon the City Council to preserve the current system and put the pensioners first".
- 2.3 These petitions will be responded to at a future meeting of the Leisure and Environment Scrutiny Committee.
- 2.4 At the Meeting of the Highways and Transportation Scrutiny Committee on 16th June, Members agreed the following amendment unanimously:
- "In the light of the Government's policy of Urban Post Office closures and the effect this will have on the need of pensioners to travel more widely, and with the knowledge of the revenue savings found by the Transport Review, the Committee requests that the Cabinet reconsider the changes made with regard to the Concessionary Travel Scheme".
- 2.5 At the Council meeting on the 1st of July the Lead Member for Transport and Environment asked the Corporate Director of Regeneration and Culture to re-instate travel concessions for elders. This paper brings to Cabinet options for making that re-instatement.
- 3. Implications of the Options for Re-instatement**
- 3.1 If Cabinet wish to reinstate these travel concessions you need to consider where alternative funds may be found within the Department's budgets. Funding the re-introduction of travel concessions from the savings identified by the Transport review, as suggested by the Highways and Transportation Scrutiny Committee on 16th June, is not an option. Those savings are part of the £3.5m savings required by 2006/7 from the 3 efficiency reviews. The Chief Financial Officer advises that the savings are committed for other Council priorities.
- 3.2 The Regeneration and Culture Department undertook a major review of management and delivery to deliver savings of £1,000,000 as part of the budget process. Delays in introducing the savings resulting from the advice review have further added to the budgetary pressures in the department. Capacity to make further year on year revenue savings is therefore somewhat limited without making reductions in service delivery.
- 3.3 Officers have examined the departmental budgets available to them make further savings and recommend that any such savings are restricted to non-staffing budgets. The costs of making staff redundant may outweigh the savings generated in the short to medium term, and are unlikely to generate the savings needed to deliver the re-introduction of travel concessions over the next few years. Other budgets available are tied into contractual arrangements (waste collection, for instance), or would result in a multiplier reduction in income (loss of planning grant, for example).

- 3.4 The cost of restoring the pre 9.30am concessions at £185,000 per year is prohibitively high and will result in noticeable reduction in the level of services, and staff redundancies (along with the additional costs of redundancies). Officers do not recommend this concession is reinstated.
- 3.5 Four possible options for funding the reintroduction of concessions for travel out of Leicester and on railways are put forward in this paper:
- funds from Highway maintenance
 - funds from Economic development grants
 - funds from Riverside maintenance
 - funds from arts and sports grants and the Abbey park bonfire display
- 3.4 The first call for meeting these costs must be from within the interested Division within the Regeneration & Culture Department (Transport and Highways). However, officers have suggested further options if Members are unwilling to fund the re-introduction of concessionary travel from present and future highways maintenance budgets or increasing on-street parking charges.
- Option 1: Highway Maintenance Budgets**
- 3.6 £60,000 per year to cover the costs of reinstating travel concessions could be met from the highways maintenance budgets. However, the Best Value review of highway maintenance and the subsequent highways asset management strategy placed significant impetus on the care of the city's roads, noting that there had been under investment in previous years and that there is a current backlog of overdue repairs. Viring funds from this budget will mean that some maintenance will not be completed and will have consequences for future maintenance programmes and costs.
- 3.7 The highway maintenance budget is £5.09m this year. Much of the budget is already committed to advance maintenance programmes and specific schemes. However the anti-skid surfacing (£30,000) and Joint sealing (£20,000) budgets remain uncommitted at present. Works are scheduled to be instructed from these budgets before the end of the year, but could be delayed or reduced.
- 3.8 Anti-skid surfacing is laid at junctions and pedestrian crossings to reduce skidding and reduce stopping distances in the event of vehicles losing control, especially in emergency stop situations. Anti skid surfacing is therefore a valuable road safety technology and has implications for casualty rates. Joint sealing is to seal cracks in the road which arise from long term wear or from substandard public utility reinstatements. Sealing these joints and cracks keeps water from permeating the road surface, resulting in increased longevity and therefore helps to reduce future maintenance costs.
- 3.9 **Option 2: On Street Parking Income**
The Regeneration and Culture Department has un-allocated reserves of £405,000 in 2004/05 to cover pressures on the budget such as the overspend in the Regeneration Division caused by the delay in implementing the Advice Review and increasing energy bills across the department. £40,000 could be vired from the balances in 2004/5 to cover the costs of reinstating concessionary travel in the current year only..
- 3.10 Parking charges were last amended in April 2004, as part of the Council's revenue budget strategy to raise an additional £100,000 towards the cost of

supported bus services. Members agreed a similar further increase next year, as well as an expansion in the area covered by on-street charges, so that, over a period of years, the full cost of supporting unprofitable bus services can be met either from on-street parking income or from external sources.

- 3.11 The increase would need to be set at 20p per band to cover both meeting the costs of reinstating concessionary travel as well as funding bus subsidies from 2005/6(see Table 1 below). If the usage of on-street parking remains at present levels this small increase could result in additional income of £208,000 per year. However, the risk that raising the charges will result in decreased use is high, so a cushion is needed to minimise the risk that the target of £60,000 per year and the revenues necessary to fund subsidised bus services are not raised. If the target was not achieved compensatory savings would have to be made in other services. If the department exceeds the £60,000 target any additional income, once £40,000 has been repaid to the departmental reserve, could be used to meet shortfalls in the amounts required to continue to subsidise bus services.

Table 1

| | Centrally Located Bays | |
|--------------------|------------------------|--------------------|
| | Current | Proposed 2005/6 |
| ½ hour | 80p | £1.00 |
| 1 hour | £1.40 | £1.60 |
| 1 ½ hours | £2.10 | £2.30 |
| 2 hours | £2.70 | £2.90 |
| Outer Located Bays | | |
| 1 hour | 70p | 90p |
| 2 hours | £1.20 | £1.40 |
| 3 hours | £1.70 | £1.90 |

Option 3: Regeneration Budgets

- 3.12 The Economic Development & Community Safety Group has a budget of £90,000 for supporting the voluntary sector to meet the city-wide employment strategy and ensuring that disadvantaged communities of the city are enabled to access and join the labour market. Two new funds in particular, the Economic Development Fund (£30,000) and the Social Enterprise Fund (£60,000) could be significantly reduced to support the re-introduction of travel concessions. These are both new funds and as yet, no commitments have been made in respect of the funds. £40,000 from these funds could be vired to meet the costs of re-introducing travel concessions in 2004/05; and the funds significantly reduced to £10,000 in future years, with £60,000 per year vired to meet the continuing costs of re-introducing travel concessions.

Option 4: Cultural Budgets

- 3.13 £16,400 could be vired from the Small Arts grants budget, and £16,500 from the Small Sports Grants budget along with a reduction of £5,000 from the Abbey Park Bonfire budget to meet the costs of re-introducing travel concessions in 2004/05. The Small Sports Grants budget is used to fund individual sports men and women for training and attendance at sporting events, and for one-off occasional small grants of up to £500 to organisations such as local badminton, football and netball clubs. The Small Arts grants budget is used to fund a range of voluntary organisations for one-off arts activities. These range from storytelling

to Indian Classical dance, and from Irish dancing to writers groups. In future years, in addition to the virements from arts and sports grants budgets, the whole of the Abbey Park bonfire budget would need to be vired to the Highways and transport Division, and the event deleted, to meet the continuing costs of re-introducing travel concessions.

Option 5: Environment Budgets

3.14 The Riverside Budget of £78,000 is used for cleaning the Riverside, litter picking and some general maintenance. This budget is the only currently available source of funding for Riverside work. The riverside is an area of strategic development for the city. Reducing this budget may result in increased littering, silting and graffiti in the riverside. While a reduction in the budget could result in front line cleaning staff reductions, it may well be possible to find alternative jobs with City Cleansing for the staff involved. £40,000 could be vired from this budget in 2004/05, and £60,000 in future year to meet the costs of re-introducing travel concessions.

4.0 Risk Assessment Matrix

| Risk | Likelihood L/M/H | Severity Impact L/M/H | Control Actions (if necessary/or appropriate) |
|--|-----------------------------|--------------------------------------|--|
| 1 Reduction in Highway maintenance result in increased expenditure in future maintenance | M | L | Increase support of highway maintenance from non LTP sources |
| 2 Reductions in other services unpopular with residents and impact on service delivery | H | L | Reductions might not be irreversible and could be addressed in future budget strategies provided either, extra funding was made available to the department or the other services in the department could be de-prioritised. |

L - Low
M - Medium
H - High

L - Low
M - Medium
H - High

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

Financial Implications

5.1 Included in report
Paresh Radia, ext 6507, Alan Tomlins ext 7390

Legal Implications

5.2 Reinstatement of any previously deleted concession has to be in accordance with the Council's Constitution. The relevant provisions are the Budget and Policy Framework Procedure Rules, the Financial Regulations and the Scheme of Delegation to Chief Officers.

5.3 The effect of this is that the proposal to reinstate previously deleted Concessionary Travel Scheme provisions requires the approval of Cabinet.

5.4 The current provisions of the Council's Concessionary Fare Scheme comply with the minimum requirements of the Transport Act 2000

6 Other Implications

6.1

| OTHER IMPLICATIONS | YES/NO | PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS |
|-------------------------------|--------|---|
| Equal Opportunities | Yes | Section 2 |
| Policy | Yes | To increase the usage of public transport. To achieve improvement in user satisfaction regarding bus services. |
| Sustainable and Environmental | Yes | |
| Crime and Disorder | No | |
| Human Rights Act | No | |
| Older People on Low Income | Yes. | Section 2 |

7 Background Papers –

- **Local Government Act 1972**
- **On street Parking income and Expenditure 2004/5**
Cabinet 15/03/04
- **Council Budget Strategy**
February 2005

8 Consultations

Consultee
H & T Scrutiny Committee

Date Consulted
16 June 2004