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**Meeting of Executive Members for  
City Strategy and Advisory Panel**

**14 July 2008**

Report of the Director of City Strategy

**RESPONSE TO PETITION ON CONCESSIONARY TRAVEL  
TOKENS**

**Summary**

1. This report has been written in response to a petition submitted by Councillor Simpson-Laing in April 2008. The petition requests that the travel token allocation be returned to £40 for the financial year 2008-09.
2. The report briefly outlines the recent history of travel token distribution in York and compares the current CoYC arrangement to the provision in other areas of England.
3. The report outlines the cost implications of an increase to the travel token allocation in 2008-09 and proposes two options for a way forward.

**Background – City of York**

4. Travel tokens have been distributed by City of York Council for well in excess of 30 years to eligible individuals and are used to assist with the cost of transport.
5. The main advantage of National Transport Tokens is that they provide a choice of travel for those people who live where there are inadequate bus services or who have a disability which prevents them from using a bus, or simply for those people who prefer to retain the flexibility to choose their own form of travel. National Transport Tokens provide an alternative to the bus pass and can be redeemed against taxi, rail and bus fares.
6. The main disadvantage of the Tokens is that the amount (£20 per annum for 60+ concessions) is relatively low and is not sufficiently directed at those people who really need it (ie if you are 60+ or registered disabled then you are entitled to make the choice between the bus pass or tokens irrespective of your individual circumstances).

7. For many years the annual individual token entitlement was £24 and was the only concession provided by CoYC. In 2001 the North Yorkshire Concessionary Fare pass was launched entitling holders to half fares on all bus services and in 2004 an addition to the half fare concession on buses across North Yorkshire, 25p (single) and 50p (all day) tickets to be used within the CoYC boundary was launched. In 2004 the tokens rate increased from £24 to £50.
8. In 2008 the Tokens rate reduced to £20 per person as a result of a decision reached at budget council providing a saving of £51,000.
9. The total cost of tokens distributed by CoYC to elderly persons has fluctuated in the last few years:

Year	Cost (£)	Cost per person (£)	Token claimants (A)	Pass claimants (B)	All claimant total
2003/4	509,562	24	21589	12972	34561
2004/5	1,098,750	50	22387	14657	37044
2005/6	830,690	40	21098	18625	39723
2006/7	624,400	40	15774	23936	39710
2007/8	518,730	40	13184	27826	41010
2008/9	146,520	20	7326	34500	41826

A – Includes claimants receiving reduced allocation in 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarters of the year. 2008/9 figure reflects tokens issued to 01/04/08 - 24/06/08.

B – Overstated figures due to inclusion of people who may have died/moved away since pass issue. 2008/9 figure is subject to confirmation after reconciliation of records is completed.

10. In 2008/9 the number of bus passes distributed rose almost in direct proportion to the reduction in tokens distributed. Whilst there has been a significant saving following the reduced level of tokens issued it is anticipated that there will be a significant increase in the value of concessionary fare reimbursement. At this time it is still assumed that the net saving of £51k agreed at budget council will be achieved.
11. In 2006 the Concessionary bus pass entitled free bus travel for journeys commencing or ending in North Yorkshire and in 2008 the bus pass entitled free bus travel for all journeys made in England.

## **Background – UK examples of token provision**

12. Local Authorities across England offer a variety of token provision. For the purposes of this report examples have been divided into provision of tokens to people with disabilities and to the over 60's. A more comprehensive analysis of the token provision of a range of Councils is outlined in the annexes to this report.

### **Provision for people aged over 60 yrs**

13. CoYC (£20) has a median provision in terms of Councils that issue tokens to over 60s. It should be noted that there are a significant number of local authorities who offer no alternative to the bus pass.
14. The lowest level of provision is £8 (Selby) and the highest is Blyth Valley (£70).

### **Tokens for people with disabilities**

15. CoYC is generous when issuing tokens to disabled people. Disabled York residents pay £25 and receive £100 worth of tokens. The lowest rate is £8 (Selby).
16. A number of councils (e.g. Bridgnorth) only issue tokens to disabled people (age is not a factor).

### **Number of councils issuing tokens in decline**

17. With the introduction of free concessionary bus travel from 2006, a number of Councils have decided to stop issuing Transport Tokens altogether.
18. Bournemouth Council say that "the Council is looking at new ways to target accessible transport in a better way". Several Councils have brought in a Community Taxi Scheme to replace transport tokens.
19. The anonymity of transport tokens means that they could be used by anyone and could be reimbursed fraudulently by unscrupulous transport providers or members of the public.

## **Options**

20. In view of the information presented above, the scope of this report goes beyond consideration of whether or not to increase the token provision for 2008/9 and requests members to consider concessionary criteria for 2009/10.
21. The options for Members to consider are as follows:

## **Option A**

22. A report to go before the Executive to consider the issuing of an additional £20 worth of tokens to all token holders and remind national bus pass holders that they are entitled to surrender their pass in exchange for tokens if they so wish. The tokens entitlement diminishes as the year progresses (by £5 per quarter based on a £20 maximum annual distribution).

## **Option B**

23. Do not issue any additional tokens for 2008/09 and commission a strategic study for presentation to the Executive to consider qualification and cost criteria for 2009/10.

## **Analysis**

### **Option A - Revising the 2008/09 token distribution**

24. The proportion of tokens for this financial year could only be increased if sufficient finances were made available through the Council's budgetary process. The implications of such an increase would be as follows:
- a) Additional, unbudgeted, events to issue additional tokens to be arranged. Other costs would include publicity and distribution to nursing homes and parishes, etc.
  - b) There could be criticism for confused policy. Significant effort has been invested in the promotion of the new national bus pass which is a statutory requirement.
  - c) The cost of the new national bus pass for 2008/9 is estimated to result in a gross cost increase to the Council even when the reduction in take up of tokens is taken in to account.
  - d) National pass-holders would be able to surrender their passes and claim tokens (to a total sum dependent on the quarter of the financial year the tokens are claimed in ).

### **Option B - No additional tokens for 08/09 and a strategic plan for the future of concessionary entitlement**

25. a) There would be no unbudgeted, additional cost for the distribution of concessionary entitlement in 2008/09.
- b) A budgetary decision would be required at Executive level to approve a study into the future of concessionary entitlement.

## **Corporate Objectives**

26. The Council's Improvement Priority to increase the use of public and other environmentally friendly modes of transport is relevant to this report.
27. With the introduction of a national bus pass, tokens are of principal benefit to those who are unable to use a public bus, because of distance from a bus service or through a lack of mobility.

## **28. Implications**

### **Risk Management**

29. In compliance with the Council's risk management strategy the risks arising from the recommendations have been assessed.

### **Financial**

### **Option A**

30. The saving from the reduction in the value of tokens combined with the reduced number of claimants for tokens totals £372k. Unfortunately it will not be possible to accurately determine the offsetting increase in the value of concessionary fare reimbursement since there are a number of other factors influencing the number of bus pass journeys being undertaken in 2008/09 (eg the actual number of trips being undertaken by non CYC residents). Therefore the impact on the overall budget of a decision to increase the value of tokens cannot be fully evaluated. For that to be possible it will be necessary to have a larger set of data from the bus companies to make a more reliable forecast of concessionary trips being undertaken.
31. The provision of a further £20 value of tokens for those who have accepted bus tokens would cost a total c £150k higher than the current level of expenditure. The administrative cost of providing the additional tokens is estimated at £30k. This equates to approximately £4.30 per claimant. The actual cost of increasing the level of tokens would therefore be £180k.
32. Were Members to approve option A) a report would need to be taken to the Executive who if they agreed to the recommendation would need to consider whether the additional cost should be funded from council reserves as a one-off decision and reviewed as part of the budget process or a supplementary estimate awarded. This issue was not identified as a call on the contingency when the 2008-09 budget was set.

## **Option B**

33. Budget Council has agreed that £40,000 be assigned for a review of subsidised transport. A study into the future provision of concessions could be incorporated into this review.
34. The Council will then be able to reflect on the major changes that have occurred in the past year with the launch of the national bus pass and the reduction in token provision.
35. The proposed report will consider the role that tokens (or an alternative form of concession) might play for the next financial year and will allow the Council to plan for the implementation of the resulting budgetary and logistical recommendations.

## **Equalities**

36. In the event that CoYC decides to issue additional tokens we will need to ensure that all entitled residents are advised of the changes and are provided with sufficient opportunity to claim.

## **Strategic**

37. Option A may result in a significant risk to the reputation of CoYC as a result of a policy 'u-turn'. The adoption of option B may result in changes to Council policy on concessionary entitlements.

## **Legal & Regulatory**

38. CoYC is legally obliged to offer entitled residents the English National Concessionary Travel Pass. The Council is also entitled to provide alternatives, in addition to the pass, but this is entirely at its own discretion.

## **Physical (Crime and Disorder)**

39. Transport tokens are anonymous, could be used by anyone and could be reimbursed fraudulently by unscrupulous transport providers or members of the public.

## **Competitive**

40. There are no competitive implications as a result of the adoption of any of the proposed options.

## **Human Resources (HR)**

41. If members decide to adopt option A, the team of staff used to distribute tokens will have to be recalled.

## Systems & Information Technology (IT)

42. In the event that CoYC decides to issue additional tokens we will need to ensure that networked laptops are made available

### Other

43. There are no other identified implications

Risk Category	Impact	Likelihood	Score
Strategic	Moderate	Possible	14
Equalities	Minor	Possible	9
Financial	Minor	Probable	10
Organisation/Reputation	Moderate	Possible	14

44. Measured in terms of impact and likelihood, the risk score for all risks has been assessed at less than 16. This means that at this point the risks need only be monitored as they do not provide a real threat to the achievement of the objects of this report.

### Recommendations

45. That the Advisory Panel advise the Executive Member to:

Adopt Option B, not to issue any additional tokens for 2008/09 and commission a strategic study for presentation to the Executive to consider qualification and cost criteria for 2009/10.

Reason: This will ensure that Council reflects on the major changes that have occurred in the past year with the launch of the national bus pass.

The proposed report will consider the role that tokens (or an alternative form of concession) might play for the next financial year and will allow the Council to plan for the implementation of the resulting budgetary and logistical recommendations.

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	<b>Report Approved</b>	✓	<b>Date</b>	30 June 2008
	Ruth Egan, Head of Transport Planning			
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<b>Financial</b> Patrick Looker Finance Manager, City Strategy 01904 551633	
	<b>All</b> <i>tick</i>
<b>For further information please contact the author of the report</b>	

## Background Papers

Second Local Transport Plan 2006 –11

## Annexes

- Annex A      Comparison of local authority token distribution (amounts)
- Annex B      Comparison of local authority token distribution (Breakdown by age)
- Annex C      Comparison of local authority token distribution (Breakdown by disability)