

**Derbyshire Concessionary Travel Scheme**

**Variation Notice 6a**

**Proposed Derbyshire Concessionary Travel Scheme for Elderly and Disabled People on Buses Only 'Gold Card Scheme' from April 2006**

Proposal for the revised 'Gold Card' scheme for travel discounts on **buses** from 1 April 2006 to 31 March 2007, with the option to extend for a further year, subject to agreement between local authorities and bus operators.

***Concession Details – Existing Half Fare Gold Card***

- Where a journey is made from any stop in Derbyshire to any other stop in Derbyshire after 0930 on Mondays to Fridays until the end of timetabled services or at any time on Saturdays, Sundays and Public / Bank Holidays: FREE
- Where a journey is made from any stop in Derbyshire to any other stop in Derbyshire prior to 0930 on Mondays to Fridays: HALF FARE
- Where a journey is made from any stop in Derbyshire to any stop outside Derbyshire within the scheme or vice versa prior to 0930 Monday to Fridays: HALF FARE; after 0930 on Mondays to Fridays until the end of timetabled services or at any other time on Saturdays, Sundays and Public/Bank Holidays: FREE.

***Concession Details – Existing Free Travel Gold Card***

- Where a journey is made from any stop in Derbyshire to any other stop in Derbyshire at any time: FREE
- Where a journey is made from any stop in Derbyshire to any stop outside Derbyshire within the scheme or vice versa at any time: FREE

***Recording of Fares Foregone***

- All journeys must be recorded electronically by a ticket machine capable of storing all data for tickets issued on a computer
- A ticket shall be issued to all passengers making either a free fare or half fare journey.
- Ticket classes shall be included in the ticket machine's stored data so that all tickets issued shall be recorded against the correct type of Gold Card.

## ***Payment***

- Reimbursement will be based on revenue displacement.
- Data of fares forgone shall be supplied electronically by operators at the end of each calendar month.
- Payment to operators shall be made at monthly intervals at the mid point of the month based on the following:
- For the 2006/2007 financial year (April 2006 – March 2007) add 7.25% to the total of reimbursement and revenue foregone in the 2005 calendar year.
- Operators to retain half fare concessionary revenue collected before 0930 hours Monday to Friday to meet additional costs other than where there may be a requirement to provide an additional vehicle. Such requirement to provide an additional vehicle to be subject to audit and survey.
- Where network changes result in an operator's mileage increasing or decreasing over the year the reimbursement payment will be adjusted proportionately using this year's Bus Service Operator Grant claim as the base point.

## Annexe 'B'

Negotiations with Operators commenced in October 2005 to discuss the options available and the likely costs for the introduction of the Government's minimum free travel scheme within Derbyshire District/Derby City Unitary authority areas from 1 April 2006.

Negotiations progressed over a period of time and additional discussions took place with the major bus operators who collectively receive some 75% of concessionary travel reimbursements. Agreement in principle was reached with these operators on a scheme which provided for free County wide travel in accordance with the variation notice at Annexe 'A'. A major part of that agreement was to base payments to operators from April 2006 on the actual 2005 calendar year figures

After agreement had been reached in principle, discussions took place on actual financial figures with the Companies individually.

The legal process for the introduction of the new concessionary travel scheme required a notice to be issued, to operators only, by the 1 December 2005. As the Statutory Instrument defining the scheme was not published at that time and the financial grants to districts were not known, a notice was issued to operators based on the existing scheme with the addition of the government minimum scheme.

The next stage in the process required the issue of a further notice, to operators only, on 3 February 2006. This notice is attached (see Annexe 'A' above) and introduces a free concessionary travel scheme across the County with next year's reimbursements based on this calendar year's actual figures. The bus operators had 28 days to object to the proposals at which point (2 March 2006) if no agreement has been reached the DCTSP will then need to serve a participation notice upon any operator not in the scheme. The operator may then appeal to the Secretary of State and the Department for Transport will be asked to reach a decision on whether the agreement is equitable or not.

The projections for 2006-07 have been affected by recent figures released by the large bus companies indicating an increase in the re-imburement due and at the same time querying the period over which the re-imburement has been calculated. These issues have been robustly defended by the County Council and further work will take place in the coming months to ensure the bus companies are fully justifying cost increases. At present the position on costs for 2006-07 can be broken down as:

1. The old scheme costs will need to rise by 8% due to recent fare rises by the bus companies.
2. The extension of the scheme to cover free travel after 9:30am is expected to be up to around £6.4m. This is some £0.7m less than the government transferred into the adjusted Financial Settlement for 2005-06 for the relevant Derbyshire local authorities and at least £0.9m less than the grant figure in 2006-07.
3. The additional funding for South Derbyshire District Council amounts to £447,500 and reflects the District's share of the introduction of free travel for the over 60's.

