

Record of officer decision

Decision title:	Public transport concessionary fares reimbursement November 2021 – update to payment arrangements																										
Date of decision:	19 November 2021																										
Decision maker:	Director Economy & Place																										
Authority for delegated decision:	Chief Executives scheme of delegation SA50 - Highways and transportation																										
Ward:	Countywide																										
Consultation:	All Herefordshire bus operators in receipt of concessionary fares payments were consulted in November 2021 on the proposed approach to reimbursement, no comments were received.																										
Decision made:	<p>The decision has been taken to revise the payment arrangements to bus operators for reimbursement of concessionary fares under the English National Concessionary Fares Scheme (ENCTS) as follows:</p> <p><u>1 November 2021 to 31 March 2022</u> In line with Government guidance reimbursement will be made at 100% of pre Covid levels, or actual patronage, whichever is higher, adjusted for new additional services and for services no longer operating.</p> <p><u>1 April 2022 to 31 March 2023</u> In line with Government guidance payments will be made on a reducing scale, or actual patronage, whichever is higher, adjusted for new additional services and for services no longer operating, as set out in the following table:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Month</th> <th style="text-align: center;">% scale down of LTA pre-Covid concessionary payment</th> </tr> </thead> <tbody> <tr> <td>06 April 2022</td> <td style="text-align: right;">90%</td> </tr> <tr> <td>01 May 2022</td> <td style="text-align: right;">90%</td> </tr> <tr> <td>01 June 2022</td> <td style="text-align: right;">85%</td> </tr> <tr> <td>01 July 2022</td> <td style="text-align: right;">85%</td> </tr> <tr> <td>01 August 2022</td> <td style="text-align: right;">80%</td> </tr> <tr> <td>01 September 2022</td> <td style="text-align: right;">80%</td> </tr> <tr> <td>01 October 2022</td> <td style="text-align: right;">75%</td> </tr> <tr> <td>01 November 2022</td> <td style="text-align: right;">75%</td> </tr> <tr> <td>01 December 2022</td> <td style="text-align: right;">70%</td> </tr> <tr> <td>01 January 2023</td> <td style="text-align: right;">70%</td> </tr> <tr> <td>01 February 2023</td> <td style="text-align: right;">65%</td> </tr> <tr> <td>01 March 2023</td> <td style="text-align: right;">65%</td> </tr> </tbody> </table>	Month	% scale down of LTA pre-Covid concessionary payment	06 April 2022	90%	01 May 2022	90%	01 June 2022	85%	01 July 2022	85%	01 August 2022	80%	01 September 2022	80%	01 October 2022	75%	01 November 2022	75%	01 December 2022	70%	01 January 2023	70%	01 February 2023	65%	01 March 2023	65%
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Reasons for decision:	<p>Throughout the Covid-19 pandemic the council has followed Department for Transport (DfT) guidance by maintaining concessionary fares reimbursements to bus operators at pre-pandemic levels despite the fall in pass holder patronage. This has, in turn, allowed operators to maintain high service levels throughout the pandemic.</p> <p>There have recently been a number of bus services withdrawn in the County, some of which will in the future be operated by a different bus operator. There have also been a limited number of new additional services introduced. It is not appropriate to</p>																										

	<p>pay bus operators for services they are no longer and, conversely, it is appropriate to ensure operators are properly reimbursed where new additional services are introduced. The revised payment arrangements from 1 November will account for this and will allow payments to be adjusted where appropriate.</p> <p>Within the Concessionary Travel Supplementary Guidance (20 November 2020), the DfT suggested Local Transport Authorities (LTAs) may consider several principles when developing their methodology to calculating pre-Covid reimbursement payments:</p> <ol style="list-style-type: none"> 1. Seasonality of services – (some authorities have adopted approaches to cover this, for example, averaging two lower winter and two higher summer payment methods) 2. Decline in concessionary patronage - (total concessionary bus journeys fell by 2.5% in England in 2018/19, however, this may vary across local areas) 3. Decline in patronage as a whole 4. Operators may have ceased trading/some services 5. Operators may have started trading/new services 6. Operators may have varied their services to increase/decrease the frequency/length of journey <p>In October 2021 the Government published its Covid-19 Recovery Guidance, Concessionary Fares Funding, a copy of which can be seen at appendix 1. This sets out the Government's suggested approach of transitioning from pre-Covid level payments, to reimbursement based on actual usage. The guidance advises a reducing payment profile as set out in the table above</p> <p>The objective of the concessionary travel recovery strategy is to provide LTAs with a cost-effective way of reducing their pre-Covid concessionary payments whilst avoiding any sudden widespread reduction in these payments. This is because any sudden reduction could lead to a significant impact on operator service levels, and consequently to an effect on demand levels.</p> <p>The Concessionary Travel Recovery Period will commence on 06 April 2022 and will officially end on 05 April 2023. LTAs will be unable to provide pre-Covid levels of concessionary reimbursement payments after this date.</p>
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<p>The approach set out above does not raise any legal or financial risks for the council as it follows Government guidance and can be afforded from within the existing concessionary fares budget allocation. Funding for concessionary fares is included in the annual Local Government Finance Settlement (LGFS).</p>
<p>Details of any alternative options considered and rejected:</p>	<p>Not to follow Government guidance by implementing a different approach to the reimbursement of concessionary fares. This was not taken forward as it would leave the council exposed to the risk of legal challenge.</p>
<p>Details of any declarations of interest made:</p>	<p>None</p>

I am an officer delegated to make the decision

Signed:

Print Name: Neil Taylor

Job Title: Interim Director for Economy and Place