

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

**AT A MEETING OF THE CONCESSIONARY FARES WORKING GROUP
HELD AT WELLINGTON HOUSE ON
WEDNESDAY 9 JANUARY 2008**

PRESENT: Councillor M Walker (Chair)
Councillors S King, T Leadley and M Slater

14. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor T Brice.

15. DECLARATIONS OF INTEREST

There were no personal or prejudicial interests declared by members at the meeting.

16. MINUTES

RESOLVED - That the minutes of the meeting held on 19 October 2007 be approved.

17. ENGLISH NATIONAL CONCESSIONARY TRAVEL UPDATE

The Working Group considered a report of the Passenger Transport Executive updating members in respect of the arrangements for concessionary travel from April 2008.

It was reported that over 290,000 application forms for the ENCS pass had been received and the cards would be produced and distributed by Fujitsu. Metro and SYPTE had ordered the production of the smartcard passes together so that a higher level of bulk purchase discount was given. It was noted that the Department for Transport (DfT) had made transitional arrangements to allow for existing permits to be used for free travel for up to six months following the introduction of the new scheme. However the arrangements would only apply for travel within the permit holder's own area and would not allow for cross boundary trips. It was proposed that the maximum six month period of grace be adopted by Metro. An information leaflet would be distributed with all the new cards and members requested that they be sent a copy. Comment was made that it was essential for all bus drivers to be fully briefed on the new scheme, types of passes issued and the transitional arrangements.

The Working Group was advised of the proposals with regard to the future arrangements for the issuing of passes and it was noted that a major element of any future process would be the Card Management System (CMS). Members were advised that the CMS was required to meet the DfT/ITSO requirements and work was being undertaken to explore the possibility of using Metro's customer database as the CMS.

With regard to funding, it was reported that the Government had provided an additional £250m to fund the English National Concessionary Scheme entitlement from April 2008 and the DfT had confirmed that the PTA's share would be paid as a direct grant to them.

The Working Group noted that the DfT had issued the Reimbursement Analysis Tool (RAT) to assist Travel Concessions Authorities (TCAs) to estimate reimbursement and operators would also use the RAT to assess what payments they might expect. The RAT incorporated some changes to the way elasticity varied with fare increases and could potentially have a major impact on the levels of reimbursement expected by operators. Members were advised that the escalating costs of concessionary travel, including above inflation fares increases and the potential impact of the RAT, meant that Metro's future financial strategy would require above inflation increases in the levy and/or savings in other areas of expenditure.

Members were updated on the current position regarding the First Appeal and it was indicated that a report would be prepared for the PTA.

RESOLVED - That the report be noted.

18. CONCESSIONARY TRAVEL – DISCRETIONARY SCHEME

The Working Group considered a report of the Passenger Transport Executive updating members in respect of Metro's discretionary scheme for concessionary travel.

It was reported that at the PTA budget briefing meeting held on 7 December 2007, it was proposed that the Concessionary Fares Working Group consider the scope for savings in the discretionary elements of expenditure on concessionary travel (ie. rail and young persons' concessions).

Members considered the options for rail fares which were set out in the submitted report and noted the savings that could be achieved in 2008/09 by increasing the concessionary fare. It was noted that there had not been an increase in the concessionary fare since 2005 and members proposed that the Authority be asked to consider increasing the concessionary rail fare to 40p in order to contribute towards Metro's financial strategy. The Working Group considered that it would be highly desirable, as in the past, to phase future increases over a number of years if possible, rather than by annual increases.

With regard to young persons' concessions, it was proposed that options for changing the methodologies be developed and a report be prepared for a future meeting of the Working Group. It was suggested that options also be developed for introducing alternative fares for young people and an assessment of the potential impacts on other concessionary products be undertaken.

RESOLVED -

- (a) That the report be noted.
- (b) That the Working Group recommends that the Authority consider an increase in respect of concessionary rail fares.
- (c) That options for changing the reimbursement methodologies for young people's concessions be developed and reported to the Working Group for further consideration.
- (d) That options for introducing alternative fares for young people be developed, in the context of the Young Persons Strategy and reported to the Working Group together with an assessment of the potential impacts on other concessionary products.