

# Cabinet

13 July 2023

## Concessionary Travel - Introduction of Companion Passes

### Recommendations

That Cabinet:

1. Approve the development of a companion enhancement to the existing concessionary travel pass for a fixed term, ending on 31 March 2025
2. Approve the eligibility criteria set out in Appendix 2 to this report.

### 1. Executive Summary

- 1.1. Warwickshire County Council is responsible for operating the England National Concessionary Travel Scheme (ENCTS) in Warwickshire. The statutory scheme provides free off-peak travel and funding is within the overall financial settlement for local government.
- 1.2. A report was taken to Cabinet in April 2023, and one of the recommendations was that Cabinet support a feasibility study for the introduction of a companion pass, and that the results were reported back to Cabinet. A companion pass is a discretionary enhancement to the statutory ENCTS scheme and so is referred to both as a companion enhancement, where it relates to eligibility, and a companion pass, where it relates to a physical bus pass.
- 1.3. A feasibility study was undertaken, covering eligibility and costs, by consultants ITP and the report is attached as Appendix 1.

### 2. Background

- 2.1. Although the Council is required to deliver the ENCTS in Warwickshire, no specific funding is received. Funding for concessionary travel, as with the majority of local authority services, is part of the Authority's core spending power, calculated as part of the annual Local Government Finance Settlement. Notional funding to provide the statutory travel is included as part of the underlying assessment of the Authority's relative need to spend that underpins the calculation of core spending power. The assessment of relative need was determined in 2011 and has been rolled forward unchanged since. In the Council's budget the funding for concessionary travel is part of the approved budget for Environment Services.

- 2.2. Delivery of services over and above the statutory scheme must be funded by Warwickshire County Council. The Department for Transport collects data every year about the statutory and non-statutory journey numbers, local enhancements, and reimbursement costs. Currently the only enhancement offered by the Council is extended travel time for passholders. This covers the period from 9am until 9.30am, and from 11pm until midnight, on weekdays.
- 2.3. ENCTS rules dictate the disabilities which would entitle people to a concessionary pass. Disabled Person's Passes are issued from the age of 5 up to the age someone becomes entitled to an Older Person's Pass. The qualifying disabilities are;
  - a. Blind or partially sighted
  - b. Profoundly or severely deaf
  - c. Without speech
  - d. Disability which has a substantial and long-term adverse impact on ability to walk
  - e. No arms or no use of both arms
  - f. Learning disability involving significant impairment of intelligence as well as significant impairment of social functioning
  - g. Would be refused a driving licence on medical grounds (other than because of the use of alcohol or drugs)
- 2.4. A pass which allows a passholder to travel with a carer or companion free of charge (known as a 'companion pass' or a '+1 pass') is an established discretionary enhancement which some authorities offer, but has never been offered by Warwickshire County Council.
- 2.5. Prior to April 2011, when the scheme was administered by the district and borough councils, both Warwick District Council and Nuneaton & Bedworth Borough Council did offer this as an enhancement for their residents, but chose not to continue funding when Warwickshire County Council took over the scheme. Any passes already in circulation were honoured until their expiry date, but were replaced with a statutory pass on expiry.
- 2.6. During the engagement exercise carried out as part of the concessionary travel review in 2022, respondents were asked which discretionary enhancements they would want to see. 74% of respondents responded that "A carer or companion travelling with a disabled passholder who cannot travel alone (eligibility criteria would apply)" should be entitled to free or reduced cost travel.
- 2.7. Cabinet requested a feasibility study was carried out and reported back as soon as possible. Research was subsequently commissioned looking into the feasibility and cost of introducing a companion pass for Warwickshire passholders. The research report is included at Appendix 1
- 2.8. The Warwickshire Cross Party Member Working Group discussed the April Cabinet report at their meeting on 19 April 2023 and were supportive of adding a companion enhancement.

### **3. Eligibility – factors not relating to individual disability**

- 3.1. In terms of age, it is realistic to expect a primary age child to be accompanied by a parent. It is therefore suggested that the companion enhancement is not available to children before their 11<sup>th</sup> birthday. It is expected that a child younger than 11 years would be accompanied by an adult whether disabled or not. Therefore, the companion should not get free travel to undertake their normal duty as a parent or guardian.
- 3.2. In Warwickshire Disabled Person's Passes are not issued to passholders who have reached the age where they are eligible for an Older Person's Pass. It will therefore be necessary for the companion enhancement to be available for both Older Person's Passes and Disabled Person's Passes provided the passholder meets the eligibility requirements.

### **4. Eligibility criteria and evidence**

- 4.1. Estimates from the research indicate that between 16% and 66% of disabled person's passholders at other authorities have the companion enhancement, or between 1.3% and 7% of all passholders. This is an average of 2.97%
- 4.2. In Warwickshire we do not know how many older person's passholders would have a qualifying disability, and so have based figures on the overall percentage of passholders. If we apply the 2.97% average, then this would result in 2,477 passholders with the companion enhancement in Warwickshire.
- 4.3. Within each disability category there will be a wide variation in people's ability to travel independently, with some people needing no assistance and others relying on one or more carer or companion at all times.
- 4.4. If someone meets the criteria for the companion enhancement and must be accompanied by two carers or companions, then a +2 pass will be considered on a one-off basis and will require additional information from a medical professional.
- 4.5. The research included data on eligibility criteria used by other authorities for a companion enhancement. The criteria varied widely, with some authorities accepting a letter from a medical professional as the only way of demonstrating eligibility, others allowing automatic entitlement on the basis of receipt of certain levels of benefits. The level of disability necessary to receive a companion enhancement varies widely as well.
- 4.6. In terms of eligibility criteria, we do rely on applicants getting evidence from medical professionals in order to demonstrate they have a qualifying disability, if they do not have one of the Automatic entitlements. This is unsatisfactory for a number of reasons;
  - Medical professionals can fill out an evidence form incorrectly and it is rejected

- The applicant has to pay for the service if they approach a GP.
  - There may be a long lead time waiting for an appointment
  - Doctors' letters often lack the information required for assessment.
- 4.7. It is therefore recommended that the eligibility for the companion enhancement is linked to receipt of benefits, where possible, which are likely to be received by those applicants with the more severe disabilities. The proposed eligibility criteria are outlined in Appendix 2
- 4.8. Where other documentation is not available, evidence is provided by the customer, using template forms we provide, and a decision is made by officers. New forms will be needed for a companion enhancement.

## **5. Practical matters**

- 5.1. Bus operators will need to receive formal notice that the scheme is changing.
- 5.2. The ENCTS pass is a smartcard and work will be required to configure the way the passes are issued before a scheme can be introduced. This includes;
- Additional smartcard products need to be registered to the ITSO scheme. ITSO is the National standard developed by DfT for transport smartcards. It is mandatory for concessionary bus passes to use this standard.
  - Electronic ticket machines need to be updated by bus operators to recognise the passes with the companion enhancement
  - The card management system (CMS) and online portal needs reconfiguring to include a companion enhancement
  - The card production company needs to amend their systems to add the new companion enhancement where necessary.
- 5.3. A communications plan will be needed, so that passholders can be provided with information about the companion enhancement and how to apply for it if they qualify.
- 5.4. Once the scheme is introduced there are likely to be a large number of passholders who will want to 'upgrade' their pass to include the companion enhancement. Customer expectations will need to be managed, as current capacity is around 400-450 new applications per month, and applications for pass upgrades would add to these totals with consequent resource implications.

## **6. Financial Implications**

- 6.1. The cost of reimbursing operators is the largest cost associated with the introduction of the companion enhancement.

- 6.2. Under normal conditions, bus operators must be reimbursed so that they are no better off and no worse off than they would have been if the scheme did not exist. The scheme is designed to take advantage of spare capacity on the bus network.
- 6.3. However, in March 2020, bus patronage dropped to very low levels whilst people were in lockdown. Currently, patronage has recovered to only around 60% of pre-COVID levels
- 6.4. In order to maintain the viability of the bus network and support bus operators through the pandemic, authorities have been requested by DfT to reimburse operators at levels the same as or approaching the same as they were pre-COVID. During 2023-24 WCC is paying 100% of the pre-COVID amount, adjusted for any substantial changes to the network e.g. less frequent services, or routes being dropped.
- 6.5. In the longer term, DfT has indicated that funding may be reduced if patronage has not recovered. They are also currently undertaking a complete review of the scheme, including the eligibility criteria. Any reduction in government funding will not occur until at least 2024/25 once the DfT review of concessionary travel is complete.
- 6.6. Research (Appendix 1) was not able to collect much data around the cost of a companion enhancement at other authorities, but estimates for annual additional reimbursement range from between £39k p.a. and £150k p a. It should be stressed these are estimates only and the range is broad as the actual cost will be affected by many factors such as:
  - The eligibility criteria, and how many passholders would qualify (compared to other authorities)
  - The number of eligible passholders who take up the enhancement
  - The number of journeys they undertake
  - The nature and frequency of bus services in general
- 6.7. Between 2011 and 2013, when the Council was honouring the companion passes issued by Warwick District Council alone, the annual cost or operator reimbursement was estimated to be £42k p.a. Scaled up across the County based on current pass numbers, this could result in expenditure of as much as £169k.
- 6.8. WCC is currently only seeing around 60% of pre-COVID journey numbers each month. This equates to around 210k concessionary journeys per month now compared to 350k journeys per month before COVID. Journeys made with companion passes are likely to be in the hundreds or low thousands.
- 6.9. Whilst there is no certainty, it is unlikely that concessionary patronage will recover by the end of 2024-25 to the point where the full amount in the budget would be required for reimbursement based on actual journeys.

- 6.10. The proposed eligibility criteria are stricter than some of the other authorities from the research results so that only those most severely affected by their disabilities will be entitled to this companion enhancement. This will have a bearing on the financial implications of the proposal..
- 6.11. The most likely scenarios for expenditure are that;
- a. DfT extends their advice to keep paying at 100% of pre-COVID levels for 2024-25, or
  - b. WCC reverts to paying for actual journeys, which will be less than we are currently paying. WCC is unlikely to see journey increasing beyond 90% in that timescale
- 6.12. In the case of 6.11 b. , if journey numbers increase to 90% and reimbursement paid drops to that level then there will still be sufficient funding in the current budget to cover the companion expenditure for 2024-25.
- 6.13. It is important to note that DfT are currently reviewing all aspects of Concessionary travel, including value for money, and anything could happen. However, primary legislation would be required to make any major changes and this is unlikely to be a priority for the next government.
- 6.14. If the scheme were to be renewed, or extended beyond 31 March 2025 then additional revenue funding, estimated at £100k, would be needed. Operating the proposed companion enhancement during 2024-25 would enable a much better estimate of costs with clear data on take up and the cost of resourcing the scheme administration.
- 6.15. it is not currently possible to predict with any accuracy what the future patronage (and consequently the future funding requirements) might be for a permanent scheme. There is therefore a risk that the budget in future may not cover the additional reimbursement to operators required to operate the scheme. This may result in wider dissatisfaction if the scheme is not renewed beyond 31 March 2025.
- 6.16. The following one-off costs are estimated.

<i>Est. cost</i>	<i>Reason</i>
£4,200	Registering 10 new ITSO smartcard products
£3,570	Configure CMS to handle the companion enhancement
£1,200	Configure card production to issue companion passes
£12,200	Staff time to handle initial upgrade requests as applicants may want a pass straight away – mid range estimate is 2,000 successful upgrades + 500 unsuccessful ones, + staff training
£3,260	Reissuing passes as companion passes – mid range estimate is 2,000 passes
£2,000	Publicity
<b>£26,430</b>	<b>TOTAL one-off costs</b>

These can be covered from within the current concessionary travel budget for 2023-24

6.17. The following are estimated to be the ongoing costs

<b>Reason</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26 onwards p.a. *</b>
Annual ITSO licence fees for companion enhancement	Can be covered within existing budget £4,200		£4,200
Reimbursement to bus operators (mid range estimate)	Included in current reimbursement whilst journey numbers are low and until outcome of DfT review is known*		£100,000**
<b>TOTAL additional annual costs</b>	<b>Nil</b>		<b>£104,200</b>

\* If the scheme were to be extended or renewed beyond 31 March 2025

\*\* mid-range figure – estimates range from £39k- £169k

6.18. It is open to the authority to charge for adding the companion enhancement as it is not part of the statutory scheme. A modest charge of £20 would be value for money for a passholder over the life of the pass, compared to the cost of bus fares for carers, even paying the current reduced £2 single fare. However, with the current cost of living challenges it is not recommended that a charge be introduced at this time.

## 7. Environmental Implications

7.1. Overall, there is environmental benefit to getting more people traveling by bus. However, it is not possible to quantify the impact of any changes at present as this will depend on take up of passes and the effect the new pass has on modal shift.

## 8. Social Implications

8.1. Introduction of a companion pass would allow more people to access public transport. Currently passholders who require someone to travel with them must pay for that person to travel, and this restricts their ability to utilise their entitlement to free bus travel.

8.2. It is recommended that the scheme is a set up for a fixed period, to the end of 2024-25 after which time the results from the review and any funding or eligibility changes to the statutory scheme will be known.

8.3. Whilst it would be difficult to remove an enhancement which people have become used to, it is still considered better to provide the enhancement for a short period than not to provide it at all.

8.4. An Equality Impact Assessment has been completed and can be found in Appendix 3

## 9. Timescales

- 9.1. There will be a lead time required to implement the scheme. There are a number of connected activities that must take place before the scheme can be rolled out and applications accepted. These include::
- giving statutory notice to bus operators (allow two months, including time for a participation notice to be issued should any operator not prepared to accept the variation)
  - commissioning and implementing changes to the CMS card management system, and to the online portal
  - obtaining smartcard licences and working with the card producers to implement the new companion pass
  - training staff who handle the face to face transactions with customers on the eligibility criteria and implementation of the scheme
- 9.2. The following milestone dates are proposed to enable appropriate preparation to be undertaken to commence the scheme and ensure all technology is in place and working:
- December 2023 – start accepting and processing applications
  - January 2024 – start issuing companion passes

## Appendices

1. Research results
2. Proposed eligibility criteria
3. Equalities Impact Assessment

## Background Papers

None.

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The report was circulated to the following members prior to publication:

Local Member(s): N/A – This is a countywide matter.



Other members: Councillors Jeff Clarke, Jonathan Chilvers, Sarah Feeney, and Jenny Fradgley