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Department for
Transport

**Possible changes to the administration of
concessionary travel**

Consultation Paper

**Department for Transport
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1 Introduction

Purpose of consultation

1.1 This consultation paper looks at options for possible changes to two aspects of the administration of concessionary travel in England. The first is the responsibility for administering the statutory minimum bus concession. The second is the ability of local authorities to introduce their own discretionary travel concessions which might be in addition to, instead of, or completely different from, the statutory minimum bus concession. These two aspects are distinct but inter-related.

1.2 The Government is proud of its record on concessionary travel. The statutory minimum bus concession, first introduced in 2001, is a hugely popular policy that has given greater independence and freedom to millions of elderly and disabled people. It is a key part of the Government's focus on social inclusion, and by providing free off-peak bus travel for eligible disabled people and those aged 60 or over throughout England it currently offers improved access to shops, friends and family, medical facilities, and leisure activities to up to 11 million people.

1.3 The introduction of a statutory minimum concession, and regular improvements to that minimum over the past eight years, has also had a significant impact on the travel patterns of eligible concessionaires. It has contributed in large part to an increase in overall bus patronage across England (around 19% since 2001) and has led to real modal shift in many local authority areas across the country.

1.4 Total spending on concessionary travel is now over £1 billion per annum and the Government is keen to ensure that its funding of concessionary travel offers value for money. Although the statutory minimum concession is funded by Central Government, it is administered by local authorities known as Travel Concession Authorities (TCAs). They have the statutory responsibility for issuing passes to those eligible and ensuring that bus operators offer, and are properly reimbursed for, free off-peak local travel anywhere in England. The majority of TCAs are currently 'lower-tier' local authorities: non-metropolitan district councils (also known as 'shire' districts), but the responsibility also rests with unitary authorities, the London boroughs and Passenger Transport Executives (PTEs).

1.5 The structures in place to administer concessionary travel, and to reimburse bus operators for providing it, are largely the same today as they

were in 2001. The Concessionary Bus Travel Act 2007 contains powers to make secondary legislation which could transfer the responsibilities for administering concessionary travel to either upper tier authorities or to Central Government. Ministers decided that responsibility for delivering the England-wide concession should remain as per the current administrative arrangements for the introduction of the new concession in April 2008. However, one year on, and taking into account the significant increase since 2001 in both the number of concessionary trips being taken and the amount of money consequently at stake, the Government is now considering what improvements can be made to current arrangements. This consultation is part of that process. There is also a separate workstream considering possible changes to how reimbursement for bus operators might be calculated.

Scope

1.6 Some local authorities have expressed concern about how the concession is currently funded, and about the funding implications of any change to how it is administered. Such concern is understandable. Changes to the statutory responsibility for administering concessionary fares are most likely to be implemented at the beginning of the next three year local government finance settlement. This indicative timetable suggests that detailed discussions on concessionary travel funding would not start until decisions on how the concession should be administered have been announced, with the formal Formula Grant Distribution consultation due for issue in July 2010, and conclusions being reached by around November 2010.

1.7 The Government is aware that there is current uncertainty amongst local authorities about who will be responsible for concessionary travel in the longer term and that this uncertainty may result in some unintended consequences (such as an unwillingness to invest in new systems). So in order to provide certainty at the earliest opportunity it is consulting separately about the principle of who should administer concessionary travel (this consultation) and how it should be funded (the CLG consultation on the wider local government finance settlement starting in 2010). This will allow for a decision in principle on how concessionary travel should be administered in advance of the wider consultation on local government funding. Although splitting these two aspects is not ideal, it is the best way of providing certainty for local government, and operators, at the earliest opportunity. More details about the timing of any possible changes can be found in Section 1:12.

Vision

1.8 The statutory minimum bus concession is a very successful policy and one that the Government intends to continue offering to older and disabled people in England. The Government therefore wants to ensure that the structures in place to implement and administer it are the right ones and that they are sustainable in the longer term. This consultation is an important part of that process and the Government will work closely with operators, the local government community, and other stakeholders, to put in place a structure that helps to ensure that local authorities are adequately funded, operators are properly reimbursed, and those eligible for the concession understand what they are eligible for and can make the most of it.

1.9 The Government recognises that the number of recent changes to concessionary travel have made administration more challenging for operator and authority alike. It is anticipated that any changes implemented as a result of this consultation would be expected to endure for the longer term. For example, if, following this consultation, it was decided to move responsibilities from shire districts to counties the Government would not want to see this as an 'interim' move to be followed by a subsequent further shift to full centralisation.

1.10 It is also expected that any changes will help to deliver real improvements in both the efficiency of administration of concessionary travel and in the customer experience. In particular the Government is keen to encourage the faster roll-out of ITSO smart ticketing infrastructure amongst operators and local authorities and any actual changes will be consistent with this aspiration.

2 Executive Summary

2.1 The introduction of free off-peak concessionary bus travel throughout England from 1 April 2008 gave the opportunity for greater freedom and independence to around 11 million older and disabled people in England. The concession recognises the importance of public transport for older people and the role access to transport has to play in tackling social exclusion and maintaining well-being.

2.2 Whilst funded by Central Government, at present this statutory minimum concession is administered by local authorities known as Travel Concession Authorities (TCAs). The majority of TCAs are currently 'lower-tier' local authorities: non-metropolitan district councils (also known as 'shire' districts), but the responsibility also rests with unitary authorities, the London boroughs and Passenger Transport Executives (PTEs).

2.3 TCAs are also able to offer discretionary concessions over and above the statutory minimum, reflecting each authority's own specific financial, demographic and transport circumstances. Such discretionary elements must be funded from the TCAs own resources.

2.4 A number of problems with the current arrangements for administering concessionary bus travel have been identified by local authorities, stakeholder groups and operators. These include: scheme variations across TCA boundaries; too many negotiations with bus operators; lack of capacity in some TCAs; difficulty of accurately funding TCAs; and the non-alignment of TCA and Transport Authority responsibilities. The Government is therefore considering what improvements can be made to the current arrangements. This consultation is part of that process.

2.5 In addition to addressing some of the problems of the current arrangements, the Government also wishes to ensure that the experience of the concessionary passenger is enhanced, that the system is administered as efficiently as possible and is sustainable in the long term.

2.6 The options for change to the statutory minimum concession include: leaving things as they are now (i.e. largely with district councils); moving responsibility to upper tier authorities only; or centralising administration completely. A further option would be to administer the concession at a regional level, although this would require primary legislation and would require a longer timescale to implement.

2.7 The Government's initial view is in favour of a shift of responsibility from district to county councils. Of its own such a change could realise some efficiencies, but it could also generate significant synergies because it would harmonise concessionary travel responsibilities with wider transport authority ones for the first time. It is also the option most likely to realise the Government's aspiration to increase the roll-out of smart ticketing across England.

2.8 There is a clear link between any changes made to administrative responsibilities for the statutory minimum concession and the ability of authorities to introduce their own discretionary travel concessions. The consultation also identifies a number of options for changing the way such discretionary concessions are administered, including: leaving things as they are now; removing the ability of district councils to implement discretionary concessions; or district councils only being able to implement discretionary concessions jointly with the relevant upper tier authority.

2.9 The Government's initial preference is to move responsibility for discretionary concessions to upper tier authorities only. This would ensure any efficiency savings generated by the preferred change to the administration of the statutory minimum concession would not be lost. This would not however preclude discretionary concessions still being implemented at the district council level.

2.10 The Government welcomes the views of consultees as to whether they agree with the conclusion that moving both statutory and discretionary responsibilities to upper tier authorities is the right way forward. Concessionary travel is a significant policy area that already does much to improve the quality of life of millions of people. It is therefore important that any changes implemented represent the best option for the long term delivery of the policy. Government is therefore genuinely interested in the views of local authorities, operators and other stakeholders on what these changes should be.

2.11 The aim of this consultation is to inform a decision in principle on how concessionary travel should be administered, thereby enabling certainty to be provided at the earliest opportunity on who will be responsible for concessionary travel in the longer term. Communities and Local Government (CLG) will consult separately on the funding implications of any proposed changes. This will be undertaken as part of the formal consultation on the next three-year local government finance settlement.

3 How to Respond

3.1 The consultation period began on April 28 2009 and will run until 21 July 2009. Please ensure that your response reaches us by that date. If you would like further copies of this consultation document it can be found at www.dft.gov.uk or you can contact Oliver Chadwick using the contact details below. Please send consultation responses on the response sheet provided to:

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3/11, Great Minster House
76 Marsham St
London, SW1P 4DR
Tel: 020 7944 2293
Fax: 020 7944 2212
Email: concessionaryfares@dft.gsi.gov.uk

3.2 When responding please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation please make it clear who the organisation represents, and, where applicable, how the views of members were assembled.

3.3 A list of those consulted is attached at the end of this paper. If you have any suggestions of others who may wish to be involved in this process please contact us.

3.4 The information you send us may need to be passed to colleagues within the Department for Transport and/or published in a summary of responses received in response to this consultation.

3.5 According to the requirements of the Freedom of Information Act 2000, all information contained in your response to this consultation may be subject to publication or disclosure. This may include personal information such as your name and address. If you want your response or **your name and address** to remain confidential, you should explain why confidentiality is necessary. Your request will be granted only if it is consistent with Freedom of Information obligations. An automatic confidentiality disclaimer generated by your e-mail system will not be regarded as binding on the Department.

3.6 Please ensure that, if you want your name or response to be kept confidential, you state this clearly in your response.

4 Background

4.1 Provision for travel concessions in England is at present contained in five separate pieces of primary legislation: the Transport Act 1985, the Greater London Authority Act 1999, the Transport Act 2000, the Travel Concession (Eligibility) Act 2002 and the Concessionary Bus Travel Act 2007.

4.2 The table below summarises how national policy (in England) has developed in this area over time:

Date	Effect
Pre-1985	Ad hoc arrangements for concessionary travel available at local authority discretion in England.
1985	Buses de-regulated outside London. LAs able to make concessions available on operator-run services.
1999	London's concessionary travel arrangements formally protected in the GLA Act.
2001	Statutory <u>half-fare</u> minimum for concessionary bus travel within a local authority area.
2002	Eligibility extended to men aged 60 to 64 harmonising age threshold with women.
April 2006	Statutory minimum increased to free off-peak <u>local</u> bus travel within local authority areas (at an additional cost of £350m for 2006-07).
April 2008	Statutory minimum increased to free off-peak <u>national</u> travel on local buses in England (£212m funding made available).

4.3 In 2001, the government introduced a statutory obligation for TCAs to offer at least half-fare, local bus travel to their own residents who were aged 60 or over, or eligible disabled. In 2006 this statutory minimum was increased to cover free travel and £350m was provided through formula grant to fund this improvement.

4.4 In 2008, the minimum concession was improved again to cover travel anywhere in England. Passes that had previously only been valid within the boundaries of a TCA were now replaced with a standard national design that was eligible on bus services across the country. This meant that TCAs had to pay for the travel of all pass-holders boarding within their area, not just their own residents. Since this put an additional reimbursement burden on

authorities the Government provided additional funding via a special grant that was designed to reflect the likely extra costs.

4.5 All local authorities, not just TCAs, also have the power to offer discretionary concessions, over and above the statutory minimum concession, under s93 of the 1985 Transport Act. These discretionary concessions can cover other modes of transport, different timings or different groups of people. They can also be offered as an alternative to the statutory minimum bus pass but they are generally limited only to local travel. So a TCA could offer travel tokens to its own eligible residents which could be used on many different modes of local public transport. Residents accepting these might forego their right to a national bus pass however and the TCA concerned would still be obliged to offer the statutory minimum bus concession to eligible pass-holders from outside its own area.

5 Details of current arrangements

Administration

5.1 Currently TCAs are charged with the administration of the statutory minimum concession. In addition to issuing the new ITSO-based national smartcard pass to eligible residents, they must assess which bus routes qualify as eligible local services, and assess the eligibility of residents. They are also required to set out a reimbursement scheme which determines how operators are compensated for providing the concession, consistent with the objective of leaving them 'no better, no worse off', so that concessionary travel reimbursement is neither a subsidy, nor a burden. Although DfT provides guidance and a spreadsheet tool to help TCAs determine reimbursement, under the current model this is inevitably a complex process.

5.2 Outside London, responsibility for administering the scheme rests with the 263 TCAs¹ as set out in the Transport Act 2000. There is currently some voluntary co-operation between TCAs. Some have joined together so that one council administers the scheme on behalf of the others; in some areas the county council runs the scheme on their behalf. In London the scheme is currently administered by London Councils, on behalf of the 33 boroughs, and it negotiates appropriate reimbursement with TfL.

5.3 Many local authorities choose to offer discretionary concessions over and above the statutory minimum and must therefore also administer these. These discretionary concessions will reflect each authority's own specific financial, demographic, and transport circumstances. Because these benefits are not part of the statutory minimum concession, as a general rule they normally only apply to a pass holder within that local area. Reimbursement for discretionary concessions that are bus-based is generally bundled together with reimbursement for the statutory concession in negotiations with bus operators.

5.4 At present there are around 78 travel concession scheme areas (details at Annex B) where TCAs have joined together to administer schemes jointly. These joint schemes generally, but not always, offer the same discretionary concessions across the whole scheme area. Joint schemes are also voluntary and authorities can choose to leave them at any time.

¹ Recent changes to local government structures from 1 April 2009 have created a number of new unitary authorities and means that the number of TCAs outside London has reduced from 291 to 263. Details of these changes can be found at Annex D.

Funding

5.5 The statutory minimum concession is funded by Central Government. This funding is delivered through two channels: formula grant and the concessionary travel special grant provided from 2008/09. Neither of these elements is ring-fenced.

5.6 Formula grant is an unhypothecated block grant i.e. local authorities are free to spend it on any services they provide (not just transport services) that meet their statutory obligations. This enables local authorities to decide on their own priorities based on local requirements.

5.7 The distribution of formula grant is largely based on the socio-economic and demographic characteristics of an authority, together with a measure of its ability to raise income through council tax (i.e. the number of band-D equivalent properties). The distribution is subject to 'floor damping' which ensures that every authority receives a minimum increase (the 'floor') in formula grant year-on-year on a like-for-like basis i.e. after adjusting for changes in funding and function. In order to pay for the cost of the floor, increases above the floor are scaled back for other authorities.

5.8 It is not possible to identify how much formula grant has been allocated to a local authority for any particular service. This single pot of non-ring-fenced funding allows local authorities to decide on their own priorities and provides an incentive for them to maximise value for money.

5.9 The special grant, which was brought in with the start of the England-wide concession from 1 April 2008, is allocated by a different formula, which is based on data that are likely to correlate to the additional costs imposed on authorities by the move to all-England travel. These data include retail floor space, overnight visitors, as well as population and bus journeys. This formula distribution was designed to reflect the extra demand some destinations would experience from visitors using their bus passes outside their local authority boundaries. The special grant distribution has been approved by Parliament for the next three years.

5.10 Both of these grants, because they are based on formulae, will never perfectly match the exact cost of concessionary travel for individual authorities. The Government is nevertheless confident that sufficient funding is provided, in aggregate, to cover the total cost of providing the statutory minimum concession.

5.11 TCAs must fund any discretionary elements of their schemes, which are over and above the statutory minimum, from their own resources.

Applications to the Secretary of State (Appeals)

5.12 When operators feel that they will not be adequately reimbursed for providing the concession under a scheme put forward by a TCA they have the right to apply to the Secretary of State to have the terms of the scheme changed. Further information is then requested from both the operator and the TCA, and the case is passed to an independent decision maker who decides the application on the Secretary of State's behalf.

5.13 Such appeals were rare until the introduction of the free local travel concession in 2006/7. In 2005/06 three appeals were received, this rose to 71 appeals in 2006/07 and in both 2007/08 and 2008/09 over 100 applications were made to the Secretary of State in each year.

5.14 This rise in the number of appeals may be linked both to the number and frequency of recent changes to the statutory concession as well as to the increasing amounts of money now at stake for both TCAs and operators. The fundamental principles underpinning how TCAs should reimburse operators have remained largely unchanged since the first introduction of a statutory concession in 2001. The recent high number of appeals could be seen as a symptom of wider problems with the current arrangements for administering concessionary travel.

6 Problems with current arrangements

6.1 A number of problems with the current arrangements for administering concessionary bus travel in England have been identified by local authorities, stakeholder groups, and operators. Many of these stem from other aspects of current arrangements (such as the legislative framework and models for reimbursement) and so are not really within the scope of this consultation. What follows is a non-exhaustive list of some of the key problems that might be related to how responsibility for administering the concession is currently organised.

Scheme variations across TCA boundaries

6.2 Current arrangements allow for TCAs to implement discretionary enhancements in addition to the statutory minimum of concessionary travel that is England-wide. Thus a pass-holder might be able to travel before 09.30 within their district, but might not be able to do so just a few miles away in a neighbouring area. This creates confusion as people may be unaware of the boundaries of their council, and local bus journeys often travel beyond these areas. This problem has been exacerbated by the introduction of the England-wide scheme with greater potential for confusion over what concessionaires are entitled to.

6.3 This creates problems for operators as well as passengers because bus drivers need to be aware of the differing entitlements associated with the different passes they are presented with.

6.4 The problem can be particularly acute for some of the most vulnerable concessionaires. Many authorities offer companion, or carer, passes, to those who need them but when this is not replicated by neighbouring authorities it can result in companions having free travel in one direction but having to pay for their return leg if the journey crosses a TCA boundary.

6.5 Another issue with scheme variations can be the temporary nature of some schemes. There have been instances in the past when authorities have opted out of what were county-wide schemes because they cannot reach agreement with the other authorities involved. This can result in a shifting map of concessions that is unhelpful for operators and passenger alike.

Too many negotiations.

6.6 There are currently 263 Travel Concession Authorities in England outside London. Although many authorities agree to work together in county-wide schemes, this is not guaranteed. Bus companies must conduct negotiations separately with each scheme to agree reimbursement terms and these negotiations can be long and complicated and involve a significant investment of resources by both parties. Operators have identified the burden this negotiation places on them as a significant problem with the current system.

Lack of capacity in some TCAs

6.7 The changes in the minimum concession have made the administration of concessionary travel both more complex and more contentious. The increasing amount of money at stake has put greater reliance on acquiring and analysing both historic and present day data. Reimbursement terms can hinge on complex economic models which can be highly sensitive to small changes in assumption. Ideally those administering concessionary travel in local authorities need to be both familiar and at ease with the economic concepts involved, and able to devote significant time to acquiring and analysing the data that must be used in calculating reimbursement. This can lead to problems with some smaller TCAs who lack the capacity of their larger peers. In smaller district councils it can be difficult for the authority to deploy both the necessary resources and expertise. This becomes easier to justify in larger authorities because of the economies of scale involved. Many authorities currently employ consultants, or agents, to administer concessionary travel, and calculate reimbursement, on their behalf.

6.8 The introduction of smartcards has also increased the complexities of administering concessionary travel. Before 2008, many authorities used a low-tech system of travel permits and a simple (occasionally paper) database to store their records. Now that each authority is giving away a more valuable pass, which allows free travel across the entire country, records must be more secure. Whereas previously pass production was typically done 'in-house', the introduction of smartcards has made this approach impractical and most TCAs now negotiate contracts with smartcard producers.

6.9 The smart element of the new pass has great potential, promising improved data collection, fraud prevention and the removal of any perceived stigma of using a bus pass. The Department hopes that TCAs will work with local operators to take advantage of these benefits. Yet introducing a smart

system is costly, requiring expensive back-office data processing equipment as well as card readers on buses. Many TCAs may be too small for it to be cost-effective for them to develop a smart system just for their own area, and it is likely that they will be forced to join forces with neighbouring authorities to develop a smartcard scheme. As an example, the NoWcard scheme available in the North West is a joint venture between two county councils, eighteen district councils and two unitary authorities.

Difficulty of accurately funding TCAs

6.10 Statutory concessionary travel is funded centrally by formula but individual concessionary travel reimbursement negotiations take place at the local level. It is inevitable therefore that Central Government funding will never perfectly match an individual authority's expenditure in this area. This is not an issue that is unique to concessionary travel. Local Government has long argued against ringfenced grants and in favour of a single pot of funding. The formula grant approach adopted by Central Government guarantees authorities the freedom and flexibility to decide their own funding priorities based on an assessment of local need.

6.11 That said, the significant recent increases in the cost of concessionary travel reimbursement has meant that this category of expenditure now represents a large and increasing proportion of some TCAs' budgets. The Government remains confident that the combination of the new special grant and the amounts within the wider formula grant settlement are sufficient, in aggregate, to meet the overall cost of the statutory minimum concession. However the sheer number of TCAs exacerbates the acknowledged challenge of accurately funding authorities through a formula. The smaller the authority the greater the proportion of their budget likely to be spent on concessionary travel and the more vulnerable they may feel to increases in concessionary fares costs because of the gearing effect on council tax.

TCAs not aligned with TAs

6.12 Travel Concession Authorities' responsibilities do not currently align with Transport Authority responsibilities, which are at the upper-tier level. This can lead to seemingly anomalous outcomes. For example, a county council, acting as the Transport Authority, could arrange with a bus operator to subsidise a particular route, while the operator has to negotiate with the relevant district councils, as the TCAs, for concessionary fare reimbursement

on that route. Transport Authorities are also better placed to conduct negotiations with operators in terms of their capacity and the existing relationships they have with operators, as a result of their responsibility for negotiating the scope of the bus network and tendering services. Transport Authorities also typically fund major transport projects. Although these projects can have direct relevance to concessionary travel, they are not administered by TCAs in two-tier areas.

Conflict

6.13 It is clear that current arrangements can lead to conflict between authorities and operators. Generally this will be about reimbursement arrangements but it can also be about the wider terms of a proposed concessionary travel scheme, such as how to implement certain discretionary concessions. Such conflict may not be a direct consequence of the current administrative structures, but it is certainly undesirable and the sheer number of TCAs increases the potential for conflict at a time when Government, through the improvements set out in the 2008 Local Transport Act, is keen to encourage partnership working between local authorities and bus operators. Where unhappiness over reimbursement arrangements has led to an appeal to the Secretary of State relations between operator and authority can be jeopardised for many months.

6.14 There is also a risk with current arrangements of conflict *between* authorities. This can stem from disagreements over contributions to a county wide scheme, or over the terms of the scheme itself. Again the sheer number of TCAs increases the likelihood of this sort of conflict.

Question 1: Are there other problems, stemming from current administrative arrangements, that are not covered by this list?

7 Options for change – statutory minimum concession

7.1 The existence of these problems, and on-going concerns voiced by some bus operators and local authorities, suggests that the current structure of Travel Concession Authority responsibilities may no longer be fit for purpose.

7.2 Powers exist under Section 9 of the Concessionary Bus Travel Act 2007 to amend primary legislation (the Transport Act 2000) so that responsibility for reimbursing operators for providing concessions and/ or the responsibility for administering the statutory minimum concession is moved from lower to upper tier authorities only, or to Central Government itself.

7.3 Although the powers provide for a possibility of separating the responsibility for reimbursement of operators from the responsibility for administering the statutory minimum concession, the options considered in this consultation are based on the assumption that the two responsibilities would both be held by the same level of government.

7.4 Section 9(3) of the Concessionary Bus Travel Act 2007 sets out factors that would require further consideration should the obligation to reimburse operators for providing concessions and administer the concession be imposed on the Secretary of State. Therefore if the option to transfer responsibility to Central Government is the favoured outcome of this consultation, we would need to issue a further detailed consultation on the options for alternative reimbursement and appeals arrangements.

7.5 A full summary of the powers to change the administration of concessionary travel is set out in Annex A.

7.6 In general terms there are four key responsibilities associated with administering a concessionary fares scheme:

- Assessing the eligibility of applicants for passes, issuing passes and managing a passholder database;
- Assessing which local bus routes might be eligible for the concession;
- Defining and publishing a concessionary fares scheme and reimbursing bus operators; and
- Using enforcement powers where necessary.

7.7 In considering the options detailed below consultees should bear in mind that each option considers moving the statutory responsibility for these activities. Although in all cases there is no intention to split the statutory basis for these three activities between tiers of Government, that does not preclude authorities voluntarily entering into arrangements to administer them on that basis if they so wish. Thus, if statutory responsibility for concessionary travel moved from shire districts to county councils, it may be that a county council could enter into voluntary arrangements whereby its district councils persisted in issuing passes on some form of contractual basis agreed between the parties and on each taking its own legal advice.

Option 1: The statutory minimum concession continues to be administered by current TCAs.

7.8 Description of Proposal: Arrangements would continue as now, with 263 TCAs (plus London Councils on behalf of the London boroughs) administering the scheme and liaising with individual operators.

7.9 How this might work: As now, there are likely to be voluntary groupings of authorities into scheme 'areas'. These schemes might be managed by consultants, or a lead authority, who would lead on reimbursing operators. However funding would still be directed to the authorities with the statutory responsibility and scheme members would need to agree a basis for pooling their funding. Such schemes would therefore be voluntary and could be temporary. Many individual shire districts would continue to operate standalone schemes, sometimes on very small geographical areas.

7.10 Advantages: Although there is dissatisfaction with the current arrangements, it has successfully delivered a statutory concession for eight years to the benefit of many millions of concessionaires. Authorities have developed relationships with bus operators and have systems set up for issuing passes and calculating and providing reimbursement. This arrangement also allows a high level of granularity in terms of discretionary enhancements: districts can offer improvements to the statutory minimum that are appropriate for local needs. There is also an opportunity to make other changes to the current arrangements for concessionary travel (such as a simplified system of calculating reimbursement) while still leaving administration at the same tier. This proposal would also avoid any of the transitional impacts associated with other options.

7.11 Disadvantages: Using the existing TCA structure would do nothing to address some of the fundamental problems detailed in Section 6 above. It

would not change the scale of the administrative burden on operators and the obligation of running the schemes would remain with shire districts in county areas. It would also, due to the sheer number of authorities, retain the current challenging situation of allocating funding via formula. By leaving arrangements as they are, the Secretary of State could continue to receive the current high number of appeals each year. This would retain a considerable administrative burden on both local authorities and bus operators and would not resolve the tension the current arrangements can cause for operator and TCA relations. It would also do little to address concerns over passenger and operator fraud.

Question 2: Do you think that the current level of administration is the most appropriate?

Option 2: Only upper-tier authorities administer the concession.

7.12 Description of Proposal: Under this approach the Secretary of State could amend primary legislation (the Transport Act 2000), via secondary legislation, so that all responsibilities for administering the concession would be redirected from shire district authorities to county councils. The new list of TCAs outside London would therefore comprise: PTEs, non-metropolitan unitaries and counties. This would reduce the number of TCAs outside London by over 60%, from 263 to 95 (based on post-April 2008 local government structures).

7.13 How this might work: For unitary authorities and the PTEs there would be no change (although their funding might change slightly - see Section 10 below). In areas where county councils already co-ordinated county-wide schemes on behalf of their constituent districts there need not be a change in how the scheme was administered. However because funding would now flow direct to the county council there would be no need for districts to agree pooled funding arrangements. In areas where districts ran standalone concessionary schemes, this responsibility, and the associated funding would move to the county council. This move need not preclude continuing shire district council involvement in concessionary travel however. A county council might, for instance, wish to seek an arrangement whereby its shire districts continued to issue passes on its behalf. The county would be responsible for funding the shire district to do so.

7.14 Advantages: A move to the higher-tier could create efficiency savings due to economies of scale. The greater capacity of higher-tier authorities

could also lead to more accurate reimbursement of operators, which could in turn reduce the scope for appeals. This improved capacity could also reduce fraud and improve data collection.

7.15 An 'upper-tier' administration would significantly reduce the number of authorities with whom operators might potentially have to negotiate, to a third of the current number. It would also align TCA responsibility with the existing Transport Authority responsibility, rationalising local transport planning and allowing authorities to build stronger relationships with bus operators across a variety of issues. Even when aggregated, concessionary travel funding would represent a smaller proportion of county councils' budgets than for an equivalent district council where concessionary fares can make up a high percentage of a council's total spending. This, and the smaller number of TCAs, could make accurate funding by formula easier.

7.16 This change would retain local ownership of concessionary travel but perhaps at a more appropriate level. The fact that many district councils have already chosen to aggregate their schemes to be run at a county level could suggest that this is a natural level for administering the scheme.

7.17 Moving responsibility for concessionary fares to the upper tier may also hasten the adoption of smart ticketing. The greater scale of county-wide schemes may make the business case for the roll out of smart ticketing easier to make and their potentially greater capability could deliver economies of scale. They would also be better placed to work with operators to exploit the potential advantages of smart ticketing through commercial and integrated tickets and non-transport applications.

7.18 Disadvantages: Transferring TCA responsibility to 'upper-tier' authorities could create transitional impacts, particularly around transferring the associated funding (See Section 10 below). Operators would also still have to engage in multiple negotiations, although these might be greatly improved from current arrangements. There is also a risk that local knowledge about the needs of concessionaires would be lost with a move from district to county councils. Although counties would be free to continue to liaise with district councils (or indeed to sub-contract some of the associated administrative activities such as pass-issuing), many county councils have no current involvement in concessionary fares and it may take time for them to build the necessary expertise.

7.19 There may also be a risk from district councils issuing passes on behalf of the county. In most districts there is a clear financial link between the number of passes issued and the costs of concessionary travel. If district

councils assessed the eligibility of applicants but did not bear the associated financial risk from issuing passes there may be less incentive on them to properly control pass numbers.

7.20 Case Studies: A number of authorities have already chosen to aggregate their schemes at county level. The following case studies set out the (abridged) views of three such county schemes.

Case Study 1:

County Council A has run a concessionary partnership with its seven lower-tier authorities since the mid 1980s.

The authorities all agree that by working in partnership the scheme has stood the test of time and the numerous challenges seen in recent years especially relating to funding, changing entitlements and the increasing generosity of statutory provision. The scheme has benefited significantly from the wider transport based knowledge of county officers which has led to a wider customer focussed approach to service provision.

The scheme partners have identified the concessionary fares scheme as a Gershon efficiency saving as it clearly reduces the levels of resource and system requirement used for administration. The County Council undertakes all operator negotiation and scheme management with the District Councils undertaking frontline service provision.

The key positive areas of benefits of county involvement included:-

- *Common Negotiation with service providers.*
- *Pooling of finance to smooth the winners and losers issue of any funding distribution.*
- *Wider area travel monitoring for service provision / evaluation.*
- *Single focus for operators and service users.*
- *One set of rules for a wider area in relation to travel enhancements.*
- *Efficiency savings through shared services.*
- *Strengthens business case for other transport smartcard activities – for example county councils have a scholars travel responsibility which can utilise the same infrastructure.*
- *Efficiencies through procurement of consumables, IT infrastructure etc.*
- *Wider area marketing potential.*
- *One supply of data.*

The above is by no means a definitive list but gives a good insight into the areas that can be explored for efficiency savings and excellent service provision.

Case Study 2:

County Council B has been involved with co-ordinating concessionary travel for its districts and neighbouring unitary since 2001, when the statutory obligation to provide half-fare was first introduced. Since then, the boundaries of the partnership have shifted, but a core group of seven authorities remain.

Officers from the county felt that participating authorities benefitted from economies of scale, with a small team of staff assessing eligibility for bus pass applications from all seven TCAs. Residents have just one contact number for concessionary travel and the same application booklet and form is used, with a joint logo, terms and conditions, and information. The partnership also uses just one card producer, reducing the unit costs for all seven TCAs.

The county suggested that since the beginning of the partnership, all seven participating authorities had expressed confidence that it would be more costly, and less effective, to develop or buy in consultant or technical support and advice that the county council provides for the Partnership. The seven TCAs valued the ability to make joint policy decisions, supported by county council's advice, about operator reimbursement. For operators, there is one point of contact for all operators and just one set of negotiations with each operator covering the details of all the schemes throughout the joint area.

Summary: Intervention & Options		
Department /Agency: Department for Transport	Title: Impact Assessment of Administrative Reform of the National Bus Concession	
Stage: Consultation	Version: 2.1	Date: 11 March 2009
Related Publications: Administrative Reform of the National Bus Concession - Consultation Paper		

Available to view or download at:

<http://www.dft.gov.uk/pgr/regional/buses/concessionary/>

Contact for enquiries: Oliver Chadwick

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What is the problem under consideration? Why is government intervention necessary?

The English national bus concession is a valued policy that helps to deliver the Government's wider goals on social inclusion. However, some parties have expressed concern at the current administrative arrangements. Problems that have been identified include the large number of negotiations currently required, a possible lack of capacity in some TCAs and the difficulty of accurately funding 263 authorities. The Department believes that by changing how the concession is administered these and other problems can be mitigated whilst also achieving efficiency savings and other wider benefits.

What are the policy objectives and the intended effects?

To reduce the administrative burden of concessionary travel on bus operators and local authorities, to ensure that the concession is more effectively administered, and to put in place administrative arrangements that are more sustainable in the longer term. In addition, positive benefits could include: reduced complexity for operators and TCAs; improved service provision for concessionaires; synergies with wider transport planning; and better opportunities for the roll out of smart ticketing.

What policy options have been considered? Please justify any preferred option.

- 1 No change to the current arrangements.
- 2 Administration of statutory concession by 'higher-tier' authorities (with 'upper-tier' discretionary enhancements).
- 3 Administration of statutory concession by DfT or one of its agencies (with 'upper-tier' discretionary enhancements).

Other Options (not included in this impact assessment): Administration on a regional basis.

Preservation of discretionary enhancements at the lower tier. Central Administration which removes discretionary enhancements.

Option 2 is preferred due to opportunities for synergies

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? 3 years after implementation.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

.....Date:

Summary: Analysis & Evidence

Policy Option: 2

Description: Administration of statutory concession is moved to 'higher-tier' authorities with discretionary enhancements at an 'upper-tier level' (option 2b from consultation paper)

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Costs to 'higher-tier' local authorities, who will now administer the scheme, of £1.00 million per year. These should be more than outweighed by the savings to 'lower-tier' schemes.
	One-off (Transition)	Yrs	
	£		
	Average Annual Cost (excluding one-off)		
	£ 1.0 m		Total Cost (PV)
			£ 8 million
<p>Other key non-monetised costs by 'main affected groups'</p> <p>Start up costs to 'higher-tier' local authorities that do not currently run schemes. Transition costs to operators as they get used to the new system. Potential cost to concessionaires from the removal of 'lower-tier' discretionary enhancements.</p>			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Savings to 'lower-tier' authorities, who will no longer administer the concession, of £3.42m per year. Savings to operators who will have to participate in fewer schemes of £0.86m per year.
	One-off	Yrs	
	£		
	Average Annual Benefit (excluding one-off)		
	£ 4.3m		Total Benefit (PV)
			£ 36 million
<p>Other key non-monetised benefits by 'main affected groups': Aligns TCA and Transport Authority responsibilities, offering potential of 'joined up' local transport planning; improved TCA capacity should lead to greater reimbursement accuracy; potential for more accurate allocation of funding will provide improved stability to the finances of local authorities.</p>			

Key Assumptions/Sensitivities/Risks

This assumes no separate provision of discretionary enhancements at the lower tier level.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £ 28 million
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What is the geographic coverage of the policy/option?	England			
On what date will the policy be implemented?	April 2011			
Which organisation(s) will enforce the policy?	TCAs			
What is the total annual cost of enforcement for these organisations?	£ N/A			
Does enforcement comply with Hampton principles?	N/A			
Will implementation go beyond minimum EU requirements?	N/A			
What is the value of the proposed offsetting measure per year?	£ N/A			
What is the value of changes in greenhouse gas emissions?	£ N/A			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)		
Increase of	£ -	Decrease of	£ -	Net Impact	£ -

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 3	Description: Statutory concession is administered centrally by DfT or one of its agencies with discretionary enhancements at 'upper-tier' level only (Option 3b from consultation paper)
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups' New costs to the Department of administering the statutory concession centrally (£6.3 m per year). New costs to some 'upper-tier' authorities from administering discretionary enhancements (£0.40m per year). Additional costs from operators administering and negotiating separate discretionary and statutory schemes (£1.3m per year).
	One-off (Transition) Yrs	
	£	
	Average Annual Cost (excluding one-off)	
	£ 8.0m	Total Cost (PV) £ 67 million
Other key non-monetised costs by 'main affected groups': Removal of discretionary concessions; loss of appropriate local knowledge from administration of the concession; less opportunity for synergies in transport policy for those authorities that already administer their concession at the same tier as their transport planning. Start up costs to Central Government.		

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' Savings to 'lower tier authorities who will no longer have to implement any concession (£3.42m per year) Savings to other authorities who will no longer implement the discretionary concession (£7.20m per year)
	One-off Yrs	
	£	
	Average Annual Benefit (excluding one-off)	
	£ 10.6m	Total Benefit (PV) £ 88million
Other key non-monetised benefits by 'main affected groups'		

Key Assumptions/Sensitivities/Risks

It is not known in practice how a central body would administer the concession. Assumptions, based on our understanding of how such a body would operate are set out in the evidence base.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £ 21 million
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What is the geographic coverage of the policy/option?		England	
On what date will the policy be implemented?		April 2011	
Which organisation(s) will enforce the policy?		DfT	
What is the total annual cost of enforcement for these organisations?		£ N/A	
Does enforcement comply with Hampton principles?		N/A	
Will implementation go beyond minimum EU requirements?		N/A	
What is the value of the proposed offsetting measure per year?		£ N/A	
What is the value of changes in greenhouse gas emissions?		£ N/A	
Will the proposal have a significant impact on competition?		No	
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium Large
Are any of these organisations exempt?	No	No	N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)
Increase of £	Decrease of £	Net Impact	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Evidence Base (for summary sheets)

Background

The statutory minimum bus concession is administered locally by 263 Travel Concession Authorities (TCAs) outside London, who are responsible for setting local schemes, requiring negotiations with local operators, issuing cards for their residents and responding to public enquiries.

Rationale for Government Action

The Government is currently reviewing these arrangements to see whether they are still appropriate after the changes to concessionary travel in England that have occurred since 2001. As part of the improvement of benefits that has taken place over the past ten years, concessionary travel has expanded from a patchwork system of local travel schemes, offered at the discretion of authorities, to a statutory, England-wide scheme offering free travel to 11 million people at an annual cost of around £1 billion. Despite these changes though, the administration of the scheme has remained broadly unchanged. The Government believes it is now appropriate to review the system to see whether it is still being run at the most appropriate level.

Descriptions of Options Considered in this IA

Although there are various options considered in the consultation paper only some of these have been fully analysed below. This is to provide an illustration of the potential impacts and it does not imply that they are favoured options.

Option 1 - No change to the administration of the concession

The concession is currently administered through 'lower-tier' authorities. Many authorities however decide to co-operate on the organisation of their concessionary fare scheme.

Option 2 - Move TCA responsibility to 'higher-tier' authorities with 'upper-tier' discretionary enhancements (option 2b from consultation paper)

This would make no changes to the administration of concessionary travel in metropolitan counties or unitary areas, but in non-metropolitan counties the responsibility would move from 'shire' district councils to county councils.

Option 3 - Centralise the administration of concessionary travel to DfT with 'upper-tier' discretionary enhancements (option 3b from consultation paper)

Administration of concessionary travel would be handled by DfT or one of its agencies.

Other Options for Consideration

- Moving the administration to a regional level.
- As Option 2 but leaving the option for discretionary enhancements at a 'lower-tier' level.
- As Option 3 but leaving the option for discretionary enhancements at a 'lower tier' level or removal of all discretionary enhancements.

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Note on Calculations in this Impact Assessment

The calculations in this impact assessment have been based on the very limited data we have been provided with and strong assumptions. Please respond to us as part of the consultation process if you have estimates of the cost of administering concessionary fares for operators and TCAs.

Option 1 No change to the administration of the concession

The current cost of administering concessionary travel can be divided into three separate areas: the cost to local authorities, the cost to operators and the cost to Central Government. For the purposes of this Impact Assessment we have attempted to estimate the monetised costs to Central and Local Government and the impact on the industry.

Cost to Local Authorities

In administering a concessionary travel scheme local authorities are responsible for setting local schemes, negotiating with operators, issuing passes, processing application forms, posting passes to concessionaires and answering queries from the public. The staff costs incurred in performing these activities varies widely and it is extremely difficult to get an accurate idea of what these costs might be. Not only do the resources employed by TCAs vary widely from small district councils to PTEs, but many TCAs choose to pool their resources to create a single scheme. Indeed there are 263 official TCAs outside of London but due to Local Authorities grouping together to run the concession there are far fewer schemes. This is due to the fact that the vast majority of existing non unitary 'lower-tier' authorities already co-operate with other authorities in their county. In addition, many unitary authorities co-operate with other authorities in their area.

The recent establishment of new unitary authorities has changed the number of schemes that operate. The situation after these current changes to Local Government has been taken as the base case that we are estimating in this option, in order to account only for the effects of the changes proposed in other options. Based on our understanding of the current schemes we estimate that there are currently 73 schemes of which 9 are run by solo district councils whilst 64 schemes are at unitary, county, PTE or other co-operative level. These numbers may not be exact as they are only based on information we have been provided and some schemes may currently be going through changes that we are not aware of.

A report produced for Nottinghamshire County Council by consultancy ITP to evaluate the cost of the scheme gives us some rough estimates that we have used to estimate the overall costs. In the Nottinghamshire scheme, functions are split between the district and county level. The county council sets the scheme for the county while the district councils perform the day to day functions of issuing passes and responding to queries. Based on information in this report we estimate that the cost of administering a scheme is £200,000. We estimate that smaller district schemes may have smaller costs. There will however be some elements of the costs of running a scheme that do not vary with the size of the scheme. For the purposes of the calculation below we estimate that district council schemes incur 80% of the cost of larger schemes or £160,000.

In addition to the costs of running a scheme, TCAs that are part of a joint scheme which they do not lead will incur some costs. We estimate that there are currently 211 such TCAs. We estimate that such Authorities may devote a tenth of one employees time to such a scheme. Assuming a salary of £30,000 and overheads and social security payments of 100% would lead to the following estimate of total costs for such TCAs:

$$0.1 * £30,000 * (1 + 100\%) = £6,000$$

These figures would suggest that the total costs of administering the scheme for all local authorities outside London per year are:

$$\text{Larger TCA Schemes: } 64 * £200,000 = £12.80 \text{ million}$$

Annex F - Draft Impact Assessment

Smaller TCAs Schemes: $9 * £160,000 = £1.44$ million

TCAS within a Scheme: $211 * £6,000 = £1.27$ million

Total Costs to Local Government are therefore estimated at £15.51 million.

It is also worth noting that these costs are based on the existing pattern of co-operation between TCAs to form joint schemes. If some of these TCAs ceased to co-operate in this manner costs would rise.

Cost to Operators

The cost to operators fall into two categories: negotiation and administration. Based on information supplied to us by operators the cost of negotiation per operator within a scheme varies between £3,500 and £5,500. The cost of administration is estimated at £8,000. It is estimated that within each smaller scheme there are an average of 10 operators who will incur substantial costs from administration and negotiation of the scheme and within each larger scheme there are 13 such operators. Out of the 77 schemes outside London 16 are for 'lower-tier' non-unitary TCAs.

If it is assumed that the lower end of the negotiation costs are in 'lower-tier' non unitary TCAs whilst the higher end of the negotiation costs are incurred when the operator negotiates with a larger TCA, then the total cost to operators per year can be estimated:

$$(9 * 10 * (£3,500 + £8000)) + (64 * 13 * (£5,500 + £8000)) = £12.27m$$

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Other Impacts

Users of the transport system should gain from the synergies between the administration of the concession and transport planning. There may be potential losses to users from the withdrawal of discretionary enhancements that are specific to 'lower-tier' authorities (with associated reimbursement savings). It is also possible however that discretionary enhancements could be standardised upwards (adding to reimbursement costs). There is also the potential to more accurately allocate funding to 'higher-tier' councils.

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There would also be savings to those 60 continuing schemes that no longer administer the statutory scheme:

Savings to existing schemes = $60 * (£200,000 - £80,000) = £7.20$ million.

Those lower-tier authorities that currently administer a scheme on behalf of a group of authorities would also save their administration costs:

Saving to districts previously running a scheme for a group = $4 * £200,000 = £0.80$ million

As well as savings to lower-tier authorities which cease to participate in a scheme which they do not run:

Saving to TCAs within a scheme = $196 * £6,000 = £1.18$ million

Total savings to Local Authorities then equals £10.62 million

Net savings to Local Authorities (taking account of the new cost to upper-tier authorities) then equals £10.22 million

Impact on Operators

The impact of moving to a national scheme on operators is difficult to determine as it would depend on what spatial level reimbursement rates were applied, how reimbursement was calculated and what scope there was for negotiation. Again, for the purposes of this impact assessment, only the policy change of moving reimbursement of the statutory concession to Central Government is being assessed and not any reforms that might accompany such a move. Operators. The cost to operators of negotiating and administering the statutory scheme to one central administrator would not therefore be much cheaper than negotiating and administering with separate TCAs. The costs to operators of administration and central government could then be estimated as 80% of the current costs or £8.99 million.

Such an arrangement could however involve duplicated costs for the operator as they would have to also negotiate and administer the discretionary scheme with upper-tier local authorities. We have assumed that the costs of administering and negotiating discretionary concessions to the operator would be 40% of the costs of administering and negotiating statutory and discretionary concessions. The cost to operators can therefore be calculated as:

$65 * 13 * (£5,500 + £8,000) * 40\% = £4.56$ million

According to this estimate the total cost to operators of this option would be £13.55 million. Compared to the cost in option 1 of £12.27 million this is an increase of £1.28 million.

Other Impacts

There may be potential losses to users from the withdrawal of discretionary enhancements that are specific to 'lower-tier' authorities (with associated reimbursement savings). It is also possible however that discretionary enhancements could be standardised upwards (adding to reimbursement costs).

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Summary of Estimated Quantified Impacts of Option 2 and Option 3

The following table summarises the net impacts of options 2 and 3:

£Millions per year	Options 2 Upper Tier Statutory Upper Tier Discretionary	Options 3 Central Statutory Upper Tier Discretionary
New Cost to TCAs	£1.0	£0.4
Savings to TCAs	£3.4	£10.6
Net Saving To TCAs	£2.4	£10.2
New Costs to Operators	£0.0	£9.0
Savings to Operators	£0.9	£7.7
Net Saving to Operators	£0.9	-£1.3
New Cost to Government	£0.0	£6.3
Net Savings	£3.3	£2.6

Consideration of Other Options

Regional Administration

A move to administer the concession on a regional basis also has the potential to reduce administration costs. It is not clear which regional bodies would take responsibility for the administration of the concession under this option. There would also be potential losses to users from the removal of discretionary enhancements.

'Higher-Tier' Administration with retention of 'Lower-Tier' Discretionary Enhancements

This option has the potential to avoid costs to users associated with removal of discretionary enhancements. There would then be a choice for how these 'lower-tier' discretionary enhancements would be administered and reimbursed. They may be administered by 'higher-tier' authorities on behalf of 'lower-tier' authorities or there could be separate reimbursement of discretionary enhancements at a 'lower-tier' level. Whichever option was chosen the administration savings would be lower than those estimated for Option 2.

Central Administration with retention of 'Lower-Tier' Discretionary Enhancements

Again this option has the potential to avoid costs to users associated with removal of discretionary enhancements. This would reduce savings compared to Option 3.

Central Administration with removal of all Discretionary Enhancements

There will be losses to users from the withdrawal of discretionary enhancements (though the associated reimbursement costs would be saved). Administration savings would have the potential to be much larger than option 3.

Conclusions

The move to 'upper-tier' local authorities has been estimated to produce notable savings. As noted however this is on the basis that discretionary enhancements would be rationalised. The estimate is also based on strong assumptions and limited data. It is likely however that the non-financial impacts are likely to be more important to the consideration of such a move.

The costs of a move to a centrally administer the scheme has only been approximately estimated at this stage. However, based on an assumption that there would be separate reimbursement of discretionary concessions any potential for savings may be limited.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	Yes
Small Firms Impact Test	No	Yes
Legal Aid	No	Yes
Sustainable Development	No	Yes
Carbon Assessment	No	Yes
Other Environment	No	Yes
Health Impact Assessment	No	Yes
Race Equality	No	Yes
Disability Equality	No	Yes
Gender Equality	No	Yes
Human Rights	No	Yes
Rural Proofing	No	Yes

Competition Assessment

There should be no impact on competition as whatever the tier of administration, concessionary reimbursement does not subsidise the operators. Instead, no matter which services are covered by the scheme, they should all be reimbursed on a no better, no worse basis.

Small Firms Impact Test

There should be no impact on small firms as whatever the tier of administration concessionary reimbursement does not subsidise the operators. Instead, no matter which services are covered by the scheme, they should all be reimbursed on a no better, no worse basis.

Legal Aid Impact Assessment

No legal aid impact is envisioned.

Sustainable Development/Carbon Assessment/Other Environment Impact Assessment

No impact on the environment is envisioned.

Health Impact Assessment

No impact on health is envisioned.

Race Equality/Disability Equality/Gender Equality

No impact on equalities is envisioned.

Human Rights

No human rights impact is envisioned.

Rural Proofing

No specific rural issues have been identified.