

# Brighton & Hove City Council

## Strategy, Finance and City Regeneration Committee

## Agenda Item 69

**Subject:** Concessionary Fare Payments 1-year fixed deal 2023-24

**Date of meeting:** 5<sup>th</sup> October 2023

**Report of:** Executive Director, Economy, Environment & Culture

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**Ward(s) affected:** All

### 1. Purpose of the report and policy context

1.1 This report seeks committee approval for the proposed arrangements with Brighton & Hove Bus & Coach Company (BHBCC) and Stagecoach South over the current financial year, for reimbursement of concessionary travel journeys.

### 2. Recommendations

That Committee:

2.1 Approves a 1-year fixed deal with Brighton & Hove Bus & Coach Company on the basis of 90% of pre-covid payments for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024;

2.2 Approves a 1-year fixed deal with Stagecoach South on the basis of 90% of pre-covid payments for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024;

2.3 Grants delegated authority to the Executive Director Environment, Economy and Culture to take all steps necessary to conclude the 1 year fixed contracts for travel concession in line with recommendation 2.1.and 2.2

### 3. Context and background information

3.1 The Council reimburses bus operators for Concessionary Travel undertaken by older people and eligible disabled pass holders. There are over 42,000 pass holders in Brighton & Hove of which 7,000 are issued to qualifying disabled residents.

3.2 On 13 February 2020 the Policy & Resources Committee approved a 3-year fixed deal with BHBCC from 1 April 2020 to 31 March 2023 for the payment of Concessionary Fares.

3.3 On 23<sup>rd</sup> February 2023 Budget Council agreed to apply savings of £950k for the 2023-24 financial year to concessionary fare payments budget to bus

operators. The previous 3-year fixed deal had maintained concessionary fare payments based on 100% pre-covid levels of patronage. This was in line with DfT guidance to maintain payments at pre-covid levels, although there is no legislative mechanism to enforce this.

- 3.4 Patronage levels are currently around 80% of pre-covid levels in the city. This is probably in part due to increased home working.
- 3.5 Negotiations have been held with Brighton & Hove Bus and Coach Company and they have agreed to a fixed deal with payments at 90% of pre-covid levels (paid monthly in installments) for this financial year. This would be in line with the savings agreed at February's Budget Council meeting.
- 3.6 All bus operators in the city have been offered the same fixed deal based on 90% of pre-covid patronage.  
**Brighton & Hove Bus & Coach Company**  
**Stagecoach South.**  
**The Big Lemon**  
**Metrobus**  
**Compass**

#### **4. Analysis and consideration of alternative options**

- 4.1 The option of proposing a longer-term fixed deal was considered of up to 3 years in line with the term of the previous deal. However, bus patronage levels might change considerably over that longer period. The Department for Transport has also indicated that it is reviewing national concessionary fare payments to bus operators, and they hope to provide updated guidance before the end of this financial year.
- 4.2 The option of reimbursement via the Department for Transport calculator (Reimbursement model) was considered. This would require further detailed negotiation, with calculations made monthly based on concessionary pass usage and no budget certainty over the next year.

#### **5. Community engagement and consultation**

- 5.1 The Council has been in negotiations with bus operators and this 1-year fixed deal has been agreed on the basis that it provides certainty to both parties and achieves the savings agreed at February's Full Budget Council.
- 5.2 This also meets the requirements of the local authority to ensure the bus company is paid for the concessionary travel journeys undertaken within the city.

#### **6. Conclusion**

- 6.1 It is recommended that the Strategy Finance & City Regeneration Committee approves a one-year fixed deal with Brighton & Hove Bus and Coach company and other bus operators as set out in this report.

## **7. Financial implications**

- 7.1 The Council approved a budget for Concessionary Fares payments to operators in 2023/24 of £9.785m which incorporated a saving of £0.950m. This report reflects the negotiated settlement with three of the providers of bus travel in the authority, including the two major providers, Brighton and Hove Buses and Stagecoach, for the current year of £9.224m.
- 7.2 Of the two smaller operators, Metrobus has requested payment based on actual journeys and Compass has yet to reply. Assuming the number of journeys are consistent with previous years, adequate budget will remain to cover the costs of concessionary fares delivered by those operators.

Name of finance officer consulted: Jill Scarfield Date consulted 05/09/2023

## **8. Legal implications**

- 8.1 The Council operates its concessionary fares scheme in accordance with the Transport Acts 1985 and 2000, the Concessionary Bus Travel Act 2007 and the Mandatory Travel Concession (England) Regulations 2011. The provision of a concessionary travel scheme in accordance with the national minimum is a statutory duty. There is discretion for councils to provide a scheme that extends the entitlement of services over and above the national minimum. The statutory framework for travel concessions does not stipulate a minimum or maximum duration for an individual scheme. It is for the travel concession authority (i.e. the Council) to propose a start and end date, and to seek agreement with the bus operator over the length of this term.

Name of lawyer consulted: Elizabeth Culbert Date consulted 04/09/23

## **9. Equalities implications**

- 9.1 The provision of disabled and concessionary bus passes is in line with the City Council plan 2023-27 'We want to ensure that everyone, from all areas of the city, can get around with a safe, accessible, and sustainable transport network'.
- 9.2 Concessionary bus passes provide older people who may not have access to private vehicles with a means of travelling around the city, resulting in a wide range of welfare benefits.

## **10. Sustainability implications**

- 10.1 The provision of disabled and concessionary bus passes reduces car dependency for those that use them thereby reducing the number of vehicles on the city's roads resulting in less congestion and benefits in terms of the city's air quality compared to the use of private vehicles. This is particularly so as bus operators work toward zero emission fleets.

## **Supporting Documentation**

None