

Decision Maker: **Adult and Community Portfolio Holder**
For pre decision scrutiny by the Adult and Community PDS Committee

Date: **02 November 2010**

Decision Type: Non-Urgent Executive Key

Title: **CHANGES TO THE TAXICARD SCHEME AND TFL TAXICARD FUNDING REDISTRIBUTION**

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Chief Officer: Terry Rich, Director of Adult and Community Services

Ward: All

1. Reason for report

- 1.1 A higher than anticipated increase in the number of Taxicard trips taken throughout London during 2010/11 has resulted in significant projected overspends of the cumulative Taxicard budget. A number of measures to bring spend within budget, have been proposed by London Councils, which will be considered at the Transport and Environment Committee (TEC) 11 November 2010, with a view to implement approved measures by 01 December 2010.
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2. RECOMMENDATION

Adult & Community PDS

2.1 To note the projected overspend on the London Taxicard scheme across London and the measures proposed to offset that overspend.

2.2 To comment on the proposed changes

Adult & Community Portfolio Holder

2.3 To note any comments from the PDS Committee and to agree to the recommendations from London Councils on measures to offset the projected overspend; namely

- Increase the minimum customer contribution from £2.00 to £2.50
- End double swiping for longer trips

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Supporting Independence.
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Financial

1. Cost of proposal: No cost
 2. Ongoing costs: Non-recurring cost.
 3. Budget head/performance centre: Commissioning and Partnerships Division / TfL Taxicard funding
 4. Total current budget for this head: £77,490 LBB and £89,813 TfL (2009/10) Contribution
 5. Source of funding: ACS Portfolio / TfL Taxicard funding
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Staff

1. Number of staff (current and additional): Part time admin resource in LBB to process applications for forwarding to London Councils who administer the Taxicard scheme
 2. If from existing staff resources, number of staff hours: 0
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Currently 1100 Bromley Taxicard members
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The Taxicard scheme is a door-to-door transport service for Londoners with serious mobility impairments and to whom public transport is not usually accessible. Financed by 32 participating London boroughs and Transport for London (TfL), the scheme increases the independence and the mobility of disabled people by providing subsidised trips in licensed London taxis or private hire vehicles. Taxicard is administered by the London Councils Transport and Environment Committee. The 2010/11 LBB Taxicard budget is £77k and TfL contribution during 2009/10 was almost £90k.
- 3.2 Historically, TfL increased its financial commitment to match Taxicard scheme growth, however for 2009/10 the contribution was capped at £12.7m (2008/09 level) with a small increase of 2.7% annually.
- 3.3 The joint Taxicard trips budget for 2010/11 is £19.2 million (£13 million from TfL and £6.2 million from 30 of the 32 participating boroughs). Projected scheme growth in 2010/11, based on available trip data, is considerably higher than expected and should these levels persist would project 2.04 million trips made at a cost of £20.79 million, representing a £1.59 million overspend.
- 3.4 As no additional funding is available to cover the projected overspend, a number of measures have been proposed by London Councils, administrators of the Taxicard scheme, to protect the scheme in current and subsequent financial years. A decision on the proposed measures will be taken by the Transport and Environment Committee 11 November 2010 with a view to implement recommendations by 01 December 2010. Cllr Colin Smith, Environment Portfolio Holder, is LBB representative on Transport and Environment Committee.
- 3.5 The recommended measures and their impact on Bromley Taxicard members are set out below:

Increase the Minimum Member Charge per trip to £2.50*

- 3.6 The minimum member charge is the initial amount all Taxicard members must pay towards each trip. As the existing charge in Bromley is £2.00, there would be a £0.50 increase per trip to the Taxicard member.
- 3.7 It should be noted the Taxicard scheme was originally intended to provide for short distance trips in a taxi at a cost similar to public transport fares. Fares on public transport have risen significantly in recent years, with the minimum Taxicard charge remaining unchanged for over 15 years. It is therefore arguable that £2.50 represents a reasonable minimum charge for the use of this facility.

End Double Swiping

- 3.8 Double swiping allows Taxicard members to use two subsidies together in a single journey, providing the option of taking longer trips at a lower personal cost to the Taxicard member. Given the size and geographical location of the borough, ending double-swiping may have a greater impact on Bromley Taxicard members. During 2009/10, 2,810 double swipe trips were made in Bromley, accounting for 16.4% of total trips taken in the borough (17,126 total trips).
- 3.9 London Councils have proposed that double swiping could continue, should the individual authority agree to pay all second trips taken by their members. Based on trip figures above and not accounting for scheme growth, continuing double swiping could result in an additional £26,000 (approximated figure) cost to the borough. There is no budget provision to cover such an increase in costs.

Other recommendations

3.10 Additional measures recommended, have no impact on Bromley Taxicard members or the Council. These are outlined below;

- Reducing the maximum subsidy per trip by £1 – maximum subsidy for London Borough of Bromley member will remain unchanged at £9.30 (the recommended level).
- Boroughs to fund any additional trips given over and above an individual's allocation – London Borough of Bromley do not allow additional trips.
- Reduce Taxicard members' trip limits to 104 trips per year – Bromley Taxicard members receive a monthly allocation of 8 trips per month (96 per year), below recommended limit.

4. POLICY IMPLICATIONS

4.1 The recommendations from this report support the Council's Building a Better Bromley 2020 Vision of Supporting Independence; whereby people, particularly older people and vulnerable adults, are supported to lead active, healthy and independent lives.

5. FINANCIAL IMPLICATIONS

- 5.1 Boroughs that fail to agree to implement the proposals would have their current contribution from TfL in 2010/11 capped at the amount they received in 2009/10, increased on a pro rata basis to reflect a 2.7% increase in the overall TfL budget. Those boroughs would then have their schemes suspended when spend reaches that ceiling unless the borough provided additional funding to cover any overspend. This is because if some boroughs do not implement the changes the required saving may not be achieved, thereby adversely affecting other boroughs. For Bromley, this would equate to a maximum funding level in 2010/11 of £169k (£92k from TfL and £77k LBB) compared to a current projected spend of £185k.
- 5.2 It is important to note that there is no proposal to cut the overall Taxicard budget. These measures are intended to specifically deal with the impact of the continued growth of user demand and containing costs within budget.
- 5.3 In addition to the measures detailed within this report, TfL and London Councils have considered ways of redistributing TfL's Taxicard funding more equitably amongst the 32 participating boroughs. This is in response to concerns expressed by some boroughs and TfL over the way this funding has developed over the years. The preferred measure is to base the distribution of funding on the number of Higher Rate Mobility Component (HRMC) of the Disability Living Allowance (DLA) claimants per borough.
- 5.4 The proposals concerning the distribution of TfL funding will be considered by the Transport and Environment Committee on 9th December 2010 and, under the "preferred" redistribution method, (currently being recommended to the Committee by TfL) the London Borough of Bromley could receive around £300k of additional funding from TfL once the change has been fully implemented. However, if TfL subsidy is redistributed in this way, some authorities would face a significant reduction in funding and it is not therefore possible to move to this distribution methodology in a single step. To mitigate any resulting impact, any move to a new funding distribution would have to be done gradually over a period of two or three years. This should then enable authorities to adjust their own budgets according to the level of service they wish to provide, for example offset the Councils contribution to the scheme and/or fund additional benefits for scheme members such as reviewing double swipes.
- 5.5 A further report will be submitted to the Adult and Community PDS Committee, once the redistribution methodology has been considered by the Transport and Environment Committee and the full impact has been assessed.

Non-Applicable Sections:	<p>Legal Implications</p> <p>Personnel Implications</p>
<p>Background Documents: (Access via Contact Officer)</p>	<p>Taxicard – Budget Update and TfL Funding Redistribution presented to London Councils’ Transport and Environment Committee (14 October 2010)</p> <p>Taxicard – Budget Update and TfL Funding Redistribution presented to London Councils’ Transport and Environment Committee (16 September 2010)</p>