



Executive
15 November 2010

**Report from the Director of
Housing and Community Care**

Wards Affected:
ALL

**Authority to agree recommendations from the London
Councils to manage projected overspend on the Taxicard
Scheme**

1.0 Summary

1.1 This report requests that the Executive delegates authority to the Director of Housing and Community Care to agree to the proposals recommended and presented by the London Councils to the Transport and Environment Committee (TEC) on 14th October 2010 to address the cost pressures within the taxicard scheme and pull the spend back in line with the budget for 2010/11.

2.0 Recommendations

2.1 The Executive notes the recommended budget control measures that have been drawn up by the London Councils and presented to the TEC as detailed in section 3.6.3. of this report.

2.2 The Executive to delegate the authority to the Director of Housing and Community Care to agree to the recommended budget control measures with the London Councils to pull the spend back in line with the budget for 2010/11.

3.0 Background – Taxicard Scheme

3.1. The Taxicard Scheme was set up to allow London residents with a mobility impairment that prevents them from using buses or trains to travel in the contractors' licensed radio taxis – black cabs or Private Hire Vehicles at subsidised rates.

3.2. Eligibility Criteria

- Resident within one of the participating London Boroughs
- The individual must be unable or virtually unable to use busses or trains due to severe sight impairment or blind, or have a permanent disability which seriously impairs their ability to walk. This is assessed based on either the applicant being in receipt of High Rate Mobility Component of DLA which is an automatic qualifying benefit for the scheme or the individual's GP confirming in their opinion the individual is unable/virtually unable to use public transport.

3.3. Scheme Administration:

The scheme is managed on behalf of the participating London Boroughs by the London Councils with funding from TfL and the Mayor. Residents submit their applications to their Local Authority for checking of eligibility and if eligible the forms are forwarded to London Councils for the cards to be issued.

3.4. Taxicard Fares and Subsidies:

- £1.50 cost to the individual taxi card member per trip for a fare up to £11.80 during the day, £12.80 evenings and weekends or £14.20 at night. The subsidised portion of the fare is then charged against the participating borough.
- Double swiping: Two subsidised fares can be used together on one trip allowing the individual to pay £3.00 for a fare up to the sum of £23.60. This is reported to be popular in the boroughs that allow the practice
- Additional trips: The scheme to date has permitted boroughs to allocate additional trips to members allocations, the cost for which has been borne across the participating boroughs

3.5. Level of Service Provision within Brent:

- Current number of Taxicard members in the borough = 4,228 as of April 2010
- Number of Brent residents actively using their taxicards = 1,598 as of April 2010
- Each Brent taxicard member has an allowance of 104 trips per year in monthly allocations of 8 trips (Note: for a journey to and from a destination uses 2 trips)
- The facility to roll over trips not used in one to the next month was added for Brent taxicard members in 2010.
- Double swiping – the facility to use 2 trips on one long journey is available
- Additional trips have been allocated at the discretion of Social Care Managers over the years to individual Brent taxicard members.

3.6 Current Situation:

3.6.1 The Taxicard trips budget for 2010/11 is £19.2m, consisting of £13.04 from TfL and £6.16m from the boroughs. The year on year trip increase for the scheme as a whole from April – July 2010 is 16.4%. If this trend were to continue for the rest of the financial year, this would project 2.02m trips being undertaken by taxicard members across London. This equates to a spend of around £20.62m and a projected overspend of £1.42m for the scheme as a whole.

3.6.2 In Brent it had been noted in July 2010 that there has been a steady increase in the number of applications and activity rates amongst Brent taxicard members. Statistics on member numbers and activity rates in April 2010 indicated a 32.43% increase when compared with April 2009. Within the CSDP Team that administers the taxicard applications, it has been noted that there has essentially been a year on year rise in the number of applications:

April 07-08 =507 applications

April 08 -09 = 743 applications

April 09 -10 = 666 applications

April 10 – August 2010 = 400 applications with a forecast total of 850 for the year

3.6.3 London Councils in response to the increasing take up and use of taxicards prepared a report which was presented to the TEC on 14th October 2010. The report recommendations to the boroughs on measures to be implemented to bring the budget in line and to manage the projected overspend for 2010/11 as of 15th November 2010 are as follows:

- To increase the minimum customer contribution to £2.50 (£2.00 and £3.00 for LB Newham Saver and Standard trips)
- To reduce the maximum subsidy by £1.00 per trip (£5.00 for LB Newham Standard trips)
- To end double swiping. If individual boroughs wish to continue the practice they should fund the trips.
- That boroughs fund their own additional Taxicard trips

The report required that the TEC noted that the individual boroughs would need to formally agree to the proposals before London Council's could implement them; noted the financial impact on those boroughs that do not agree to the proposals; agreed that any borough that do not implement the changes will have their contributions from TfL capped at the 2009/10 rate plus pro rata increase related to agreed funding for 2010/11 and agrees that the scheme in any borough will be suspended if budgets are exceeded.

3.6.4. At the TEC meeting on 14th October in response to queries raised by the boroughs, the issues were deferred to the Executive Sub Committee scheduled to meet on 11th November and the decision on TfL funding has since been deferred to the full December TEC Committee with a view to the recommendations being implemented as of 1st January 2011.

3.7. Implications for Brent:

3.7.1. Raising the Minimum Member contribution and reduction in trip subsidy:

It should be noted that the taxicard member rate of £1.50 per trip has not risen since the taxicard scheme came into existence 15 years ago. The saving to Brent based on the number of anticipated trips to be taken by members is calculated to be £37,822.

3.7.2. Ending Double swiping: Brent to date has permitted double swiping, which is understood to be popular with taxicard members in Brent, allowing assisted transport access to services and community services outside of the borough. Although it is acknowledged that for the taxicard member they will need to pay for longer journeys, the saving to Brent is forecast to be £19,635.00

4.0 Financial Implications

4.1. Current Funding Mechanism and contributions:

Contribution by the London Borough of Brent 2010/11	£168 532
Management Fee to London Councils	£28,525
TfL allocation 2010/11	£524,993
Total available Budget (excluding management fee)	<u>£693,525</u>

4.2. Given the rise in applications and taxicard members in Brent and the year on year increase in activity rates reported in April implying a 32.43% increase in Brent, London Councils have forecasted that the spend within Brent will exceed the total budget available:

Projected Spend for Brent in 2010/11	<u>£812,724</u>
Projected Budget Shortfall with no borough action:	<u>-£119,199</u>

Projected date that Brent will spend its budget with no preventive action: 6th February 2011

4.3. London Councils in their letter sent out on 26.10.10 to the nominated Borough Director or Assistant Director states that for those councils that implement all 3 measures to control spend, TfL will redeploy resources to those boroughs to cover any residual overspend that may arise should the measures not yield sufficient savings.

In the event that a borough does not wish to implement the recommended measures then the options will be for the individual borough to fund the overspend, which for Brent is forecast to be £119,199 or provide no additional

funding in which case London Councils have advised that they will have no alternative but to suspend the scheme for taxicard members in that borough. For Brent it is anticipated that this would be around the 6th February 2011. As has already been reported the Adult social care budget is already overspending and this additional potential overspend had not been previously accounted for. Therefore any additional costs cannot be found from the councils own resources, this potential overspend was not part of the

5.0 Legal Implications

- 5.1 The Taxicard Scheme is managed by London Councils Transport and Environment Committee on behalf of the participating boroughs under the joint committee arrangements. However, the terms of the scheme, including matters relating to subsidies remain a matter for the individual Councils. Accordingly it remains for the Council to decide whether to agree the London Council proposals in relation to managing the budget.

6.0 Diversity Implications

- 6.1 Staying active and participating in the local community promotes health and well being. The taxicard scheme is one of three forms of assisted transport/concessionary fares schemes in enabling Disabled People access to and around their immediate locality and London. Many People with Disabilities are on low incomes and so the taxicard scheme with its subsidized fares is of particular benefit in enabling greater choice and control over access to community services and support.
- 6.2. Due to the relative short notice since the detailed information came available from the London Councils, there has been insufficient time as yet to complete an Equalities Impact Assessment to look at the potential impact of the recommended measures upon taxicard members in Brent.

Background Papers

London Councils Letter to Alison Elliott – Taxicard Budget 2010/11 – Proposals to address projected overspend
London Councils – London Borough of Brent Individual Taxicard Budget Figures

Contact Officer

Hilary Carter Principal Manager OT and Specialists, Housing and Community Care Department, 34 Wembley Hill Road, Wembley, Middx HA9 8AD,
Tel:020 8937 4443

MARTIN CHEESEMAN
Director of Housing and Community Care