

Please file on 'free fares'

free fares file
please.



Memo

From: Paul Sweeney
Deputy Secretary

Your ref:
Our ref:

Tel: (028) 9054 0100

cc: PS/Secretary
Mrs Brown
Mr McGibbon
Mr Deeny
Mr Bullick

Date: 9 February 2001

To: PS/Minister

3586
= 9 FEB 2001

MR MARK DURKAN'S LETTER OF 8 FEBRUARY

Dr [Signature]

[Signature]
[Signature]

SUMMARY

Issue: Draft reply to Mr Durkan's letter of 8 February.

Timing: Pressing.

Recommendation: That the Minister considers the attached draft reply.

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9/2/01

BACKGROUND

1. Following the Minister's interview on Good Morning Ulster on 8 February, Mr Durkan wrote to the Minister. (Annex A)
2. Mr Durkan challenged the Minister on the statement that a bid had been made to DFP for free fares and took exception to the impression which the Minister conveyed with regards to the role of DFP.
3. The issue as to whether a bid was made or not, is easily refuted, and I have addressed this in the draft reply.
4. On the matter of creating a misconception in the media about the role of DFP, it was clearly not the Minister's intention to do so. Perhaps, upon reflection a reference to "the Centre" rather than DFP would have been more appropriate. I have incorporated a paragraph in the draft letter to address this matter. However, the Minister will want to carefully consider the wording of this.

Please hls on 'free fares'

RECOMMENDATION

5. That the Minister considers the attached draft reply to Mr Durkan. (**Annex B**).

Paul Sweeney

PAUL SWEENEY
Deputy Secretary

NB A copy of the transcript of the interview is attached (**Annex C**).

Enc

DEPARTMENT OF FINANCE AND PERSONNEL*from the Minister*

Rathgael House
Balloo Road
BANGOR
Co Down
BT19 7NA

Gregory Campbell MLA
Minister for Regional Development
Clarence Court
10-18 Adelaide Street
BELFAST
BT2 8GB

8 February 2001

Dear Gregory,

FREE TRAVEL FOR THE ELDERLY

I am writing further to your letter of 23 January in which you sought my department's approval to permit District Councils to introduce an interim free travel scheme.

As you will know, the Executive recognised that the principle of free travel for the elderly is one that should be supported. Commitments to bring forward a scheme for introduction in 2002/03 are contained in the draft Programme for Government and appropriate provision has been made on an indicative basis in our forward spending plans.

An interdepartmental working group, on which your department is represented, is currently considering how this may best be taken forward. It is against this background that we were considering the proposals contained in your letter of 23 January. As I am sure you will appreciate, such an interim arrangement would require not only my approval but also the endorsement of the Executive given the cross-cutting nature of the policy.

In this context I was therefore surprised to hear on Good Morning Ulster this morning your statement that you had made a bid to my department for between £5m and £7m in order to introduce free travel for the elderly in a matter of months. I have confirmed with my officials that no such bid has been received and I would wish to register my grave

Telephone: 028 9185 8177

Fax: 028 9185 8282

e-mail: private.office@dfpni.gov.uk

disappointment that such a suggestion should have been made. I do not wish to labour the point but I find this far from helpful. It has obviously created a misconception in the media about the role of the Department of Finance and Personnel in handling this issue.

On a more positive note, I can confirm that I will be putting proposals to the Executive today about how the remaining resources, available as a result of the December Monitoring exercise as explained in my earlier statement to the Assembly, may be allocated. Depending on the decisions of the Executive these may enable an acceleration of the implementation of the free travel for the elderly policy. I do not wish to pre-empt the outcome of the Executive meeting but if there is a positive decision on this I would expect that your officials would need to respond quickly in conjunction with those from other interested departments including DFP.

I will be making a statement to the Assembly on Monday morning on these issues and I would hope to speak to you in advance of this. I am copying this letter to Executive colleagues.

Regards,

Mark

MARK DURKAN MLA

Minister of Finance and Personnel

Telephone: 028 9185 8177

Fax: 028 9185 8282

e-mail: private.office@dfpni.gov.uk

Mark Durkan
Minister for Finance and Personnel

Department for Regional Development
Clarence Court
10-18 Adelaide Street
6th Floor
Clarence Court
Telephone:
Facsimile:
Email:

9 February 2001

Dear Mark

FREE TRAVEL FOR THE ELDERLY

Further to your letter of 8 February I thought I should write to clarify what I had said in relation to bidding to DFP for the introduction of a free fares scheme, during the course of my interview with Good Morning Ulster on 8 February.

I have had an opportunity to review a transcript of my interview. In the course of the interview I stated my intent to make a bid to DFP and that I had instructed my officials to make a bid. At one point I did begin a sentence by saying, "I have made a bid", but I quickly rectified this.

My latest bid, in a sequence of several such bids, for the free travel scheme, would have been in the context of the Executive Programme Funds bidding process. It was in this specific context that I was instructing my officials to prepare the submission for a further bid.

GREGORY CAMPBELL
Minister for Regional Development

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DRAFT

As a matter of record I set out in the attached annex the sequence of bids which I, and my predecessor, Peter Robinson, have made in relation to our goal of advancing the free fares scheme. I also attach an extract from my submission of 7 December 2000 to FM/DFM, side copied to you, in relation to the final recommendations on the SR 2000/Budget 2001/02. In this submission I unequivocally advocated the introduction of a free fares scheme from April 2001 on the basis that resources were available to do so. I am at a loss as to why my option was financially constrained in December, but fully funded within a matter of several weeks. This is a particularly cynical form of decision making perversely affecting one of the most vulnerable sections of our community.

[One the matter of creating a misconception in the media about the role of the Department of Finance and Personnel, I accept the point you made. Please be assured that it was not my intention to misrepresent in any way the role of DFP.]

A copy of this letter is being forwarded to the First Minister, the Deputy First Minister and Mr Foster.

Yours sincerely

GREGORY CAMPBELL

Minister for Regional Development

09/02/01 09:51

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DRD BIDS FOR RESOURCES TO FUND FREE TRAVEL FOR OLDER PEOPLE

SPENDING REVIEW 2000 - JULY 2000

	2001/02	2002/03	2003/04
	£m	£m	£m
High priority bid, reflecting the additional requirement over and above the 50% concession already provided for older people	7	7.2	7.4

FINAL BUDGET RECOMMENDATIONS – DECEMBER 2000

Letter dated 7 December 2000 from DRD Minister to First Minister and Deputy First Minister commenting on various Executive Committee papers including E(00) 203 “Final Recommendations on SR2000/Budget 2001/02”, advocated that the scheme should be “centrally funded” at a cost of £7 million per annum. Recommended phased introduction from April 2001.

	2001/02	2002/03	2003/04
	£m	£m	£m
Associated additional resources needed for phased introduction from April 2001	4	7	7

EPF BIDS – FEBRUARY 2001

EPF bid - Social Inclusion/Community Regeneration Fund – letter to DFP, 9 February 2001 (not yet sent)

	2001/02	2002/03	2003/04
	£m	£m	£m
Amount allocated in 2001/02 Budget	-	4	4
Addition bid for	7	3	3

...F is made automatic for capital projects; and

- the need for a clear linkage between the EPF process and the main Spending Review in terms of timetable.

Specifically, in relation to Annex 4 of the revised EPFs paper, I wish to suggest an amended second sentence to the section headed "Eligible Actions" – "These will include investment in roads, public transport, water and sewerage services and communications and energy networks." Given the Assembly's support for an enhancement of public transport it would be a serious oversight to exclude reference to public transport in this section.

E (00) 203 FINAL RECOMMENDATIONS ON SR 2000/BUDGET 2001/02

General

I note that the draft Budget proposals continue to be reflected in this paper. I also note the inclusion of the necessary additional resources of £48.0 and 34.5 million respectively for railways in the 2002/03 and 2003/04 indicative allocations together with additions for roads structural maintenance in all three years. This, of course, needs to be seen against the background that the allocations provide my Department with only about 50% of the resources needed for roads structural maintenance and 50% of the resources needed for capital investment in both Roads and Water Services. We face problems of the gravest proportion for our infrastructure, economy and the general wellbeing of our community. On this basis, for example, we could not begin in Year 1 all the roads projects in the Major Works Preparation Pool scheduled without the assurance of funding in Years 2 and 3. The Executive would therefore be seen to have blocked these projects.

Free Travel For The Elderly

There has been a groundswell of support for the introduction of free travel for the elderly. One option is to provide £4m annually from central funds, with Councils being asked to contribute £3m pa, as outlined in this paper. This option will require enabling legislation and the full support of the 26 Councils if the scheme is to apply universally throughout Northern Ireland. Whilst this is an option which I have been pursuing, the consultation process with Councils has been somewhat inconclusive to date. Eleven Councils expressed support for the use of the District Rate to co-finance a scheme in partnership with DRD. However, ten Councils strongly suggested that a scheme should be centrally funded and others were reluctant to commit until additional information was made available. This could lead to complications such as a

work quilt of some Councils participating and others not, which may not achieve universal provision.

Alternatively, and preferably in the circumstances, there is the option of introducing a centrally funded scheme at a cost of £7m per annum. This is the option that I would strongly advocate. In addition this would remove the need for enabling legislation with the resulting delay in implementation.

In order to secure the earliest possible implementation of a scheme, I would recommend that it be introduced in a phased manner from April 2001 onwards. This could be achieved for £4m in Year 1 on the basis of a phased build up. Provision of up to £7.0m in Years 2 and 3 could then be budgeted for.

The Budget paper clearly indicates (paragraphs 10 and 12) that there is sufficient scope to make provision in the spending plans now to introduce free travel for the elderly. The inclusion of this within the December Budget would, I believe, be wholeheartedly welcomed by the entire Assembly and the wider community. In a uniquely practical manner we could help to overcome the isolation of this particularly vulnerable section of our community by making a decision now.

Student Support Bid

I want to confine my remarks on this subject mainly to the actual manner in which this bid was processed rather than the merits of the proposal itself. Work on the preparation of the draft Budget has been processed over the past several months. This has involved a number of Departments, not least my own, moderating their financial planning expectations within the broad framework of resources available. The timing of this substantial bid seriously undermines the process of brokering a Budget and would set a precedent that would be difficult to sustain in practice. This is not to suggest an inflexible approach incapable of responding to genuinely unforeseen exigencies. However, the circumstances surrounding this belated bid do not fall within this classification.

Inherent within this bid are a number of quite fundamental policy considerations, not least the issue of super parity in terms of student support relative to other parts of the UK. Whilst not adverse to the general intent of the proposal, I believe that significant policy matters of this nature need to be considered in a judicious manner. The manner in which this bid has been submitted undermines the principles of sound decision making and is a practice that should be discouraged.

Because of the Budget implications, I am copying this letter to Mark Durkan.

CLARCOREPODRDT607
PO/CM

INTERVIEWER

Have you got that £5-7m now?

GREGORY CAMPBELL

That is the point I am making. There is an opportunity. I have made a bid, I have instructed my officials to make a bid in order to get that money from the Department of Finance and Personnel, that would then preclude this patchwork quilt emerging where some councils are in and others are out and everybody would be entitled to that if we get this bid met in full.

INTERVIEWER

And that bid would be more readily got if all the councils were involved?

GREGORY CAMPBELL

The bid if it is met in full would then preclude the need for the councils to come up with the money. It would preclude that and take that out of the equation. It only become a reality if the bid isn't met.

INTERVIEWER

Yes well I wonder in that case why the councils were ever involved at all. That is what a number of people are a bit puzzled about, the Programme for Government said the Executive will bring forward plans to give free transport for elderly people in NI, I think I am paraphrasing it but that was the gist of it. It didn't mention councils.

GREGORY CAMPBELL

The reason it came about was originally both my predecessor and I made an original bid to try and get the money entirely from within central government funds. We weren't successful in getting that so I then had a choice, either I drop the scheme for the foreseeable future or we ploughed ahead and tried to make this scheme viable in some way and I preferred to have assemblance of a scheme somewhere in Northern Ireland, rather than have no scheme. But what I am saying now is we have made some progress, we have made a good bit of progress, councils are still interested but there is a window of opportunity now over the next few days if the

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DRD, GREGORY CAMPBELL, MINISTER FOR REGIONAL DEVELOPMENT, GMU - 8.2.01

INTERVIEWER

Which councils have said they want to get involved and want to start it in April?

GREGORY CAMPBELL

Well I would prefer not to name the individual councils but as you said quite rightly in the intro there the situation is that I have been pressing very hard, as did my predecessor to try and get this free travel scheme up and running. We weren't able to get the entirety of the money originally so we went to councils, some of them were very keen and a number of them have been back onto my office saying look we want to start this scheme as quickly as possible. What I am now saying is that councils across Northern Ireland are striking their district rate over the next few nights, in fact one or two have already struck their rate. So we really need to press ahead and I am making a final bid to the Department of Finance and Personnel within the Assembly to try and get the entirety of the money for year one so that free travel does become a reality this year, rather than next year.

INTERVIEWER

So you don't want a number of councils to be starting this early and others not having come onboard? You want this to go ahead with all the council backing it is that right?

GREGORY CAMPBELL

Yes I would think it would be a much more equitable system and preferable system if every senior citizen in Northern Ireland, in all the district councils had the advantages of free travel. Obviously some of the councils that are keen, I think it is commendable for them to make advances and try to push me to grant this scheme, to go ahead and I would want to do that but I think it would be preferable if we can get, the amount of money is approximately and this is an approximate figure something between £5-7m, which might seem a lot of money but given the advantage and the social inclusion that would come about as a result on a greater mobility that it would offer to senior citizens I think that is a small price to pay... it would be introduced immediate within the next few months.

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Department of Finance and Personnel can come up with the money we can make it a reality without the need for any patchwork quilt of councils in and councils out.

INTERVIEWER

So you think there is a chance now that you can get all of this money that is required for provision of free transport throughout Northern Ireland without having to have the councils provide 25%?

GREGORY CAMPBELL

I hope there is a realistic possibility that that will be the case and if it is then we are talking about free travel for senior citizens within the next few months.

GREGORY CAMPBELL

INTERVIEWER

GREGORY CAMPBELL

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