



DEPARTMENT OF TRANSPORT
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My ref: C/PSO/16286/85

Your ref:

Tony Banks Esq MP
House of Commons
London
SW1A 0AA

16 December 1985

1. ~~CFP~~ (I haven't seen the Banks letter)
2. NBPM.

Dear Tony

Thank you for your letter of 29 November commenting on my remarks in the House on 11 November about the taxicard scheme.

Naturally the GLC's expenditure on taxicard has been building up over the recent past; that is characteristic of any unconstrained demand-led scheme, which is the nature of the current one. My authority for quoting current costs at around £5M is the GLC Report T1563, dated 16 April 1985. That gave a base revenue budget provision for 1985/86 of £5.09M; and estimated the full year cost, with membership increased to 60,000, at £5.75M.

Let me make it quite clear. I make no criticism of the principle of the taxicard scheme. Just as the Government firmly support travel concessions for elderly and disabled people on public transport, so I welcome the granting by local authorities of fares concessions to disabled people to extend their mobility by use of taxis. Our determination to discharge Government's primary function of establishing a proper framework for securing public transport for all sections of the community is evinced by our decision to secure the future provision of dial-a-ride services through LRT. This is matched by our commitment to provide the full panoply of powers needed by local authorities to play their complementary role in providing travel concessions, and to facilitate the introduction and development by those authorities of appropriate schemes.

What I do have to say is that the present taxicard scheme which offers unlimited trips for eligible people at a flat fare of £1 up to a maximum of £6 on the meter is not a cheap scheme. And there is very little scope for bringing down passenger trip costs which, as you say, are running at about £5.40, taking into account,

inter alia, premium fares paid by the GLC for journeys to collect passengers in the outer suburbs. In comparing current dial-a-ride costs, we must recognise that many of these organisations are still in their infancy. There is much evidence to show that trip costs fall significantly as the schemes become more established, and I expect LRT's future involvement to improve further their cost-effectiveness. To illustrate my point, one dial-a-ride organisation has recently told me that it expects shortly to be achieving passenger trip costs below £5, ie less than the cost of a taxicard trip.

The important point now is that a positive decision is secured from the boroughs over the future of the taxicard scheme. You have totally misconstrued my remarks on 11 November. These were directed against the GLC's proposals, set out in their Report T1673, dated 10 September 1985, to reduce the taxicard fare to 50p while increasing the scope of the concession to a £10 journey. A fundamental change in the scheme at this stage would I believe be irresponsible, both to the users, for whom it might be short-lived, and to the boroughs who would be faced with a decision on whether to support a scheme whose costs could easily expand to twice the cost of the current one. It is precisely because I am anxious for an early and responsible decision that I want to avoid any precipitate action which might militate against it.

/ I am copying this letter as yours to the Prime Minister, Bob Hughes, Peter Snape and Roger Stott.

Yours sincerely

Lynda

MRS LYNDA CHALKER

