

CABINET

4 OCTOBER 2011

ENHANCEMENTS TO YOUNG PEOPLE'S CONCESSIONARY TRAVEL IN MEDWAY

Portfolio Holder: Councillor Alan Jarrett, Deputy Leader and Finance
Councillor Phil Filmer, Front Line Services

Report from: Robin Cooper, Director for Regeneration, Community
& Culture

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Summary

The report seeks to inform Members regarding options for and future costs of a Medway Freedom Bus Pass for young people in Medway, and to obtain Cabinet agreement to proceed with the "half fare at all times" option.

1. Budget and Policy Framework

- 1.1 The recommendations of this report are within council's policy and budget framework.
- 1.2 Enhancing the existing young peoples concessionary travel scheme is consistent with the council's Policy Framework. It contributes to the priorities of the adopted Medway Local Transport Plan 2011-2026, in particular by supporting:
 - equality of opportunity to access services;
 - a safer, healthier community by promoting active lifestyles;
 - Medway's regeneration, economic competitiveness and growth by encouraging public transport use;
 - a healthier natural environment by contributing to tackling climate change and improving air quality.

2. Background

- 2.1 Following the 24 February 2011 Council meeting officers were asked to investigate the steps and costs involved in progressing a Medway 'Freedom Pass' scheme for young people travelling on buses within the Medway area.
- 2.2 Consultants MCL currently act as adviser for the Medway young persons bus scheme and jointly with Kent County Council on the English National Concessionary Travel Scheme (ENCTS). These consultants were therefore appointed to carry out modelling work to:
 - Identify the likely take-up and use of a free travel concession;
 - Identify cost implications in terms of operator reimbursement for revenue foregone and potential additional capacity requirements and costs;
 - Identify interim options having regard to initial budget constraints.
- 2.3 Using the provisions of the 1985 Act, Medway Council has operated a young person's concessionary travel scheme since September 2007 for those in school years 7 to 11, aged 11-16, enabling people in this age range to travel at half adult fares effectively at any time on any local bus service starting in Medway.
- 2.4 In 2009 these arrangements were extended to the current scheme, which enables the same discount for those in years 12 and 13, aged 16-18. In the case of these older students, commercial fares would be adult fares at all times, and so the scheme was extended further to allow these passholders to travel at half fare at *any time up to 6pm* on weekdays during term time. Medway's current young persons scheme has now attracted an uptake of just over 2800 young people, who between them made 158,000 journeys under the terms of the scheme in 2010-11. The existing revenue budget for this scheme is £373,000.
- 2.5 An additional provisional budgetary provision for the Medway Freedom Pass was suggested for 2011/12 of £250,000. This has meant the overall budget for young persons concessionary fares in 2011-12 has effectively increased from £373,000 to £623,000.
- 2.6 The consultants report provides cost estimates for a scheme to provide free travel concession for young people up to and including age 18, enabling travel on local bus services at any time without payment of fare.
- 2.7 In the Kent County Council area this type of scheme is provided and passholders are charged an annual fee of £100. The consultants therefore used the experienced gained from this scheme in the modelling process to estimate a potential full Medway Freedom Pass scheme.

3. Options

- 3.1 Various discounted bus fare schemes are operated by Local Authorities. A comparison of Bus Travel Concessions for Young People in neighbouring authorities delivering concessionary travel has been undertaken and this is summarised in Appendix A. The analysis demonstrates that the content of schemes varies considerably, with some local authority areas having no travel concession scheme for young people.
- 3.2 As part of the scoping report consideration was given to modelling interim options, the main options for interim arrangements considered were:
1. An improved **half fare scheme**, available all-day, every day to anyone up to age 18 on any local bus service starting in Medway;
 2. A scheme offering a **flat or capped fare of £1 per single journey** available all-day, every day to anyone up to age 18 on any local bus service starting in Medway;
 3. As 2, but with a fare capped/fixed at **50p per single journey**.
- 3.3 In all of these cases it was assumed that the same nominal charge would be made for each pass issued, currently £5.50 covering a period of either 2 or 3 years, and for analysis broadly taken as equivalent to an annual fee of £2.50. At this level, the charge made is effectively covering the costs of pass and issuing, with little or no contribution to the cost of the travel or wider scheme administration.
- 3.4 The three interim schemes were costed for the final quarter of the financial year 2011/12 and then a full year. Table 1 indicates the estimated costs for the three interim schemes for the final quarter of 2011/12 and for the 2012/13 full year. In summary the consultants estimate the range of interim options are predicted to cost between £0.56m and £1.84m per full year.

Table 1				
Estimated costs for interim schemes				
		Interim schemes		
	Current scheme	Half Fare at all times	£1 flat fare at all times	50p flat fare at all times
Final quarter 2011 –2012	£45,000	£135,000	£237,000	£458,000
Full Year 2012-2013	£133,000	£564,000	£954,000	£1,840,000
Note: All figures taken from MCL report. Costs incorporate the cost of running the existing young peoples scheme.				

- 3.5 The anticipated overall cost of a full (KCC type) Medway Freedom Pass scheme (giving free travel) at 2011/12 prices is estimated between **£1.35m** and **£2.49m** depending on the annual charge and the agreed basis of calculating reimbursement to operators.

4. Advice and analysis

- 4.1 The current base budget allocation in 2011/12 is £373,000.
- 4.2 Section 3 demonstrates that implementing a full Medway Freedom Pass scheme is not affordable given the level of existing and potential medium term budgets.
- 4.3 Table 2 indicates the additional annual budget required for each interim scheme compared to the existing budget. Table 2 also includes an allowance for additional technical and administration support for the scheme. The Student Services Operational team in Children and Adults Directorate administers the existing scheme. It is proposed for this team to administer the enhanced scheme in the short term, then review the administrative arrangements as part of the *Better for Less* organisational review.

Table 2			
Estimated annual additional budget requirements for Interim schemes			
	Half Fare at all times	£1 flat fare at all times	50p flat fare at all times
Full year cost	£564,000	£954,000	£1,840,000
Existing base budget	£373,000	£373,000	£373,000
Sub total	£191,000	£581,000	£1,467,000
Additional technical and administration support	£20,000	£25,000	£30,000
Additional budget requirement	£211,000	£606,000	£1,497,000

- 4.4 Table 2 demonstrates that enhancing the existing scheme to half fare at all times for all up to the age of 18 is affordable if the additional annual allocation of £250,000 is maintained in future years. This enhanced scheme would enable all young people up to the end of the academic year after their 18th birthday with a valid pass to pay half fare at all times when travelling on any local bus service starting in Medway. In common with the current scheme, it is anticipated that all bus operators serving Medway (including Arriva, ASD, Chalkwell, Kent Top Travel, Kingsferry and Nu Venture) would operate the scheme.
- 4.5 To enable the revised scheme to become operational in January 2012 the following actions are required:
- Final scheme documents be published and issued to bus operators by 31 October 2011;
 - Bus operators required to clearly signal their position regarding voluntary participation by 30 November 2011;

- Pass issues commence at the beginning of December 2011 for becoming valid for use on 3 January.

- 4.6 The above timetable is tight bearing in mind the need to agree the financial reimbursement arrangements with bus operators; protracted negotiations on this activity will delay the new scheme becoming operational.
- 4.7 It is considered that calling the scheme *Medway Freedom Pass* would not be appropriate because it could be confused with the scheme operated by Kent County Council. The enhanced scheme will therefore be known as *Medway young people's pass*.
- 4.8 A Diversity Impact Assessment has been completed for the change of service and this is attached at Appendix B.

5 Risk Management

Risk	Description	Action to avoid or mitigate risk
Inappropriate use of pass	Pass holder receives discounted travel for which they are not entitled	Issue tamper resistant pass; Photo of pass holder included on pass; Ensure expiry date is clear on pass.
Incorrect reimbursement to bus operators for revenue foregone	Insufficient processes in place to assess fair reimbursement	Continue to use specialist consultants to calculate reimbursement
Bus operator does not voluntarily participate in the scheme	Bus operator appeals the scheme arrangements	Early engagement with all bus operators to agree scheme

6 Consultation

- 6.1 The views of young people will be sought by:
- engaging with the Youth Parliament; and
 - raising awareness through the School Bulletin.
- 6.2 Early consultation will take place with bus operators to seek to voluntarily agree the details of the scheme. Thereafter, specialist consultants will prepare the final scheme documents, which will be published and issued to local bus operators. This document will set out the scheme reimbursement details. Bus operators will be required to clearly signal their position regarding voluntary participation in the scheme.

7 Financial and legal implications

- 7.1 The Medium Term Financial Plan presented to Cabinet on 6 September 2011 includes an additional allocation of £250,000 for expansion of the young persons travel concession scheme.
- 7.2 Any provision for young people's concessionary travel (other than for home to school transport where the distance to the nearest appropriate facility exceeds statutory limits) is a *discretionary* provision, made in most cases using the provisions of the 1985 Transport Act.
- 7.3 Whilst it is to be hoped that participation in the scheme by bus operators will be voluntary, the Council can to compel operators to participate pending the outcome of any appeal against the terms set by the Council for the interim arrangements.

8 Recommendations

- 8.1 Members are recommended to:
- a) Agree the implementation of an extension to the existing young people's half fare travel concession to allow all young people up to the end of the academic year after their 18th birthday with a valid pass to pay half fare at all times when travelling on any local bus service starting in Medway;
 - b) Agree the enhanced scheme to be known as *Medway young people's pass*;
 - c) Request officers evaluate the benefits of the scheme after 12 months in operation and consider any possible enhancements;

9 Suggested reasons for decision

- 9.1 The proposed extension to the existing half fare travel concession on bus services will provide the young people of Medway with much improved transport opportunities and represents good value for money.

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Background papers

Concessionary Travel for Young People in Medway – A Scoping Study: Technical Report (July 2011), prepared by MCL Transport Consultants Ltd.

Appendix A Comparison Bus Travel Concessions for Young People in Neighbouring Authorities

Name of Local Authority	Title of scheme	Age range	Condition / Cost
Brighton and Hove	Student Fare Cards	<p>Under 5's</p> <p>5 – 13 years</p> <p>14 – 15 years</p> <p>16 – 18 years</p>	<p>Children aged under 5 travel free, subject to a maximum of two children per adult. Child fares are charged for any additional under 5s.</p> <p>Children aged 5-13 can purchase single and return tickets at half the adult rate at all times.</p> <p>14 and 15 year-olds travelling to or from school in uniform are charged half fare for single and return tickets. 14 and 15 year-olds can also obtain half fare single and return tickets at other times by showing forms of identification.</p> <p>Students aged between 16 and 18 and living in the area can apply for a Student Fare Card, which allows various discounts (Brighton and Hove Council do not administer this scheme).</p>
East Sussex	Choice iD cards	<p>Under 16</p> <p>Under 19</p>	<p>Children under 16 can get half-price bus fares by showing a Choice iD card or school or college pass on a bus.</p> <p>Young people under 19 (even if the person does not go to school or college) with a Choice iD card can purchase an East Sussex Freedom bus ticket costing £14 from any bus driver. The Freedom ticket gives the person unlimited travel on any bus in East Sussex for seven days in a row, including weekends.</p>

Essex County Council	Scholar's Season Ticket	Under 19 and still at school or college	The price is based on the cheapest child rate return fare for the chosen journey, this is then multiplied by the number of days per term and a discount of 10% is taken off term tickets and 20% from annual tickets.
Kent County Council	Kent Freedom Pass	11 –16 years	Children with a Kent Freedom Pass are permitted unlimited free travel in Kent. The standard fee for a Kent Freedom Pass is £100 pa. Children in receipt of Free School Meals pay £50 pa (academic years 7 – 11)
Surrey County Council	Bus student fare card	16 to 18 years	A bus student fare card enables 16 to 18 year old Surrey students attending full-time education to travel on Surrey buses at the same fare as under 16s. To qualify the young person must live in one of the 11 Boroughs or Districts that comprise the administrative county of Surrey, attend a full-time education course and be aged between 16 and 18 (under 19 on 1 September 2011). The journey must start and/or finish in the administrative area of Surrey. The card is only valid for home to school/college journeys.
Southend Council	No scheme	-	-
Thurrock Council	No scheme	-	-

Appendix B - Diversity Impact Assessment: Screening Form

Directorate RCC	Name of Strategy ENHANCEMENTS TO YOUNG PEOPLE'S CONCESSIONARY TRAVEL IN MEDWAY	
Officer responsible for assessment Mark Johnson	Date of assessment 13 September 2011	New or existing? Existing
Defining what is being assessed		
1. Briefly describe the purpose and objectives	To consider options for enhancing concessionary bus travel for young people in Medway by proceeding to a "half fare at all times" option.	
2. Who is intended to benefit, and in what way?	Agree the implementation of an extension to the existing young people's half fare travel concession to allow all young people up to the end of the academic year after their 18 th birthday with a valid pass to pay half fare at all times when travelling on any local bus service starting in Medway.	
3. What outcomes are wanted?	<p>To encourage more travel in Medway by bus rather than using a car, thereby reducing traffic congestion leading to better air quality</p> <p>To improve the health of young people by encouraging active travel.</p> <p>To develop more of a bus culture in young people.</p>	
4. What factors/forces could contribute/detract from the outcomes?	Contribute <ul style="list-style-type: none"> • Increased use of bus • links with public transport operators • links with public health and Education 	Detract <ul style="list-style-type: none"> • Funds from Government grants
5. Who are the main stakeholders?	Young people, Medway schools and Further Education establishments, public transport operators	
6. Who implements this and who is responsible?	Medway Council in Partnership with Public Transport Operators.	
Assessing impact		

7. Are there concerns that there <u>could</u> be a differential impact due to <i>racial groups</i> ?	NO	Brief statement of main issue Existing concessionary bus fare scheme available for all racial groups attending schools and further education establishments.
What evidence exists for this?	None available	
8. Are there concerns that there <u>could</u> be a differential impact due to <i>disability</i> ?	NO	The existing concessionary bus fare scheme is available to all young people.
What evidence exists for this?	None available	
9. Are there concerns that there <u>could</u> be a differential impact due to <i>gender</i> ?	NO	The existing concessionary bus fare scheme is available to all young people
What evidence exists for this?	Current take up of the existing scheme has representatives from both genders, principles do not change with the enhanced scheme.	
10. Are there concerns there <u>could</u> be a differential impact due to <i>sexual orientation</i> ?	NO	The existing concessionary bus fare scheme is available to all young people
What evidence exists for this?	Implementing the current scheme no sexual orientation issues have been raised, principles do not change with the enhanced scheme.	
11. Are there concerns there <u>could</u> be a have a differential impact due to <i>religion or belief</i> ?	NO	The existing concessionary bus fare scheme is available to all young people
What evidence exists for this?	Implementing the current scheme no religion or belief issues have been raised, principles do not change with the enhanced scheme.	
12. Are there concerns there <u>could</u> be a differential impact due to people's <i>age</i> ?	NO	The existing young people's half fare travel concession allows all young people up to the end of the academic year after their 18 th birthday with a valid pass to pay half fare at all times when travelling on any local bus service starting in Medway.

What evidence exists for this?		
13. Are there concerns that there <u>could</u> be a differential impact due to <i>being transgendered or transsexual</i> ?	NO	The existing concessionary bus fare scheme is available to all young people
What evidence exists for this?		Monitoring of gender identity has been identified as an issue requiring a corporate approach.
14. Are there any <i>other</i> groups that would find it difficult to access/make use of the function (e.g. people with caring responsibilities or dependants, those with an offending past, or people living in rural areas)?	NO	If yes, which group(s)?
What evidence exists for this?		Bus services exist in both rural and urban areas in Medway. Medway Council financially support socially necessary bus services.
15. Are there concerns there <u>could</u> be a have a differential impact due to <i>multiple discriminations</i> (e.g. disability <u>and</u> age)?	NO	Brief statement of main issue
What evidence exists for this?		
Conclusions & recommendation		
16. Could the differential impacts identified in questions 7-15 amount to there being the potential for adverse impact?	NO	Brief statement of main issue No adverse impacts are considered. Formal consultation will be carried out as part of the implementation of this enhancement to the existing scheme.
17. Can the adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or another reason?	NO	Please explain

Recommendation to proceed to a full impact assessment?		
NO	This function/ policy/ service change complies with the requirements of the legislation and there is evidence to show this is the case.	
NO, BUT ...	What is required to ensure this complies with the requirements of the legislation? (see DIA	Continue to make more of existing information from other Medway Council departments

	Guidance Notes)?	
YES	Give details of key person responsible and target date for carrying out full impact assessment (see DIA Guidance Notes)	Mark Johnson
Action plan to make improvements make Minor modifications		
Outcome	Actions (with date of completion)	Officer responsible
Better statistics	Amend application form to collect and analyse diversity information	Mark Johnson
Planning ahead: Reminders for the next review		
Date of next review	12 months from commencement	
Areas to check at next review (e.g. new census information, new legislation due)	N/A	
Signed (completing officer/service manager)	Date	
	Sept 11	
Signed (service manager/Assistant Director)	Date	
	Sept 11	
Related documents		
None		