

From: David Brazier, Cabinet Member for Highways and Transport
Phil Lightowler, Interim Director Transportation

To: **Environment and Transport Cabinet Committee – 18 January 2022**

Subject: **Kent Travel Saver Price Increase**

Key decision 21/00124

Classification: Unrestricted

Past Pathway of report: None

Future Pathway of report: For Cabinet Member Decision

Electoral Division: Countywide

Summary: Since 2015 a Cabinet decision has been in place, governing the level of cost increase that can be made to the Kent Travel Saver card.

Due to the budget challenge facing the authority, this paper proposes an above inflation price rise of £80 to £450 for the standard pass.

This rise is designed to lower the subsidy that KCC provide to the scheme by reducing its net cost.

All other elements of the scheme would remain.

This price increase is proposed to be effective from the opening of the 2022/23 academic year Kent Travel Saver application window, in early June 2022.

Recommendation(s):

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision to increase the cost of the standard Kent Travel Saver from £370 per academic year to £450 as shown at Appendix A.

1. Introduction

- 1.1 The Kent Travel Saver is a concessionary travel product, available to those students in years 7-11 and residing in Kent. It has been provided by the authority since 2007, under different names such as the Kent Freedom Pass and the Young Persons Travel Pass.
- 1.2 The pass provides the holder, free bus travel across Kent, from 06.00 to 19.00, with no limits on services used and at no cost on boarding. In addition to the core offering some operators, at no cost to KCC, provide additional free travel at weekends; (Stagecoach and Arriva).

- 1.3 The participating operators are re-imbursed using a published mechanism based on the principle of being “no better/no worse off” if the scheme was not in place. The re-imburement of the operators forms the gross costs of the scheme.
- 1.4 The gross costs of the scheme are netted off by the income generated.
- 1.5 To access the pass, there is an annual scheme cost, with a reduced rate for those on low income and it is free to those in selected care groups. In addition, there is a sibling offer, where those households with more than 2 children eligible for the pass can access additional passes at no charge.
- 1.6 Currently the pass cost is £370 (standard) and £120 for (low income). The annual charge can be paid upfront or through monthly instalments.
- 1.7 The benefit that a pass holder will receive depends on how much use they make of the pass, where they travel to/from and the operator fares in that area. Typically, operator tickets, of this nature and covering the same period, range in price from £600 to £1,000. On this basis, the pass, including this price increase, continues to provide a significant saving over an operator ticket.
- 1.8 As of October 2021, there are 13,968 full cost pass payers, 1,804 low-income cost pass payers, 390 sibling offer passes and 3,626 in receipt of free passes.

2. Key Decision – KTS Pass Uplift 2022-23

- 2.1 Since 2015, as set out in Cabinet Decision 15/00051, any increase to the cost of what was the Young Persons Travel Pass (YPTP) and is now the Kent Travel Saver (KTS), has been capped at 5% of the gross cost of the scheme.
- 2.2 The scale of the financial challenge facing the authority in 2022/23 is such, that the Kent Travel Saver, being a discretionary scheme, needs to reduce its net cost.
- 2.3 This paper seeks a new key decision to the existing decision. The decision required is set out below:
 - Increase the cost of the standard pass from £370 to £450
 - Retain the cost of the low-income pass at £120
 - Retain the sibling offer
 - Retain the care pass offer
 - Retain instalments

3. Financial Implications

- 3.1 The proposed increase in the cost of the pass is estimated to deliver circa £910K in additional income beyond anticipated operator inflation.
- 3.2 For the standard pass £15 is for operator inflation and £65 contributes to the reduction in scheme cost.

3.3 The price increase enables a budget of £11.5M gross cost offset by £6.8M of income to give a net cost of £4.7M to Kent County Council for 2022/23.

4. Legal implications

4.1 No implications have been identified.

5. Equalities implications

5.1 An initial EqIA has been completed. No significant impacts on a group with a protected characteristic have been identified.

5.2 Although not a protected characteristic, it should be noted that the increase in the cost of the low-income pass is significant and will impact those families.

6. Other corporate implications

6.1 No other corporate implications have been identified.

7. Governance

7.1 Not applicable

8. Conclusions

8.1 Since 2015 a Cabinet decision has been in place, governing the level of cost increase that can be made to the Kent Travel Saver card.

8.2 Due to the budget challenge facing the authority, this paper proposes an above inflation price rise of £80 to £450 for the standard pass..

8.3 This rise is designed to lower the subsidy that KCC provide to the scheme by reducing its net cost.

8.4 All other elements of the scheme would remain.

8.5 These price increases are proposed to be effective from the opening of the 2022/23 academic year Kent Travel Saver application window, in early June 2022.

9. Recommendation(s):

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision to increase the cost of the standard Kent Travel Saver from £370 per academic year to £450 as shown at Appendix A.

10. Background Documents

10.1 Proposed Record of Decision

10.2 Equality Impact Assessment

11. Contact details

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