

From: Neil Baker, Cabinet Member for Highways and Transport
Simon Jones, Corporate Director, Growth, Environment and Transport

To: **Environment and Transport Cabinet Committee – 25 February**

Subject: **Kent Travel Saver – Price – 25/26**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper:

Electoral Division: Countywide

Summary: The Kent Travel Saver (KTS) is a discretionary concessionary travel product, for those attending school in years 7 to 11.

The scheme provides free travel at point of use, within core hours and there is no limit on the buses it can be used for during those core hours. The scheme is available on all local bus services in Kent. To access the scheme, users pay a charge on application.

Since 23/24, KCC has been able to suppress the increase in the user charge for KTS, by using BSIP funds, as a ticketing initiative. In 23/24 the user charge was frozen and for 24/25, the user charge for full cost payers, was increased by £100. At the time of the increase in 24/25, future tranches of BSIP funding were not confirmed.

However, KCC is to receive a further allocation of BSIP for 25/26 and in line with previous years, as a ticketing initiative, will look to suppress the increase in the cost of the user charge for KTS.

For 25/26, the charge will increase by £30 for those on full cost KTS (from £550 to £580) and by £15 for low income KTS (from £120 to £135). All other terms and conditions will remain as is.

Recommendation: Members are asked to note and make comment on the content of the report.

1. Introduction

1.1 The Kent Travel Saver (KTS) is a discretionary concessionary travel product, for those attending school in years 7 to 11.

1.2 The scheme provides free travel at point of use, within core hours and there is no limit on the buses that can be used during those core hours. The scheme is available on all local bus services in Kent.

- 1.3 Access to this concessionary product is by means of an application and associated payment, with a discounted rate for those on low income and for specific groups i.e. in care, passes are allocated at no charge (namely, receiving full KCC subsidy).
- 1.4 On an annual basis the charge for accessing the scheme, including the low-income group is reviewed.
- 1.5 This paper sets out the plan in respect of pricing for the KTS in the financial year of 2025/6.

2. Background

- 2.1 The current cost of the Kent Travel Saver is £550 and is £120 for those on low income.
- 2.2 Over the past two years, we have made use of BSIP funding to limit the price increase for users, we have had to apply to the KTS. Under the rules of BSIP funding, KCC has been allowed to use funds for ticketing initiatives, of which supporting the cost of the KTS has been one.
- 2.3 In 23/24, using BSIP Tranche 1, we were able to hold the price of the KTS, at the then price of £450 (with no change to low-income charge). For 24/25, using BSIP Tranche 2 funding, again we were able to limit the increase in the cost of the KTS to £100 (again with no change in the rate for low-income charge), with the other £100 uplift (due to double digit inflation) covered by the BSIP revenue allocation.
- 2.4 In early 2024, when we were setting the price for the KTS, it was highlighted that future rounds of BSIP were not confirmed. However, it has now been confirmed, as outlined to ETCC on the 14th of January 2025, that for 25/26, there will be an additional round of BSIP funding (now renamed the Bus Grant). KCC has been allocated £10,120,289 Revenue and £11,926,302 Capital, for 25/26.
- 2.5 On the basis we once again are seeking to limit the increase in the cost of the KTS, to help families with the cost of travel to school. For 25/26 we intend to increase the cost of the full KTS by £30, from £550 to £580. In addition, for the first time in a significant number of years, we look to increase the cost of the low income pass by £15 from £120 to £135.
- 2.6 The average cost per pass has increased considerably over the past 3-4 years and BSIP will again be used in lieu of passing on the full inflationary increases over that time, however if BSIP is not repeated in 26/27 and beyond then the cost of the standard pass would need to increase considerably as per the previous key decision to offset the operator fare inflation with a rise in the cost of the pass to ensure KCC's previous base c£5M base contribution is maintained.
- 2.7 KTS will continue to provide the option to pay up front or spread the cost across eight direct debit payments.

- 2.8 The application window for the 24/25 KTS is planned to open in early June 2025 and the deadline for applications, to ensure a pass is at school by the beginning of September is expected to be at the beginning of the second week of August 2025.
- 2.9 Based on the planned cost increase, it means that over a three-year period, although the cost of the full price KTS has risen from £450 to £580, using BSIP funding has ensured that a significant discount is still provided to users of the KTS, when compared with single tickets and when compared to the overall cost to KCC.
- 2.10 At £580 full cost, a user making full use of the ticket 190 academic school days, travelling twice a day, is paying £1.53 per trip/£3.05 per return. This is on an assumed base level of use, however the KTS can be used at any time between 06.00-19.00 on bus services across Kent and during school holidays, except for the summer school holidays, therefore for some users, the discount will be even greater. Even with the national fare cap, currently in place, for some students not using a KTS a return would cost £6 per day, compared to £3.05 if a KTS used.

3. Financial Implications

- 3.1 The KTS budget for 24/25 has been set at £15.501M gross, £10.425M income, so delivering a net budget of £5.075M.
- 3.2 The increase in the price of the KTS is forecast to generate £435,690 in additional income, based on ticket sales in 24/25.
- 3.3 BSIP will be used to make up the difference between actual income and budgeted income, so the net budget to KCC remains as per the 25/26 budget.

4. Legal Implications

- 4.1 No legal implications identified.

5. Equalities

- 5.1 For the first time in a significant number of years, we are increasing the cost of the low income KTS. However, although this is an increase in cost, the low-income ticket still provides a very significant discount compared to bus services. It enables users to access a £0.39 per trip/£0.79 per return trip fare, based on 190 days use.
- 5.2 We do not believe the increase in the low income KTS, will preclude users from accessing the scheme.

6. Corporate Implications

- 6.1 There are no corporate implications.

7. Conclusion

- 7.1 The Kent Travel Saver (KTS) is a discretionary concessionary travel product, for those attending school in years 7 to 11. The scheme provides free travel at point of use, within core hours and there is no limit on the buses can be used during those core hours. The scheme is available on all local bus services in Kent. To access the scheme, users pay a charge on application.
- 7.2 Since 23/24, KCC has been able to suppress the increase in the user charge for KTS, by using BSIP funds, as a ticketing initiative. In 23/24 the user charge was frozen and for 24/25, the user charge for full cost payers, was increased by £100. At the time of the increase in 24/25, future tranches of BSIP funding were not confirmed.
- 7.3 However, KCC is to receive a further allocation of BSIP for 25/26 and in line with previous years, as a ticketing initiative, will look to suppress the increase in the cost of the user charge for KTS.
- 7.4 For 25/26, the charge will increase by £30 for those on full cost KTS (from £550 to £580) and by £15 for low income KTS (from £120 to £135). All other terms and conditions will remain as is.

8. Recommendation(s):

- 8.1 Members are asked to note and make comment on the content of the report.

9. Contact details

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