
From: Simon Jones, Corporate Director for Growth, Environment and Transport

To: Peter Osborne, Cabinet Member for Highways & Transport

Subject: Kent Travel Saver- Price increase

Decision no: 26/00020

Key Decision:

- Affects more than two divisions

Classification: Unrestricted

Past Pathway of report: Growth, Environment and Transport Cabinet Committee
– 5 May 2026

Future Pathway of report: Cabinet Member Decision

Electoral Division: All electoral divisions

Is the decision eligible for call-in? Yes

Summary:

This reports sets out, for consideration by the Cabinet Committee, the key elements of the Cabinet Member proposal to increase the price of the Kent Travel Saver bus pass scheme by £35 per annum for all fee-paying customers that will ensure the Kent Travel Saver scheme remains sustainable and deliverable within the Council's medium-term financial planning assumptions, by addressing inflationary cost increases and supporting value for money aligned to the Strategic Statement.

Recommendation(s):

The Cabinet Member for Highways & Transport is asked to agree the proposed decision as detailed in the attached Proposed Record of Decision document (Appendix A).

1. Introduction

- 1.1 The Council's medium term financial plan identifies that the cost of delivering the Kent Travel Saver Scheme in 26/27 continues to increase. This is as a result of inflationary pressures linked to higher rates of operator reimbursement, and due to an increase in the number of clients accessing the scheme in the low-income and free category cohorts.
- 1.2 This report sets out the proposed decision in relation to increasing the cost of the Kent Travel Saver Scheme by £35 per annum for all fee paying customers. The uplift in costs for fee paying customers will ensure that the scheme is

sustainable for next academic year 26/27 that in turn can continue to support all families financially by enabling their child to travel at subsidised rates.

2. Key Considerations

- 2.1 The scheme supports circa 23,000 clients and there is continued appetite for its continuation to support students access school or other provisions across the county.
- 2.2 There is no statutory obligation for the Council to provide the scheme, but it is recognised the subsidy made available through this scheme supports families financially. In addition, it is important to recognise that Kent has both a large geographic scope and a complex education landscape which combine to make effective transport options for families a key factor in how the Council supports people in accessing education.
- 2.3 The cost of delivering the scheme has risen in recent years and continues to do so. However, some scheme delivery costs have been suppressed by the use of BSIP funding that in turn protects pass holders higher cost increases. Even greater funds from BSIP/ Bus Grant will be used for 26/27 that will continue to reduce the cost of the pass for the service user.
- 2.4 The cost increase for 26/27 for paying customers ensures the scheme is viable and enables the Council to meet its medium financial plan commitments. It is recognised that any cost increase for important services will be challenging for a range of families, particularly during the ongoing cost of living pressures affecting Kent residents. However, the Council has a duty to secure Best Value and balance customer affordability with its own financial sustainability. The proposal keeps the passes at a broadly affordable level for the majority of families while managing the costs to KCC in such a way that allow the Council to balance its budget.

3. Background

- 3.1 The KTS scheme has been in operation since 2007 and offers subsidised travel on bus services across the county for students aged between 11-16 to support their access to education or work based learning.
- 3.2 There are currently circa 23,000 passes issued to eligible scheme users with users paying varying amounts subject to their status. The breakdown of different cohorts accessing the scheme, the approximate number of passholders within each cohort and the amount they currently pay for their pass are:

| Cohort | No of passholders | Current cost to passholder |
|--|-------------------|----------------------------|
| Full payers | 13200 | £580 |
| Those on low-income | 3100 | £135 |
| Those in care | 800 | Free |
| Young carers | 4200 | Free |
| Carer leavers | 600 | Free |
| Sibling offer (families with 3 or more children) | 400 | Free |

- 3.3 The scheme supports many of KCC's key functions in enabling school aged children to access education and to support corporate parenting pledges by reducing the cost of bus travel against operator fares and offers an enhanced subsidy for Low Income Households and those in care or those identified as young carers and care leavers.
- 3.4 The number of pupils accessing the scheme has increased by 16% in the last three years, largely in the Low -Income and Free cost pass cohorts. In turn, the number of Travel Saver journeys made has increased and coupled with an increase to the costs of reimbursement, this has increased the cost to KCC of providing the scheme.
- 3.5 The scheme operates as a concessionary travel scheme, working to the same principles as the English National Concessionary Travel Scheme (the older and disabled persons pass). The framework which all schemes have to operate in demands that Travel Saver reimburses bus operators – this means KCC is expected to provide the cash fare that bus operators would otherwise have received from the passenger. This is based on the principle that bus operators should be left “no better and no worse off” financially as a result of the scheme. Essentially, every journey made using a Travel Saver pass attracts a cost to KCC.
- 3.6 Application fees paid by families represent a contribution to scheme costs. The cost of providing the scheme exceeds income received through the application fees and costs have to be reviewed annually to ensure that the scheme remains sustainable within KCC's budget when also having to account for expected inflationary increases to scheme costs, largely linked to the increased costs of reimbursement. Despite continuing to use Government Bus Funding to keep pass costs as low as possible, this does mean that typically pass costs have to increase to keep pace with industry inflation. KCC has taken Executive Decisions in the past to build in inflationary or near inflationary cost increases on an annual basis as part of normal scheme management to maintain the cost of the scheme at a sustainable level for the Council.
- 3.7 Subject to the proposed increase being progressed, a full cost pass will equate to £3.15 per school day / £1.57 per journey and a reduced cost pass will cost £0.87 per school day / £0.43 per journey. While it is acknowledged that any increase may present challenges to some families, the update price is considered to be reasonable. Given that the cost of operator provided season tickets would, in many instances, cost over £1,000 per annum, the KTS offer

represents excellent value for money and continues to be a positive, appropriate and effect subsidy that supports Kent residents.

4. Options considered and dismissed, and associated risk

- 4.1 Greater cost increase to the full payers and low-income cohorts but rejected due to the financial impact on families.
- 4.2 To seek an increase in base budget allocation to accommodate the rising costs of the scheme but dismissed due to balancing The Council's affordability.
- 4.3 Increase to the administration fee relating to Direct Debit applications but dismissed as the fee should only cover the cost of administering the direct debit function.
- 4.4 Greater contribution from DFT Bus Grant allocation but rejected due to the disparity of usage of grant and the requirement to protect local bus services designated for all residents across the county.

5 Financial Implications

- 5.1 KCC's Medium Term Financial Plan estimates inflationary increases to scheme costs of £479k linked to higher rates of operator reimbursement. Additionally, an allowance needs to be made for any increase in pass numbers where each pass carries an overall NET cost to KCC.
- 5.2 The MTFP also identified an increased income target of £290k linked to a review of charging. In part, this supports an increase to KCC's Supported Bus Services Budget. It is this budget which is used to provide financial support for non-commercially viable bus services, many of which are required by Travel Saver students. Protecting the school bus network is critical to the value of the scheme for users and the adjustments between these budgets mean that KCC will increase its total expenditure on school buses in Kent in 2026/27.
- 5.3 The £35 increase to pass costs is estimated to represent an additional £575k additional scheme income in 2026/27. Through this and the continued use of DFT Bus Grant funding and increasing the application fee, the KTS scheme budget will be deliverable for 26/27.
- 5.4. The estimated cost of delivering the scheme for 26/27 is broken down as follows:
 - Gross Scheme Costs (payments to operators) : £15,441,553
 - Application fee income £8,549,586
 - Government Bus Fund contribution £2,106,737
 - NET cost to KCC- £4,785,500

6 Legal implications

- 6.1 The Kent Travel Saver is not a statutory scheme, therefore there are no perceived legal implications by increasing the application fee for the selected

cohorts

7 Equalities implications

- 7.1 An EQIA has been undertaken. It is likely that some pass holders or their associated families experiencing the cost increase will be part of a protected characteristic within EqIA legislation. It is recognised and reflected in the EQIA that all groups that have a protected characteristic may access the Kent Travel Saver scheme may be affected by the change in cost. There is no mitigation for this implication.

8 Data Protection Implications

- 8.1 There are no data protection implications by increasing the application fee scheme

9 Other corporate implications

- 9.1 It is not considered that this decision will have corporate implications for other directorates within the organisation.

10 Governance

- 10.1 Not applicable

11 Conclusions

- 11.1 The Travel Saver scheme supports many pupils and families across the county by providing access to subsidised travel enabling access to schools and other provisions.
- 11.2 The cost of operating the scheme is increasing due to inflationary pressures, and as a result of more pupils within some categories travelling for free or at further reduced rates.
- 11.3 The Council has set out its financial commitments as per the medium-term financial plan, and the proposal to deliver against the required savings and financial management plans is to apply a modest cost increase to the application fee for the Kent Travel Saver. This proposal will deliver the service within the approved budget, assisted by effective use of Bus Grant allocations and support the scheme and KCC remaining financially sustainable.

12 Recommendation(s):

The Cabinet Member for Highways & Transport is asked to agree the proposed decision as detailed in the attached Proposed Record of Decision document (Appendix A).

13 Background Documents

- *Equality Impact Assessment*
- *Appendix A Proposed Record of Decision*

14 Contact details

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