

## Appendix 2

Report from: Bryan Sweetland, Cabinet Member for Environment, Highways & Waste

Report to: County Council – 21 July 2011

Subject: Extension of Kent Freedom Pass (16-20 year olds)

Classification: Unrestricted

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In June 2011 an online petition requesting the extension of the Kent Freedom Pass to 16-20 year olds exceeded 12,000 petitioners. As a consequence, this matter is referred to County Council. This report gives a brief background to the scheme and the costs of extending it in its current form as well as the wider context of concessionary travel schemes and support for bus services provided by the County Council. Members are also referred to the item concerning the proposed 16 plus travel card.

The Kent *Freedom* Pass provides free bus travel in Kent for young people living in Kent in academic years 7-11 on payment of an annual pass fee. It was introduced in pilot form in June 2007. The objectives of the scheme were to tackle school run congestion, to remove the cost of travel as a barrier to school choice and to tackle social exclusion. *Freedom* was extended in phases to countywide (and out of county) by April 2010 and it has proved to be highly successful, although at a significant cost to the County Council. There are currently over 27,000 pass holders and the projected cost to the County Council is £10.7m in 2011/12, despite the annual pass fee increasing from £50 to £100 for passes valid from September 2011.

Since its inception, the single largest request has been the extension to students beyond academic year 11 which broadly equates to 16 years of age<sup>(\*)</sup>. The cost of extending the scheme on an equal basis to academic years 12-13 was last estimated in June 2010 at an additional **£3m - £4.5m**. This projection was based on a take up rate of between 6,000 and 10,000 additional pass holders which could be exceeded. Clearly there will be further costs if the scheme were extended further to young people aged 20.

This level of additional funding has always been considered too great for the County Council to fund on its own. An extension to *Freedom* was the subject of a Pathfinder bid to DfES in November 2007, the extension was considered again as part of a fundamental review reported to Cabinet in January 2010 and further in late 2010 as part of an options and efficiencies review.

*\* At the age of 16 young people become adults in terms of bus fares and for those who have to pay towards their KCC-provided transport the annual cost leaps from £50 (now increased to £100) to £490. Despite £490 being below the true cost of commercial bus season tickets (£650 - £750), that fact is not appreciated when contrasted with the significant value for money of the Kent Freedom Pass.*

Whilst the cost of a universal extension of the Kent Freedom Pass on an equal basis has always been considered too high, from June 2008, the scheme was extended

beyond year 11 for Young People in Care and Care Leavers. As the numbers involved only amounted to 80 (and have since risen to 194 out of 27,000), this small but valuable extension was accommodated within normal budget management tolerances. At Full Council in February 2011, the Leader announced that in tandem with the increase of the standard fee from £50 to £100, the scheme would be extended to Young Carers (who are up to the age of 18).

Kent County Council is the only authority outside of London to offer such a bold and generous scheme for young people's concessionary bus travel. Extension of the scheme to all young people up to the age of 20 would clearly bring significant benefits, but with the absence of external funding from Government for what is a discretionary scheme, significant additional funding would have to be found from other sources. **Appendix 1** shows the extent of the ongoing funding pressures.

Members are referred to the item concerning the proposed 16 plus travel card.

## Appendix 1 - KCC's role in funding public transport

To assist Members' understanding of KCC's role in public transport, the following table shows the annual revenue sums involved, and the beneficiaries:

Subsidies to the passenger (reducing or removing their need to pay) and subsidies to bus operators (to operate public services)			
Scheme	Benefit	Cost per annum (2010/11)	Scope to change
English National Concessionary Travel Scheme	Free off-peak bus travel for OAPs and disabled	£14.4m	This entitlement is enshrined in law and reimbursement to the bus operators is already the subject of lengthy legal debate and challenge
Kent Freedom Pass	Free bus travel for young people at any time	£10.9m	While entirely discretionary, KCC's budget for 2011-12 has already taken steps to limit the cost by doubling the standard charge to £100
Home to School and College Transport Policy	Free transport (by whatever means necessary) during term-times only	£14.1m	The outcome of the consultations announced on 1 July has indicated that only those secondary pupils who qualify as a matter of statutory entitlement will do so from September 2012
SEN Transport Policy	Free transport (by whatever means necessary) during term-times only	£15.9m	A Central Management Team review is currently underway
Local Bus Services	Operation of bus services which are too lightly used to be commercially viable	£6.4m	Value for money will be continually reviewed
	<b>Total</b>	<b>£61.7m</b>	