

**From: David Brazier, Cabinet Member – Transport & Environment**

**John Burr - Director of Highways & Transportation**

**To: Environment, Highways & Waste Cabinet Committee – 13 December 2013**

**Decision No: 13/00095**

**Subject: Kent Freedom Pass including Post 16 Transport**

**Classification: Unrestricted**

**Past Pathway of Paper: N/A**

**Future Pathway of Paper:** To the Cabinet Member for Transport & Environment for decision

**Electoral Division:** Countywide

**Summary:**

Following an extensive analysis of current provision, it is proposed to introduce a revised Freedom Pass scheme from the academic year commencing September 2014/15. This will entail a stored value smartcard which provides a defined, pre-paid travel benefit per pupil. It is proposed to include 16-19 year olds in education or training at a lesser stored value. The new scheme will be reviewed within 6 months of commencement.

**Recommendation(s):**

1. The Cabinet Committee is asked to consider and endorse the proposal to introduce a stored value smartcard providing £350 value for 11-16 year olds and £250 for 16-19 year olds, with both at a cost of £100.
2. The Committee is asked to support the review of the scheme after 6 months.
3. The Committee is asked to note that a report updating Members on the more detailed operational issues of the scheme will be submitted to the April 2014 meeting of this Committee.

**1. Introduction**

1.1 Following an extensive analysis of current provision, it is proposed to introduce a revised Freedom Pass scheme from the academic year commencing September 2014/15. This will entail a stored value smartcard which provides a defined, pre-paid travel benefit per pupil. It is proposed to include 16-19 year olds in education or training at a lesser stored value. The new scheme will be reviewed within 6 months of commencement.

## **2. Discussion**

2.1 The Kent Freedom Pass was introduced in 2007 and has become highly successful in enabling young people to access education and leisure activities by bus. The scheme provides free unlimited bus travel across Kent for an initial cost of £100 (£50 for those on free school meals and free to looked after children) and is unique in the UK outside London.

2.2 The net budget for the Freedom Pass is around £13.5m, with an average benefit per pupil of £430 per annum, and future pressures on the demand for travel will increase this figure markedly. The County Council's "Facing the Challenge" programme sets out the need to save £239m over the next four year period. As a non-statutory service, it is inevitable that the Freedom Pass scheme should bear part of the reductions being faced by all services across the County Council.

2.3 The benefits of the Freedom Pass are well documented and the challenge facing the County Council is how to devise an amended scheme which provides equity across the whole school age spectrum. In this context, the County Council considered a petition signed by around 16,000 people earlier this year seeking a similar travel benefit for post 16 students to that provided through the Freedom scheme for 11-16 year olds. Simply to extend the current Freedom Pass arrangement is not sustainable financially as it would add an estimated £6m to the budget. Therefore, to provide an equitable way forward, a review of concessionary travel for all academic year groups has been considered which proposes to reduce the overall benefit value provided for 11-16 year olds and to extend the proposed stored value scheme to 16-19 year olds.

### **Smartcard Technology**

2.4 Officers have considered a number of alternative schemes and this paper sets out the benefits of using Smartcard technology as the best mechanism for a revised scheme commencing in September 2014. In terms of using a capped "stored value", Smartcard technology is proven. A report was considered and endorsed by this Committee in October 2013 which set out the benefits of a Kent wide travel card using smartcard technology and this proposal builds on that foundation. It is considered that smartcards offer a very practical solution to implementing a stored value replacement for the Freedom Pass scheme. Most buses in Kent are already fitted with Smartcard readers. A report providing more detail on how the revised Freedom Pass scheme will work is planned to be presented to the April 2014 meeting of this Committee

## **3. Financial Implications and Proposal**

3.1 The draft Medium Term Financial Plan for 2014/15 and 15/16 requires a significant saving from the Freedom Pass scheme.

3.2 It is recognised that the County Council does not have a statutory requirement to fund post 16 transport; currently, post 16 students receive a travel pass costing £520 that provides a small overall subsidy for those travelling on a regular basis. However, it is reasonable that with a generous provision for 11-16 year olds, the County Council could spread the resource in a more equitable way to include 16-19 year olds albeit at a lesser level of funding. A proposal is set out below.

3.3 A drawback with the current Freedom pass scheme is that in allowing free unlimited use across Kent, it is difficult to accurately quantify the level of or demand for travel. This creates a significant budget risk year on year. A method of gaining greater budget certainty is to cap the value of the travel concession provided. The most practical and accountable way of doing this is to provide students with a personalised Smartcard containing a “stored value”. This is very simple to use as travel costs (i.e. fares) are deducted each time the student makes a journey. This is achieved by installing a reader on the ticket machine of each bus which is now common practice throughout the UK.

3.4 The proposal is that for 11-16 year olds, for an unchanged cost of £100, users would receive a card with £350 stored value (i.e. KCC contribution £250). For 16-19 year olds, for a pass cost of £100, users would receive a card with £250 stored value (i.e. KCC contribution £150). It is estimated that this will cost £7.5m for 11-16 year olds and £1.8m for 16-19 year olds. As now, a charge will not be made for Young Carers and Looked After Children. Passes will be granted only to those in education or training, including apprentices.

3.5 There will be a need for holders of the new Freedom Pass to recognise that if the stored value is exhausted before the end of the year there will be a need to “top it up”. This could be done by parents or schools and colleges.

3.6 Take-up estimates used to arrive at the cost of the scheme to the authority are calculated on the experience gained since the introduction of the Freedom Pass.

3.7 It is proposed to introduce these schemes in September 2014 to coincide with the new academic year. A review will take place after 6 months as it is essential that savings are not negated by an unaffordable degree of take-up.

#### **4. Bold Steps for Kent and Policy Framework**

4.1 Whilst the benefits provided through these proposals are largely non-statutory, there are clear links relating to reducing congestion and encouraging young people to access “out of hours” facilities both locally and at school. This links closely to greater independence.

4.2 The objectives of the Freedom pass scheme closely link with the County Council’s Growth without Gridlock strategy.

#### **5. Moving Forward - consultation**

5.1 If Members are minded to support the recommendation in this paper, consultation should be considered. As this scheme is discretionary, we are not required by statute to consult.

## **6. Recommendation(s):**

The Cabinet Committee is asked to consider and endorse the proposal to introduce a stored value smartcard providing £350 value for 11-16 year olds and £250 for 16-19 year olds, with both at a cost of £100.

The Committee is asked to support the review of the scheme after 6 months.

The Committee is asked to note that a report updating Members on the more detailed operational issues of the scheme will be submitted to the April 2014 meeting of this Committee.

## **7. Background Documents**

None

## **8. Contact details**

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