

Report to: Transport Committee

Date: 13th March 2020

Subject: **Concessionary bus travel for Under 19s**

Director: Dave Pearson, Director, Transport Services

Author(s): Andrew Bradley

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

1. Purpose of this report

- 1.1. This paper proposes steps to amend the Concessionary Fare Scheme to create an affordable fare for under 19s which encourages additional bus journeys without causing a significant financial loss. Discussions with bus operators are in progress to arrive at a simplified single fare structure. Consideration is being given to maximum fare that makes the flat fare affordable to bus users – for example around £1.20. Any fare pegged at this level will reduce the fare for longer distance passengers, but care is needed to minimise the impact on those currently paying less for shorter journeys. If Transport Committee are minded to endorse the approach set out in this report, a final proposal together with an Equality Impact Assessment, will be presented to Transport Committee to advise a decision to proceed, ideally for implementation later in 2020.

2. Background

Concessionary Travel Schemes

- 2.1. As the Travel Concessionary Authority for West Yorkshire, the Combined Authority is responsible for the management of the English National Concessionary Travel Scheme (ENCTS). This is a statutory obligation which provides **free** travel for men and women of pensionable age and eligible disabled people on off peak local bus services throughout West Yorkshire and

across England.

- 2.2. In addition to the ENCTS, under the powers afforded to it by the 1985 Transport Act, the Combined Authority is able to offer additional concessionary travel at its own discretion.
- 2.3. Currently, the Combined Authority funds bus travel after 2300 for ENCTS pass holders and discounted off-peak travel on local rail services within West Yorkshire for ENCTS pass holders and young people. The Combined Authority also funds a concessionary travel scheme for young people up to their 19th birthday. This scheme affords discounted travel on West Yorkshire's bus services at any time.
- 2.4. The young persons' concession is long established and was extended to include 18 to 19 year olds in 2016. Whilst the discount is approximately half the cost of adult fares, it is not uniform across the West Yorkshire area as bus fares vary from operator to operator. Further, the concessionary scheme funds discounted single and multi-operator season tickets, the latter being provided through the West Yorkshire Ticketing Company.
- 2.5. Prior to 2018/19, the budget allocated to this concession had been subject to annual fluctuations, reflecting changing operational costs, service levels and passenger numbers. The budget has now been capped at the 2018/19 level. In the light of continued pressure on local government finances, it is imperative to ensure this discretionary expenditure delivers on the Combined Authority's policy objectives and clearly improves the lives of young people in the region. The budget for 2020/21 is £9.24 million

Bus patronage and the impact of the scheme

- 2.6. Both locally and nationally, local bus patronage has been in decline for many years. The table below shows recent patronage trends.

Local bus patronage (Department for Transport)

Year	England local bus patronage (millions)	West Yorkshire bus patronage (millions)
2014/15	4,627.1	156.6
2015/16	4,507.6	153.5
2016/17	4,437.8	151.3
2017/18	4,347.7	147.7
2018/19	4,318.3	144.6

- 2.7. Children and young person's bus patronage is not reported by the Department for Transport separately to overall bus patronage. In West Yorkshire, however, First Group report that in 2019/20 for year to date, the operator has carried 6% more under-19 journeys than for the same period last year, but for an 8% reduction in the concession paid. This means that there has been an increase from 3.07 to 3.54 trips made per £ of concession paid.

- 2.8. Whilst under 19 bus patronage is not declining at the same rate as adult travel, the ticketing proposition is, however, not as simple as it might be. There are differences between the fares charged to young people for similar journeys in the West Yorkshire area. Engagement with young people suggests this is a barrier to bus travel for many.
- 2.9. The West Yorkshire Bus Strategy set a target to grow the number of bus passengers by up to 25% by 2027. Encouraging young people to use bus services more will contribute to this target and will help to deliver a generation of habitual life-long bus users. In turn, this will help the Combined Authority to deliver its wider policy objectives: supporting clean growth, boosting productivity, enabling inclusive growth and delivering 21st century transport.
- 2.10. The West Yorkshire Bus Alliance is a voluntary partnership of the Region's bus operators and the Combined Authority working together to improve the bus offer. A Fare Deal For Young People has been identified as an early deliverable in the workplans for the Alliance approved by Transport Committee. The Combined Authority, bus operators and the West Yorkshire Bus Alliance have engaged with young people on this subject. Appendix A summarises feedback from the young people. Key themes from the consultation are as follows:

- Paying for bus travel should be simple, flexible & convenient;
- Cost and complexity are consistently highlighted as a barrier to travel;
- There is low confidence amongst young people in their awareness of the range of ticket & pass options and best value

A Fare Deal For Young People

- 2.11. A "Fare Deal for Young People" is a key output from the Bus Alliance. It involves an amendment to the formal Concessionary Travel Scheme and a commitment by the Combined Authority, bus operators and the West Yorkshire Ticketing Company. It is proposed that the Fare Deal comprises the following

- ***Simple fares for under 19s*** – a simplified single fare system and a "go anywhere" day ticket so that young people know how much it costs to take the bus
- ***Savings for regular travellers*** – discounts for young people buying weekly and monthly tickets
- ***Welcoming young people*** – drivers will only ask for proof of age where the customer looks older than 19
- ***Discounts for 19-25 year olds*** - cheaper weekly and monthly tickets for anyone under 25

A revised Concessionary Travel Scheme

- 2.12. Local bus service provision outside London is operated in a de-regulated environment across the UK meaning that fares are set by individual companies.

Whilst the Combined Authority cannot set fares, it can identify those fares and ticketing products which are eligible for reimbursement under the Concessionary Travel Scheme.

- 2.13. In setting the 2020/21 budget, the Combined Authority has maintained the budget for young people's concessionary travel at the level of 2019/20 on the basis that a strategy is implemented to increase bus travel amongst under 19s at no additional cost to the Combined Authority
- 2.14. The current Concessionary Travel Scheme provides for half the adult fares for the journey travelled. It is proposed to amend this to require a flat fare structure. Whilst the Scheme cannot mandate fares, it can set the conditions under which operators would receive reimbursement.
- 2.15. The aim of this scheme is to create an affordable fare which encourages additional journeys without causing a significant loss of income to the bus system. Discussions with bus operators are in progress to arrive at a simplified single fare structure with a maximum fare of £1.20. Whilst this will reduce the fare for longer distance passengers care is needed to minimise the impact on those currently paying less than £1.20. Different price points below £1.20 are being modelled and an Equality Impact Assessment is being carried out. These will be presented to the Transport Committee in May to advise a decision to proceed

Proving Eligibility

- 2.16. The need to prove their age has been identified as a barrier to bus travel amongst under 19s. In 2018, under the Bus 18 initiative, West Yorkshire's bus operators adopted a practice whereby if a child was wearing school uniform then they would not be required to show any form of identification to secure the relevant discounted fare. The Bus Alliance has agreed to extend this further and to only require proof of age where the young person appears to be over 19. This will be an early outcome of the Fare Deal.

Next Steps

- 2.17. It is intended to obtain agreement with bus operators and West Yorkshire Ticketing Company on a new fare structure and to present a revised Concessionary Travel Scheme to the Transport Committee in May 2020. An Equality Impact Assessment will be carried out to assess the impact of any upward adjustment of fares to accommodate a simplified fare structure.
- 2.18. Members will be aware of plans to introduce a new MCard app in Spring/ Summer 2020. This will provide a new way of selling day, week or monthly tickets especially to irregular bus users. It is expected that this app will be available for public use by end of May ahead of the introduction of new fares
- 2.19. The proposed timescales for implementation of the Fare Deal are there as follows

	Proposed introduction date
Relaxation of proof of age	April 2020
Revised Concessionary Fares Scheme presented to Transport Committee for approval	May 2020
New Scheme published	May 2020
MCard app launched	June 2020
New fare structure implementation	July 2020

2.20. Bus use by the Under 19s will be monitored throughout the Autumn. If the new Scheme proves not to deliver the desired patronage increase then it is proposed that further measures be considered in early 2021.

3. Clean Growth Implications

3.1 The report identifies the work to improve the accessibility to the West Yorkshire bus network for young people. An improved ticketing offer to customers will increase bus patronage, reducing the need for car journeys for young people to access, education, amenities and employment opportunities.

4. Financial Implications

4.1 The 2020/21 revenue budget approved by the Combined Authority on 6 February 2020 includes provision of £9.567 million for young people's concessionary fares of which £9.24 million is for bus travel. The proposals in this report will not result in any additional costs to those included in the budget.

5. Legal Implications

5.1 The Combined Authority is able to operate a concessionary travel scheme to discount the cost of local bus travel for young people through the powers granted to it through the Transport Act 1985 and the well-being power under section 2 of the Local Government Act 2000.

5.2 The Terms of Reference for Transport Committee authorise the Committee to make decisions with regard to its role as a Travel Concession Authority This report proposes a revision of the formal scheme documentation to reflect the revised fares and reimbursement provisions set out in this report.

5.3 All commercial decisions concerning pricing in response to the introduction of the Scheme are taken by the bus operators or the West Yorkshire Ticketing Company Limited (owners of the 'MCard' suite of tickets).

6. Staffing Implications

6.1 There are no staffing implications directly arising from this report.

7. External Consultees

7.1. The following parties have been consulted:

- Local bus operators
- The West Yorkshire Ticketing Company
- Young people (as set out in Appendix 1)

8. Recommendations

- 8.1 That the Committee endorses the development of a Fare Deal for Young People as set out in this report.
- 8.2 That, under the current Concessionary Travel Scheme, people of eligible age should not be required to prove their age to obtain a concessionary fare unless the bus driver suspects the customer is older than their 19th birthday
- 8.3 That a revised Concessionary Travel Scheme be presented for consideration by Transport Committee in May 2020.

9. Background Documents

None

10. Appendices

Appendix 1 – Engagement with young people