

Report to: Transport Committee

Date: 20th November 2020

Subject: **Concessionary Bus Travel For Under 19s**

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| 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, simplified, range of fares for under 19s which will encourage more bus travel by under 19s when COVID restrictions end.

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. The Combined Authority has published a formal Concessionary Travel Scheme which enables it to fund 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 currently enables discounted fares for 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 for 2020/21 was capped at the 2018/19 level. In 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.
- 2.6. On 13 March 2020, the Transport Committee approved in principle the adoption of a Fare Deal For Young People subject to further consultation with young people and negotiation with bus operators and the West Yorkshire Ticketing Company to arrive at a simplified fare structure. COVID 19 has slowed progress on this and in particular consideration needs to be given to the timing of the introduction of the Fare Deal given current restrictions and discouragement to travel.

A Fare Deal For Young People

- 2.7. 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. The Fare Deal considered by the Committee in March 2020 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

Consultation with Young People

- 2.8. A public consultation was undertaken in May-June 2020 to seek the views of the public on the proposed changes to bus fares for under 19s. 327 responses

to the survey were received. A summary of the responses to the survey is as follows:

- 86% supporting a flat fare with 83% agreeing that a lower fare for short journeys would be a good idea,
- When advised that a flat fare scheme would mean some people would pay more and some less than they do now, 47% said they thought this was 'fair', with 34% saying that they thought it would not be fair.
- 96% of respondents thought it would be a good idea if all bus tickets for young people could be used on any bus, regardless of the bus company, with 52% saying they thought it would be fair for such a product to cost a little more than a product for just one bus operator's services.

Simplified Fare System

2.9. The current Concessionary Travel Scheme provides for half the adult fares for the journey travelled. Whilst the Scheme cannot mandate fares, it can set the conditions under which operators would receive reimbursement. It is proposed to amend this to only reimburse operators who adopt the following simplified fare structure.

- Hop - journeys of less than one mile – no greater than £0.60p
- Skip – journeys of longer than one mile - no greater than £1.20
- Jump – inter urban journeys to/ from Leeds, Bradford, Huddersfield, Halifax or Wakefield - no greater than £1.80. These will be agreed on a service by service basis

2.10 Agreement has been reached with the West Yorkshire Ticketing Company to amend the prices of the multi-operator, bus only, under-19 ticket range as follows. This provides at least a 10% saving in line with the simplified single fares. The prices are shown in Table A below and will be introduced at the appropriate point when social distancing restrictions on bus services have been lifted.

2.11 It should be noted that the prices identified may be subject to further, minor, review by the Ticketing Company, for instance to encourage the pre-purchase of tickets, rather than buying on bus, etc.

Table A

| | <i>Agreed</i> | <i>Current</i> |
|--------------------|---------------|----------------|
| My Day (1 ticket) | £2.50 | £2.75 |
| My Day (3 tickets) | £7.20 | £7.95 |
| My Day (5 tickets) | £11.75 | £13.00 |

| | | |
|---------------------|--------|--------|
| My Day (10 tickets) | £22.50 | £25.00 |
| My Week | £9.00 | £10.30 |
| My Month | £35 | £37.80 |

Equalities and sensitivity testing

2.12 An initial Equality Impact Assessment (EIA) screening highlighted that proposed changes could result in some young people paying less and some paying more for some journeys. Subsequent engagement with young people and analysis of fares data was undertaken to seek feedback on proposals and to quantify the impact of the proposals.

2.13 The analysis of fares data focused on analysis of cash single fares as well as day, week, and month tickets.

Cash single fares

- Analysis of current cash single fares show that 1% cost below 60p, 44% cost between 60p and £1.20. 54% cost more than £1.20.
- Most of the 54% currently paying more than £1.20 will pay less. On the assumption that bus operators make no changes to current fares between 60p and £1.20, a majority of young people will pay the same or less than they do currently.
- At this stage, which journeys will fall into the £1.80 fare category has not been finalised, but as this fare is intended for longer inter-urban journeys, it is assumed that there will be little or no increase in cost compared to current fares and numbers will be relatively small.

Day tickets

- The proposed new 'MyDay' price is comparable to operator day ticket prices. If bus operators withdraw their own single-operator day tickets and 'MyDay' becomes the only available product, 8% of customers will pay less than currently, 73% will see no change and 19% will pay up to 25p more.

Weekly Tickets

- If bus operators withdraw their own single-operator weekly products, 72% of young people would pay more for a 'MyWeek' (priced at £9) than they would for an operator only ticket. Moving to 'MyWeek' tickets will increase travel costs by up to 60p for 50% of young people currently buying operator only products, and by 60p-£1 for a further 18%, while 28% will see a reduction in the cost of their weekly ticket.

- 2.14 Whilst the introduction of this Scheme will not discriminate against any one group of individuals, lower income families are less likely to be able to absorb any price increase, especially if they have more than one child. However, children from low income families, those entitled to free school meals, or whose parents are in receipt of the maximum level of Working Tax Credit, may be in receipt of free school travel.
- 2.15 As part of the new arrangements, the concessionary fare scheme will not reimburse bus operators for tickets only available on that operator's own services. These tickets are generally cheaper than MCard products. If an operator chooses to withdraw its tickets expecting customers to move to "My" tickets, the customer will have to pay more however the ticket will be available for a wider range of travel should the customer choose to take advantage of this opportunity..

A revised Concessionary Travel Scheme

- 2.16 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.
- 2.17 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.
- 2.18 The current Concessionary Travel Scheme provides for half the adult fares for the journey travelled. It is proposed to amend this to only reimburse operators who adopt the prescribed fare structure. Whilst the Scheme cannot mandate fares, it can set the conditions under which operators would receive reimbursement. It is also proposed to amend the scheme to reflect the greater flexibility around proof of age eligibility as set out in the March report to this Committee.

Next Steps

- 2.19 The Transport Committee are recommended to approve the amendment of the West Yorkshire Concessionary Travel Scheme at this meeting with effect from 1 April 2021.
- 2.20 Agreement has been reached with bus operators that, should it become appropriate to introduce the revised fares in advance of this date due to the lifting of COVID restrictions, a decision to do will be made in consultation with the Chair of Transport Committee. A provisional date of 15 February 2021 has been set.

2.21 Bus use by the Under 19s will be monitored throughout 2021. If the new Scheme proves not to deliver the desired patronage increase then it is proposed that further measures be considered in early 2022.

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. Adoption of the fare deal would necessitate continued spend at this level in 2021/22.

4.2 A revised methodology for calculating the distribution of this budget to bus operators will be introduced from 1 April 2021.

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 in 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. A formal process of publishing a draft scheme will commence following the Committee's decision. formal objections can be made however, as set out in this paper, an extensive consultation with bus operators and young people has taken place.

5.3 All commercial decisions concerning fares are taken by the bus operators or the West Yorkshire Ticketing Company Limited (owners of the 'MCard' suite of tickets). The Combined Authority can specify the fare levels at which reimbursement under the concessionary fare scheme can be made.

5.4 An Equality Impact Assessment (EIA) has been prepared for the changes to the Scheme (and is summarised at paragraph 2.12-2.14 above) and follows extensive sensitivity testing to understand how the price changes affect customers. A full copy of the Combined Authority's EIA is available on request.

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 2.8)

8 Recommendations

8.1 That the Transport Committee endorse the adoption of the Fare Deal for Young People as set out in this report.

8.2 That the West Yorkshire Concessionary Travel Scheme be amended as set out in this report and published come into effect from 1 April 2021.

8.3 That the new fare structure be introduced on the lifting of COVID restrictions with a provisional date of 15 February 2021. Any amendment to this date will be made in consultation with the Chair of Transport Committee and notified to members of the Committee.

9 Background Documents

- Equality Impact Assessment and fare sensitivity analysis
- Analysis report of consultation with young people undertaken in May/June 2020

10 Appendices

None