

**ENVIRONMENT, PLANNING AND TRANSPORT CABINET PANEL
FRIDAY, 11 MAY 2018 AT 10.00AM**

UPDATE ON AND OPTIONS FOR CHANGES TO THE SAVERCARD SCHEME

Report of the Chief Executive

Author: Matt Lale, Passenger Transport Manager
Telephone (01992) 588633

Executive Member: Derrick Ashley, Environment, Planning & Transport

1 Purpose of report

1.1 The purpose of this report is to update the Panel on the Hertfordshire SaverCard Scheme and to set out two options for broadening the scheme for the Panel to consider.

2 Summary

2.1 The County Council has operated a concessionary scheme for children and students in Hertfordshire in some form since 1986 when the Transport Act (1985) was implemented. The Hertfordshire SaverCard was introduced in 2005 and offers bus travel for students aged 11 – 18 years of age at 50% off the normal adult fare. Last year 12,716 Hertfordshire SaverCards were issued.

2.2 The SaverCard is a very popular product and the uptake in purchasing a card is increasing every year. Whilst this scheme is non-statutory it is an integral part of the current Bus Strategy and was a key mitigation for the Home to School Transport policy changes in 2011-12.

3 Recommendations

3.1 That the Cabinet Panel are asked to note the content of the report and the work officers will do to try to extend the SaverCard Scheme to 19 year olds.

4 Background

4.1 Unlike the rail industry, there is no legal obligation for bus operators to have a discounted 'child fare' scheme. However, the County Council makes provision for a SaverCard scheme to ensure that there is consistent half-price travel available for any young person, in full-time education and residing in Hertfordshire, wishing to travel by bus across the county.

- 4.2 The scheme is formally operated by the Council in accordance with the Hertfordshire Concessionary Fares Scheme for Children and Students and is neither a nationally agreed scheme, nor a statutory function and is negotiated with local bus operators each year. The total cost of supporting and administering the scheme is £1.672 million and includes a budgeted income target from sales amounting to £145k a year.
- 4.3 If the scheme did not exist then students would have to either pay full fare or use locally operated schemes as most operators do offer their own reduced travel to students but the discount is variable (between 25-30%) and may not be transferable between different operators on a particular route.
- 4.4 SaverCard is not a 'Home to School' ticket scheme, it is valid at all times, seven days a week on all bus services operating within Hertfordshire. The scheme offers 50% discount on daily single and return journeys. Any journeys beyond that (weekly, monthly or season tickets) are determined by the commercial operators themselves.
- 4.5 The general cost of operation for bus operators is related to the number of vehicles required to run services during the peak travel periods. Many of the operators' vehicles would only be required to operate during this period, and therefore traditionally the bus operators did not offer discounted tickets before 09.00. The scheme was introduced to bring a consistent approach across all services regardless of operator. In addition, to assist those staying on for sixth form or going on to further education by enabling young people in full time education up to the age of 18 to travel at half the adult fare.
- 4.7 The annual charge for the SaverCard is £20, which is reduced to £15 when applied for online (online applications now account for 92% of all SaverCards issued). The price has not changed since 2015. The cost for the card holder can be recovered in savings within as little as 2-3 weeks usage in most cases and therefore presents significant savings to families.
- 4.8 Following on from the November 2017 Environment, Planning and Transport Panel it was decided to increase the SaverCard cost by £5 this was later discussed at Cabinet in December where the decision was deferred for another year.
- 4.9 The table below shows the number of SaverCards issued over the last five academic years:

Year	Cards issued
2011/2 *	8,513
2012/3 *	7,305
2013/4	9,839
2014/5	11,043
2015/6	11,780
2016/17	12,716

** The number of users (as opposed to number of cards issued) was higher than shown in the years 2011/12 and 2012/13 as cards issued then were valid for the period of the students' eligibility rather than just one year.*

- 4.10 The average take-up of the Hertfordshire SaverCard from 2010/11 to 2016/17 is 18.6% of the eligible young people / student population.
- 4.11 Parents are able to apply online by going to the SaverCard website and putting in their child's details and uploading a current picture of their child. Once the details have been put in then the parent is able to pay for the card. The child's information gets sent to an external supplier who produces the cards and sends them out in the post.

Benefits of the SaverCard in Hertfordshire

- 4.12 The SaverCard provides discounted fares for young people in full-time education, thereby making travel to school/colleges by bus significantly more financially attractive when compared to alternative modes of transport. The County Council does much to promote travel by bus, as detailed in the Bus Strategy and Intalink Strategy and is also included in the draft Local Transport Plan 4. The scheme is designed to encourage young people to travel by bus, not just for education trips but also for social and leisure purposes as this promotes independent travel. The reduced fares generate additional trips which in turn help to sustain the local bus network.
- 4.13 Non-financial benefits include the promotion of active travel by walking to and from bus stops as an alternative to more sedentary car journeys; contribution to the reduction in traffic congestion, air quality and road safety, albeit in a small way; and giving young people and students the flexibility and independence of getting around by bus instead of parents using their cars. Therefore, the SaverCard has a significant role to play in the promotion of sustainable transport, as well as supporting the council's priorities such as promoting independence, health and well-being.
- 4.14 Whilst this scheme is non-statutory the Hertfordshire SaverCard is part of the offer made for discounted travel for students contained within the council's Bus Strategy (*revised January 2015*). It is important to note the scheme was put forward as a key mitigation for the Home to School Transport policy changes in 2011-12, when the "800" series of contracted school buses for non-entitled children was withdrawn.

5 Options to Extend the Scheme

- 5.1 Last year the Environment, Planning and Transport Cabinet Panel considered whether to increase charges for the annual SaverCard fees. As part of that process and discussion it was suggested that officers should investigate if, within current resource allocation, there was any scope to extend the scheme to provide greater coverage to a larger number of eligible bus users.
- 5.2 The only way to achieve a broadening of the current scheme at no additional cost to the County Council is by negotiation with bus operators. Any expansion will add potential cost to an operator so a realistic approach must be taken to what is achievable via negotiation.
- 5.3 There are potential benefits to the operator in encouraging a greater number of new users on to buses (albeit at a discounted rate) in that the additional customers may continue to use the bus network after they are no longer eligible for a discount and a greater number of people using public transport may bring

new customers along and provide a greater level of sustainability to marginal services.

5.4 Two options were considered within the constraints of the aim of a net nil change to the budget position.

5.5 Option 1 – Negotiate with bus operators to expand the SaverCard Scheme to include 19 year olds within the existing budget

5.5.1 The SaverCard Scheme is for 11-18 year olds. Expanding that age range to cover full time students in education up to 19 years old would mean students would be able to apply for the SaverCard up to the day before their 20th birthday.

5.5.2 Currently there are 11,888 adults between 18-19 years of age in full time education in Hertfordshire. Based on current take up, rates assuming 20% of those students would purchase a SaverCard, this would mean an additional 2,378 students being part of the scheme. This would be subject to negotiation with bus operators in agreeing to cater for more users for the same level of subsidy.

5.2 Option 2 - An update of the Savercard being expanded to Apprentices

5.2.1 Currently the scheme is only for students who live in Hertfordshire who are in full time education aged 11-18. However, following changes to the apprenticeship funding system in May 2017 and the national drive to increase the number of apprenticeships the SaverCard Scheme was reviewed to include those participating in an apprenticeship scheme. In the academic year 16/17 there were 1,956 apprenticeships recorded in Hertfordshire who could have benefited from the discounted travel arrangement, this number is currently increasing for all ages. Apprenticeship numbers for 17/18 have not been published yet but the numbers are expected to increase. An apprentice can be of any age and under the Equalities Act 2010 a person must not be discriminated against because they are (or are not) a certain age. To include apprentices into the scheme will mean negotiations with bus operators in agreeing to cater for more users for the same level of subsidy.

6 Next Steps

6.1 Officers will begin negotiations, in partnership with specialist retained consultants with the aim to extend the Savercard scheme to all apprentices and 19 year olds in full time education. The focus is maintaining that the scheme is supporting students who are in education that live-in Hertfordshire. Any changes to the SaverCard Scheme would be rolled out in 2019/20 due to the need to set up additional back office systems and to tie in with the academic year.

7 Financial Implications

7.1 Any financial implications would be based on negotiations with bus operators. The SaverCard is a fixed pot so for options to be taken forward and implemented bus operators would have to agree to do so based on the current reimbursement. If agreement cannot be reached then made it will not be possible to implement the options due to the increase pressure on the fixed pot.

8. Equalities issues

- 8.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 8.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the county council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 8.3 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 8.4 At this preliminary stage a full EqIA has not yet been undertaken. However, subject to Panel's recommendations a full EqIA will be prepared to assist with informing any future decisions by Members.

Background Information

[November 2017 Environment, Planning & Transport Cabinet Panel - Update on SaverCard report](#)