

Agenda Item No. 7(j)

**DERBYSHIRE COUNTY COUNCIL**

**CABINET MEETING**

**20 January 2015**

Report of the Strategic Director – Economy, Transport and Environment

**CONSULTATION ON PROPOSALS TO EXTEND AND CHANGE THE  
B\_LINE SCHEME (HIGHWAYS, TRANSPORT AND INFRASTRUCTURE)**

(1) **Purpose of Report** To seek the approval of Cabinet to carry out a formal consultation process on proposals to extend the b\_line scheme to all young people aged 16 to 18 in Derbyshire and to make other changes to the scheme.

(2) **Information and Analysis**

**Background**

The b\_line scheme was introduced in 2001 when it was launched as a travel card to provide a common minimum reduced rate travel for those aged 14 to 18 (up to their 19<sup>th</sup> birthday) in full time education, and as a discount card at local shops and other businesses. In 2007, it also became a library card. The scheme is very popular with young people. The current scheme is available to young people in Derbyshire and Derby City, with over 95% of eligible young people carrying a b\_line card.

It is a discretionary scheme, and Derbyshire and Derby City are amongst a few authorities, either regionally or nationally, to offer fare discounts for young people.

The funding currently provides two cards:

- b\_line 1 cardholders are from age 11 until 14, with the card acting as a proof of age card for any concessions offered commercially on bus and train services.
- b\_line 2 cardholders are from age 14 to 18 (or until their 19<sup>th</sup> birthday if remaining in full time education). They receive one third discount off all adult single and return fares on all bus and rail services in Derbyshire and Derby City (including cross-boundary services where the journey starts or finishes in Derbyshire), with the cost of providing this discount being reimbursed to the transport operators.

In 2013-14, the gross cost of operator reimbursement was £739,018. This included the cost of the scheme in Derby City. The City Council is recharged

its share of the total cost at an agreed fixed rate (22.71% of the gross cost). The other main scheme cost is the production and distribution of the b\_line cards which, in 2013-14, cost £60,448. Once these and other adjustments are taken into account, the total net cost of the b\_line scheme for Derbyshire in 2013-14 was £584,799.

### **Context**

The County Council is facing unprecedented cuts due to reductions in Government grants, inflation and greater demands on social care and services for vulnerable children. Cuts of £157m are required over the five year period up to 2018-19.

At the Cabinet meeting on 15 July 2014, Members were asked to note details of the Five Year Provisional Financial Plan, along with a number of possible budget reduction measures, including some relating specifically to transport budgets.

The Financial Plan referred to the possibility of reducing the annual budget for b\_line by £720,000, thereby ending the b\_line scheme completely from 2015, whilst looking for alternative ways of helping young people to get discounts on public transport. The Authority is keen to support young people to access employment, education and training as part of supporting a 'Derbyshire That Works'. Nationally, over half of 16 to 19 year olds are frequent bus users, and work and education make up over a third of all bus journeys.

Recent changes in the age at which young people must continue in education or training (the participation age) mean that since 2013, young people have been required to stay in some form of education until the end of the academic year in which they turn 17. From 2015, this will rise to their 18<sup>th</sup> birthday.

Officers have investigated the potential for alternative sources of funding to enable the retention of a concessionary travel scheme for existing b\_line2 cardholders, whilst widening eligibility for young people aged 16 to 18, with reduced resource. A potential source of funding is the Public Health Resource Fund and, subject to Member approval, it is anticipated that up to £405,000 will be available.

It should be noted that the following proposal to make changes to the b\_line scheme only applies to young people who are Derbyshire residents. Derby City Council is currently undertaking a separate consultation on a proposal to withdraw the scheme completely in Derby City.

### **Way Forward**

Officers have considered a number of options, assessing whether they meet the aspiration of extending provision to all 16 to 18 year olds, whilst providing a financial saving. In doing, they have taken account of the potential for

extending the scheme to include young people who are currently excluded from the scheme; the impact of any changes on particular groups; and the financial implications for the Authority.

The preferred approach is to expand the b\_line2 subsidy to include all young people aged 16 to 18 in Derbyshire. This will mean around 6,000 additional young people will become eligible for the scheme, potentially increasing the number of b\_line cardholders by about 17% from 36,000 to around 42,000. This will further support employment and recruitment initiatives, such as the Derbyshire Apprenticeship Scheme and increase the number of young people in education, employment and training.

At the same time the subsidised concession would be withdrawn for the under 16s. In future this age group would take advantage of the commercially provided discounts which generally match or better the discount available through the b\_line scheme. The amount of discount offered through the b\_line scheme would also reduce from 33% to 25%.

The implications of this approach are:

- all 16 to 18 year olds in Derbyshire become eligible for the scheme, with eligibility no longer restricted to those in full-time education;
- most 14 to 16 year olds can take advantage of commercial concessions of 33% or better. The main exception to this is services provided by High Peak Buses where the commercial discount offered is 30% to 14<sup>th</sup> birthday and 15% thereafter;
- level of discount offered by the b\_line scheme reduced from 33% to 25% which reduces the reimbursement requirement to bus operators for those trips made using b\_line2 cards;
- fully removes the reimbursement requirement to bus operators for trips made by those under 16 years, eliminating the risk of an increase in scheme cost if bus operators subsequently decide to withdraw or revise their commercial offer; and
- there is potential for operators to improve their commercial offer for 14 to 16 year olds

In reviewing the operation of the scheme, consideration was given to the continuation of the the b\_line rail concession. The scheme is well used in areas served by rail services with the top five origin stations (Long Eaton, Buxton, Chesterfield, Dronfield and Whaley Bridge) accounting for over half the total rail usage. The main destination stations are Derby, Davenport, Manchester Stations, Meadowhall, Sheffield, Nottingham and Stockport.

Whilst it is difficult to confirm specific journey purpose from ticket sales alone, it is likely that some destinations will be predominantly for education related journeys (e.g. Davenport, which is close to Stockport Grammar), some will be

for predominately leisure and shopping related journeys (e.g. Meadowhall), whilst others will be used for a variety of journey purposes including leisure and education related trips.

Child fares on rail services are offered nationally up to age 16 giving a 50% discount, better than that available with a b\_line2 card. Beyond 16, the 16-25 Railcard is available but a minimum fare of £12 applies to journeys starting before 10.00 on Monday to Friday. As such, it is likely to be of limited value to young people (eg for attending school or college). In the circumstances, it is recommended that the b\_line rail concession should be retained and extended to all 16 to 18 year olds in Derbyshire.

### **Consultation Process**

The consultation will last 9 weeks (8 weeks during term time), with an anticipated start date at the end of January 2015 running until the start of the Easter holidays. Details of the full consultation programme are still being finalised, but an outline is provided below.

It will be promoted widely to the general public, young people, schools, colleges, job centres, bus and rail operators, community rail partnerships, district, borough, town and parish councils, and Youth Forums.

A variety of media will be used to ensure people are given an opportunity to comment on proposals. This will include press releases, social media and promotion through the Youthinc website. Questionnaires will be available in paper form and online. Where operators allow, posters will be displayed on buses.

For County Council Members, articles will be included in the Members' News, while Call Centre and library staff will be fully briefed to be able to deal with queries.

### **Post 16 Transport Policy**

The current b\_line offer is included in the Authority's Post 16 Transport Policy statement for learners aged over 16. It is a statutory requirement for the Authority to publish its Policy for the coming academic year (which starts on 1 August) by the end of May each year. Any changes to that Policy affecting ages 16 to 19 b\_line card holders will need to be reflected in the Policy when it is published in May 2015, to enable the changes to the scheme to be implemented from August 2015. The implication of this is that Cabinet will need to consider the response to the consultation and agree a way forward by May 2015 at the latest. If this is not possible it is unlikely that any change to the scheme could be implemented before August 2016.

(3) **Financial Considerations** The cost of providing the preferred option is £450,419, with a one-off cost in 2015/16 of approximately £51,000 to

re-issue b\_line cards. These costs are based on a best estimate, the actual cost will depend on the level of usage. The full year cost of the recommended option would be met from the amount anticipated to be available from the Public Health Resource Fund (£405,000), with the remaining coming from available budgets within the Economy, Transport and Environment budget.

It should be noted that this financial forecast does not take into account the effects of any future changes to the commercial or supported bus networks. Whilst any reduction in the level of service is likely to have the effect of reducing expenditure on the b\_line scheme it is thought that the impact would be fairly marginal.

(4) **Legal Considerations** The Authority has no statutory obligation to provide subsidised transport to young people who are not eligible for free home to school transport, as set out in the Education and Inspections Act 2006.

The Equality Act 2010 provides that the Council should give 'due regard' to the need to eliminate discrimination, harassment and victimisation, and to advance equality and diversity, and foster good relations, in the exercising of its functions. This need for 'due regard' specifically applies to all nine protected characteristics set out in the Act, including age and disability. An Equality Analysis will form part of any subsequent report to Cabinet.

(5) **Equality and Diversity Considerations** In parallel with the consultation, an Equality Analysis will be completed. Any impact and mitigation which is possible will be detailed in a later report to Cabinet.

### **Other Considerations**

In preparing this report the relevance of the following factors has been considered: human resources, prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

(6) **Key Decision** No.

(7) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held on file within the Economy, Transport and Environment Department. Officer contact details – Steve Cannon, extension 38148.

(9) **OFFICER'S RECOMMENDATIONS** That Cabinet:

9.1 Agrees to consult on the proposals to extend and change the b\_line scheme, as outlined in this report.

- 9.2 Notes that a further report will be made to Cabinet with recommendations, following the consultation, accompanied by an Equality Analysis.

**Mike Ashworth**  
**Strategic Director – Economy, Transport and Environment**