

London Councils' Transport and Environment Committee

Freedom Pass Progress Report Item No: 17

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Summary:

This report provides Members with an update on the progress of the renewal of approximately 970,000 Freedom Passes which expired on 31 March 2015, the development of a new first time application process, and a review of the policy on charging for replacement passes.

Recommendations:

Members are asked to:

1. Note the outcome of the Freedom Pass 2015 reissue
2. Note the establishment of new procedures for first time Freedom Pass applicants
3. Note that the policy on charging for replacement passes has been revised to make express mention that discretion to waive the administrative charge may be exercised in appropriate circumstances, and that this policy will be kept under regular review.

Background

1. A report to this Committee in March 2014 informed members of the progress on the 2015 Freedom Pass renewal and this report updates the Committee of the outcome of the renewal exercise. Around 870,000 older person and 100,000 disabled person Freedom Pass holders were invited to renew their passes. LB Camden handled its own renewal of older person passholders separately.
2. The Post Office decided last year that they no longer wished to process Freedom Pass applications, and it was agreed that the contract which expired on 31 December 2014 would

be extended to 30 June 2015 to enable London Councils and the boroughs to put alternative application procedures in place.

3. This Committee agreed in October 2012 to introduce an administrative charge of £10 for lost and damaged Freedom Passes. The Committee also agreed, having considered the equalities implications for protected groups, that there would be no express mention in that charging policy for the waiver of charges in other circumstances. This policy has recently been reviewed.

Outcome of the Older Persons Pass 2015 Reissue

4. During November and December 2014 letters were sent to 850,058 holders of the Older Person's Freedom Pass, whose passes expired on 31 March 2015, inviting them to renew. LB Camden handled its own renewal of 20,243 passholders, who are not included in the above figure.
5. As this is the first time passholders have been able to renew online and by post, London Councils did not have previous experience of this type of renewal. All previous renewals had been handled by the Post Office. However, evidence from the number of people transferring from the 60+ pass to Freedom Passes led officers to believe that between 85% and 90% would renew.
6. It was agreed with the transport operators – Transport for London, ATOC (on behalf of the train companies) and bus companies running non-TfL buses - that those passholders who had not renewed their passes by the 31 March deadline would be able to show them as 'flash' passes to bus drivers and other transport staff until 15 May. Staff were briefed to allow travel, but advised people to renew as soon as possible.
7. 83.77% had renewed by the 31 March deadline, and this had increased to 86.00% by 15 May, which was the cut-off date for accepting passes as flash passes. Since 16 May passholders with 2015 expired passes have not been allowed to travel. This has had very little impact in terms of calls or e-mails to the call centre, which is an indication that most people who intend to renew had already renewed.
8. 86.32% of passholders had renewed their passes by 04 June, the date of writing this report. The online portal will be closed for renewals on 15 June, which can be considered as the end date for the renewal exercise. We will accept postal and phone renewals after that date, but we believe that almost all those who intend to renew have done so already, and that only a small number are yet to renew.
9. Of the 86.32% of those who have renewed:
 - 534,486 were online renewals (74% of passes renewed)
 - 189,911 were postal renewals (26% of passes renewed)
10. London Councils' and borough officers are very satisfied with the percentage of those who have renewed online (74%), which is considerably higher than the initial 50% target. 57% of those who renewed online also set up a Freedom Pass account by providing an e-mail address. Library and other borough officers made a significant contribution to the success of the renewal by assisting applicants to complete their renewals online. Many people who would otherwise have posted their applications applied online with help from libraries. Sutton offered an online only renewal with their libraries primed to help passholders who were unable to renew at home, and just under half of those who renewed in Sutton did so at the library.

11. Appendix 1 gives a borough by borough breakdown of the number of renewals to date. An oral update with the most up to date renewal figures will be presented to the Committee.
12. A survey on the Freedom Pass renewal portal has had a good response and provided very positive results, particularly that over 11% of those who applied online had not used the internet before:
 - 30,974 online applicants responded and of these:
 - 92.6% of people found it easy or very easy to use
 - 65.6% of people who didn't find it easy had a technical problem with the form
 - 82.2% of people completed it on their own
 - 2.03% of people had to upload proofs
 - 81% of people who did upload something found it easy or very easy to use
 - 11.3% of respondents have never used the internet before
13. The London Borough of Camden managed its own older person's renewal using a different method. They performed internal residence checks of their 20,243 older person's passholders and identified 15,205 (75%) as still resident and eligible. These passholders were sent their passes automatically and did not have to apply to renew their passes. They identified 4,294 passholders to be written to asking them to provide proof of their Camden residence by post. The remaining passholders were identified as either deceased or no longer requiring the pass. 2,617 renewed by post, giving a total renewal figure of 17,822 out of a possible 19,499 (91%).
14. The number of phone calls and e-mails to the contact centre has been significantly lower than expected. They increased month on month from the beginning of the renewal in November until March, but the number has steadily reduced since early April. The number of calls received was 172,000 (20% ratio to letters sent) and e-mails is 47,000 (5% ratio to letters sent), meaning a total ratio of 25% call centre contacts to letters sent.
15. London Councils officers' have produced a specification to employ an external consultant to review its own renewal procedures and the different approaches taken by LBs Camden and Sutton, so that they may learn from the successes of each approach. London Councils' stakeholders, systems and customer service contractors are reviewing how the renewal went from their perspectives, which will feed into the wider review. The review findings will enable us to improve and streamline future annual renewals, the first of which is of around 177,000 passholders whose passes expire on 31 March 2016.

Communications and Publicity

16. The advertising campaign started in November, covering local newspapers and internet adverts. TfL provided free space during January and February on their advertising network to help publicise the renewal programme. Posters appeared inside buses, on bus shelters, tube ticket offices, and on Overground platforms. Scrolling digital display messages reminding people to renew on buses were particularly effective. ATOC (the Association of Train Operating Companies) also provided advertising on the suburban train network. The main purpose of this advertising campaign was to target those who hadn't yet responded to their letters to renew.
17. The Communications team will be reviewing the success of the advertising strategy and campaign and this will also contribute to the overall renewal review.

Disabled Person Passholders

18. Boroughs were responsible for reassessing their own disabled person passholders and had a deadline of 31 December 2014 to complete their renewal processes. Around 100,000 disabled passholders whose passes expired in March 2015 were identified at the start of the process. A number were identified as having moved away, deceased or no longer eligible. To date just fewer than 68,000 have renewed.

Consultation

19. Via regular reports and briefings London Councils consulted with members, borough officers and other stakeholders throughout the reissue process. A key part of the engagement has been the monthly project board meetings where borough officers, contractors, TfL, ATOC and London Councils' officers planned the reissue. Meetings have also been held with key user groups such as Transport for All and Age UK and London Councils' officers gave a number of presentations on the renewal at borough mobility forums.

Renewal Budget

20. It is envisaged that the final cost of the renewal will be considerably lower than the estimate of £3.141 million agreed by this Committee last July, and is likely to be approximately £2.63 million. A number of factors have reduced costs including a lower than projected number of phone calls and e-mails to the call centre, and 14% of passholders did not renew.

First Time Application Procedures

21. As reported to previous TEC meetings, the decision by the Post Office to end its contract with London Councils to process Freedom Pass applications for the boroughs on 30 June 2015 has necessitated the creation of new processes for first time Freedom Pass applications.
22. Two main methods of applying for the older person's pass were identified: applying online via the existing portal, which has been used for the 2015 renewal and 60+ applications, and by completing a paper application form and posting it for those unable to apply online. A downloadable version of the form will be available on the Freedom Pass website to minimize the number of paper application forms that need to be printed.
23. A test version of the application portal has been produced and has been tested by London Councils' officers. A specialist company was also employed, who sourced a number of older people to test the portal. This has produced valuable suggestions for improvement and final developments are being made before the planned go live date of 15 June 2015. A video has been produced by London Councils to guide people how to upload the required proofs and photos using mobile phones, and proved very helpful to the older people testing the site and is likely to lead to a higher online take up.
24. Procedures have also been agreed for our contractor to process paper applications submitted by post. A new application form has been printed and distributed to boroughs and processing applications will start from 22 June.
25. Disabled pass applicants will continue to apply to the borough. Once the application has been assessed and the applicant deemed as eligible the borough will enter their details directly on to the Freedom Pass database and arrange for a pass to be issued. This will

- mean a more convenient service to applicants as they will no longer have to take a letter of authorisation to a post office, but will receive their pass in the post once the borough authorises the application.
26. Further developments to enable disabled applicants to apply online directly are planned for later this year. However, this approach requires a greater degree of standardisation of application forms and eligibility criteria than is currently in place.
 27. Additional developments to enable current passholders to pay the charge for replacement passes online, and to set up an account, will also be in place by the end of June 2015.
 28. The previous report to this Committee outlined the potential savings of around £90,000 per year from the new application procedures. There will also be a direct annual saving to boroughs of around £42,000 from the Post Office processing charge, as the Post Office currently invoices boroughs for applications processed. However, this saving is offset in the first year by a cost of £43,000 to implement the new procedures, particularly the development of the portal.
 29. These annual savings are indicative only and are based on a number of assumptions in terms of the ratio of online to postal applications and the number of applications which will have to be returned for further information. The actual savings will not be known until the ratio of online to postal applications and the rate of returns are known in practice.

Charging for Replacement Freedom Pass

30. Approximately 94,000 passes are replaced each year at an approximate cost of £940,000 per annum. This is a significant administrative cost to the service which London Councils recharges to all of the authorities. Therefore, this Committee agreed in October 2012 to introduce a £10 charge to cover the cost of replacing lost and damaged Freedom Passes. That policy explicitly provides for exceptions in certain cases e.g. where passes are stolen and a crime reference number is provided or are faulty. (Of course, discretion may always be exercised to waive the charge in appropriate circumstances.) This policy has been accepted by the vast majority of Freedom Pass holders, with very few complaints being received.
31. Recently further consideration has been given to including specific criteria within the policy for the waiver of the replacement charge for pass holders who, by reason of their disability, may be more prone to losing their passes than others. At the current time, and having regard to the number of passes which have been replaced for these reasons to-date, it is considered that the adoption of blanket criteria in the policy is unnecessary and unworkable in practice. Rather it is recommended that requests continue to be considered on a case-by case basis with decisions being taken by the relevant local authority in which the individual resides on the provision of appropriate medical evidence of the condition in support of the waiver. However, it is also recommended that express mention be made in relevant published information, including on the London Councils' Freedom Pass website that discretion will be exercised in these circumstances as appropriate.
32. This charging policy will be kept under regular review.

Financial Implications for London Councils

The Director of Corporate Resources reports that a revised budget of £3.141 million for the 2015 renewal exercise was agreed at the July 2014 meeting of this Committee. Expenditure to date is £2.53 million, and indications are that the final renewal outturn will be approximately £2.60 million, £541,000 under budget for the reasons outlined in paragraph 20 of this report.

It is envisaged that savings in the region of £90,000 per year may be achieved with the introduction of new online and postal procedures for first time older and disabled applications. However, data from actual applications is needed to confirm that these estimates are robust and realisable.

Equalities Implications for London Councils

None

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The withdrawal of the Post Office from the application process may make it harder for a minority of vulnerable older and disabled people to apply for Freedom Passes. However, suitable arrangements have been put in place to support the application process for passholders, such as the implementation of an online application process, the ability to download a paper form and the provision of as many outlets as possible in boroughs to pick up a paper application form. This should negate any negative impact upon passholders from the loss of the Post Office service.

Recommendations

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Background Papers

TEC – Freedom Pass Progress Report - 19 March 2015 (Item 10)
TEC – Freedom Pass 2015 Reissue Update - 11 December 2014 (Item 11)
TEC – Freedom Pass 2015 Reissue Update - 16 October 2014 (Item 7)
TEC – Freedom Pass 2015 Reissue Update - 17 July 2014 (Item 10)
TEC – Update on Freedom Pass Projects - 13 March 2014 (Item 7)
TEC – Freedom Pass Bulk Reissue 2015 - 12 December 2013 (Item 11)