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| London Councils’ Transport and Environment Committee  |
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| Freedom Pass Progress Report | Item No: | 14  |
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| Report by: | Stephen Boon  | Job titles: | Chief Contracts Officer  |
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| Summary: | This report provides Members with a general progress update on the Freedom Pass scheme.   |
| Recommendations: | Members are asked to:Note the progress update for the Freedom Pass scheme, including the 2016 re-issue and new customer service improvements. |

**Introduction**

1. This report provides members with an update on the 2016 Freedom Pass re-issue, as well as some customer service improvements that will be launched in late summer / early autumn.

**2016 Re-issue Progress Update**

**Introduction**

1. The following section provides a progress update on the 2016 Freedom Pass re-issue as of 22 May 2016. On 31 March 2016 139,517 Older Person, 29,049 Disabled Person and 1,102 Discretionary Disabled Person Freedom Passes expired. Older passholders received a letter asking them to renew either on line or by post. Disabled passholders and discretionary disabled persons pass holders were reassessed by boroughs and if still eligible received their 2021 passes without having to complete a renewal process.
2. The Renewal is overseen by a project board that has met monthly since September 2015. The board is made up of representatives from:
	* the London boroughs;
	* London Councils’ transport and mobility and communications teams;
	* Transport for London (TfL);
	* Association of Train Operating Companies (ATOC);
	* Association of Chief Librarians;
	* Transport for All;
	* Age UK London; and
	* ESP Systex and Journeycall.
3. A final board meeting will be held in June to review successes of the re-issue and lessons learned in order to improve future re-issues.

**Older Persons Freedom Pass Renewal**

1. The older person’s renewal progressed well with 78% completing their renewal by 31 March 2016. This is four per cent lower than at the same time in 2015. As of 22 May 2016 a further four per cent have renewed (82%). 79% have renewed on line and 21% using paper application forms.
2. Appendix 1 sets out progress to date in graphical format and Appendix 2 sets out progress in each of the boroughs. Members are asked to note two matters highlighted by these documents.
3. First, the number of renewals completed means that c 22,000 have not renewed. Officers believe that this may be a result of the fact that more time has elapsed since the last mid-term review, and a higher proportion will have moved out of London.
4. Second, and connected to the issue above, renewal rates vary significantly between boroughs. Of the non-own application boroughs, Havering has the highest renewal rate (88%) and the City of Westminster, the lowest (75%). This mirrors patterns seen in 2015, where inner London boroughs, that tend to have higher levels of population churn, had lower renewal rates.
5. Officers worked with boroughs’ Heads of Communications to increase the renewal rate in those boroughs with the lowest response to ensure that those who did not renew, but were still eligible, were not unduly adversely affected. London Councils agreed with TfL and ATOC to provide a grace period until mid-May during which time, 2016 pass holders could continue to travel if they presented their card for visual inspection on buses and at station gates.
6. Pass holders who have not yet renewed have until the end of June to renew their pass on-line or by post. From July pass holders will need to submit an application for a new pass.

**Own application boroughs update**

1. As with the previous renewal, the London Borough of Sutton has offered an on-line only option to pass holders. This does not seem to have adversely affected renewal rates: Sutton’s figure is 82%.
2. The London Borough of Camden undertook internal verification of residency details and automatically reissued passes to people that passed verification. The renewal rate in Camden is 88%.

**Disabled Persons Freedom Pass renewal**

1. The renewal of Disabled Person Freedom Pass holders is the responsibility of the local authority. Local authorities checked residency and confirmed continued eligibility of their pass holders against the Transport Act 2000 criteria. A total of 18,875 have been re-issued (62.6%). The renewal rate is lower, as boroughs have re-assessed eligibility and some passholders have been deemed no longer to be eligible.

**Costs of the 2016 re-issue**

1. The total forecast costs of the 2016 re-issue is £413,000. This is lower than the original £500,000 estimate because of lower than estimated renewal rates (the budget was based on a conservative estimate of 90% pass holders renewing). Final outturn will be known in July once the portal closes on 30 June 2016.

**New Customer Service Improvements**

1. In June 2015, London Councils introduced on-line applications for first time applicants. This innovation has proved very popular, with almost 80% of first time applicants now applying in this way. Feedback suggests that users find the process both intuitive and straightforward.
2. With the 2016 renewal all but over, London Councils will now embark on the next phase of customer service improvements. These will see passholders being able to create on-line accounts and make on-line payments for replacement Freedom Passes.
3. These improvements will bring a number of benefits. They will enable existing Freedom Pass holders that applied with a paper application form or who applied online without using an e-mail address to create an on-line account. This will mean that they will be able to transact with London Councils on-line when they need to update their details e.g. change address.
4. The improvements will also have benefits for London Councils. Once someone has created an account, it will be possible for London Councils to correspond electronically with them (where they state this is their preferred method of contact), reducing the costs. Furthermore, those people replacing passes on-line should no longer call the contact centre to do so, further reducing costs.
5. The estimated £56,000 development and implementation costs are estimated to lead to consequential cost reductions of at least the same value by the time the current contract with ESP, the provider of the portal and contact centre, ends in 2016.
6. This estimate is based on the following. First, 50% of calls made to the contact centre are to replace a card. Second, officers assume that 50% of these callers will switch to on-line replacements once the facility is introduced, leading to a 25% reduction in overall call volumes. Given the experience of introducing on-line applications, officers consider these assumptions to be realistic. Should take up of the online service be higher, there is the potential to derive further future savings.

**Financial Implications for London Councils**

£362,000 of the total £413,000 forecast cost of the 2016 re-issue will be met from the 2015/16 Freedom Pass budget of £1.518 million. The estimated remainder of £51,000 will be met from the 2016/17 budget, of £1.518 million also. The total final cost for the re-issue is therefore expected to be well within the £500,000 approved estimate.

The estimated £56,000 development and implementation costs for the new on-line payment facility can be met from the 2016/17 survey and reissue budget of £1.518 million. As explained in paragraph 19 above, this improvement is estimated to pay for itself before the end of the current support service contract.

Based on the supporting information provided in respect of this report, the Director of Corporate Resources concurs with the financial implications highlighted above.

**Equalities Implications for London Councils**

None

**Recommendations**

 Members are asked to:

 Note the progress update for the Freedom Pass scheme, including the 2016 re-issue and new customer service improvements.

 **Background Papers**

TEC – Freedom Pass Progress Report – 23 March 2016 (Item 10)

Appendix 1.



Appendix 2. Renewal Borough Renewal Rates

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| **Borough** | **Total % Passes Renewed** | **Number of Older Person Passes Expired in 2016** |
| **Havering** | 87.75% | 4,703 |
| **Camden** | 87.70% | 4,260 |
| **Bexley** | 87.25% | 4,463 |
| **Bromley** | 85.70% | 6,484 |
| **Richmond upon Thames** | 85.09% | 4,212 |
| **Hillingdon** | 84.84% | 4,763 |
| **Harrow** | 84.06% | 5,739 |
| **Barnet** | 83.69% | 7,301 |
| **Redbridge** | 83.60% | 4,982 |
| **Enfield** | 83.47% | 5,306 |
| **Croydon** | 82.94% | 6,648 |
| **Kingston upon Thames** | 82.61% | 3,054 |
| **Barking & Dagenham** | 82.58% | 2,371 |
| **Sutton** | 82.02% | 3,577 |
| **Greenwich** | 81.82% | 4,048 |
| **Hounslow** | 81.32% | 4,481 |
| **Merton** | 81.17% | 3,516 |
| **Islington** | 81.03% | 3,115 |
| **City of London** | 81.02% | 216 |
| **Hammersmith and Fulham** | 80.92% | 2,825 |
| **Ealing** | 80.77% | 6,090 |
| **Wandsworth** | 80.77% | 4,332 |
| **Lewisham** | 79.93% | 3,901 |
| **Brent** | 79.30% | 5,455 |
| **Waltham Forest** | 79.13% | 4,053 |
| **Southwark** | 79.01% | 3,806 |
| **Kensington and Chelsea** | 78.94% | 3,708 |
| **Lambeth** | 78.92% | 4,046 |
| **Hackney** | 78.63% | 3,061 |
| **Haringey** | 78.49% | 3,980 |
| **Tower Hamlets** | 76.20% | 2,710 |
| **Newham** | 75.71% | 3,800 |
| **City of Westminster** | 74.99% | 4,511 |
| **Total** | **81.88%** | **139,517\*** |

\* The total number of cards expiring is greater than the total number of letters posted because this table includes cards renewed in the London Borough of Camden who did not write to pass holders but undertook internal verification of residency details.