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| London Councils’ Transport and Environment Committee  |
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| Freedom Pass 2015 ReissueUpdate  | Item No: | 11  |
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| Summary: | This report provides Members with an update on the progress of the project to renew approximately 940,000 Freedom Passes due to expire on 31 March 2015.  |
| Recommendations: | Members are asked to:1. Note the progress on the Freedom Pass 2015 reissue since the last report to this Committee in October 2014
2. Note that work continues to establish new procedures for first time Freedom Pass applicants
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**Background**

A report to this Committee in October 2014 informed members on the process for the 2015 Freedom Pass renewal and this report provides a progress update. Around 821,000 older and 101,000 disabled Freedom Pass holders are being invited to renew their passes. LB Camden is handling its own renewal of just under 20,000 older passholders separately.

**Progress on the Older Persons 2015 Reissue**

1. In advance of the letters being sent to ask older passholders to reapply for their replacement passes, London Councils held six training sessions on the new online application portal for around 90 concessionary fares and library officers. At least one officer attended from each London borough. The training was designed to enable attendees to cascade the training notes to colleagues to help applicants apply via the portal if they have difficulty doing so on their own.
2. Letters to older person passholders whose passes expire on 31 March 2015 are being sent over a six week period from early November to mid December. At the time of drafting this report, 540,000 letters had been posted (around 66% of the total).
3. London Councils is receiving daily reports from ESP Systex, the Freedom Pass contractor handling the letters and card production, on the numbers of applications received and processed and from JourneyCall, the contact centre contractor, on the number of phone calls and e-mails received, including the main issues raised by passholders. This has enabled further developments to the portal, for instance providing a clearer explanation of the renewal options for two people who share the same e-mail address.
4. The response rate has been encouraging so far with 253,621 (47%) of those written to having already successfully renewed. This number broken down below excludes Camden’s renewals.
	* 208,036 successful online renewals (82% of passes renewed)
	* 45,585 successful postal renewals (18% of passes renewed)
5. 62% of those renewing online have set up an account with an e-mail address, whereas 38% applied via the fast track option without an e-mail address. There are a number of benefits to passholders of setting up an account, such as receiving an e-mail when the pass is sent out and being able to change details online in the future. It will also be very useful and cost-effective to London Councils and the boroughs to be able to contact a large percentage of Freedom Pass holders via e-mail in the future.
6. The current rate of renewal suggests that over half of those due to renew their passes should have done so by Christmas. In previous renewal exercises passes were not renewed at the Post Office until the New Year so passholders have considerably longer to renew during the current reissue.
7. Appendix 1 shows the number renewed online and by post to date in relation to the number of letters sent and Appendix 2 gives a borough by borough breakdown of passes renewed so far.
8. The number of phone calls and e-mails to the contact centre has been significantly lower than expected, which appears to suggest that most passholders understand the renewal options without having to ask for assistance.
9. LB Camden is managing its own older persons renewal using a different method. They have undertaken internal residence checks of their 19,500 older persons passholders and have identified 15,200 (76.5%) as still resident and eligible. These passholders will be sent their passes automatically from January. The remaining 4,300 (23.5%) are being written to asking them to provide proof by post to the borough that they are still Camden residents. Those who send proof will have their passes renewed.
10. Replacement 2020 passes will be posted to those who have successfully renewed from 5 January 2015, and will be sent out in the order in which the applications were received. It is anticipated that the vast majority of passes will have been issued by the end of February.

**Communications and Publicity**

1. London Councils has provided London-wide branded posters, leaflets, roller banners or online adverts to boroughs that requested them. 29 boroughs have requested quantities of these publicity materials. Pan-London publicity uses the ‘London Councils’ logo as a catch-all brand. These are on the London Councils website as a toolkit for boroughs to use. Boroughs are free to put their logo on publicity material, but have to fund the printing costs of such materials.
2. The advertising campaign started in November, covering local newspapers and internet adverts. TfL is providing free space on their advertising network to help publicise the renewal programme. Posters will appear on the transport network from 16 January for 4 weeks, appearing inside buses, on bus shelters, tube ticket offices, platforms of Overground, and ATOC (the Association of Train Operating Companies) is also providing advertising on the suburban train network. The main purpose of the New Year advertising campaign is to target those who haven’t yet responded to their letters to remind them to do so if they wish to continue to travel for free.
3. A briefing on the renewal was issued to all MPs, councillors and GLA members on 29 October to inform them of the renewal procedures.
4. Although London Councils officers are encouraged by the progress to date, officers will continue to monitor the number of renewals closely on a daily basis and respond to any issues that arise. We will be looking at the responses on a borough by borough basis, and if the rate of renewals were to slow down to a level that caused concern, targeted additional publicity could be used where appropriate. It is also likely that, in line with previous renewals, a one month grace period will be agreed with TfL and ATOC to allow passholders to show their passes as a flash pass. Anyone not renewing after that time would not be allowed to travel until they renew their passes.

**Disabled Passholder Applications**

1. Boroughs are responsible for reassessing their own Disabled Pass holders and have a deadline of 31 December 2014 to complete this. Disabled passholders are not using the online portal and boroughs are writing to them separately. Boroughs will hotlist (stop) all passes of those no longer deemed eligible either because they no longer meet the eligibility criteria, have moved out of London or are deceased by that date to ensure they do not receive replacement passes. ESP will then issue replacement 2020 passes to all disabled pass-holders who are still eligible from 5 January 2015 and before the deadline of 31 March 2015.
2. The majority of boroughs have made good progress on their disabled passholder renewals.

**Consultation**

1. London Councils will continue to consult with members, borough officers and other stakeholders throughout the reissue process. The principal forum for consultation will be at the monthly project board meetings that bring together borough officers, contractors, TfL, ATOC and London Councils’ communications team.
2. Meetings have been held with Transport for All and Age UK and London Councils officers have given presentations on the renewal at a number of borough mobility forums including in Greenwich, Hackney, Hillingdon and Wandsworth.

**Renewal Budget**

1. Expenditure to date is £310,000 out of an approved budget of £3.141 million. However, this does not include the bulk of costs relating to JourneyCall’s handling of phone calls and e-mails and card production and postage. Indications are that the renewal will be delivered within budget, which is helped by the lower than expected number of phone calls and e-mails being made by passholders so far.

**First Time Application Procedures**

1. As reported to the October TEC meeting, the decision by the Post Office to no longer process first time Freedom Pass applications from June 2015 has meant that new procedures need to be established for both older and disabled first time applicants.
2. A working group has been set up with borough officers to discuss how this will be achieved. The two main methods of applying for the older person’s pass will be the same as for the current renewal: applying online via the portal and by completing an application form and posting it to ESP Systex. A number of working group meetings has already been held and good progress has been made.
3. It is envisaged that older first time applicants will be able to apply online from 1 February 2015. Some development work is needed on the portal, including the facility to allow passholders to attach photographs and measures being introduced to prevent duplicate applications from the same person in different boroughs. Their online applications will be processed by the contractor and passes issued within the service level agreement period of 10 days as is the case with current post office applications.
4. One area that needs further consideration is how to make it easier for applicants to attach documents to prove age and residence. It has been decided not to use credit agency checks online for first time applicants due to cost and the fact that that they can confirm residence, but not age, and applicants would have to upload proof of residence anyway. Experience from the renewal so far shows that only a small minority of those who have changed their name or address details, and who fail the residence checks, go on to upload document proofs. Most abandon the online application and revert to the postal option.
5. The aim is to have the new process for postal applications for those who cannot or do not wish to apply online in place by 1 April 2015. In the meantime, first time applicants will still be able to apply through the Post Office as usual.
6. Work is progressing to design a new application form, which will be available from borough offices and libraries instead of post offices. This work includes reviewing the acceptable proofs of age, identity and address that applicants can provide.
7. The three month period between April and June will allow time for any potential issues with the new processes to be ironed out before the end of the Post Office contract on 30 June 2015.
8. It is intended that disabled pass applicants will continue to apply to the borough, but that once they have been assessed as eligible the borough will enter their details directly on to the Freedom Pass database and issue the pass. The contractor will then issue the pass. This will mean a quicker service to applicants in future as they will no longer have to take a letter of authorisation to the post office.
9. Once the new procedures for older and disabled online applicants are in place the next stage will be to explore with boroughs and ESP how disabled applicants can apply online. This is more complex due to the necessity of providing proofs of eligibility and will require more development.
10. Further to the work on potential savings from the new procedures outlined in October, London Councils officers have done some further work on comparable costs. Tables 1 and 2 below show indicative potential savings:

**Table 1 – Older Person’s application**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CURRENT** | **NEW** | **CURRENT** | **NEW** | **%** |
| **COST PER YEAR** | **COST PER YEAR** | **UNIT COST** | **UNIT COST** |  |
| **£175,905** | **£105,139** | **£4.07** | **£2.43** | **-40%** |

**Table 2 – Disabled Person’s application**

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| --- | --- | --- | --- | --- |
| **CURRENT** | **NEW** | **CURRENT** | **NEW** | **%** |
| **COST PER YEAR** | **COST PER YEAR** | **UNIT COST** | **UNIT COST** |  |
| **£34,093** | **£14,072** | **£2.89** | **£1.19** | **-59%** |

1. The above unit cost for disabled passes covers London Councils’ contractor costs only and does not include boroughs’ internal costs for the assessment of disabled application forms. These internal costs will vary from borough to borough depending on their assessment procedures, including how many applicants they assess on paper and how many in person.
2. 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 directly for applications processed. In future all costs of processing older persons’ applications will be borne centrally by London Councils.
3. These 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 etc. In the next few months the overall number of those applying online and by post during the renewal will inform further projections.

**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 meeting of this Committee and officers will ensure that the renewal exercise will be contained within this revised budget.

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

 **Legal Implications for London Councils**

None

**Equalities Implications for London Councils**

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. The working group of London Councils and borough officers is looking at ways to minimise any potential issues and those unable to apply online have a postal option.

**Recommendations**

 Members are asked to:

1. Note the progress on the Freedom Pass 2015 reissue since the last report to this Committee in October 2014.
2. Note that work continues to establish new procedures for first time Freedom Pass applicants

**Background Papers**

TEC – Freedom Pass 2015 Reissue Update - 16 October 2014 ([Item 7)](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=4642)

TEC – Freedom Pass 2015 Reissue Update - 17 July 2014 ([Item 10)](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=4642)

TEC – Update on Freedom Pass Projects - 13 March 2014 ([Item 7)](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=4642)

TEC – Freedom Pass Bulk Reissue 2015 - 12 December 2013 (Item 11)