

London Councils' Transport and Environment Committee

Freedom Pass Update

Item No: 10

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Summary:

This report provides Members with an update on the progress of the renewal of approximately 970,000 Freedom Passes due to expire on 31 March 2015 and the development of a new first time application process.

Recommendations:

Members are asked to:

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

Background

1. A report to this Committee in December 2014 informed members of the progress on the 2015 Freedom Pass renewal and this report provides a further update. Around 870,000 older person and 100,000 disabled person Freedom Pass holders were invited to renew their passes. LB Camden is handling its own renewal older person passholders separately.

Progress on the Older Persons Pass 2015 Reissue

2. Letters to holders of older person Freedom Passes, which expire on 31 March 2015, were sent out over a six week period from early November to mid December.
3. London Councils receives regular reports from ESP Systex, the Freedom Pass contractor handling the letters and card production, on the numbers of people who have renewed and passes sent out, and from JourneyCall, the contact centre contractor, on the number of phone calls and e-mails handled, including the main issues raised by those who contact them.

4. The response rate has been very encouraging with 668,770 (79% of those with older person's passes written to having already successfully renewed (by 1 March 2015). These include:
 - 493,938 online renewals (74% of passes renewed)
 - 174,832 postal renewals (26% of passes renewed)
5. London Councils and borough officers are very pleased with the percentage of those who have renewed online with 74% being considerably higher than the initial 50% target. Library and other borough staff have made a considerable contribution to this success by agreeing to provide assistance to applicants to complete their renewals online. Many people applied online with help from libraries who would otherwise have had to post their applications. Sutton offered an online only renewal with their libraries geared up to help anyone who was unable to renew at home, and just under half of those who have renewed in Sutton to date did so at the library.
6. A user survey on the Freedom Pass renewal portal has provided a good response and has shown some encouraging results, particularly that the renewal exercise persuaded 11% of those who applied online to use the internet for the first time:
 - 28,431 responded
 - 92.7% of people found it easy or very easy to use
 - 66% of people who didn't find it easy had a technical problem with the form
 - 82.5% of people completed it on their own
 - 1.16% of people had to upload proofs
 - 82% of people who did upload something found it easy or very easy to use
 - 10.90% of respondents have never used the internet before
7. Around 58% of those renewing online have set up an account with an e-mail address, whereas 42% have applied via a fast track option without setting up an e-mail address. There are a number of benefits to passholders in setting up an account, such as receiving an e-mail when the pass is sent out and being able to change details online and pay for replacement passes in the future. It will also be very useful and cost-effective to London Councils and the boroughs to be able to contact a significant percentage of Freedom Pass holders via e-mail in the future.
8. LB Camden is managing its own older person's renewal using a different method. They have undertaken internal residence checks of their 19,549 older person's passholders and have identified 15,205 (78%) as still resident and eligible. These passholders have been sent their passes automatically. The remaining 4,344 (22%) have been written to asking them to provide proof of continued residence by post to the borough. To date 91% in total have successfully renewed.
9. London Councils will engage an external consultant to review its own renewal procedures and the different approaches taken by LBs Camden and Sutton so that we may learn from the successes of each approach. This will enable us to improve and streamline future annual renewals, the first of which is in 2016.
10. As of 1 March 2015, 533,778 new Freedom Passes have been posted to applicants – 481,676 older and 52,101 disabled. This is 72% of older and 84% of disabled passholders who have renewed. The older person's passes are being sent in the order of application at a rate of over 100,000 per week, whereas disabled passes are being sent in small batches in

random order. All those who have renewed their older person's pass by the end of February will be posted their passes by 13 March.

11. The aim is to get as many passes as possible to applicants before the expiry date at the end of March, but the later people apply the greater the chance the pass cannot be produced and sent on time. London Councils estimates that between 10-15% of those written to will not renew for reasons such as no longer requiring a pass or having recently moved out of London, and that there may now be only around 100,000 left to renew. If there is a late rush of renewal activity during March this figure will be even lower.
12. Appendix 1 shows the renewal numbers and passes sent to date in graphic form and Appendix 2 gives a borough by borough breakdown of renewals to date. The percentages in the renewal by borough breakdown include Camden's automatic renewals. A verbal update with the most up to date renewal and pass dispatch figures will be presented to this Committee.
13. It has been 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 have not renewed their passes by the deadline will be able to show them as 'flash' passes to bus drivers and other transport staff for a short period until 15 May. Staff will be briefed to allow travel, but to advise people to renew as soon as possible. Anyone who has not renewed after this date will be refused free travel and will not be able to use their pass until it is renewed.
14. The number of phone calls and e-mails to the contact centre has been significantly lower than expected, although they have increased month on month since the beginning of the renewal in November. The largest proportion of calls is currently from applicants asking when they will receive their passes, although they have been informed that these will arrive before the end of March. There are also significant numbers of callers who did not receive a renewal letter because they have changed address and had not informed London Councils.

Communications and Publicity

15. The advertising campaign started in November, covering local newspapers and internet adverts. TfL providing 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 was particularly effective. ATOC (the Association of Train Operating Companies) is also providing 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.
16. Although the renewal response has been very good, a number of boroughs' figures are significantly lower than the average (see Appendix 2). Action was taken to try to address this in February by taking out full page adverts in relevant local newspapers that cover these boroughs.

Disabled Person Passholders

17. Boroughs are responsible for reassessing their own disabled person passholders and had a deadline of 31 December 2014 to complete their renewal processes. Disabled person passholders are not using the online portal and boroughs have written to them separately. Boroughs have hotlisted (stopped) the passes of those they deem are no longer eligible either because they no longer meet the eligibility criteria, have moved out of London, are

deceased or did not respond to renewal letters. London Councils is automatically issuing new passes to all disabled pass-holders who are still eligible. Those whose passes have been hotlisted will not receive a new pass.

18. The majority of boroughs made good progress on their disabled passholder renewals and completed their renewals by the deadline. A few needed more time and made separate arrangements to complete their renewals.

Consultation

19. London Councils will continue to consult with members, borough officers and other stakeholders throughout the reissue process. The principal forum for consultation is the monthly project board meetings that bring together borough officers, contractors, TfL, ATOC and London Councils' staff. Meetings have been held with Transport for All and Age UK and London Councils officers have given a number of presentations on the renewal at borough mobility forums.

Budget

20. It is envisaged that the 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 £400,000 less at £2.741 million. A number of factors have reduced costs including a significantly fewer than projected phone calls and e-mails to the call centre, and experience of the transfers of those from the 60+ to the Freedom Pass scheme have led to an expectation that around 10-15% of those expected to renew will not do so, which will reduce card production and postage costs.

First Time Application Procedures

21. As reported to the December TEC meeting, work continues on reviewing the processes for first time Freedom Pass applications as the contract with the Post Office is ending on 30 June 2015.
22. A working group was established with borough officers to discuss the development of these procedures, and a number of working group meetings has already been held and good progress has been made.
23. Two main methods of applying for the older person's pass have been identified: applying online via the existing portal, which is being used for renewals, and by completing an application form and posting it for those unable to apply online. A new application form has been designed. A downloadable version of the application form will be available on the Freedom Pass and borough websites to minimize the number of application forms that need to be printed. However, for those without access to the internet either pre-printed or downloaded forms will need to be available in libraries and other borough offices for people to attend in person to collect.
24. It is envisaged that older first time applicants will be able to apply online from 15 May 2015. Some development work is needed on the portal, including the facility to allow passholders to attach photographs and measures are being introduced to prevent duplicate applications from the same person in different boroughs.
25. One area being explored is how to make it easier for applicants to attach documents to prove their age and residence. Experience from the renewal exercise shows that only a minority of those who have changed their name or address details, and who fail residence checks, go on to upload document proofs. Most abandon the online application and revert to

the postal option. To ensure that first time applicants can enjoy the same benefits of setting up an account as those who renewed online a further development will be to allow them to set up accounts with an e-mail address, but if they are unable to upload proof documents and photos, they will be able to send these in the post to ESP who will then be able to match them up with the online record and process the application.

26. 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. This also requires development work such as adding new categories to the disability types, reassessment date fields to record when passholders need to be reassessed and new reporting functionality. 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.
27. A further development for disabled applicants will be to offer them the option to apply online directly, where they would upload proofs of their residence and disability. This would save borough officers time in that those applicants will have already created a record on the database and staff will be able to assess them without inputting the applications from scratch. However, such an approach would necessitate a degree of standardisation of application forms and eligibility criteria not currently in place.
28. There will be a period in May and June where both online and postal application processes will run concurrently with current post office procedures. This will allow time for any potential issues with the new processes to be resolved before the end of the Post Office contract. A timeline for the introduction of the new procedures is attached as Appendix 3.
29. Once the new procedures for older and disabled online applicants are in place, further developments are planned such as being able to pay for replacement passes online and setting up an account if people already have a pass.
30. As outlined at December's TEC, London Councils officers have compared costs between current procedures and new one. 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

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

31. 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.

32. 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.
33. 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.

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. Expenditure to date is just under £1 million, but this does not include the costs relating to most of the card production and postage. Indications are that the renewal will be delivered at approximately £400,000 under budget at £2.741 million 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 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 by making it as easy as possible to apply online and enabling those unable to apply online to have a postal option with as many locations as possible for them to pick up an application form.

Recommendations

Members are asked to:

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

Background Papers

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)