

Mayoral Combined Authority Board

06 June 2022

Extension to Zoom Beyond Concession

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
Purpose of this report:	Funding Decision
Is this a Key Decision?	Yes
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:
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Executive Summary

In June 2021, SYMCA established a one-year public transport concession to allow those aged 18 to 21 to access the same single fare benefits of those aged under 18.

The concession, promoted as “Zoom Beyond” launched on 21 June 2021 and is due to end on 20 June 2022.

What does this mean for businesses, people and places in South Yorkshire?

If approved, the recommendation provides continued access to the reduced single fares for those aged 18 to 21 in South Yorkshire.

Recommendations

1. Approve a policy decision to extend the Zoom Beyond concession.
 2. Approve the variation to the budget to accommodate costs incurred in 2022/23.
 3. Approve the production of replacement cards to be issued to currently eligible participants.
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4. Delegate the negotiation of revised rates of reimbursement with bus and tram operators to the Corporate Director of Public Transport.
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1. Background

- 1.1 Following the impact of Covid-19 on public transport and the disproportionate impact on young people, SYMCA implemented a one-year policy to allow those aged 18-21 access to the same single 80p fare on bus and tram as that currently enjoyed by those aged under 18. The product was promoted under the “Zoom Beyond” brand and launched on the 21st June 2021.
- 1.2 Whilst initial forecasts and assumptions were that up to 43,750 residents would be eligible and apply for the pass, uptake was more modest, in part linked to the restrictions still in place at the time of launch. As of 8 May, there are now 23,716 passes in use.
- 1.3 In terms of pass usage, the scheme has now seen 1,189,953 trips made since launch and averaging just over 25,000 trips per week made since the start of 2022.
- 1.4 The scheme has so far cost a total of £1,140,899.03 in reimbursement to bus and tram operators since launch.

2. Key Issues

- 2.1 The concession was created with the intention of providing short-term (one year) support for those affected by the impact of Covid-19. The costs of the scheme during 2021/22 were covered through an allocation of gainshare resource and revenue budget.
- 2.2 Should the MCA decide to extend the concessionary scheme, the costs are subject to change given the need to renegotiate rates of reimbursement with individual operators.
- 2.3 Members should note that the current single notified fare of 80p in use for this concession, consistent with that for all aged under 18, has not changed since September 2016. Whilst not the subject of this paper, Members should note that were normal inflation to apply to this fare, the cost would be at least 95p.

3. Options Considered and Recommended Proposal

3.1 Option 1

End the concession as planned on 20 June 2022 and implement the current policy position.

3.2 Option 1 Risks and Mitigations

Whilst the concession did not attract as many eligible residents as forecast, there are still nearly 23,000 card holders who will see their pass expire in June. Although COVID restrictions have now been lifted the ongoing impact of the pandemic, coupled with wider cost of living pressures continue to place an increased financial burden across the communities of South Yorkshire.

3.3 **Option 2**

Extend the concession to June 2023 to allow time for SYMCA to consider concessionary support against the wider pressures on transport networks and allow for the necessary discussions on incorporating it in to the 2023/24 budget approval process.

3.4 **Option 2 Risks and Mitigations**

This presents a budget challenge. The SYMCA faces significant financial pressures in relation to public transport during 2022/23, which includes the anticipated reduction in the commercial bus network from October 2022 and the pressures this will place on tendered services budget to buy back socially necessary services to the extent that the budget allows.

Given that the concession was agreed with operators as a one-year arrangement, the MCA will need to seek an 'in principle' agreement with operators subject to the proposals being approved.

As all the passes currently in circulation were designed to expire on 20 June 2022 and cannot be used beyond this date, new cards will need to be issued to existing passholders who remain eligible (i.e. those who remain within the required age range).

3.5 **Option 3**

Extend the concession indefinitely. This option replicates that of Option 2 but would require the MCA to accommodate the cost implications in the transport revenue budget and hence levy for 2023/24 and beyond.

3.6 **Option 3 Risks and Mitigations**

The risks in relation to this option largely mirror that of Option 2, other than the assumption that the MCA is already willing to accept the future cost implications in to 2023/24 budget and beyond by approving this option.

3.7 **Recommended Option**

Option 2

4. **Consultation on Proposal**

4.1 SYMCA officers have discussed the option for concession extension with the Mayor and in turn with members of SYMCA Board.

The views of passholders have not been sought given the short timescales involved in the decision to extend the concession but it is reasonable to assume that it would be favourably received if the decision is taken to extend.

5. **Timetable and Accountability for Implementing this Decision**

5.1 The current concession is due to end on 20 June 2022. As such, is the recommendation is approved, the technical work required to implement the policy will commence as soon as possible thereafter to ensure that eligible residents continue to enjoy the benefit of discounted travel.

6. Financial and Procurement Implications and Advice

- 6.1 The Zoom Beyond concession was originally priced at over £6m for twelve months of provision. This commitment was to be funded from £2m from the transport levy over two financial years with £4m allocated from gainshare.
- 6.2 Actual costs incurred through the concession have been significantly lower than forecast reflecting much lower demand than anticipated. It is now expected that by the end of the current concession the total cost of the scheme will be £1.5m. Underspend against the initial forecast has allowed the levy resource to be redeployed to the Summer Saver discount with a further £1m being allocated in the 2022/23 budget to meet the anticipated rising cost of tendered bus services.
- 6.3 The proposal to extend the scheme is currently unbudgeted. Initial forecasts suggest that a twelve-month extension could cost a further £1.5m with potential upside pressures given the existing concession has run during restrictions.
- 6.4 Should the Board wish to pursue Option 2 the costs could be accommodated within the existing gainshare allocation where £2.5m of resource remains.
- 6.5 An indefinite commitment as presented in Option 3 is not sustainable without recourse to the transport levy or further gainshare. Under both options the Board would need to agree to displace existing activity or allocate currently uncommitted funding.
- 6.6 It should be noted that in committing funding to this proposal the MCA will be reducing its ability to mitigate the anticipated service cuts that will arise following the end of Government funding support to the network post October 2022.

7. Legal Implications and Advice

- 7.1 The proposed enhancement to concessionary travel will be introduced by SYPTE. Under Part 1 of the Localism Act 2011 both SYPTE and the MCA have the General Power of Competence. Further, under the Transport Act 2008 the MCA has power to take any action it determines is likely to achieve any one or more of the following objects:

1. the promotion or improvement of the economic well-being of its area,
2. the promotion or improvement of the social well-being of its area,
3. the promotion or improvement of the environmental well-being of its area.

This use of this power can be delegated to the SYPTE under s.99(7). Suitable arrangements with public transport operators will need to be put in place in respect of re-imbursement to compensate the operators from any reduction in fares revenue. These arrangements will need to comply with Regulations that govern such compensation.

8. Human Resources Implications and Advice

- 8.1 Not relevant to this paper.

9. Equality and Diversity Implications and Advice

- 9.1 The paper considers the benefits of subsidised public transport for those aged 18-21 so the recommendation and decision will have a direct bearing on age of passengers and residents of South Yorkshire which is a protected characteristic.

10. Climate Change Implications and Advice

- 10.1 Board should note that an extension to the scheme will positively encourage younger people to choose public transport over other options including private car. This is particularly pronounced at time when many for the first time have access to a car and are making decisions around personal car ownership.

Therefore any policy which encourages continued use of public transport will have a positive impact on air quality, climate change and our net-Zero targets.

11. Information and Communication Technology Implications and Advice

- 11.1 Not relevant to this paper.

12. Communications and Marketing Implications and Advice. Please also refer to consultation undertaken as per Section 4

- 12.1 A significant marketing and communications campaign will need to be delivered at pace to promote any agreed extension to the Zoom Beyond 18-21 concessionary travel scheme, communicate auto-renewal of expiring passes to customers and encourage travel pass applications and subsequent usage.

List of Appendices Included

None