



Tyne and Wear Integrated Transport Authority

Meeting to be held at 10.00 am on Thursday 26 September 2013 in a Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

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REPORT FOR DECISION

DATE: 26 September 2013

SUBJECT: Free Travel for Service Personnel

REPORT OF: Director of Finance and Resources, Nexus

PURPOSE OF REPORT

This report seeks to inform the ITA of a request for free travel for military personnel in Newcastle and the options associated with this proposal if the ITA endorses its progression.

RECOMMENDATIONS

1. That the ITA notes the request, along with Nexus's position that in the current financial climate it is not considered affordable to introduce free travel for this group at the present time.
2. That the Nexus Director General be instructed to request that NTL Board gives consideration to this as a commercial discount product.

BACKGROUND DOCUMENTS

CONTACT OFFICERS

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Positive

1	Introduction
1.1	A request for free travel for Service personnel in Newcastle has been received from Col Philip Haigh, the Vice-Chair of the Newcastle Armed Forces Form, and via Councillor Dunn, the Newcastle Cabinet member for Adult Services and Armed Forces Champion.
1.2	The request has been submitted following the signing of the Newcastle Community Covenant which pledges to encourage all parties within a community to offer support to the local Armed Forces community.
1.3	With effect from 29 June 2013, Service personnel have been offered free travel on the Transport for London (TfL) network which has prompted the investigation into whether something similar can be put in place within Newcastle. The TfL offer applies to Regular and Reserve personnel travelling in issued uniform and in possession of a Ministry of Defence (MoD) Form 90 ID card and allows travel on London Buses, Underground, Tramlink and the Docklands Light Railway.
1.4	TfL have been able to offer this as they operate within a different statutory framework than the rest of the country. This means that within Tyne and Wear we are unable to progress this proposal in the same way as has been possible in London.
1.5	Essentially, there are two options available to progress this proposal, as set out below.
2	Option 1: Concessionary Travel
2.1	Under this option, service personnel would be categorised as an eligible group for concessionary travel and would therefore qualify for free or reduced price travel on all local public transport services in Tyne and Wear. As with the statutory national scheme for elderly and disabled people and the discretionary scheme for children under 16, the ITA via Nexus would need to reimburse transport operators for the revenue foregone as a result of the introduction of this scheme.
2.2	Nexus does not currently hold any information on the travel behaviour of this group. It is therefore very difficult to place any estimate on the potential usage and therefore cost of such a scheme without detailed research and analysis. In any event the cost could easily fall into hundreds of thousands of pounds, or more depending on usage and the extent of eligibility.
2.3	At the present moment in time, the ITA and Nexus are operating under the Medium Term Financial Strategy, through which expenditure on existing services and



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	discretionary concessions is being maintained, there is no budgetary flexibility to introduce new discretionary concessions.
2.4	The ITA and Nexus receive requests for new concessions to be introduced from time to time from and on behalf of a range of groups, in particular the 16-19 age group and jobseekers. In the event that funding becomes available in future, the ITA may wish to consider this request for service personnel alongside those for other groups, and advise priorities within available funding.
2.5	Under the terms of the 1985 Transport Act, service personnel are not defined as an eligible travel group which would inhibit the introduction of such a concession. Whilst it may be possible that the ITA could use its Wellbeing power to introduce a new eligible travel group, this is at present unclear and further legal advice would need to be sought before moving forward.
3	Option 2: Commercial Discounts
3.1	Any operator may of its own commercial choice provide discounts or free travel as it sees fit. This could extend to service personnel if the operator saw a benefit.
3.2	It is therefore recommended that the Director General forwards this request to Network One for its Board to consider as a commercial proposition covering all operators.
3.3	Nexus will give consideration to discounted products for service personnel on Metro and Ferry, as part of its preparation of the annual fares proposal for the ITA's consideration later in this calendar year. It should be noted however that it seems unlikely that a cost-neutral or revenue-generating proposition could be developed.
4	Next Steps
4.1	Subject to the ITA's endorsement, the Director General forwards this request to Network One for its Board to consider as a commercial proposition.
4.2	Nexus will give consideration to discounted products for service personnel on Metre and Ferry, as part of its preparation of the annual fares proposal for the ITA's consideration later in this calendar year, whilst noting that any such proposal would need to be either cost-neutral or revenue-generating.
4.3	In the event that funding becomes available in future, the ITA may wish to consider discretionary concessionary travel for service personnel alongside requests from



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	other groups, and advise priorities within available funding.
5	Potential impact on objectives
	This proposal, if implemented, assists with the objectives of the various Community Covenants in place within the Tyne and Wear region by supporting the integration of Service personnel into local community life.