



## Belfast City Council

<b>Report to:</b>	<b>Strategic Policy and Resources</b>
<b>Subject:</b>	<b>Joint Development of Staff Travel Smartcard</b>
<b>Date:</b>	22 May 2009
<b>Reporting Officer:</b>	David Cartmill, Acting Head of Corporate Services Directorate (Ext 6084)
<b>Contact Officer:</b>	Alastair Curran, Sustainable Development Manager (Ext 3309).

### Relevant Background Information

The appended paper (Appendix 1) was presented to the Committee on 24 April. It was agreed to defer consideration of the request to permit further information to be obtained. Since then discussion has taken place with Translink, DRD Roads Service and party representatives.

The purpose and rationale for the paper remains unchanged. However, points raised at the April Committee and in subsequent discussion with members are addressed in this cover report.

### Key Issues

#### (1) Control afforded to Belfast City Council.

The context against which the paper was considered in April coincided with Translink announcements for fare increases. Members expressed concern regarding the lack of consultation and lack of transparency relating to the reasons behind the increases proposed. In response to reaction from political parties and the Consumer Council, Translink deferred increases which are limited to an average of 2% on Metro and Ulsterbus services. Increases relate to cash fares only and there will be no change for commuters using multi-journey, weekly or monthly 'smartcards'. The increase has been approved by the Minister for Regional Development. Furthermore, the Consumer Council has confirmed that it is now content with the level of consultation and the fares revision will be implemented on 18 May 2009.

## Response

- (i) Regarding the principle of a 'consultative approach' Translink accept that this is critical. All parties subscribing to the development of a pilot 'salary sacrifice' smartcard will be involved as part of a steering group to design the product for use in Belfast.
- (ii) A Memorandum of Agreement will be drawn up by the Council to ensure the investment made on behalf of rate payers is optimised.

### **(2) Service Standards**

Some members expressed dissatisfaction with the standard of provision by the Metro service.

#### Response

- (iii) Concerns have been relayed to Translink officials who have indicated that they would be happy to meet with the Committee to hear views directly.

### **(3) Integration of Project with other Council Policy**

As indicated in the attached paper, the proposal is deemed to contribute to Council policy on leadership, economic development and environmental improvement. The original paper also made reference to the Council's draft Transport Policy.

#### Response

- (iv) The draft Transport Policy was agreed by the Development Committee on 13 May. The underpinning position within the policy is for the Council to adopt a strong leadership role in promoting sustainable transport initiatives for Belfast. The policy also seeks, specifically, to develop effective working relationships with delivery agencies to develop schemes which support local people and communities.

### **(4) Project timescale**

Some members sought assurance that the duration of the scheme pilot phase amongst subscribing organisations be minimised.

#### Response

Translink has agreed to contain the pilot phase to the minimum length of time necessary and would expect to roll out the provision of discounted staff travel cards to all businesses in Belfast as soon as possible.

## **Recommendations**

The Committee is invited to consider the additional information above alongside the paper submitted on 24 April and to agree a contribution of £6,000 (12% of total costs) to the joint development of an annual staff travelcard initiative for Metro bus service users.

<b>Decision Tracking</b>
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The decision of the Committee, when ratified, will be communicated to project partners in <b>June 2009</b> and a progress report submitted to the Committee before <b>April 2010</b> .
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Officer responsible – <b>David Cartmill</b>
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<b>Key to Abbreviations</b>
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<b>Documents Attached</b>
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Appendix 1      Paper to Strategic Policy and Resources Committee 24 April 2009.
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**Belfast City Council**

<b>Report to:</b>	<b>Strategic Policy and Resources Committee</b>
<b>Subject:</b>	<b>Joint Development of Staff Travel Smartcard</b>
<b>Date:</b>	<b>24 April 2009</b>
<b>Reporting Officer:</b>	<b>David Cartmill, Acting Head of Corporate Services Directorate</b>
<b>Contact Officer:</b>	<b>D. Cartmill, Acting Head of Corporate Services Directorate</b>

**Relevant Background Information**

This paper seeks Committee approval to contribute £6,000 towards a joint project with Translink to introduce discounted public transport 'smartcards' for travel to work.

Employee (tax) benefits similar to those offered by the Council for the purchase of childcare vouchers and its Bike to Work scheme are available to employees who commit to using public transport for travel to work. This is a HM Revenue and Customs sponsored scheme aimed to stimulate use of public transport, where individuals make "salary sacrifice" payments towards travel to work costs. The scheme was introduced in 1999 as part of the Finance Act under the Governments Green Travel Initiative.

While schemes operate in many UK regions, the option has not yet been availed of in Northern Ireland. The Council has worked closely with DRD Roads Service and the regional transport provider, Translink, in developing a proposal for trial in Belfast.

Initial investigation of the scheme concluded that devising a programme for BCC employees only would not provide sufficient 'critical mass' to progress a project in Belfast. In view of this, the Council convened a group of other large scale public sector employers in the city to seek a co-operative approach. An agreement, in principle, has been reached with Belfast Health Trust, the Housing Executive and Queen's University to pilot the scheme. It was considered beneficial to have a private sector representative participate in the project which has been achieved with the involvement of Belfast City Centre Management/Chamber of Trade and Commerce.

The organisations involved, to date, represent over 30,000 public sector employees working in Belfast with an additional 500 businesses represented by BCCM/Chamber of Trade and Commerce.

The roll out of the pilot scheme would not, therefore, be restricted to BCC employees.

## Key Issues

The level of use of Translink's 'metro' service in Belfast has increased in recent years. (23.8 million journeys in 05/06; 26.0 million journeys in 07/08) However, the percentage of the population using public transport in the city remains low. Almost 70% of employees in Belfast travel to work using private transport.

Recent surveys conducted within BCC reveal low rates of uptake of public transport by Council staff. This situation exists despite the fact that the majority of staff actually live in Belfast. Sixty-five per cent of staff said they were willing to consider using buses for travel to work. When asked what measures would encourage use of public transport the majority of staff responded the provision of discounted travel cards/season tickets.

Belfast City Council does not have statutory responsibility for transport matters. It has been opportune, however, for the Council to initiate involvement of a number of partners to progress a scheme that provides mutual and collective benefits for the city.

The proposal to work with Translink supports, entirely, Council objectives to demonstrate leadership and support economic development within the city while contributing to wider environmental aspirations. It has been developed principally as part of the Council's Sustainable Development planning process but also reflects objectives contained in the Council's draft Transport Policy, which seeks to discourage over reliance on private car transport within the city.

The proposal contributes directly to Council objectives to support economic prosperity amongst businesses in Belfast by helping to defray travel to work costs.

Translink officials are fully supportive of the proposal and have developed an outline pricing discount model and draft specification to enable a fully automated 'smartcard' system. The scheduling of work with Translink's software development supplier may result in a project 'lead-in' time of approximately 12 months.

A detailed draft outline of how the scheme is proposed to operate in Belfast has been agreed by all parties involved in the pilot project. In summary, the scheme operates when

- (1) An employee agrees to contribute to the purchase of an annual, discounted, bus travel pass by way of a monthly or fortnightly contribution (salary sacrifice)
- (2) Translink will issue a customised electronic pass which may be used at any time provided there is some work travel use. The employing organisation pays collective ticket costs monthly to Translink.
- (3) Income Tax and National Insurance exemptions save employees up to 40% on monthly travel costs
- (4) National Insurance exemptions save Employers up to 12.8%.

In order to make the "salary sacrifice" option more attractive, Translink has agreed to discount further the cost of their annual ticket product.

## **Resource Implications**

### **Financial**

Due to present budgetary constraints, Translink is not in a position to commission software development for a travel to work scheme at this time. Officials have intimated that a jointly funded initiative would, however, be likely to be viewed positively by their Board. In order to accelerate introduction of a Belfast pilot it is proposed to seek agreement whereby the introductory project would be funded as follows:

Total (maximum) development cost estimate		50K
Translink	70%	35K
DRD Roads Service	12%	6K
Belfast City Council	12%	6K
BCCM/Chamber of Trade and Commerce	6%	3K

Funding for the proposed BCC contribution is available from existing budgets.

### **Human Resources**

None          Should the scheme progress, administrative overheads for BCC participation is considered minimal and would be recovered from savings on National Insurance contributions.

### **Assets**

None

## **Recommendations**

The proposal presents the Council with a clear opportunity to influence others towards improving the environment and the economy of Belfast, particularly at a time of economic downturn.

The Committee is invited to agree a contribution of £6,000 towards a joint project involving Translink, DRD Roads Service and Belfast City Centre Management/Chamber of Trade and Commerce for the development of automated travel to work 'smartcard' scheme and, if agreed, to pass the undernoted resolution.

That the expenditure in respect on the aforementioned be approved under Section 115 of the Local Government Act (Northern Ireland) 1972, it being the opinion of the Committee that the expenditure would be in the interest of, and would bring direct benefit to the District, and inhabitants of the District, with the Committee being satisfied that the direct benefits so accruing would be commensurate with the payments to be made.

<b>Decision Tracking</b>
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<p>The decision of the Committee, when ratified, will be communicated to project partners in <b>June 2009</b> and a progress report submitted to the Committee before <b>April 2010</b>. Officer responsible – <b>David Cartmill</b>.</p>
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