

Title: Bus Service Improvement Plan, Care Experienced Passes

Report of: Heather Jones, Head of Enhanced Partnerships

Portfolio: Transport

Report Summary

The purpose of this report is to seek endorsement for the allocation of £1,300,000 funding from the Bus Service Improvement Plan (BSIP) funding to continue the offer to provide free annual travel passes for care leavers aged 18-25 in the North East. This is in addition to £650,000 previously agreed by the Joint Transport Committee (JTC) resulting in a total investment of £1,950,000. As funding has been signed off by JTC funds are already committed and in the process of being defrayed.

By providing these annual travel passes free of charge to young people who have left local authority care the BSIP funding is supporting the Mayoral manifesto commitment to reduce child poverty and improve outcomes for young people in the region by removing the cost of travel as a barrier to further education, training and employment.

The Chief Executive is asked to enact the delegation provided at the July 2024 North East CA Cabinet meeting. Approval is sought to defray BSIP funds for the purpose of purchasing annual passes to be provided to those aged 18-25 who have left local authority care.

The report was considered and supported by the Technical Officers Group on 14 April 2025 and Finance and Investment Board via written procedure on 2 May 2025.

Recommendations

The Chief Executive is recommended to approve an additional £1,300,000 funding from the Bus Service Improvement Plan to support care leavers with annual travel passes.

A. Summary of Investment Proposal (Context)

Project Outline	
Funding Source	Bus Service Improvement Plan
Proposal Name	Bus Service Improvement Plan – Care Experienced Passes
Lead Organisation	North East CA
Delivery Areas	Across North East CA region
Start Date	1 st April 2023
Financial End Date	31 st March 2026
Practical completion date (date by which all outputs will be achieved)	31 st March 2026
Total Programme Value	£1,950,000 (£650,000 agreed by JTC in June 23 plus £1,300,000 requested)
Budget Implications	The programme will be funded within the overall BSIP allocation

1. Background

- 1.1 We were pleased that our level of ambition for buses in the North East was recognised by the Department for Transport (DfT) in our allocation of £163.5 million in April 2022 to improve our bus

services. In making our BSIP, we responded to the Government's National Bus Strategy and our North East Transport Plan, both of which require that improvements to bus services are planned and delivered in order to achieve national and local objectives. These objectives include the reduction of carbon emissions, improvements in air quality, the growth of our economy and the advancement of the health and wellbeing of local people through the increased use of sustainable forms of transport.

- 1.2 The delivery of these schemes has been broken down into four key themes; customer experience, fares and ticketing, network, and highways and infrastructure.
- 1.3 The funding allocations for each project were subsequently approved by the North East Joint Transport Committee, which was responsible for the delivery of the BSIP prior to the introduction of the regional mayor.
- 1.4 The care experienced passes are an initiative under our 'Fares and Ticketing' proposals. The aim of the scheme is to help tackle transport poverty, offering the potential for a better start to adult life, by enabling better access to opportunities to start their careers, have a social lift and get around the region. The pass allows free travel on bus, ferry and Metro networks for individuals aged 18 to 25 who have left local authority care. Passes are sold through Network One, the regional smart ticketing organisation responsible for multi-operator ticketing. The administration of the cards including printing is delivered by Nexus who are responsible for the Pop smart card scheme.
- 1.5 In 2023/2024, 1,131 care experienced passes were allocated across the region with the discounted cost per annual pass of £400 from the Bus Service Improvement Plan. Including printing costs, the total amount of funding defrayed for 2023/2024 was £453,587. This enabled eligible care leavers a free annual travel pass until March 31st 2024.
- 1.6 Approximately 22,000 trips were undertaken in the first year of the scheme. Nexus undertook a study on the benefit of this initiative in 2024 which indicated that for every trip undertaken by a care leaver on the annual pass, the social value generated is £7.03. This compares to a social value of £6.16 for ENCTS senior passes and £4.88 for Under 16 passes.
- 1.7 In 2024/2025, an additional 462 passes have been allocated. Including renewals from year one, this means there are a total of 1,593 annual passes allocated to care leavers in the region. Including printing and admin costs, the total costs for 2024/2025 are £639,444.
- 1.8 We would be aiming to continue the offer for the duration of the 2025/2026 financial year with up to 2,000 individuals expected to benefit from the initiative.

2. The Investment Proposal

- 2.1 £650,000 per annum was allocated to the project in our initial BSIP allocation taking the total spend of the project to £1.95m over 3 years.
- 2.2 The initial rollout of the scheme was staggered across the 7 local authority areas, so there is an underspend in year 1 (2023/2024) with total funding defrayed of £453,587.
- 2.3 As well as renewals from the first year of the scheme, an additional 462 passes have been allocated in year 2 which takes total spending on the project in the first 2 years to £1,093,031.
- 2.4 Conditions of our existing BSIP funding allow this scheme to continue for 3 years until 31 March 2026. Clarity regarding future bus funding is expected at the central government 2025 Summer spending review. Following this review, we will work with the Department for Transport to explore opportunities for future funding beyond March 2026.
- 2.5 As of March 2025, the following allocations of passes have been made:

Local Authority	Allocation
County Durham	349
Gateshead	189
Newcastle	247
Northumberland	111
North Tyneside	217

South Tyneside	210
Sunderland	270
TOTAL	1,593

3. Outputs and Outcomes

Outputs	24/25	25/26	26/27	Total
Care leavers provided annual free travel passes	1,131	1,593	2,000	2,000

Description of Outcomes	Timeframe for achievement	Totals
Social value for every trip by a care leaver	Immediate/ Ongoing	£7.03
Number of free trips undertaken by care leavers through the scheme	March 2026	100,000

4. Timetable for Implementation

Milestone	Forecast Date
Scheme launched	April 2023
Government decision around future bus funding	Summer 2025
Initial delivery complete	March 2026

5. Evaluation

- 5.1 Nexus evaluated the benefit of this scheme and parallel supported travel products in April 2024. Further evaluation of the benefit will be undertaken in 2025/2026 to assess the advantages of continuing the scheme.

6. Appraisal

- 6.1 Transport North East worked in collaboration with the Enhanced Partnership delivery partners including Nexus and local authorities to devise this scheme when bidding for funding through the BSIP in April 2022.

RAG Assessment

- 6.2 All elements of the RAG assessment are currently Green which underlines the effectiveness of the deliverability of this scheme and the success to date. There are no significant concerns relating to the scheme.

Overall RAG assessment		
Risk Rating	Strategic case	Green
	Commercial case	Green
	Economic case	Green
	Financial case	Green
	Management case	Green
	Overall rating	Green

7. Recommended Conditions of Funding

The award of funding would be **subject to the following proposed funding conditions:**

No.	Condition
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1.	All funding must be defrayed by 31 st March 2026.
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B. Potential Impact on North East Combined Authority Objectives

This proposal aligns with the North East CA objectives, Local Transport Plan aims and BSIP KPI's by:

- Providing a free pass to the integrated bus network to reduce social polarisation across the region, including transport social exclusion, through improved access to social and economic opportunities, such as employment, education and leisure. This will enable people to thrive with new skills and aspirational jobs to improve quality of life. Improved use of bus will contribute to an increased modal share of sustainable options, which in turn will reduce car dependency creating a greener North East.

C. Key risks

A summary of key risks relating to the investment proposal is included below:

- There is a clear risk of underspend from this project due to the staggered launch of the scheme in 2023/2024 and the short funding window. The North East CA will collaborate with EP delivery partners and the Department for Transport to explore opportunities to continue the scheme beyond the existing funding window or reinvest any underspend in the regions bus network.
- Year 2 of this scheme was 2024/2025 of which payment is now due from the Bus Service Improvement Plan. Without agreement to release this funding, transport operators could experience cash flow problems as this is funding they are now owed.
- Costs could increase if operators of the Network One board decide the £400 per ticket is insufficient compared to the commercially priced alternatives.

D. Financial and other resources implications

The financial profile for the project/programme is included below:

Funding source	2023/24	2024/2025	2025/2026	Total
Bus Service Improvement Fund	£453,587	£639,444	£856,969	£1,950,000
Total	£453,587	£639,444	£856,969	£1,950,000

Status of match funding:

No match funding is required for BSIP.

Funding availability:

£1,950,000 is allocated to this project in the region's Bus Service Improvement Plan. As funding has been signed off by JTC funds are already committed and in the process of being defrayed. This investment forms part of the 34.721m BSIP Fares and ticketing allocation agreed by Cabinet in July 2024.

The breakdown of the BSIP fares programme is below. Note this programme does not cover the £2.50 adult single which is covered by additional funding and was agreed by Cabinet in December 2024.

Name of Programme/Scheme	Value £
BSIP Fares & Ticketing	£34,721,000
BSIP Care Experienced Travel Passes	£1,950,000
BSIP Good Value Multi-modal fares	£32,771,000

<ul style="list-style-type: none"> - 21 & Under single and day ticket - Adult day tickets 	
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E. Legal implications

Delivery of the Bus Service Improvement Plan is through the Enhanced Partnership, with statutory powers to implement measures to improve the regions bus network.

F. Equalities implications

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024 the North East CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader.

This initiative would have a positive impact in allowing care leavers to access employment, social and leisure opportunities without the cost of transport being a barrier to these activities.

G. Consultation and engagement

Initiatives in the BSIP were developed in collaboration with partners and scrutinised through Joint Transport Committee.

Funding allocations have been agreed in co-operation with officers from Durham, Northumberland and Nexus.

H. Appendices

None

I. Background papers

[North East Combined Authority Cabinet Meeting July 2024](#)

North East Bus Service Improvement Plan: [Bus Service Improvement Plan](#)

J. Contact officers

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K. Glossary

BSIP – Bus Service Improvement Plan

ENCTS – English National Concessionary Travel Scheme

EP – Enhanced Partnership

North East CA – North East Combined Authority

L. Consultee

Cabinet Member:	Director/Head of Service:	Director of Finance and Investment:	Monitoring Officer:
Yes	Yes	Yes	Yes