



Belfast City Council

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

Decision Tracking

The decision of the Committee, when ratified, will be communicated to project partners in **June 2009** and a progress report submitted to the Committee before **April 2010**. Officer responsible – **David Cartmill**.

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