

**PUBLIC TRANSPORT SEASON TICKET LOAN SCHEME**  
**WDA/05/15**

**Recommendation**

That Members approve;

1. The attached Public Transport Season Ticket Loan Scheme attached at Appendix 1.
2. The commencement date of 1<sup>st</sup> April 2015 for implementation of the proposed scheme.

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**PUBLIC TRANSPORT SEASON TICKET LOAN SCHEME****WDA/05/15****Report of the Chief Executive****1. Purpose of the Report**

- 1.1 To seek Members approval to a proposed Public Transport Season Ticket Loan scheme attached at Appendix 1.
- 1.2 To seek Members approval to commence the implementation of the proposed scheme on 1<sup>st</sup> April 2015.

**2. Background**

- 2.1 The Authority as an employer recognises that it has a responsibility to help reduce the impact of climate change and to support staff in making more environmentally friendly travel choices.
- 2.2 Part of the Authority's Health and Wellbeing programme aims to encourage employees to consider sustainable travel to and from work.
- 2.3 Members agreed a cycle to work scheme in November 2013 (wda4313) with the aim of improving the health of employees and encourage them to cycle to work rather than use their car.
- 2.4 The scheme is open to all employees however, practicalities, including travelling distance to and from work, make it difficult for some employees to participate in the scheme, and many still travel by car.
- 2.5 The Authority has an opportunity to further reduce our carbon footprint by promoting alternative modes of transport to the car and encourage a shift in travel behaviour of employees.
- 2.6 Purchasing an annual public transport season ticket will also enable employees to make substantial savings travelling to work as opposed to buying weekly or monthly tickets and further encourage employees to travel on public transport to and from work by using the bus, rail or ferry.

**Merseyside Waste Disposal Authority****6<sup>th</sup> February 2015**

- 2.7 Her Majesty's Revenue and Customs (HMRC) allow employers to offer their employees interest free loans, up to a maximum value of £5,000 per annum to enable them to purchase public transport season tickets, without that being treated as a taxable benefit.

### **3. Public Transport Season Ticket Loan Scheme**

- 3.1 The proposed Public Transport Season Ticket Loan Scheme as attached at Appendix 1, would enable the Authority to offer an interest free loan to purchase an annual public transport season ticket to all employees.
- 3.2 The scheme will allow employees to make financial savings on the cost of public transport by allowing them to purchase an annual ticket, and repaying the total cost of the loan, which is deducted from the employee's net monthly pay (after tax and national insurance contributions have been deducted), over a twelve month period.
- 3.3 Savings made in purchasing public transport tickets annually rather than weekly can be considerable. An example based on the figures, provided by Merseytravel, show an employee who normally purchases a weekly public transport travel ticket and travels through Zone 1, can expect to make a saving of £285.20 per annum on the cost of public transport travel, by purchasing an annual trio ticket.
- 3.4 The incentive of providing interest free loans would enable the Authority to promote sustainable travel, with an emphasis on reducing the reliance on single occupancy car travel and improving our carbon footprint.
- 3.5 The proposed scheme will cover relevant public transport costs to and from the employee's place of work only, but not any other costs of travel.
- 3.6 The proposed scheme is run in conjunction with Merseytravel and Annual season tickets will be issued by Merseytravel once the employee has completed the required application process as detailed within Section 6 of the proposed scheme.
- 3.7 Under the proposed scheme, all employees of the Authority will be eligible to apply for an annual interest free loan to purchase a public transport season ticket for use for public transport only in the Merseyside Area.

### **4. Risk Implications**

- 4.1 The following risk assessment has been prepared in consideration of this report:

<b>Identified Risk</b>	<b>Likelihood Rating</b>	<b>Consequence Rating</b>	<b>Risk Value</b>	<b>Mitigation</b>
Scheme not open to all employees	1	4	4	All employees are eligible to apply.
Employment ceasing before the end of the loan term	3	3	9	Any monies due upon cessation of employment will be deducted from employees final salary payment
Lost or stolen tickets	2	2	4	Replacement ticket available at cost to employee
Employees unaware of the scheme or application process	1	2	2	All employees to undertake training as part of the Corporate Training Plan

## **5. HR Implications**

- 5.1 Awareness and application training of the Public Transport Season Ticket Loan Scheme will be provided to all employees of the Authority.
- 5.2 The Scheme to be included in the Authority's Induction Process.

## **6. Environmental Implications**

- 6.1 There are no environmental implications associated with this report.

## **7. Financial Implications**

- 7.1 There will be no overall cost to the Authority in relation to the purchase of annual public transport season tickets other than temporary funding of the scheme until the money is received from the employees through payroll deductions spread over the 12 month period.
- 7.2 Whilst over the loan period of the scheme the cost to the Authority is neutral, should all employees sign up to the scheme and purchase an annual ticket with an average cost of £600, initially in the order of £19,800 of temporary funding would be needed from 1<sup>st</sup> April 2015.

## **8. Legal Implications**

8.1 There are no legal implications associated with this report.

## **9. Conclusion**

9.1 Public Transport Season Ticket Loan Scheme enables the Authority to help tackle climate change, reduce its carbon footprint and support employees in making more environmentally friendly travel choices.

9.2 The ability for the Authority to offer interest free loans to purchase public transport season tickets enables employees to make substantial savings and encourages the use of public transport as opposed to car use, when travelling to work.

9.3 Members are therefore requested to approve the proposed Public Transport Season Ticket Loan Scheme and associated financial provision.

9.4 Members are also requested to agree the commencement date of 1<sup>st</sup> April 2015 for implementation of the proposed scheme

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.