



Scottish Government Consultations on Free Bus Travel for Older and Disabled People and Modern Apprentices – SPT response

Committee Strategy and Programmes

Date of meeting 24 November 2017

Date of report 24 October 2017

Report by Assistant Chief Executive (Operations)

1. Object of report

To recommend approval of the draft SPT response to the Scottish Government consultation¹ on Free Bus Travel for Older and Disabled People and Modern Apprentices. SPT's draft response is attached at Appendix 1. The closing date for the consultation was 17 November 2017 and SPT's response was submitted within deadline as draft subject to approval by this Committee.

2. Background

2.1 The National Concessionary Travel Scheme (NCTS), the mechanism that facilitates 'free' travel on buses for older and disabled people, has been in place since 2006, and the Scottish Government is undertaking a consultation to ascertain how best to secure its long-term future, and also whether to extend the 'free' travel element to other groups, including Modern Apprentices (MAs).

3. Outline of proposals

SPT's draft response to the consultation is attached at Appendix 1. The key points of our response are noted below:

- SPT does not believe that the current NCTS should be changed. The currently vulnerable bus market of the west of Scotland could see its decline accelerated with any changes which would reduce passenger numbers even further or remove funding from the market.
- SPT is supportive of providing some form of assistance to Modern Apprentices for accessing their employment. However, we do not support the proposal to provide 'free' bus travel for all MAs as this is not the most effective way of dealing with the issue. It has the potential to further distort the bus market, will remove current fare paying passengers, encourage additional leisure trips, (which is not what the proposal is intended to do), and more importantly, add fuel to an ever increasing belief that bus travel is and should be 'free'. It would be more appropriate to prepare a travel plan for each MA, identify their most cost effective way of getting

¹ The consultation paper can be accessed at: <https://www.transport.gov.scot/consultations/>

to work, and then utilise Transport Scotland funding, in addition to support from their employer, to given them assistance in paying for that travel.

- SPT is supportive of the proposal to provide a NCTS companion card for disabled under-5s.
- As with the many other consultations currently underway, SPT would highlight the need to be mindful of the unintended consequences of changing the NCTS in other areas, for example, on the Strathclyde Concessionary Travel Scheme, or on SPT subsidised socially necessary bus services.
- In general, SPT is disappointed that Transport Scotland is not minded to review the NCTS as a whole, as there remain significant issues with it which appear to be outwith the scope of this consultation. For example, the percentage (currently 56.9%) reimbursement to operators for each trip encourages higher adult single fares as that is what the reimbursement is based on, thereby costing non-NCTS cardholders disproportionately more to travel, particularly impacting on lower income groups who may not be able to afford day or season tickets. On a wider note, greater consideration should be given as to how the principle of concessionary travel can be applied to other modes, such as cycling, where there could be significant wider public health benefits arising from such initiatives. Further to this, consideration could be given to greater investment in concessionary travel to reduce the future reliance on the car, for example, to young people aged 16-25.

4. Conclusions

This consultation provides another opportunity for SPT to influence the future of transport in Scotland. Officers will continue to liaise with the Scottish Government and other partners in regard to this consultation and will update the Committee as developments are made.

5. Committee action

The Committee is recommended to approve the draft SPT response attached at Appendix 1.

6. Consequences

Policy consequences	<i>In line with the RTS.</i>
Legal consequences	<i>None at present.</i>
Financial consequences	<i>None at present.</i>
Personnel consequences	<i>None at present.</i>
Equalities consequences	<i>None at present.</i>
Risk consequences	<i>None at present.</i>

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APPENDIX 1

Consultation on Free Bus Travel for Older and Disabled People and Modern Apprentices – Strathclyde Partnership for Transport

Question 1

Do you think that we should retain the existing age eligibility criteria for the Scheme?

Yes No

Please use the box below to provide details.

My Comments:

SPT is the largest of Scotland's seven Regional Transport Partnerships (RTPs) and our responsibilities include development of the Regional Transport strategy; supporting socially necessary bus services; promoting integrated and smart ticketing; investing in transport infrastructure including modernisation of the Subway; managing and operating bus stations; investing in bus infrastructure including bus stops and shelters; and organising school transport on an agency basis for our partner councils.

In addition to our functions as an RTP, SPT also acts as secretariat to the Strathclyde Concessionary Travel Scheme (SCTS) and has the responsibility for administration of the SCTS Scheme. This is undertaken on behalf of our partner councils but the SCTS is a separate legal entity from SPT and is the responsibility of our partner councils.

For the purposes of this consultation therefore, we wish to make clear that the views contained within this response are those of Strathclyde Partnership for Transport (SPT). A SCTSJC response to the consultation will be submitted separately and while there may be many areas of agreement between this response and SPTs and should not be taken as the views of the Strathclyde Concessionary Travel Scheme Joint Committee (SCTSJC).

In relation to the question of age eligibility, SPT would request that further analysis be undertaken by Transport Scotland to consider the wider socio economic and health and wellbeing impacts of its proposals before committing to a particular proposal.

Fundamentally, it is essential that the budget for the NCTS is not looked at in isolation. How much is being saved elsewhere in the Scottish Government through the positive social, economic, environmental and especially health benefits arising from the NCTS?

Notwithstanding our appreciation of the budgetary dilemma facing the Scottish Government, the fundamental and perhaps guiding principle should always be: is this money being targeted to those most in need? Could, for example, additional funding for concessionary travel (e.g. to young people aged 16-25) be used to generate wider societal benefits such as reducing reliance on the private car?

While it could be argued that the age eligibility as originally set may have been generous, it is worth comparing the level of public investment in the scheme in relation to its wider benefits and drawing some comparisons with levels of subsidy across the transport network. The level of public expenditure for the bus industry is already substantially lower than the subsidies offered to rail and ferry services.

The social impact of rail and ferry services is often considered paramount as regards access to services and facilities, but the social cohesion offered by bus services is far wider than those modes. For example, the introduction of Road Equivalent Tariff aimed at equalising journey costs for island residents and business, has added to the level of public subsidy. While these are welcome developments they do raise questions about why the National Bus

Scheme has been singled out for cost savings, particularly given the potentially disproportionately adverse impacts which will fall on people from some of our most disadvantaged communities. As will be seen in our response to question 6, we have some doubts about the actual level of savings which this proposed change will make.

There are a number of other issues arising from the proposal to increase the age of eligibility which we believe are important and must not be overlooked when making final decisions.

Firstly, SPT considers that the consultation has not provided sufficient supporting evidence which would allow for any informed decision to be made; for example, changes may likely increase older people's social isolation, therefore reversing many of the positive benefits which the scheme has helped achieve. How have these potential implications been considered?

SPT considers that changes to the age eligibility may have significant and negative implications on older people's lives, particularly those aspects connected to the wider health and social benefits which concessions schemes provide. The social benefits, which may in fact out-weigh any financial savings, must be considered and the implications of changes fully understood by the Scottish Government before changes to the age eligibility of the national Scheme are made. To reinforce the point, there have been a number of studies which have highlighted the physical and mental health benefits that the national Scheme has supported; not least than that shown in evidence highlighted by the Scottish Government from their own commissioned research. We note the findings from that research to include:

- 48% of respondents said they now make journeys that they would not previously have made.
- There was also evidence that the Scheme is encouraging modal shift, with 41% stating that they use the car less. It is also encouraging some cardholders to walk more to and from bus stops.
- The research confirms the Scotland-wide "Free" Bus Travel Scheme is greatly valued and works well for card holders for a number of reasons including financial savings, reducing isolation, engendering a sense of greater independence and increasing confidence in their own ability to travel.
- The research highlights how cardholders perceive the scheme as having improved their mental and physical well-being.

Similar studies have also evidenced the physical and mental health benefits of travel by bus, in particular the research by Greener Journeys.^{1,2,3} At a more basic level, there is evidence which shows that regular bus use can contribute towards meeting government recommended levels of daily activity therefore helping increase levels of physical activity amongst older people. Other benefits include helping reduce social isolation and giving people increased confidence in their own ability to travel.

SPT believes that the "free" national bus Scheme, since it was established in 2006 for those people aged 60+ and those who are disabled, has almost certainly had a positive impact on people's lives. We would have concerns should changes to the age eligibility criteria result in fewer people being able to access "free" bus travel. With the social and health benefits clearly evidenced, we would once again urge that the Scottish Government takes account of these factors before deciding changes.

¹ <http://www.greenerjourneys.com/blog/health-benefits-of-bus-commuting/>

² <http://www.greenerjourneys.com/news/why-taking-the-bus-is-good-for-your-health/>

³ <http://www.greenerjourneys.com/news/catching-bus-can-good-health-new-research-reveals-launch-catch-bus-week-2014/>

Finally, whilst it is to be welcomed that people are generally living longer and healthier lives, SPT considers this is very much a simplistic viewpoint and disregards the complexities that lie behind the varying life expectancies seen throughout Scotland.

For example, published figures show significant disparities in life expectancy between certain areas of deprivation and areas of affluence across Scotland. National Records of Scotland (NRS) figures show that there may be anywhere up to 13 years difference in life expectancy between the most and least deprived areas in Scotland⁴. In some of the most deprived areas of Glasgow, NRS figures show life expectancy to be a little under 68. Any increase to age eligibility we believe will impact most greatly on older people who live in some of our most socially deprived communities where there is generally a lower life expectancy alongside traditionally lower household incomes. There is a strong reasoning to say that it is older people from our most deprived areas who rely most on the national bus Scheme.

It is worth noting that the Scottish Government has recently consulted on its proposals to introduce a Socio Economic Duty that will require public sector bodies to consider carefully how they can reduce poverty and inequality when making decisions affecting people's lives.

Underlying the duty are four principles which provide a useful test of public policy and which could be very well applied to the current proposals for the National Concessionary Travel Scheme:

- Reforms must empower people and communities receiving public services by involving them in the design and delivery of the services they use;
- Providers of public services must work much more closely in partnership to integrate service provision and so improve the outcomes they achieve;
- We must prioritise expenditure on public services which prevent negative outcomes from arising;
- And our whole system of public services – public, third and private sectors – must become more efficient by reducing duplication, improving performance and sharing services wherever possible.

A basic reading of these principles (particularly the first three) in relation to the current proposals gives cause for concern, particularly given the disparities in life expectancy noted above. While there is evidence that the bus scheme provides benefits for people in terms of improved health and reduced isolation, the negative impacts of increasing the age eligibility will most negatively fall on people from our most economically deprived communities who on average live much shorter lives than those from more affluent communities.

SPT would therefore request that the Scottish Government considers the wider socio economic and health and well-being impacts of any changes on older people, particularly those living within socially deprived communities, before committing to a decision which may have unintended but nonetheless damaging consequences.

⁴ National Record of Scotland - Life Expectancy in Scottish Council areas split by deprivation, 2011-2015 (East Renfrewshire Least Deprived Vs. Glasgow Most Deprived)

Question 2**Are you in favour of raising age eligibility to female State Pension age in this way?**Yes No **Please explain your answers.**

SPT believes it is important to lessen the impact of any proposed changes on people's lives. We believe that raising the age eligibility in one step would have a negative impact upon people, particularly on those who approaching the current eligibility age of 60.

It must also be borne in mind that changes to eligibility not only affect bus users but also bus operators. The bus industry, like any other business, must be given sufficient time to plan for changes, particularly when it may affect how bus services are operated in future. In addition, the Scottish Government should address two unintended consequences arising from the reimbursement aspect of the scheme as currently administered. Firstly, the steadily reducing compensation rate due to bus operators. Since this is calculated on the value of the standard single fare, operators have sought to minimise the loss of revenue by increasing their standard fare. This has pushed up bus fares more generally, making it less attractive in comparison to car travel, where reduced fuel costs and the comparatively low upfront cost of car purchasing and leasing arrangements have driven growth.

Secondly, and partly as a consequence of the reduced reimbursement rate, there has been a reduction in the number of bus services. Should this trend continue we face the real danger that while people have the right to 'free' bus travel they cannot, in practice, exercise this since no services are available in their area.

Question 3**Are you in favour of raising age eligibility to female State Pension age gradually over time? Yes No** **At what rate?**By 1 year per year By half a year per year **Please explain your answers.**

SPT does not believe the Scottish Government has presented sufficient evidence or justification for changes to the National Concessionary Travel Scheme (the "Free" Bus Scheme). We believe that the currently vulnerable state of the bus market in the west of Scotland, with network size and passenger numbers both in severe decline, could see that decline accelerated due to any such changes to eligibility or reduction in NCTS funding available.

SPT believes all steps should be taken to help lessen the impact of any NCTS changes on people's lives, operators' ability to maintain services, and on the public purse of those authority's responsible for subsidising bus services.

Question 4

Are you in favour of providing free bus travel to Modern Apprentices? Yes No

Should this be targeted at Modern Apprentices under Age 21? Yes No

Is there a better way to provide support to help with the travel costs of Modern Apprentices? Yes No

If so, please specify below.

We agree in principle with the Scottish Government's proposal to introduce "free" bus travel for Modern Apprentices under the age of 21. SPT certainly supports the notion that the cost of travel should not in any way act as a deterrent to young people developing their skills and careers through programs such as the Modern Apprenticeship Scheme.

However, should the Scottish Government see fit to provide financial support to help with travel costs for Modern Apprentices under 21, then we would also ask that consideration be given to a wider roll-out of "free" or certainly supported travel to younger people, not only to include those in Modern Apprenticeship Scheme but perhaps also to those who are in the latter years of secondary school education or those who have moved on to further or higher education. There appears to be a lack of information around the rationale for choosing MAs under the age of 21.

Whilst we support the proposal to give young people "free" bus travel and agree that it will help support the estimated 27,000 people in Modern Apprenticeship Schemes; there are around 110,000 16-20 year olds who are in either later stages of secondary school education⁵ or who have moved onto tertiary education and for whom surely the very same or even worsened financial pressures exist. We would welcome more detail around the decision and rationale to include Modern Apprentices but not other young people who are similarly looking to develop their skills and education and find themselves subject to similar financial pressures.

Furthermore, in March 2014, the SCTSJC wrote to the then Minister for Transport and Veterans, requesting that the government give consideration to introducing discounted travel to young people who live on islands, in particular to enable more affordable travel in order to access training or education services located on the mainland. There are an estimated 2000 16-21 year olds who live on Strathclyde's islands and peninsulas⁶. It is these young people on our islands who need to travel to the mainland for education training purposes, for whom travel costs can be particularly expensive. The Scottish Government responded at that time by saying they had no such plans to extend the Scheme beyond the four journeys to the mainland per year already provided by the Scheme. We believe that the Scottish Government should re-consider such young people and we take the opportunity, within the context of looking at supporting young person's travel, to raise the point once again.

Again, we believe that there has been a lack of detail provided on how "free" Modern Apprenticeship travel would be administered, for example, will travel be restricted only for travel to/from place of work? How will bus operators be compensated? We believe that in order that an informed opinion can be given, the Scottish Government must provide more details.

It is noted that the use and number of card holders is not increasing proportionately to age profile. The average use of the current card is of the order of 1.8 trips per week per card – potentially Modern Apprentices (MAs) may have to make many more trips than this. Similarly

⁵ Scottish Funding Council Statistics 2015-16

⁶ 2011 Scotland Census Figures

operators might require to be compensated for these trips at the full cost rather than at the current reimbursement rate of 56.9% of the full adult single fare. Whilst there will be substantially fewer MA tickets their usage of the scheme for “essential” reasons could well be much higher and therefore incur a far higher cost to the operation of the scheme.

One proposal to minimise the cost of the scheme for MAs would be to prepare a travel plan for each MA, identify their most cost effective way of getting to work, and then utilise Transport Scotland funding, in addition to support from their employer, to giving them assistance in paying for that travel. It may also be that for these reasons it makes sense that the concessionary budget for MAs is ring-fenced, kept separate, and decoupled from the NCTS.

In summary to this question, SPT agrees with the principle of ensuring that travel costs do not act as deterrent to young people in developing their training and education. However, as pointed out previously, the subject of travel costs is a wider issue for young people in general and not just for Modern Apprentices. The issue of travel costs, as highlighted, is particularly relevant to young people living on our islands who are often faced with significantly higher travel costs than perhaps those young people on the mainland. SPT requests that should the Scottish Government decide to introduce “free” travel for Modern Apprentices, then wider similar consideration to other young people must be given.

The compensation rate to operators for “generated” trips will be impacted upon by these proposals – what examination has been undertaken of the potential impact on service levels should commercially services become uneconomic and be de-registered by the operator – what costs would then potentially fall upon RTPs and taxpayers in order to support services where de-registration has occurred?

Bus operators could rightly argue that trips made by Modern Apprentices are not “generated” trips in the same manner as some existing concession fare trips are considered as part of the reimbursement process.

Question 5

Are you in favour of providing a companion card for disabled under 5s where this is needed?

Yes No

SPT fully supports the Scottish Government’s proposal to provide disabled under-5s with access to a companion bus pass where this is needed. SPT agrees that this is an anomaly within the national Scheme which should be corrected.

Question 6

Do you have any other comments about any of the issues raised in this consultation?

Yes No

If so, please use the box below to provide details.

Bus is by far the most used public transport mode in Scotland – over 4 times as many passengers as rail. It remains the most flexible resource and is readily adaptable - far more so than other modes. The bus industry however, continually compares ongoing and significant subsidy to other modes, yet argues it seems to be bearing the brunt of the effect of cuts, and faces continual uncertainty annually on the direction of longer term funding availability.

With each successive reduction in Government support for bus services, the unintended consequences appear to be (directly) an increase in bus subsidy costs and (indirectly) a cut in services; leading consequentially to further subsidy requirement – a vicious circle.

Population

The consultation references that 70,000 Scots turn 60 each year, however, we believe this does not reflect the true net population projections from the NRS⁷, which shows that the 60+ age group in Scotland is expected to grow by only 28,000 each year over the next ten years. Over the same period, NRS figures further show that the projected population increases for those ages between 60-75 averages out at only 15,000 each year or 150,000 in total over ten years.

Impact on Bus Services

A stated objective of the national Scheme when it was established in 2006 was that it provided an opportunity for improvements to public transport. Concession trips on bus services make up around a third of all bus journeys in Scotland⁸, and as a proportion of all bus journeys in Scotland continues to grow. It could be said that the national concessionary bus Scheme in Scotland has helped support the bus industry during what has been a challenging period and which has seen a reduction of 50 million passenger journeys in the last ten years⁹.

A decrease in the number of people who are able to access the “free” bus scheme may in fact worsen overall bus service provision. Without concessionary bus trips, there is a possibility that bus services, particularly those on the fringes of commercial viability, may be forced to reduce service levels or indeed see complete removal of services. This would not only have implications for concession customers, but also for non-concession bus users. The consultation has not evidenced the full impacts of eligibility changes on bus services.

Costs of the Scheme

The consultation provides figures which it says are savings which would be realised if the eligibility age were raised immediately to female state pension age. These range from £10million in 2018 to £111 million by 2027. At this stage and without further details on the assumptions used, these figures appear to be somewhat overstated. We know however that the Scheme currently costs £192 million to operate and that the number of concessionary trips overall has been reducing almost year on year.

As noted in our response to question 1, it would be worthwhile to analyse the cost of the Scheme when compared to the costs associated with the provision of other supported public transport in Scotland – specifically the Rail and Ferry networks. SPT would welcome a more in depth analysis of the overall costs and benefits of the scheme in the context of wider priorities for public subsidy.

⁷ <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/population-projections-scotland/2014-based/list-of-tables>

⁸ Scottish Transport Statistics No.35

⁹ Scottish Transport Statistics No.35

Options not favoured by the Scottish Government

The consultation has highlighted several options which the Scottish Government is not minded to adopt. These include making a contribution towards the costs of a concessionary scheme as is the case with the SCTS. This enables the SCTS to be maintained on a secure and sustainable financial footing, ensures that bus operators are appropriately reimbursed and as such are not incentivised to increase their standard single fare to capture what they consider an equitable return, and does not cause pressure on the sustainability of services.

Once again, we consider there is insufficient information provided within the consultation to say at this stage whether these options should be ruled out or in fact be considered further. SPT considers there is merit in these options and that these options should in fact be considered in more detail and do not believe that the reasoning for not favouring these is particularly strong. Furthermore, we do not understand the rationale for effectively deciding on outcomes within a consultation. Would it not make sense to keep an open minded view? For example, people may be willing to sacrifice a payment of some kind in order to retain the Scheme broadly in its current form.

As an example, SCTS is a concession Scheme whereby a fare is applied, as is a peak-time restriction, with these having been successfully implemented and are used as at least one method to help manage SCTS costs. Whilst we acknowledge that such items may be easier to manage operationally on rail, Subway and ferry, we do not consider that such concepts could not also be applied on bus. Furthermore, on-going developments in smartcard ticketing and mobile technologies would undoubtedly provide the technology platform that would allow for some of these options to be re-introduced.

SPT considers that the options which the Scottish Government states they are not minded to adopt are in fact realistic cost saving options which should have been included within the full consultation itself and should not therefore be discounted from the outset.

SPT would urge the Scottish Government to re-consider these as potential options meriting further analysis as part of the process to help ensure long-term viability of the national Scheme.

Question – Equality Impacts Are there any likely impacts the proposals contained within this Consultation may have on particular groups of people with reference to the ‘protected characteristics’ listed above? Please be as specific as possible.

Yes, it will have negative outcomes for people over 60 who may have benefitted from the scheme and for whom it would have reduced travel costs of employment, training, access to healthcare, leisure and shopping. In particular, it will negatively impact those people on lower incomes for whom transport costs represent a significant element of their outgoings.

It will have positive impacts in relation to younger people who will benefit from inclusion in the scheme as Modern Apprentices.

Question – Children and young people Do you think the proposals contained within this Consultation may have any additional implications on the safety of children and young people?

N/A

Question – Privacy impacts Are there any likely impacts the proposals contained in this Consultation may have upon the privacy of individuals? Please be as specific as possible

Depending on how the scheme in relation to MAs is administered, information may require to be collected on individuals home and work details and details of their travel pattern between home and work.