



Consultation on Free Bus Travel for Older and Disabled People and Modern Apprentices.

Date of meeting 6 October 2017

Date of report 26 September 2017

Report by Treasurer/Secretary

1. Object of report

The object of this report is to seek approval by the Joint Committee to draft key elements of the Committee's response to the Scottish Government's Consultation on Free Bus Travel for Older and Disabled People and Modern Apprentices.

At the time writing, SPT officers continue to gather key statistics and evidence in support of the elements of the draft response outlined below. The closing date for submissions to the consultation is midnight on 17 November 2017.

2. Background

- 2.1 On 25 August 2017, the Scottish Government launched their Consultation on Free Bus Travel for Older and Disabled People and Modern Apprentices¹.
- 2.2 The free national bus Scheme was first introduced in Scotland in 2006 and is intended to help improve access for older and disabled people to essential services and open up participation in family and other social activities that would otherwise not be affordable, ultimately offering independence to people who rely on bus travel.
- 2.3 The objectives for the national Scheme, as set out by the Scottish Government include:
 - allowing older and disabled people improved access to services, facilities and social networks; and so promoting social inclusion;
 - improving health by promoting a more active lifestyle;
 - promoting modal shift from private car to public transport;
 - maintaining a "no better, no worse off" position for bus operators with a standard reimbursement rate;
 - providing opportunity for improvements to public transport;
- 2.4 The Scottish Government, in their consultation, have stated that older people are "living longer and leading healthier, more active lives". As a result, it is said that the costs of the Scheme are likely to increase further.
- 2.5 For these reasons, the consultation is part of an exercise looking at options on how best to ensure that the Scheme remains affordable in the coming years.

¹ <https://www.transport.gov.scot/publication/consultation-on-free-bus-travel-for-older-and-disabled-people-and-modern-apprentices/>

- 2.6 The national Scheme currently costs around £192m per year to operate. There are 143 million annual concession bus journeys in Scotland out of 409 million journeys in total².

3. Outline of proposals

- 3.1 The Scottish Government are consulting on a number of options for the Scheme relating to age eligibility which include:
- make no change to the Scheme, leaving the eligibility rules as they are; or
 - raise the age of eligibility for both men and women in one step from 60 to the (female) State Pension age at the time the change is made, thereafter keeping pace with further changes in the State Pension age, which is set to increase to 67 over the period 2026 to 2028; or
 - raise the age of eligibility for men and women progressively towards the State Pension age by annual increases of one year or half a year to the age of eligibility, taking longer to get there but lessening the impact on the expectations of individuals close to 60.
- 3.2 In addition, The Scottish Government is also proposing to introduce free bus travel for those aged under 21 on a Modern Apprenticeship Scheme. This proposal is intended to take make the Modern Apprenticeship Scheme more accessible for all young people, therefore making it more attractive to young people and to potential employers.
- 3.3 Finally, the Scottish Government propose to introduce disabled companion cards for children under the age of 5. As rules currently stand, bus passes for children with disabilities are only issued from age 5 onwards; the assumption being that children under 5 already travel free. However because of this, it means that parents or carers for disabled children under 5 are required to pay a full fare. The proposal is intended to correct this anomaly, meaning that children and carers will be entitled to companion travel.
- 3.4 As part of the consultation, the Scottish Government has highlighted several options which it says it is not minded to adopt going forward. These include:
- Requiring cardholders to make a small financial contribution towards the cost of each concessionary journey
 - Levying an annual charge for access to free bus travel
 - Restricting use of a bus pass during peak times.
 - Having a cap on the value of concessionary journeys which can be free.

4. Observations arising from the consultation

- The consultation has highlighted options in which it states that the Scottish Government is not minded to adopt. There is insufficient information to say at this stage whether these options should be ruled out or in fact be considered further. However, as an example, SCTS is a concessions Scheme whereby a fare is applied, as is peak time restrictions, with these having been successfully implemented and are used as one mechanism to help manage SCTS costs. Furthermore, on-going developments in smartcard ticketing may provide the technology platform which allows for some of these options to be re-considered.

² Scottish Transport Statistics No.35.

Agenda 11

- The Scottish Government has said that anyone who already has a bus pass, or has obtained one before any changes are made, will not lose it.
- The consultation has failed to evidence the potential impacts of changes to the age eligibility upon people's lives; for example, changes may likely increase older people's social isolation, therefore reversing many of the positive benefits which the scheme has helped achieve. There have been a number of studies which have highlighted the benefits, both mental and physical that the bus Scheme has supported. These benefits include helping reduce social isolation and giving people increased confidence in their own ability to travel. There is also evidence that suggests concessionary travel helps increase levels of physical activity amongst older people³. Whilst it is acknowledged that cost savings are to be made, it is important to fully understand the wider health and social aspects which may outweigh any financial savings to be made.
- 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 £10 million in 2018 to £111 million by 2027. At this stage and without further details on the assumptions used, these figures appear to be somewhat ambitious. 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. Whilst the older population is increasing, there is no indication the number of bus pass holders or expenditure on concessionary travel is increasing⁴.
- The proposal to introduce free travel for those on a Modern Apprenticeship Scheme is welcome, however, there are also around 110,000 16-20 year olds who are in higher education institutions or colleges⁵ and for whom the very same or even worsened financial pressures exist and who are not considered within the Scottish Government's proposals.
- SCTS eligibility is based on NEC criteria. Not only would changes to the national Scheme mean fewer people having access to free bus travel, but would inevitably also reduce the number of Strathclyde NEC cardholders able to access SCTS discounts on rail, Subway and ferry. It is important to understand the full impacts of changes to eligibility, particularly for those people living on islands and peninsulas and for whom access to essential services and facilities can only be met by ferry travel to the mainland. It is estimated that around 20,000 age related NEC cards are issued to Strathclyde residents each year.
- Any reduction in the number of NEC cards will almost inevitably result in reductions in SCTS patronage and reimbursement.
- It is to be welcome the fact that people are generally living longer and healthier lives; however, there is also evidence which shows a significant disparity in life expectancy between areas of deprivation and areas of affluence. For example, National Record 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 Scotland⁶. In some of the most deprived areas in Glasgow, NRS figures show life expectancy to be just under 68. Changes to age eligibility will impact most greatly on those people who live in some of our most socially deprived communities and where there is generally a lower life expectancy.

³ Greener Journeys: <http://www.greenerjourneys.com/wp-content/uploads/2014/09/Concessionary-travel-costs-and-benefits-September-2014.pdf>

⁴ Scottish Government's Consultation Document – Figures 2 and 4

⁵ Scottish Funding Council Statistics 2015-16.

⁶ National Record of Scotland - Life Expectancy in Scottish Council areas split by deprivation, 2011-2015 (East Renfrewshire Least Deprived Vs. Glasgow Most Deprived)

- The consultation highlights that 70,000 Scots turn 60 each year, however, does not reflect the true net population projections. The net projected population for 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 figures⁷ 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.
- One objective of the free bus Scheme when it was established in 2006 was that it provided an opportunity for improved bus services. Concession trips on bus services make up around a third of all bus journeys in Scotland, and as a proportion of all bus journeys in Scotland continues to grow. It could be said that the 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 years. Therefore, a decrease in the number of people who are able to access the free bus Scheme may in fact worsen the impact upon overall bus service provision. Without concessionary bus trips, there is every likelihood that bus services, particularly those on the fringes on commercial viability, may be forced to reduce services levels or indeed see complete removal of services. Not only would this 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.

5. The key elements of the Joint Committee's response

- The Joint Committee believes that the options which the Scottish Government states they are not minded to adopt should have been included within the full consultation itself and should not therefore be discounted from the outset. These options, which include peak-time travel restrictions as well as a number of fare options, should be considered further as part of the review to help ensure long-term viability of the national Scheme.
- The consultation has not considered or evidenced all the key facts around the social impact aspects that changes in age eligibility may have upon people's lives, particularly health and well-being aspects. However, should the Scottish Government choose to increase age eligibility, then the Joint Committee would favour a phased approach to changes, thereby lessening the immediate impacts for those approaching the current age eligibility of 60.
- The Joint Committee support the Government's intention to ensure that no one who currently holds a national entitlement card will lose it.
- The Joint Committee supports the Scottish Government's proposal to remove the anomaly which currently sees parent and carers of those under 5 having to pay full fares. A change would also see parents and carers of disabled children under 5 to access SCTS discounts at the companion rate which can only be viewed as positive.
- The Joint Committee supports the Scottish Government's proposal to give free bus travel to those aged under 21 and who are signed up to a Modern Apprenticeship Scheme. Whilst the Scottish Government's proposal is to introduce free bus travel for those on a Modern Apprenticeship Scheme, there are no proposals at this time for SCTS to include Modern Apprenticeship entitlement as this would be unaffordable to the Strathclyde Scheme within current budgets.

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

- The Joint Committee are asking the Scottish Government to consider ‘knock-on’ implications of any changes to the national Scheme eligibility criteria upon eligibility for SCTS travel discounts.
- The Joint Committee asks that the Scottish Government considers extending free bus travel proposals not only to Modern Apprentices, but to those between 16 and 21 who are enrolled in higher or further education courses.
- The Joint Committee asks that the Scottish Government re-considers introducing free or discounted travel to young people who live on our islands and peninsulas in order to allow access to education. This was previously a Joint Committee request to Scottish Government in 2014. There are just over 2,000 16-21 year olds who live on islands or peninsulas within the SCTS area⁸.
- The Joint Committee asks the Scottish Government to consider, evidence and plan for the impacts upon bus services likely as a result of any changes to the national Scheme.

6. Committee Action

The Joint Committee are asked to recommend the draft elements of the Joint Committee’s response listed above.

7. Consequences

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| Policy consequences | <i>SPT’s comments are in line with the RTS.</i> |
| Legal consequences | <i>None at Present.</i> |
| Financial consequences | <i>Changes to the national Scheme may have financial consequences for SCTS.</i> |
| Personnel consequences | <i>None at Present.</i> |
| Equalities consequences | <i>Changes to the national Scheme may impact upon people in our most deprived communities.</i> |
| Risk consequences | <i>None at Present.</i> |

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Strathclyde Concessionary Travel Scheme Joint Committee

For further information, please contact Martin Breen (Planning & Projects Officer) on 0141 333 3741.

⁸ 2011 Scotland Census Figures