

Putting the Record Straight on Concessionary Travel

Discussion Paper

1. INTRODUCTION

The purpose of this discussion paper is to set out impartially the position NPC (and the older people we represent) find ourselves in with regard to Concessionary Travel.

NPC notes that the concessionary travel and its development since 1997 has meant that within the UK there are similar, but not identical arrangements in Scotland, Wales, England and all of Ireland.

NPC accepts that insofar as England is concerned, we have a local Bus Pass that can be used nationally. The purpose of the Bus Pass is not to provide a nationwide bus service. However, it can with intelligence and planning be used for through journeys across the country.

We have objectives for developing the facility and for its extension to local rail travel (covered elsewhere in this paper), but the NPC recognises that the present financial downturn makes it more difficult to ask for extensions when so much emphasis is being made at the present time with financial cuts to services and public sector staff.

We are realistic and wish to have a platform and an older persons' understanding nationwide that will allow us to negotiate logically with whichever political party is in power after the next election.

Ever since the Government introduced the 'Concessionary Fare Scheme' in 2000 there has been some negative publicity and in recent weeks the amount of scare stories being circulated by the press has reached a new level which has been of concern to many older people who are unaware of the detail and as a consequence believe the worst.

There is a further downside in this press coverage in that younger users are alienated and there has been anti-Freedom Pass letters in some papers even suggesting older people should only travel on "... their own buses to keep them apart from fare paying passengers". This enhanced press activity has been caused by the publication of a report by Oxera Consulting Ltd on behalf of the Local Government Association (LGA), entitled "Securing Best Value and Outcomes for Taxpayer subsidy of Bus Services".

Although the LGA did not accept the report because the report used terms like Means Testing and made other controversial suggestions, it was of value to the media and was ideal material for use in a sensational way.

The NPC put out corrective press releases with only moderate success nationally, although through local responses there were some balanced views.

It is confusing because currently there are a large number of documents circulating with regard to the 'Concessionary Bus Scheme'. There are also consultative documents produced by Government about positive improvements to the existing scheme, as well as positive amendments to the Transport Act regarding the relationship that Councils should seek with bus operators. The NPC Transport Working Party is monitoring all these developments, attending meetings and having an input.

This discussion paper therefore is to enable the difficulties to be debated and help influence NPC's future requirements.

2. THE KEY ISSUES

2.1 The complications within the Concessionary Bus Travel Act and the financial confusion that surround it

In 2000, money was allocated to local government to fund the introduction of a half-price bus fare scheme. This money is an ongoing payment and is not ring-fenced. Likewise, in 2002 additional money was made available to give men aged 60-64 the same concession as women of that age. In 2006, an additional £350m was made available for the free, local-only bus travel and the latest CBT Act has attracted a further £212m. Furthermore, many local authorities are putting in additional funds to provide extra concessions on top of the statutory requirement. Hence the government can rightly claim that around £1bn is being spent on providing concessionary pensioner travel.

However, despite this funding, many local authorities have argued that the grants they receive are not sufficient to meet the cost of free bus travel, including that which arises as a result of tourists visiting the area. As a result, various stories have started appearing in the media that claim services are being cut, our council tax is rising in order for pensioners to get free bus travel. This is both misleading and unfair.

The fact that there are four separate ongoing grants none of which are ring-fenced, and that the formula for making the grants is complicated and not readily available to the public, means it is virtually impossible to guarantee whether or not the money is being used properly. Such confusion can then allow local authorities to claim they are underfunded and cut services.

The CBT Act is also supposed to ensure that bus operators are no better or worse off financially as a result of providing concessionary travel. However, by the way in which they calculate their fares, the different ways they issue their tickets and the way they have been able to alter routes to manipulate the market under the deregulated structure, the bus companies have been able to make considerable profits out of pensioner travel, alter services and make these changes without local authorities having any influence. This is something central and local government must address.

The excessively large number of Transport Concession Authorities (291) which have to deal with a relatively small number of big and powerful bus companies simply weakens a local authority's ability to have any say over the cost of reimbursement for concessionary travel.

However, the Government is in negotiation with Councils and with Stakeholders with a view to simplifying the arrangements on at least a County basis.

Since the introduction of the Act, concerns have also been raised over some local authorities using the new legislation to remove existing concessions from their own residents that were more generous than those previously held. We should be mindful of the two factors that prevent advantageous changes being made. Firstly, the Act is BUS Concessionary Travel. Our attempts to change that to Public Services Vehicles (PSV) failed. Therefore add-ons are difficult to demand if they are not 'Bus' even though many places offer Train, Underground, Tram, within their definable boundaries.

Likewise the Act says “After 9.30 am” and anything different from that is a local responsibility. We have decided not to press for nationwide add-ons and quote examples from generous authorities because it could push everyone back to the statutory minimum by using the current financial climate as an excuse for bringing in reductions.

We take this view because our members in Merseyside, South Yorkshire, Greater Manchester, West Midlands, Strathclyde and London all enjoy local rail/train underground add-ons. Remember also what we get at home we do not take away with us – so a person with an all day Bus Pass in their local town will find they cannot get a bus in London until after 9.30 am nor use the underground as a Londoner can. Similarly a pensioner from the West Midlands who enjoys local rail and tram travel cannot use the train when visiting other parts of the country.

2.2 The value of Concessionary Travel to older people and to society as a whole

In the present financial situation which is so fluid as to permit organisations to make cuts in an unchallenged way, it is more difficult to ask for an increase in what to some is seen as a perk. Groups like the Taxpayers Alliance and think-tanks like Reform are lining up to suggest that older people should no longer have “handouts” when the economy is in recession.

So if we are to succeed in our demands, it is not by saying how we deserve it because we are old. The pass after all is Off Peak (i.e. out of work hours) and for leisure and pleasure.

What we have to do is set out clearly the benefits to society as a whole by our inclusion.

The Freedom Pass enables older people to continue to lead independent lives and participate in the communities in which they live. There are more and more of us – the fastest growing sections of the population. The pass should be part of society's commitment to involve older people. Justification for free travel should also acknowledge that we do not see older people as the problem. In fact, if older people were properly included in our society they would be part of the solution, not the problem.

A vast amount of charity work and volunteer organisations have a high proportion of retired people taking part. Work done by volunteers saves the economy considerable sums of money; estimated to be well over £50bn a year.

Older people are not without some disposable income so the Free Pass usage boosts local economies with additional custom.

The Free Pass also reduces car usage and is of environmental value.

Government also recognises that the Social inclusion of older people and the chance to stay independent and active also brings reductions in the demand for health and care services – with a corresponding decrease in the cost of these services.

Extra services provided on some bus routes to cater for the demand improves services for all. It should be noted that some bus companies have enjoyed an increase in non concessionary travel since the introduction of the Bus Pass.

2.3 Cross Border Anomalies

There are signs that the devolved Governments and the Department for Transport are

looking for ways and means of getting cross border facilities other than on the adjoining counties which applies at present. We believe the Secretary of State for Transport should use powers under Clause 10 of the Concessionary Bus Travel Act to make concessionary travel Cross Border to include Scotland, Wales and No Ireland, with suitable reciprocal arrangements.

2.4 Local Applications

Whilst the NPC can debate all of these issues nationally, there are some areas which require a local application and research. An important example of this is the Government sponsored Kick Start initiative.

We feel little is known or understood of this facility but it is of great value where services are meagre or have been withdrawn.

Park and Ride is perhaps special because the Act is “silent” on the subject so some paces open the facility to pass holders and others do not.

3. Conclusion

This document is detailed because it is hoped members will consider it in detail and having had a more reflective look, make observations which the NPC Transport Working Party can consider.

It is important we have a good logical case to argue for the retention of the facilities. We need to be mindful that although the LGA did not accept the Oxera Report their response did say, “ ... ***Nevertheless, the findings raise some challenges about the long term affordability of the current scheme; and whether there are other sections of society who would benefit from reduced-cost travel and how they might be paid for through reform to the current scheme.***”

Our way forward remains to work towards local rail travel in such locations where it can be defined and administered; we say this because there are Rural Branch lines where Rail is the only option and also cases where the Bus Pass is extracting from Rail usage and could lead to Branch line closures (Beeching by the back door).

What we also believe is that the Bus Pass is only “Proof of Age”, in the same way as the Senior Rail Card. We are therefore asking the Government to support the adoption of the Pass as the entitlement to a Senior Rail Card's concessions. The NPC has already had initial discussions with the Association of Train Operating Companies (ATOC) on this matter. Use of the Bus Pass in this way would in effect be a market opportunity for train companies which would then have 9 million-plus people benefiting from reduced fares (rather than just the present Senior Rail-card holders). It would generate traffic and revenue and be a win-win all round. It would also provide yet another instance of older people not being a “problem” but able to contribute to wider social economic and policy aims.

4. NEXT STEPS

We need to:

- Understand the complexity of the finance associated with the concessionary travel scheme
- Be vigilant against those who wish to remove or curtail the use of the concession
- Continue making the case for the Pass on grounds of social inclusion,

- environmental impact and economic sense
- Accept our main priority now is to get cross border bus travel throughout the four countries of the UK along with universal reduced rate Rail Fares by an Age Entitlement using the Bus Pass in a dual role
- Help the Department for Transport simplify the financial arrangements to achieve a greater transparency, auditing and control over how the grants for concessionary travel are being used

The purpose of our discussions is to aim for a simple national objective between now and May 2010 that we can all understand, so that the Labour, Liberal and Conservative Parties make a clear public commitment to maintain the national scheme and expand it UK wide.

It is not enough to say “We are dear old souls, we deserve free travel” or that “We are old, we have done our bit, and we are entitled to it”. The strength of our argument lies in saying “Give us social inclusion and involve us and we can contribute. Far from increased numbers of older people being regarded as a problem, with inclusion we can be part of solving the problem.”

The NPC's Transport Working Party welcomes your views. These can be sent up to the first week in January 2010 by post to 19-23 Ironmonger Row, London EC1V 3QN or by email to info@npcuk.org. Such input will be of help to us as we continue to refine our approach to this complex subject.

Peter Rayner
NPC Transport Working Party
November 2009