

ITEM No ...7.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 30 OCTOBER 2017

REPORT ON: CONSULTATION ON FREE BUS TRAVEL FOR OLDER AND DISABLED PEOPLE AND MODERN APPRENTICES

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 365-2017

1 PURPOSE OF REPORT

1.1 The report aims to keep elected members informed of the current Consultation on Free Bus Travel for Older and Disabled People and Modern Apprentices being conducted by Transport Scotland. This report includes Dundee City Council's proposed response.

2 RECOMMENDATION

2.1 It is recommended that the Committee note the information contained within this report and approve Dundee City Council's formal response (Appendix 1).

3 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications as a result of this report.

4 BACKGROUND

4.1 A National Travel Concession Scheme for Elderly and Disabled, managed by Transport Scotland, was launched in April 2006 and replaced multiple local schemes that had been managed by local transport authorities until that date.

4.2 The budget for the Scheme is around £192m per annum and edging upwards each year. Given increasing life expectancy, the Scottish Government is considering raising the lower age threshold from 60 to the state pension age for women. The state pension age for women will be harmonised with the state pension age for men at 65 in November 2018. By 2020, the state pension age will have increased to 66 and by 2028 it will have increased again to 67. There are no proposals to change the established entitlement criteria for disabled travellers.

4.3 The Scottish Government has already rejected a number of solutions that had been proposed during a preparatory consultation period with stakeholders. The options rejected include:

- a a financial contribution made by passengers when travelling - eg 50p toward the fare;
- b a charge for the initial issue of the bus pass - eg £20.00;
- c a limit on the number of "free" journeys that could be made by any one individual in a 12 month period; and
- d restricting travel for bus pass holders during peak periods.

4.4 Transport Scotland's consultation paper accepts that many respondents will desire the status quo to be retained (bus pass at 60), but it states that even where this is the case it seeks views on how a transition to a new higher age threshold should be progressed. The paper asks respondents to consider a phased change which achieves more limited budget savings against the change taking place on a defined future date where the savings are realised almost immediately. The Government is clear that no-one with a bus pass will have it taken away.

4.5 In recognising the Government's desire to improve the long term sustainability of the scheme, Dundee City Council's response accepts that a raising of the lower age threshold is likely but it has suggested 50% of the saving generated in future years should be ring-fenced by Transport

Scotland and made available to support local bus services in local communities. In making this positive suggestion, the Council would be recognising that a bus pass is of reduced value when bus service networks are diminishing.

- 4.6 The consultation paper also ask for views on changes that will offer free travel to Modern Apprentices and Dundee City Council should be supportive of this.
- 4.7 The consultation paper also ask for views on changes that will offer free travel to companions of disabled children under the age of five and Dundee City Council should be supportive of this.
- 4.8 It is noted that most recent statistical data shows that approximately 44.8% of Dundee households do not have access to a car. Access to a reliable and affordable bus service is therefore extremely important in Dundee. It is noted that bus services were cited as the number one issue for improvement in the recent Engage Dundee survey.
- 4.9 It is noted that the bus accounts for around 76% of all public transport trips made in Scotland. In Dundee, this number is significantly higher. People living in areas of deprivation are far more likely to use the bus than the train for everyday journeys. It is noted that irrespective of how it is measured, bus passengers receive significantly less public subsidy than that which is made available to rail passengers.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6 CONSULTATIONS

- 6.1 All members of the Council Management Team have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 There are no background papers of relevance to this report.

Mike Galloway
Executive Director of City Development

Neil Gellatly
Head of Roads and Transportation

NHG/JB/KM

19 October 2017

Dundee City Council
Dundee House
Dundee

1 RESPONDENT INFORMATION FORM**PLEASE NOTE THIS FORM MUST BE RETURNED WITH YOUR RESPONSE.**

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your Consultation response. Please indicate your publishing preference:-

- Publish response with name
 Publish response only (anonymous)
 Do not publish response

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this Consultation exercise?

- Yes
 No

2 PART 2 – QUESTIONS ON OPTIONS

No change to age eligibility of the Scheme

Should scheme eligibility remain unchanged ?

Do you believe that age eligibility for the Scheme should remain as it is? At present everyone resident in Scotland can get the bus pass on their 60th birthday and be able to travel for free at any time of day, for any number of journeys, on local and long distance scheduled bus services throughout Scotland.

Scheme costs have risen over the years to a little over £190 million in 2016-17. In addition, some 70,000 of us reach age 60 each year and that figure is projected to rise to 76,000 by 2021. This adds further pressure to costs, raising questions about the longer-term sustainability of the Scheme in its present form.

Even if your first preference is to make no changes to age eligibility at this time, please consider the options set out in questions 2 and 3 below.

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:

Bus services are hugely important to the city of Dundee. Dundee has the second lowest rates of car ownership in Scotland, with recent statistics showing that 44.8% of Dundee households do not have access to a car.

Retaining the current eligibility criteria allows people (60 and over) who rely on buses to travel more regularly. In a city with low car ownership and high levels of deprivation, any change to the lower age threshold is unwelcome.

Options to change the National Concessionary Travel Scheme

Raise the age of eligibility for men and women to the female State Pension age in one step

What is it?	<p>Women's State Pension age is being equalised with men's, so that they will reach State Pension age at 65 from November 2018. In addition, both men's and women's State Pension age is due to increase to 66 by 2020 and to 67 between 2026 and 2028.</p> <p>The proposal would set the age of eligibility for free bus travel at female State Pension age from 2018.</p>
What does it mean for me?	<p>The UK Government provides a handy calculator to check when you will reach State Pension age:- www.gov.uk/state-pension-age</p>
What will it cost or save?	<p>If age eligibility is raised immediately to female State Pension age from April 2018 onwards, it would reduce costs by around £10 million in the first year, increasing to around £65 million by 2022-23. The State Pension age will increase to 66 by 2020 and 67 between 2026 and 2028. In 2023-24, this would result in savings of around £83 million each year, increasing up to reduced costs of around £111 million in 2026-27.</p>
What is the justification for claimed costs/savings?	<p>Raising the eligibility age reduces the number of cardholders, resulting in fewer journeys which also reduces the cost to the Scottish Government. In 2022-23, there would be around 350,000 fewer people eligible compared to what would happen if the current age of 60 was to be maintained. In 2026-27, this would increase to around 520,000 people</p>

Question 2

Are you in favour of raising age eligibility to female State Pension age in this way?

Yes

No

Please explain your answers.

See Q3.

Raise the age of eligibility to the female State Pension age over a number of years

What is it?

Women's State Pension age is being equalised with men's, so that they will reach State Pension age at 65 from November 2018. In addition, both men's and women's State Pension age will increase to 66 by 2020 and to 67 between 2026 and 2028.

Age eligibility could be increased towards the (female) State Pension age either:-

- by one year per year; or
- by six months per year

<p>What does it mean for me?</p>	<p>A slower introduction might mean that people affected by the change in the early years will be eligible for their bus passes after age 60 but before the female State Pension age.</p> <p>If raising the age of eligibility is done progressively for those who are currently in their mid to late fifties, it might be done in one of two ways:-</p> <p>(A) If the eligible age was raised by one year annually, this would increase the age at which people in their late 50s would receive their bus pass but will not mean that they will have to wait until they are at State Pension age. A person who reaches age 59 in 2017 would become eligible for their bus pass on their 61st birthday in 2019, a person who reaches age 58 in 2017 on their 62nd birthday in 2021, a person who reaches age 57 in 2017 on their 63rd birthday in 2023 and so on. A person aged 54 or under in 2017 would become eligible on their 66th birthday.</p> <p>(B) If the eligible age was raised by half a year annually, this would again increase the age at which people in their late 50s will receive their bus pass, but at a slower pace. A person who reaches age 59 in 2017 would become eligible six months after their 60th birthday, a person who reaches age 58 in 2017 on their 61st birthday, a person who reaches age 57 in 2017 six months after their 61st birthday and so on. A person aged 48 or under in 2017 would become eligible on their 66th birthday.</p> <p>If the age of eligibility is simply raised without any adjustments or phasing, then someone who is 59 in 2017 would become eligible in 2024 when they reach the State Pension age.</p> <p>This approach would seek to address the issue raised by WASPI and mitigate the effects of the changes on people close to the current age of eligibility by striking a better balance between the size of the change and the period of notice.</p>
<p>What will it cost or save?</p>	<p>Raising age eligibility from April 2018 by one year per year to female State Pension age would reduce costs by around £11 million in the first full year, increasing to around £40 million by 2022-23.</p> <p>The slower of the two progressive approaches would reduce costs by around £5 million in the first full year, increasing to around £27 million by 2022-23.</p>

What is the justification for claimed costs and savings?	<p>Raising the eligibility age reduces the number of cardholders and hence the number of journeys and also costs to the Scottish Government. For example, if the age is raised by half a year per year, there are projected to be around 157,000 fewer people eligible by 2023-24 compared to what we would see if the current age of 60 was maintained.</p> <table border="1"> <thead> <tr> <th>Potential annual cost reductions (£million)</th> <th>2018-19</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>2022-23</th> </tr> </thead> <tbody> <tr> <td>(A) Age eligibility + 1 year</td> <td>£11m</td> <td>£11m</td> <td>£24m</td> <td>£25m</td> <td>£40m</td> </tr> <tr> <td>(B) Age eligibility + 0.5 year</td> <td>£5m</td> <td>£11m</td> <td>£12m</td> <td>£19m</td> <td>£27m</td> </tr> </tbody> </table>	Potential annual cost reductions (£million)	2018-19	2019-20	2020-21	2021-22	2022-23	(A) Age eligibility + 1 year	£11m	£11m	£24m	£25m	£40m	(B) Age eligibility + 0.5 year	£5m	£11m	£12m	£19m	£27m
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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.

Dundee City Council does not support a raising of the age threshold, but if this is to happen, then it should be done so to cause minimum disadvantage to passengers and we would support the most incremental approach.

Free bus travel for Modern Apprentices

What is it?

Young people undertaking Modern Apprentice frameworks registered with Skills Development Scotland would be able to get free bus travel. The offer might be targeted at those Modern Apprentices under age 21.

What does it mean for me?

If you are a qualifying Modern Apprentice you would be able to get free bus travel.

What will it cost or save?

It would cost approximately £8m per year to provide free bus travel to Modern Apprentices under 21. Applying it to all Modern Apprentices would roughly double that figure.

What is the justification for claimed costs/savings?

There are around 20,300 Modern Apprentices aged 16-20. Based on the travel behaviour of people in this age group and the estimated uptake of the card, this would cost an estimated £8 million per year.

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.

Please explain your answers.

The numbers of Modern Apprentices are small. Dundee City Council supports a more generous upper age threshold – up to and including 24.

Companion cards for disabled children under age 5

What is it?

Allow disabled under 5s to get a companion card where this is needed so that their parent/carer can travel for free.

Under 5s cannot get a disabled persons bus pass as they generally travel for free.

What does it mean for me?

The parent or carer accompanying the child currently has to pay for their own travel until that child qualifies for a companion card on their 5th birthday. This would allow the parent or carer to travel with an eligible disabled child under 5 for free.

What will it cost or save?

We believe that there around 3,210 disabled children under 5 who might benefit from a companion card. This will cost just over £600,000 per year.

What is the justification for claimed costs/savings?

There currently are around 3,210 children in Scotland who are eligible for the Higher or Middle rate Care Award and/or the Higher rate mobility award of Disability Living Allowance (DLA). Based on the average numbers of journeys taken by bus pass holders and the current reimbursement cost this would cost just over £600,000 to provide equal access to companion cards for disabled children of all ages.

Question 5

Are you in favour of providing a companion card for disabled under 5s where this is needed? Yes No

Please explain your answer.

This change would support families with disabled children who are required to make multiple journeys for health and welfare reasons.

Are there any other issues you wish to raise which are not covered above?

The Scottish Government welcomes any further comments and suggestions on the Scheme and how it might be improved or made more sustainable.

The Scottish Government should review the reimbursement process. The current reimbursement (based on adult single fares) has driven up the costs of adult single tickets, making bus travel for occasional users seem expensive. This has an inhibiting effect on increasing bus passenger growth.

The Government should review its transport expenditure so that more money is made available to support local bus services. In contrast to rail travel which is heavily subsidised by the Government and used by ABC1s, the bus is primarily used by people travelling around their local communities – again people mainly from low income households, elderly and disabled, women and younger people. The government should be safeguarding expenditure for those modes of transport that support those with most need in society.

If government is to push ahead with this change, a significant proportion of the savings should be ring-fenced for supporting the local bus network. Dundee City Council recommends 50%. The commercial bus network is shrinking and services funded by local authorities are reducing. A bus pass without a bus service is of limited value. To arrest this decline in the bus network, the government could redirect its budget away from supporting the concessionary scheme and make it available to local authorities (pro rata, per capita) to help support the local bus network – but with a guarantee that it will be used as ‘additionality’ and not used to disguise reductions in budgets available to support local bus services.

Properly funded local bus services are a priority for this Council.

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.

My comments:

PART 3 - ASSESSING IMPACT

Equality

- 1 In considering possible changes to the National Concessionary Travel Scheme in Scotland the public sector equality duty requires the Scottish Government to pay due regard to the need to:
 - eliminate discrimination, victimisation, harassment or other unlawful conduct that is prohibited under the Equality Act 2010;
 - advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - foster good relations between people who share a relevant protected characteristic.
- 2 These three requirements apply across the 'protected characteristics' of:
 - age;
 - disability;
 - gender reassignment;
 - marriage and civil partnership;
 - pregnancy and maternity;
 - race;
 - religion and belief; and
 - sex and sexual orientation.
- 3 At this early stage it is difficult to determine whether significant effects are likely to arise and the aim of the Scottish Government is to use this Consultation process as a means to fully explore the likely equality effects, including the impact on children and young people.
- 4 Once completed the Scottish Government intends to determine, using the consultation process, any actions needed to meet its statutory obligations. Your comments received will be used to complete a full Equality Impact Assessment (EQIA) to determine if any further work in this area is needed.

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.

Women, Elderly (over 60s) – an increase in the lower age threshold will impact on those sections of society most dependent on bus travel. Women over 60 make up a significant proportion of the passengers on many local bus services and this change would have an adverse impact on their ability to travel and may lead to a longer-term contraction in the local bus network – which again would impact on these communities.

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?

Business and Regulation

A Business and Regulatory Impact Assessment (BRIA) will analyse whether the proposals are likely to increase or reduce the costs and burdens placed on businesses, the public sector and voluntary and community organisations.

Question – Business impacts

Do you think the proposals contained in this Consultation are likely to increase or reduce the costs and burdens placed on any sector? Please be as specific as possible.

Plans to restrict the budget for the concessionary travel scheme by changing the eligibility criteria are likely to increase the financial burden placed on bus operators.

Privacy

- 1 A full Privacy Impact Assessment (PIA) will be conducted to ascertain whether our proposals on delivering a consistent approach to the Scheme may have an impact on the privacy of individuals.
- 2 At this early stage it is difficult to determine whether significant privacy impacts are likely to arise and the aim of the Scottish Government is to use this Consultation process as a means to fully explore the likely privacy effects.

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.