

Bus 2020

The Case for the Bus Pass

mobile

active

looking to
the future

 greener
Journeys



Introduction

By Claire Haigh



I am sure we are all delighted that the UK economy is on the mend. It's great that the recession is behind us. We need a strong, dynamic economy in which everyone can share the benefits. We also need vibrant communities in which everyone can take part and enjoy a good quality of life.

For those reasons, we can agree with the aims of concessionary bus travel. Free bus passes enable many older people and people with disabilities to lead lives that are more active and fulfilling. We must be clear, however, that spending on such schemes gives good value for money to the taxpayer.

Greener Journey has worked with KPMG LLP to assess the benefits of the schemes. Our study followed the Department for Transport's guidance on economic appraisal. We found that each £1 spent on concessionary bus travel generates at least £2.87 in benefits to bus pass users and to the wider economy.

We found that the concessionary schemes deliver real benefits to those who need them most. Older and disabled people have easier access to the services they need. They can take part in many activities that would not be affordable without the free bus pass.

We also found that the schemes deliver important benefits to all of us. Their freedom to travel means that older people can contribute more actively as volunteers, as mentors, organising events and raising funds. They gain new opportunities to look after children and to care for others.

Free bus passes encourage older people to be more physically active, and as a result their health and wellbeing is better.

With free bus passes, older people get out more and are less likely to feel lonely and isolated. This can only be good for their mental and physical health. Bus passes mean that more people go shopping on their high streets. There are savings too, for social services and community transport.

With people more likely to take buses instead of using their cars, our air is cleaner and our roads are safer and less congested. All of this is good for the whole economy.



Our analysis shows that the benefits of concessionary bus travel are real. The UK cannot afford to lose them. There is a challenge for the future as well. The average age of the country's population is set to increase over the next 20 years, which will make the case for the schemes even stronger.

The next Government, and its successors, must make a firm commitment to the concessionary travel schemes. Provided the schemes have the funding they need, the UK will have a stronger economy, a society in which everyone can take part and a cleaner environment. If they fail to do so, we will all be poorer.

Claire Haigh
Chief Executive
Greener Journeys



Bus passes in Britain

Working with KPMG LLP, we analysed the benefits of the concessionary travel schemes in England, Scotland and Wales. The study did not examine the administration of the schemes and its reimbursement arrangements.

£2.87

.....
Each £1 spent on the bus pass generates at least £2.87 in benefits



From April 2008, the English National Concessionary Travel Scheme provided all people aged over 60 or with an eligible disability with unlimited, free off-peak bus travel. Eligibility for a pass for both men and women is based on the State Pension age for women. The scheme replaced the previous entitlement to free off-peak journeys within the pass holder's local area, introduced in 2006.

Reimbursement to private bus operators is funded by central government under the principle that they are "no better and no worse off as a result of the scheme", and administered at a local level by Travel Concession Authorities, some of which offer discretionary enhancements to the statutory scheme.

Concessionary travel in Scotland is administered by Transport Scotland, which provides those over the age of 60 with unlimited free travel on local buses and selected long distance bus services. In Wales, the Welsh Assembly Government provides those over the age of 60 with free unlimited bus travel. As in England, local enhancements to statutory minimums are possible in Scotland and Wales.



The Success of Concessionary Travel

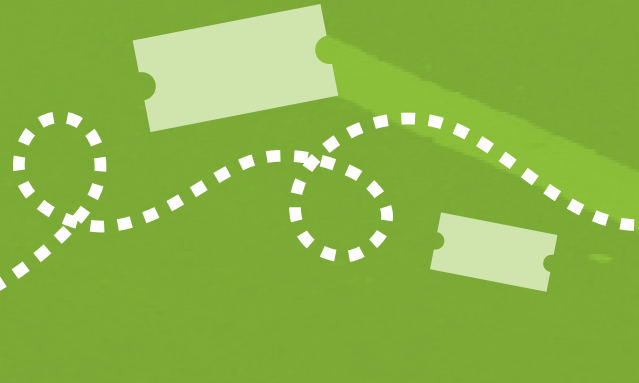
The policy is very popular, with four out of five of those eligible taking up bus passes. According to Passenger Focus research, 95% of passengers agree that older and disabled people should be entitled to free national off-peak bus travel through the current concessionary scheme.

The schemes have resulted in a big increase in demand for bus travel in Great Britain. Last year, the schemes delivered more than 1.2 billion trips to 12 million pass holders.

Value for Money

Our analysis shows that the schemes delivers excellent value for money. Each £1 spent generates at least £2.87 in benefits.

Annual impacts of the bus pass for Great Britain	£ million, 2010 prices
(a) Impacts on concessionary bus passengers	£1,336
Free travel	£1,073
Service enhancements	£72
Smart and integrated ticketing	£191
(b) Impacts on other bus passengers and other road users	£573
Benefits to non-concessionary bus passengers from service enhancements	£447
Option and non-use values	£17
Benefits to other road users (decongestion)	£139
Environmental improvements (noise, local air quality, GHG)	£14
Accident reductions	£21
Indirect tax revenues from modal transfer (fuel duty)	£-66
Bus operator impacts	£0
(c) Wider economic impacts	£297
Voluntary work	£297
Social care and child care	not estimated
Retail productivity	not estimated
Patient, social services and community transport	not estimated
(d) Health and wellbeing impacts	£458
Physical health	£458
Social inclusion, mental health and wellbeing	not estimated
(e) Cost to Government	£927
Cost of reimbursing operators	£1,057
Administration costs	£23
Change in indirect taxes (VAT)	£-152
Total benefits (a + b + c + d)	£2,664
Total costs (e)	£927
Benefit cost ratio	2.87



Benefits to Bus Pass Holders

Half of the benefits of the schemes go to those older and disabled people who make use of their concessionary travel passes.

They have more freedom to use shops and access healthcare and other services and activities. Bus pass users are more able to visit family and friends.

These benefits are more likely to go to those on low or moderate incomes and those without access to a car. Research by Age UK shows that the majority of eligible older people with an annual income below £15,000 own a bus pass; those with incomes above £15,000 are less likely to do so. Age UK has also found that older people without access to a car are twice as likely to hold a bus pass and five times as likely to use it frequently.

Benefits to Other Bus Passengers and Road Users

Concessionary travel brings important benefits to bus passengers who do not access the schemes. When free passes encourage more people to use the bus, operators need to provide additional services. All passengers win when services are more frequent and waiting times at bus stops are shorter.

In areas that have very low service frequencies, the schemes encourage more people to travel by bus. As a result, operators may be more able to deliver services that could otherwise be at risk.

We found that around one in three bus journeys generated by the schemes would be made by car if the concession was not available. By boosting demand and enhancing bus service quality, the concessionary schemes encourage people to use the bus instead of their cars. As a result bus services are better and there is less road congestion, lower levels of air pollution and fewer traffic related accidents. All passengers and the whole community are better off.



Benefits to the Wider Economy

Free bus passes give older people more freedom to take part in volunteering, with a value to the UK economy of £10 billion.

A 2007 survey by VITA found that older people account for up to two thirds of the volunteer workforce in the UK. They provide advice, tutoring and mentoring, run events, attend committees and raise funds for thousands of community groups.

We concluded that if the concessionary schemes were to be taken away, some £297 million worth of volunteering benefits could be lost.

The concessionary travel schemes expand the opportunities for older people to provide unpaid childcare or care for dependent relatives. Older people provide estimated benefits of £34 billion in social care and £2.7 billion in child care every year.

The schemes increase retail and commercial activity on the high street and deliver savings on social services and community transport. The schemes have a value to such activities that is significant but it cannot be measured easily.

Better Health and Wellbeing

There is growing evidence that free bus passes encourage the over-60s to be more physically active. Taking the bus usually involves a short walk to and from the bus stop. Since the schemes were introduced, older people are more likely to walk. As a result, they enjoy better mobility, greater strength and lower risk of heart disease, falls and broken bones. We estimate the value of these benefits at £458 million.

Free bus passes encourage older people to 'get out more' and lead richer social lives, leading to improvements in their mental as well as their physical health. The positive impacts on health and well-being are significant but cannot be quantified in precise terms.



£34 billion
in social care

Older people provide estimated benefits of £34 billion in social care and £2.7 billion in child care every year





Name: John Richards
Age: 77
Location: North Wales

John is 77 years old and lives in Colwyn Bay, North Wales. 30 years ago John was diagnosed with diabetes, with the result that his eyesight began to deteriorate and he had to stop driving. Since then John has been heavily reliant on buses to get around, and since he retired, on his bus pass.

Over the past decade the bus pass has meant John can continue to play an extremely active role in his community, volunteering for a range of local charities, including Age Concern and Community Voice, and to get out and about to local shops and amenities with friends and family – something he would be unable to do independently without his bus pass.

John says the bus plays a particularly important role in community cohesion in Colwyn Bay:

“For many years, a group of about 20 from the estate I used to live on regularly got on the 8.05am bus to go to Bangor and Llanfair PG to get out for breakfast and to the Garden Centre. The bus allowed us to get out of the house, meet up with friends and feel connected to a community. It was a real link, if you weren’t on there for a couple of weeks, people would notice and give you a ring to ask if you were ok. It was an important support network.”



Name: Sheila Towler
Age: 83
Location: Manchester

Sheila Towler takes the bus every week to church as well as to local amenities and services. She values it as a vital lifeline that keeps her in touch with her friends and her community. She’s always volunteered and the bus pass is vital, without it she wouldn’t be able to afford to continue giving back.

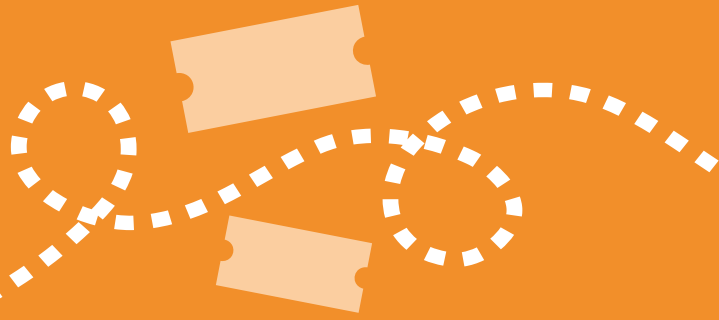
Sheila particularly values being able to meet and chat to people on the bus, something she feels keeps her connected to what’s going on in the local area.

Sheila says:

“I think the bus pass is wonderful. I do a lot of short journeys – I go into Manchester city centre, the Trafford Centre and to church meetings, which is a five mile run, as well as essential appointments like the doctors. It saves me a lot of money overall, which really helps, so I feel very lucky to have it. Without it I wouldn’t be able to do as much as I do.”

benefit





Understanding the Cost to Government

In England, the UK Government provides funding for Travel Concession Authorities to reimburse bus operators for carrying concessionary passengers free of charge. It also meets the cost to Travel Concession Authorities of administering the scheme. In Scotland and Wales, funding for reimbursement is paid directly to operators.

But a balanced appraisal of the schemes' costs needs to take account of the fact bus pass users can spend more on goods and services that are subject to an expenditure tax.

If the schemes were to be withdrawn, those concessionary passengers who continue to use the bus would need to buy a ticket, possibly diverting spending from other goods and services which provide revenue from VAT and expenditure taxes. The Government would spend less on reimbursing operators. But it would also receive less revenue from indirect tax as passengers switched their expenditure from taxed goods and services to untaxed bus services.





Name: Elizabeth Davson
Age: 92
Location: Earl's Court, London

Elizabeth is 92 years old and lives by herself in Earl's Court, London. She would be extremely lonely if it wasn't for her bus pass. Instead she is part of her community, it allows her to get to the theatre, galleries and meet with friends at her regular bible study on Monday nights at Church.

Most importantly the bus pass has enabled her to stay independent, because she can get to the doctors and the shops without having to rely on friends and family to drive her around.

This independence has meant that she has not had to move into assisted living accommodation, saving her and the taxpayer money. Most importantly to Elizabeth it has meant that she has been able to remain in her own home.

Elizabeth says the best thing about her bus pass is that it keeps her independent:

"The bus pass means I can carry on living an independent life and playing an active role in my church and community. Without it I'd be tied to my house, unable to get around without friends and family going out of their way. I really value the freedom it gives me"

Free bus passes

encourage the over-60s to be more physically active



Names: Ray Wilkes
Ages: 67
Location: Shipley, Yorkshire

Ray is a keen walker. He uses his bus pass to travel all over England along with his wife Jackie, enabling them to hike 40 miles per week. The bus pass really keeps Ray active. It keeps him socially active too. Ray is part of a volunteer group, Friends of DalesBus, which has saved a local bus service from closing. Ray is also an active member of a great hiking club, Bradford CHA, all the walks are accessible without a car.

Being older Ray has health concerns. He has had health issues over the past few years and uses the bus pass to get to and from hospital appointments. He also uses it to nip down to the shops and keep in touch with friends.

The bus pass is a boon for the budget. As Ray says:

"It's not like I'm down and out but the bus pass means that I don't have to watch every penny. I love to travel with my wife Jackie and use our bus passes to get around England. Our bus passes mean that we don't have to keep a car and instead get to spend our retirement enjoying what life has to offer."

Looking to the future



**12 million
to over
18 million**

The number of people in England aged over 60 is expected to grow by 50% to 18 million between 2012 and 2037

Our analysis shows clearly the economic, social and environmental benefits to the UK of the concessionary travel schemes. In recent times, however, those benefits have been placed at risk by cuts to funding. As their budgets have been reduced, local authorities have had to make difficult choices. One example is that essential services many older people depend upon have been cut back.

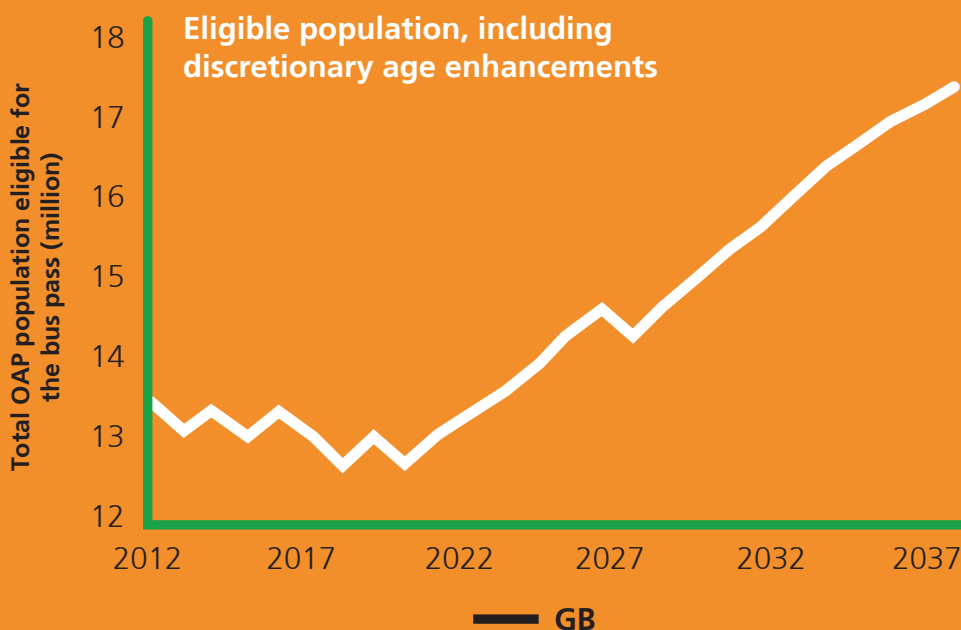
At the same time, local bus operators have not always been sufficiently reimbursed, with the result that they have often struggled to keep services running. The UK cannot afford to let the schemes falter as a result of inadequate funding. Operators should be properly reimbursed under the principle they are “no better and no worse off” as a result of the schemes.

The case for concessionary travel will become even stronger over the next two decades and beyond.

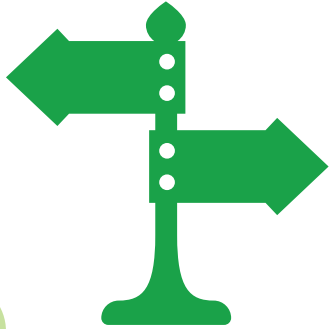
The number of concessionary journeys has remained relatively stable over the last five years. An increase in the population of older people has been offset by increases in the State Pension age in England.

The picture is likely to change over the medium to longer term, due to the fact that people are living longer. Between 2012 and 2037, the number of people in England aged over 60 is expected to grow from 12 million to over 18 million. The gradual increase in the State Pension age for England means that the number of people eligible for a bus pass in the UK will decline slightly to 2020, but then increase to more than 17 million by 2037. In Scotland and Wales, the minimum age of eligibility is not expected to rise, meaning that the total numbers who can claim a free pass bus will continue to rise.

Greener Journeys is calling on the next Government, and its successors, to make a firm commitment to ensuring that the concessionary travel schemes remain in place, with secure and adequate funding. If they do so, all the people of the UK will benefit from a stronger economy, a more inclusive society, and a cleaner environment.

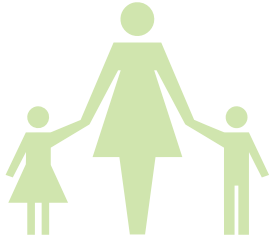


socially active



looking to the future

value for money



Contact

Greener Journeys
3rd Floor Drury House
34-43 Russell Street
London WC2B 5HA

contact@greenerjourneys.com

www.greenerjourneys.com

About Greener Journeys

Greener Journeys is a campaign dedicated to encouraging people to make more sustainable travel choices. It aims to increase the value of bus and coach travel in stimulating economic growth, reducing congestion and CO₂ emissions and enabling access to jobs, retail, leisure and vital services. Launched in 2009, Greener Journeys is a coalition of Britain's leading bus companies and other supporters including Transport for London, RAC Foundation, Passenger Focus, Confederation of Passenger Transport (CPT), Passenger Transport Executive Group (PTEG), and Campaign for Better Transport. Its primary funders are bus companies Arriva, FirstGroup, Go-Ahead and Stagecoach.



The infographic features a central orange ticket icon. Three green arrows point towards it: 'value for money' (top left), 'benefit' (middle right), and 'cleaner air' (bottom). The background is filled with green icons: a compass, a bus, a running person, a group of people, a sunburst, a clock, and a bus with a passenger. A dashed line connects the 'cleaner air' arrow to the bus with a passenger.

value for money

benefit

cleaner air