

Agenda item	<b>26</b>
Report no	<b>EDI 25/17</b>

## **HIGHLAND COUNCIL**

**Committee:** Environment, Development and Infrastructure Committee

**Date:** 8 November 2017

**Report Title:** Local Bus and Concessionary Fares Consultations

**Report By:** Director of Community Services

### **1. Purpose/Executive Summary**

- 1.1. The Scottish Government has recently issued three consultation papers relating to bus services, in preparation for a forthcoming Transport Bill. The titles of these are:
- Free Bus Travel for Older and Disabled People and Modern Apprentices;
  - Local Bus Services in Scotland - Improving the Framework For Delivery; and
  - The Future Of Smart Ticketing In Scotland.
- 1.2. This report describes the content of the first two consultations and presents draft responses for discussion by Members. As the third response is more technical in nature, only an outline is given.

### **2. Recommendations**

- 2.1. Members are asked to consider the draft responses attached and to agree any other matters for inclusion in the final responses.

### **3. Background**

- 3.1. The Government has issued three consultations relating to bus services following discussions in the Bus Stakeholders' Group, which is convened by Transport Scotland and includes stakeholders from the public and private sectors.
- 3.2. The 'Local Bus Services in Scotland - Improving the Framework For Delivery' consultation paper considers a wider range of possible approaches to bus operation and regulation than are available at present. It describes four main proposals:
  - a revised and more flexible approach to local authority / bus operator partnerships;
  - powers for local franchising of bus services;
  - bus services run by transport authorities (i.e. Councils or Regional Transport Partnerships); and
  - open data.

It is recommended that the proposals should be generally welcomed. Each is described in more detail below.

- 3.3. The 'Free Bus Travel for Older and Disabled People and Modern Apprentices' report proposes raising the entitlement age for older people's concessionary travel, along with some expansion of eligibility in other categories. This report, however, also recommends some additional aspects for the inclusion in the Council's response.
- 3.4. The 'Future Of Smart Ticketing In Scotland' outlines work in progress and planned to implement availability of smart ticketing across Scotland, and seeks views on how best to achieve this.
- 3.5. The consultation documents are available at:  
<https://consult.scotland.gov.uk/transport-scotland/improving-bus-services/>  
<https://consult.scotland.gov.uk/partnerships-and-concessionary-travel/national-concessionary-travel-scheme/>  
<https://consult.scotland.gov.uk/transport-scotland/smart-ticketing-in-scotland/>
- 3.6. Draft responses to the Local Bus Services and Concessionary Fares consultations are attached in Appendices 1 and 2 respectively. As the Smart Ticketing consultation is more technical, no draft response is attached.

### **4. Local Bus Services in Scotland: (1) Local Authority / Bus Operator Partnerships**

- 4.1. The Government propose to replace Statutory Quality Partnerships with a new approach which they have called Service Improvement Partnerships. Unlike the current SQPs, these would not be dependent on provision of new infrastructure by the local authority, although this could still be included. They would begin with an "Improvement Plan" which would:
  - specify the area and period of the Plan;
  - set out an analysis of local services provided;
  - set out policies relating to local services;
  - set out objectives regarding the quality and effectiveness of local services;
  - describe how the related Improvement Scheme is intended to assist in implementing those policies and achieving these objectives; and
  - describe the intended effect of related improvement schemes on neighbouring

schemes.

- 4.2. Improvement Schemes could include whatever combination of actions the transport authority considers appropriate, having involved bus operators in its development. Suggested content includes matters such as car parking policies, bus service frequencies, fare structures, and bus branding, as appropriate to the area being considered, but there is no compulsory content. As partnerships they would depend on the agreement of bus operators and the Authority would not be able to impose conditions. However, as with the current SQPs, once agreed they would be legally enforceable.
- 4.3. These proposals appear to fit well with a Community Partnership approach, and it would be useful to involve Community Partnerships in the preparation of an Improvement Plan. Being flexible, the proposals are also adaptable to varying local circumstances.

## **5. Local Bus Services in Scotland: (2) Local franchising**

- 5.1. The consultation paper rejects proposals for wholesale re-regulation of bus services but proposes powers to enable local franchising, whereby the transport authority awards the exclusive right to run a bus route or group of routes for a set period to the most competitive bidder.
- 5.2. The consultation does not describe the circumstances where franchising would be appropriate, other than referring to extensive market failure, but it does set out a process of analysis which would be used to decide if franchising is an appropriate action, and would require a business case.
- 5.3. In practice it is likely that there are relatively few circumstances where franchising would be appropriate. The main scenarios are:
  - where on-road competition between operators results in instability or unreliability of services (this has not been experienced in Highland for many years);
  - where a limited and inadequate commercial service inhibits the Authority's scope for designing tendered services; or
  - where there is a need to promote multi-modal integration (e.g. with train services).
- 5.4. The cost of franchising is untested but it is likely to be higher than conventional tendering for non-commercial routes, as it restricts operators' commercial freedom. On the other hand, the exclusive right to operate the franchised route or network could in some circumstances be seen by the operator as a commercial advantage, which may be reflected in tender prices.
- 5.5. While the scope for using franchises is likely to be limited, it is recommended that the power should be welcomed as an option to be used if appropriate.

## **6. Local Bus Services in Scotland: (3) Bus services run by transport authorities**

- 6.1. The consultation proposes legislation to allow Transport Authorities (i.e. Councils, and 'Model 3; Regional Transport Partnerships (SPT, SWESTrans and Zetrans)) to operate bus services under a PSV Operator's Licence, either directly or via an arm's length company. At present Councils' powers to operate buses are limited, although operation of school buses is permitted.

- 6.2. Highland's recent efforts to reduce public and school transport costs by 15% have been partly successful, with a 10% saving achieved overall (including some service reductions). However, this figure conceals the fact that in some locations there have been significant cost increases. A Council-owned bus operation would not be a low cost option but could usefully fill gaps where there is a lack of commercial operators, or could provide competition in areas where prices are above average.
- 6.3. This report does not discuss whether Highland Council should set up an in-house or arm's length bus operation, but it is recommended that the power to do so should be welcomed.

## **7. Local Bus Services in Scotland: (4) Open data**

- 7.1. The consultation proposes to require the operators of local bus services to provide information on routes, timetables, punctuality (i.e. real time information) and fares for public access. Largely this would enshrine current practice in legislation, plus providing for developments in electronic data. Information on punctuality is not universally available at present.
- 7.2. The paper also proposes to require operators to provide revenue and patronage data for services which they are withdrawing, for use of local authorities in planning any replacement services.
- 7.3. These appear to be generally non-contentious proposals which would be useful in defining acceptable standards.

## **8. Concessionary fares**

- 8.1. The Government proposes to increase the eligible age for receiving free concessionary travel to align with State pension age. They have invited views on the rate at which this change should be implemented. It is recommended that we support an increase to age 61 in 2019, 62 in 2021, and so on until pension age is reached. This gives a reasonable compromise between a sudden increase in eligible age and a lengthy transition which would reduce the savings achieved.
- 8.2. The Government also proposes to make free concessions available to Modern Apprentices and to companions (e.g. parents) of disabled children aged under 5. Currently, children under 5 are excluded from the scheme, which results in adults travelling with them not getting the concession which adults travelling with older disabled children receive. Both of these appear to be sensible and fairly modest proposals.
- 8.3. The draft response attached raises concerns about the possible impact of reduced concessionary reimbursement on the level of bus services, leading to withdrawal of services. While in theory the scheme is intended to leave bus operators no better and no worse off as a result of their participation in it, this is not assured and there is a risk that revenue on some services will reduce as a result of the changes. The Council's Transport Co-ordination Unit is currently analysing passenger figures on tendered services in this regard.
- 8.4. The consultation paper also asks for other views on the scheme. It is recommended that our response makes a case for aspects which are not discussed in the consultation paper:

- reimbursement to be based on the range of tickets available, and not on single fares only;
- consideration being given to reimbursement being paid at different rates on different types of service (long distance, urban, inter-urban and rural) to reflect differing rates of traffic generation; and
- some of the savings made by increasing the eligible age to be directed to supporting demand-responsive transport provision for people who are unable to access bus services, due to disability or geographic isolation.

8.5. These issues are raised because the scheme is seen as benefitting rural residents less than urban residents, does not assist people who cannot access a bus service, and because the current reimbursement method is considered to have a distorting effect on fare structures.

8.6. The response form for this consultation presents a considerable amount of information as a prelude to each question. For clarity, the draft responses are shown in italics.

## **9. Smart ticketing**

9.1. This paper restates a policy goal, first set out in October 2012, “that all journeys on Scotland’s bus, rail, ferry, subway and tram networks can be made using some form of smart ticketing or payment”, and sets out steps towards achievement of this.

9.2. The consultation seeks views on whether operators should participate in a national e-purse (defined as the store of monetary value on a smartcard which can be used in the same way as cash to pay for travel) and in regional ticketing schemes (involving several operators). It also asks for views on the appropriate level of legislation and governance for a smart ticketing scheme, to ensure universal and consistent application.

9.3. As responses will largely be influenced by organisational and technical considerations, it is recommended that Members support the principle of smart ticketing being available across Scotland’s public transport network, and grant delegated powers to the Director, in consultation with the Chair and Vice-Chair, to submit a response.

9.4. In Highland, a regional ticketing scheme is in preparation in collaboration with bus operators, HiTrans and Transport Scotland. Its roll-out will be in specific areas initially but it is intended that it will eventually cover the whole of Highland.

## **10. Implications**

10.1. There are no known resource, legal, community, climate change/carbon clever, risk or Gaelic implications arising directly from this report. Implications of the consultation, if implemented, are included in the draft response.

Designation: Director of Community Services

Date: 25 October 2017

Author: David Summers, Principal Transport Officer

Background Papers: Consultation documents issued by Scottish Government

## APPENDIX 1 – Response Form

### Consultation Questions

The consultation questions are listed below. Respondents are asked to give an answer to the questions put on our policy proposals, this is typically to say whether you agree with them or not, and to explain that answer in a comment. There is a separate section at the end which looks at likely impacts.

### Partnerships

**Question 1** - Do you think that legislation (either via the existing sQP model or another) is required to secure the benefits of partnership working?

Please answer Yes **X** or No .

Please explain your answer to this question:-

While voluntary partnership is an essential element of relationships between transport authorities and bus operators, and improvements have been made by voluntary partnership, these are always at risk from management or political changes. They also lack the power to enforce standards agreed or to hold other operators, not party to the agreement, to the same standards. Legislation enables more security and commitment as well as wider-ranging partnerships.

**Question 2** - Do you feel that statutory Quality Partnerships as defined in the Transport (Scotland) Act 2001 provide the right framework for partnership working?

Please answer Yes , or No **X**.

Please explain your answer to this question:-

Their usefulness is limited. Their dependence on new infrastructure is a serious limitation: for example, if bus stops and shelters conform to accessibility standards, or bus lanes or traffic light priorities are in operation, they can remain effective long after they have ceased to be new provisions. Similarly, it would be appropriate for a partnership to commit to providing enhanced infrastructure within a defined timescale, rather than necessarily being a prior requirement. In many cases, infrastructure may not be the most relevant contribution from a local authority to a partnership.

**Question 3** – Do you agree with our proposals for Service Improvement Partnerships as outlined in pages 32-35?

Please answer Yes **X**, or No .

Please explain your answer to this question:-

The proposals are flexible and adaptable. They would appear to fit well with a Community Partnership approach, where priorities of local communities can be taken into account and included in dialogue with operators. It would be appropriate to allow the design and specification of tendered bus services to be included in the Improvement Plan.

In view of resource limitations, the preparation of the Improvement Plan should not be unduly onerous, and should be proportionate to the size and scope of the proposed partnership agreement.

It should not be necessary for all bus services in an area to be included in an

Improvement Scheme, although this would often be the case. For example, an objective may be for improved commuter buses, so off-peak services could be outwith the scope of the Scheme in a particular case.

It is not clear what means the Government intends to use to make Schemes enforceable. The Traffic Commissioner is mentioned in the consultation paper, and we would see conformity with a Scheme being part of the bus registration particulars (as is the case with the present sQP arrangements). We believe that there would be no need to alter the present consultation and registration periods for bus services, although the 28-day consultation process would need to include confirmation that the Transport Authority is satisfied that any changes remain compliant with the Scheme, and the Traffic Commissioner should be empowered to reject an application if this is not the case.

Clearly, some aspects of a Scheme will be outwith the scope of the bus registration system.

**Question 4** – If a new form of statutory Partnership is introduced, do you agree that statutory Quality Partnerships as defined in the Transport (Scotland) Act 2001 should be replaced (i.e. they would no longer be available as a tool for LTAs)?

Please answer Yes **X**, or No .

Please explain your answer to this question:-

There would appear to be nothing in the present sQP structure which cannot be achieved under the new proposals, and having two systems could cause confusion. We agree that existing sQPs should be allowed to run their course.

### **Local Franchising**

**Question 5** – Do you think that local authorities should have the power to franchise bus services (either via Quality Contract or another system)?

Please answer Yes **X**, No .

Please explain your answer to this question:-

The deregulated system works well in many areas, but it restricts the power of Transport Authorities to support service improvements where a limited commercial service exists, and to support multi-modal integration. In some circumstances the ability to franchise is a useful power.

**Question 6** – Do you think that the existing Quality Contracts require change to make franchising a more viable option?

Please answer Yes **X**, or No .

Please explain your answer to this question:-

As stated in the consultation paper, the Quality Contract process is onerous. The lack of any existing Quality Contracts demonstrates its unviability.

### **Question 7- Considering the information on our proposal on pages 38-42**

**Question 7(a)** – Do you think that there should be any consent mechanism for an authority to begin the process of assessment for franchising?

Please answer Yes , or No **X**.

Please explain your answer to this question:-

It is accepted that the existing Quality Contract process is unduly onerous and a deterrent to the preparation of proposals. A need to obtain consent at an initial stage would retain a similar barrier and could preclude research into the relevance of a

franchising arrangement. The existence of guidelines around the preparation of an Outline Business Case should be sufficient to ensure that proposals put forward are reasonable within the purpose of the legislation.

**Question 7(b)** – Do you think that there should be a requirement for independent audit of the business case for franchising?

Please answer Yes **X**, or No .

Please explain your answer to this question:-

In a small-scale scheme this may not be necessary, but in general where there is a potential restriction or exclusion of any bus operator's business, it is necessary for the proposal to be independently audited, according to guidelines.

**Question 7(c)** – Do you think that there should be an approval process beyond that of the local authority itself, before franchising can take place?

Please answer Yes , or No **X**.

Please explain your answer to this question **including (if yes) what kind of approval process:-**

If a scheme passes the audit it should be able to proceed. However, in some circumstances, for example a scheme over a specified value, or one that is contested by bus operators, a requirement for approval by Ministers would provide an opportunity for review. Therefore, while we do not believe that this should be a general requirement, there could be cases where it is an appropriate mechanism.

### **Transport Authority Run Bus Services**

**Question 8(a)** – Do you think that transport authorities (including 'model III' RTPs) should be able to directly run bus services?

Please answer Yes **X**, No .

Please explain your answer to this question:-

In areas where there is a monopoly operator, or difficulty in attracting competition for tenders, or the incumbent contractor is failing to meet contractual standards, the ability of the Transport Authority to operate bus services would be a useful tool. This may also be a means of reducing costs if lack of competition results in high prices for contracts.

Under the Public Passenger Vehicles Act 1981, Section 46, local authorities are already empowered to run local bus services (not restricted to journeys at school times) using school buses. There is no obvious why (allowing for any transitional arrangements) such services should be exempt from PSV licensing or Section 22 Permit requirements.

**Question 8(b)** – Please describe the circumstances in which this might be appropriate:-

Relevant circumstances are given in our answer to Q 8a.



**Question 8(c)** – What, if any, safeguards do you think should be put in place to ensure that no operator has an unfair advantage in a deregulated market?

Please explain your answer to this question:-

Authorities should be allowed to hold PSV Operator's Licenses and the default position should be operation under an Operator's License. There are circumstances (e.g. off-peak use of school buses) where Section 19 or Section 22 Permit operation may be appropriate, but this should be limited in scale and scope so that such operation remains within the spirit as well as the letter of the Permit legislation.

**Question 9(a)** – Do you think that transport authorities (including 'model III' RTPs) should be able to set up arm's length bus companies to operate local bus services?

Please answer Yes , No .

Please explain your answer to this question:-

The reasons for creating an arm's length company are similar to the answers given to Q 8a. In addition, for anything more than small-scale operation, this is the more appropriate model. It creates clear accountability for the services, enables separation between the authority and the supplier when tendering, and more visibly creates a level playing field.

**Question 9(b)** – Please describe the circumstances in which this might be appropriate:-

This would be appropriate in any circumstance where the Transport Authority identified a deficiency in the market, and the intended operation was more than small-scale. It would also enable operation of commercial services according to commercial judgment. Given that on-road competition is now rare outwith the larger cities of the UK, it is unlikely to bring any significant challenge to existing commercial operations.

**Question 9(c)** – What if any safeguards do you think should be put in place to ensure that no operator has an unfair advantage in a deregulated market?

An arm's length company should only be able to operate under a PSV Operator's License, and would be required to have accounts which demonstrated that no unfair advantage was gained.

**Question 9(d)** – What, if any, checks and balances do you think should be put in place for a transport authority looking to set up an arms' length company to run buses? Please explain your answer to this question.

Please refer to our response for question 9c. We do not believe there is a need for further checks and balances, beyond the authority's own governance processes, in setting up a company.

## Open Data

**Question 10** – Do you agree with our proposals to require the operators of local services to release open data on routes, timetables, punctuality and fares in a specified format?

Please answer Yes , No .

Please explain your answer to this question:-

Provision of route and timetable information is fundamental to any service provision. The specification of a format should not excessively restrict design or layout, but should ensure transferability between operators' and authorities' systems and databases.

The consultation paper recognises that the current EBSR system requires improvement; in our view EBSR is not fit for its purpose of handling bus service registration details, and we strongly believe that improvements to EBSR should be implemented, in consultation with ATCO and CPT, before its use is made mandatory. The paper implies, but does not quite make clear, that reference to punctuality means real time information (as opposed to historic punctuality records such as those published by train operators). Real time information is very beneficial to passengers, especially on low frequency routes, but work is likely to be needed to enable nationwide provision.

Coaches are not required to be wheelchair accessible until 2020, wheelchair accessible coaches are not easily accessible for many non-wheelchair users who have mobility impairments, and there are no specific accessibility requirements for small buses. Therefore the data should include information on the standard of accessibility of the services.

Fare information should include multi-journey tickets as well as single fares.

**Question 11 (a)** – Do you think that data provided by operators should be stored in a central data hub?

Please answer Yes **X**, or No .

Please explain your answer to this question:-

The consultation paper addresses a wide range of types of information, and while a central hub is appropriate for some, it may not be so for all. For scheduled information, including fares, Traveline Scotland already acts as a central hub. This works well and should be built on, provided that there is no adverse effect on the receipt of pre-registration consultations and registration documents by local authorities. It is also necessary for local authorities to be able to configure bus stop information according to local needs; while this data may come from a central hub, its layout should not be constrained by it. For other information, particularly real time information, there may be technological difficulties which would mean that a central hub would not be feasible in the near future. This should be examined further.

**Question 11(b)** – if you do not support the use of a central data hub how do you think data should be stored/ made available? :-

**Question 12** – Do you support proposals for transport authorities to have the power to obtain, information about revenue and patronage of services being deregistered, and where appropriate disclose this as part of a tendering process?

Please answer Yes **X**, or No .

Please explain your answer to this question:-

This would help to justify provision (or not) of a replacement service, and would be useful both in discussing commercial opportunities with other operators and in providing information to enable informed pricing when tendering. The requirement should cover both complete deregistrations and significant reductions in service, where journeys or parts of a route are withdrawn.

**Other**

**Question 13** – Please provide any other comments or proposals around the regulation of bus services in Scotland that were not covered in the above questions.

None

## Impacts

### Equality

In creating a consistent approach to improve bus services 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 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.

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.

At this early stage in our planning for improving bus services in Scotland 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.

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 to determine if any further work in this area is needed.

**Question 14** - 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 answer Yes , No .

Please be as specific as possible:-

Standards of public transport are important for enabling older people and those with disabilities to be mobile and access essential services. We believe that the proposals create a framework which can support improvements in this regard. It is important that open data systems enable scheduled and real time information to be published in a variety of formats which will cater for people with sensory disabilities. We do not believe that there are any impacts applying to people of other protected characteristics.

**Question 15** - Do you think the proposals contained within this consultation may have any additional implications on the safety of children and young people?

If yes, what would these implications be?

Please answer Yes , No **X**.

Please be as specific as possible:-

### **Business and Regulation**

In our work to improve bus services a Business and Regulatory Impact Assessment will analyse whether the policy is likely to increase or reduce the costs and burdens placed on businesses, the public sector and voluntary and community organisations.

**Question 16** - Do you think the proposals contained in this consultation are likely to increase or reduce the costs and burdens placed on any sector?

Please answer Yes **X**, No .

Please be as specific as possible:-

The franchising proposals reduce the potential burden on local authorities compared to the process of setting up Quality Contracts, although as no Quality Contracts exist, this has not been an administrative burden in practice. It is for individual authorities to decide if the burden of setting up a franchise is justified by an improvement in service. Similarly, franchises may result in extra costs but this can only be assessed on a case by case basis, and there is no automatic imposition of extra costs. Franchising would require bus operators to tender for some routes which they currently operate commercially. The power for local authorities to operate bus services provides a potential method of reducing costs compared to high-cost contracts, particularly where a bus operator has a local monopoly. However this would involve set-up costs.

### **Privacy**

We need to ascertain whether our proposals for improving bus services in Scotland may have an impact on the privacy of individuals.

**Question 17** - Are there any likely impacts the proposals contained in this consultation may have upon the privacy of individuals?

Please answer Yes , No **X**

Please be as specific as possible:-

### **Environmental**

The Environmental Assessment (Scotland) Act 2005 ensures those public plans that are likely to have a significant impact on the environment are assessed and measures to prevent or reduce adverse effects are sought, where possible, prior to implementation.

**Question 18** - Are there any likely impacts the proposals contained in this consultation may have upon the environment?

Please answer Yes **X**, No .

Please be as specific as possible:-

If the proposals result in improved bus services, as is to be hoped, this would support modal shift from cars and therefore a reduction in carbon emissions.

## Appendix 2

### Respondent Information Form – Concessionary Fares

**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

The Highland Council

Phone number

01463 252956

Address

Glenurquhart Road  
Inverness

Postcode

IV3 5NX

Email

public.transport@highland.gov.uk

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

## 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 60<sup>th</sup> 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:**

*As pension age rises there is less need for a free concessionary scheme to start at age 60. The cost saved could be better directed to assist the most transport-deprived sectors of the population. Further comments on this topic are given under question 6.*

**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**

<b>What is it?</b>	<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>
<b>What does it mean for me?</b>	<p>The UK Government provides a handy calculator to check when you will reach State Pension age:-  <a href="http://www.gov.uk/state-pension-age">www.gov.uk/state-pension-age</a></p>
<b>What will it cost or save?</b>	<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.</p> <p>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>
<b>What is the justification for claimed costs/savings?</b>	<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.**  
*A large proportion of bus users, particularly in rural areas, are concession card holders. Although the aim of the scheme is that operators are no better and no worse*

*off as a result of the scheme, this is difficult to verify, and a sudden increase in eligible age could have a destabilising effect on bus use in those areas where concessionary usage is high. A gradual increase in eligible age could avoid unintended disruption to the economics of bus services. A one-step increase would also be unacceptable to people who are approaching age 60; a gradual increase may be more acceptable to them.*

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

<p><b>What is it?</b></p>	<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 will increase to 66 by 2020 and to 67 between 2026 and 2028.</p> <p>Age eligibility could be increased towards the (female) State Pension age either:-</p> <ul style="list-style-type: none"> <li>• by one year per year; or</li> <li>• by six months per year</li> </ul>
<p><b>What does it mean for me?</b></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>



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:-

(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 61<sup>st</sup> birthday in 2019, a person who reaches age 58 in 2017 on their 62<sup>nd</sup> birthday in 2021, a person who reaches age 57 in 2017 on their 63<sup>rd</sup> birthday in 2023 and so on. A person aged 54 or under in 2017 would become eligible on their 66th birthday.

(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 60<sup>th</sup> birthday, a person who reaches age 58 in 2017 on their 61<sup>st</sup> birthday, a person who reaches age 57 in 2017 six months after their 61<sup>st</sup> birthday and so on. A person aged 48 or under in 2017 would become eligible on their 66th birthday.

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.

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.

**What will it cost or save?**

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.

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.

**What is the justification for claimed costs and savings?**

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.

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

### 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.**

*A gradual increase in eligible age is a reasonable compromise between the status quo and a sudden increase. It gives fair notice to people approaching age 60, and should avoid destabilising bus services. An increase of a year per year should achieve this; an increase of half a year per year would take unnecessarily long to achieve savings and could be confusing for potential users of the scheme.*

## Free bus travel for Modern Apprentices

<b>What is it?</b>	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.
<b>What does it mean for me?</b>	If you are a qualifying Modern Apprentice you would be able to get free bus travel.
<b>What will it cost or save?</b>	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.
<b>What is the justification for claimed costs/savings?</b>	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

<b>Are you in favour of providing free bus travel to Modern Apprentices?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<b>Should this be targeted at Modern Apprentices under Age 21?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is there a better way to provide support to help with the travel costs of Modern Apprentices?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

If so, please specify below.

**Please explain your answers.**

*We support free bus travel for Modern Apprentices for the reasons given in the consultation paper. This may also help to establish a habit of bus use which would continue once their apprenticeships are complete. Modern Apprentices over age 21 are likely to have higher living costs (more likely to live away from parents or to have dependents) so free bus travel could be a more significant benefit for them than for younger apprentices. This would also support people who for whatever reason did not train or acquire skills when younger. We do not necessarily believe that there are better ways to help Modern Apprentices with travel costs but we do believe there are other complementary ways. Many*

*Modern Apprentices may not have suitable bus routes available, because of time of day, or having to travel where there are no bus routes. Support for “Wheels to Work” type schemes (e.g. scooter or moped hire) or schemes such as Highland Council’s “T2E” (Transport to Employment – based on shared taxis) would support those people who do not have suitable bus services. Travel by these means would not necessarily be free, but assistance towards the cost of the schemes, enabling low cost to the users, would be useful.*

## 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 5<sup>th</sup> 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.**

*We support the reasons given in the consultation paper, and it removes an element of age discrimination. We do believe, however, that concessionary reimbursement should be paid only for the companion, as the child would have travelled free in any case. This would mean the card being programmed with a different category of eligibility.*

## 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.

*We believe that reimbursement should be based on the basket of ticket types offered by each operator rather than solely on single fares. We recognise that the reason for basing reimbursement on single fares was that free travel does not support brand loyalty, but there are relatively few places in Scotland where significant on-road competition exists, and with the growth of multi-operator ticketing, passengers who pay their own fares are being encouraged to use more than one operator where the opportunity exists. We also believe that basing reimbursement on single fares has the effect of driving up single fare levels, which acts as a deterrent to occasional or first-time bus users who are not eligible for the free scheme, and therefore suppresses bus usage overall.*

*The free concessionary scheme results in different rates of generated travel on different types of services. Before the introduction of the Scotland-wide free scheme, Highland Council found (when the Council moved from a half fare scheme to a locally-managed free scheme) that the highest rates of generation were on long distance services, the lowest rates were on deep rural services (no doubt because of the small populations in their catchment areas as well as the infrequency of services) and generation on urban and inter-urban routes was somewhere in between these extremes. We believe that consideration should be given to different rates of reimbursement on these different types of services, to reflect differences in traffic generation. We recognise that this would require further research, and would introduce issues of definition for routes, so it cannot be introduced quickly, but we believe that it is worth pursuing so that reimbursement more accurately reflects the effect of the free scheme across different routes and operators.*

## 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:**

*The existing scheme disproportionately benefits urban residents who have high frequency bus services. It does not benefit people in areas without bus services or*

*who are unable to walk to the nearest bus stop (however near or far that may be). We would therefore urge that some of the savings from increasing the eligible age are directed to supporting provision of demand-responsive transport (which could be Community Transport, Council-operated or contracted with commercial providers) which would directly benefit the most vulnerable and transport-deprived people in our community. This would give a significant social benefit for these groups of people, and would give targeted help to offset the disadvantage to lower-income people aged 60 to 66 caused by increasing the entitlement age.*

*While we support the extension of the scheme to include Modern Apprentices, it is worth noting that the current 1/3 discount on single fares for young people aged 16 to 18 is of limited benefit, as returns or period tickets often offer better value. We would suggest that this discount could be increased to 50% and/or extended to other ticket types, in order to support a habit of bus use.*

*There is a disparity between the proposed free concession for Modern Apprentices and the position of students in higher or further education who are not paid a wage but do not benefit from this concession.*

*Administrative arrangements for the train and ferry elements of the National Blind Travel Scheme remains separate from the Scotland-Wide Free Bus Travel Scheme, in so far as they are operated by local authorities, despite the purpose of the scheme being to enable Scotland-wide free travel by blind persons. We would urge the Scottish Government to bring this into Transport Scotland's operations, so that it becomes a truly national arrangement.*

## 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.

1.1 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.

1.2 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.

1.3 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.

*The impacts on older and disabled people are spelt out in the consultation and in this response. In particular, we would stress that the current scheme assists people with disabilities only if there is a bus service which they can access, and apart from the inclusion of disabled children under age 5, the Government's proposals do not improve this.*



*We do not believe there are any impacts applying to people of other protected characteristics.*

### 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?

*No.*

### Business and Regulation

1.4 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.

*The effect on bus usage by people in the 60-66 age bracket is at present unknown. In some parts of the country, especially the more rural areas, a very high proportion of bus passengers are concessionary card holders. A drop in patronage could cause pressure on the finances of bus services and could lead to the withdrawal of services. This could also put additional pressure on local authority transport budgets, which are already stretched, and this could lead to reductions in the tendered network.*

*These effects could be offset if, as we have proposed, the reimbursement method is refined and if some of the savings from the increase in eligible age are directed towards supporting transport provision for the most vulnerable people.*

### Privacy

1.5 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.

1.6 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.

No.

Transport Scotland  
2017

## Annex C

### Options not favoured by the Scottish Government

A number of those with whom we have engaged in preparing this Consultation indicated a first preference for maintaining the current age of eligibility or, if changes had to be made, for alternative approaches to be taken. For a variety of reasons the Scottish Government is not minded to adopt these but they are listed below for information: -

#### **1 Requiring card holders to make a small financial contribution towards the cost of each concessionary journey.**

A fixed contribution of, say, 20p, 50p or £1 would be required to be paid for each journey undertaken. This would be relatively simple to implement and would generate significant savings. For example, a contribution of 20p per journey could save up to £17 million annually if applied to all concessionary passengers, including disabled bus pass holders as well as those qualifying on age. (Requiring a contribution only from non-disabled pass holders would reduce savings by about 10%.)

#### **2 Levying an annual charge for access to free bus travel.**

The journeys themselves would be free but there would be a fixed annual fee, for example £10 or £20. In effect, this would be like having an annual very low cost season ticket valid on all buses. Based on current usage, annual savings could be up to £13 million with a £10 charge and proportionately more for higher charges. Excluding disabled bus pass holders from the requirement to pay a charge would reduce savings by about 10%.

The Scottish Government does not favour either of these two options because they would not be consistent with the commitment set out in the Programme for Government 2016-17 to provide free bus travel for older and disabled persons. Option 1 could additionally lengthen boarding times and Option 2 would require new administrative arrangements, for example to issue reminders and process forms.

### **3 Restricting use of a bus pass during peak travel times.**

Limiting the use of the bus pass to off-peak travel might save costs by encouraging people to travel at times when bus services tend to be less busy. This can reduce costs for bus operators and possibly alleviate overcrowding at peak times. However savings might be limited if people simply travel at different times and there could be delays to boarding times if disagreements arise over whether a journey is peak or off peak.

### **4 Having a cap on the value of individual journeys which can be free.**

For example, all journeys made in a year up to an overall limit, such as £250, would be free. Travellers would have to pay for any additional journeys beyond this point until the end of the year. The level of savings would depend on the limit set but such an arrangement would allow costs to be controlled without the need for the present reimbursement capping arrangements. However new systems would be required to administer such an arrangement, including enabling passengers to tell easily how much travel they were still entitled to.

The Scottish Government is not minded to pursue either of these options at this time given the potential implementation and operational issues.

You may wish to use the box below to provide comments on these or any other way in which you believe the long-term sustainability of concessionary travel could be achieved, as well as other comments you may wish to make for improvements to the scheme.

#### **My comments:**

*Option 3 increases the differential benefit between urban and rural areas. There are rural areas where the only bus service of the day, or the only return trip opportunity, departs before 0900, which would effectively exclude these districts from the scheme.*

*Option 3 also creates problems of defining peak and off-peak journeys.*

*For these reasons we agree that it is right to reject this option.*

*Options 1, 2 and 4 have some merits as well as the drawbacks listed. A combination of Options 1 and 2 may be acceptable, so that users would have the choice of paying a small charge per journey or an annual charge (effectively a season ticket). Option 4 is likely to become more feasible in future as smart technology is more widely used. We are not arguing for the adoption of these options at present, but they may be worthy of future consideration.*