

Has the policy of concessionary bus travel for older people in Britain been successful?

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Abstract

Older people in Britain are entitled to free off-peak travel by bus over the whole country in which they live. The introduction of the policy was a political decision with the stated objectives of increasing public transport usage by older people, improving their access to services and increasing social inclusion. The objective of this paper is to examine the available evidence to see whether these objectives have been realised. The paper also explores whether there have been other benefits for older people and for wider society. It is concluded that the objectives have been met to a large extent, but that many of the impacts might have happened anyway and that the impacts are probably less than many of the studies claim.

Keywords: older people; concessionary travel; bus; Britain; policy; social inclusion

1. Introduction

In Britain, older people are entitled to receive a pass that enables them to travel anywhere in their country of residence by bus in the off-peak without the need to pay. The scheme was introduced in three stages without significant analysis into the likely impacts. The objectives of introducing the scheme were social with the aim of improving the lives of older people. The purpose of this paper is to examine whether the objectives have been met.

In the next section, the evolution of the scheme is outlined and the objectives summarised. Then the evidence on the impacts of the policy is examined to see the extent to which they have been met, followed by discussion about other benefits to older people and wider society. The extent to which the objectives have been met are discussed and conclusions drawn.

2. The concessionary travel scheme in Britain

Concessionary travel on buses has been offered to older people, blind people, children and disabled people since at least the early 1950s [1]. The proposal for a national minimum standard for concessionary travel for older people was put forward in the White Paper entitled 'New Deal for Transport: Better for Everyone' [2] which stated, in paragraph 4.81:

"We will introduce a national minimum standard for local authority concessionary fare schemes for elderly people with a maximum £5 a year charge for a pass entitling the holder to travel at half fare on buses. This will enable elderly people, especially those on low incomes, to continue to use public transport and to use it more often, improving their access to a range of basic necessities such as health care and shops and reducing social isolation. Local authorities will still be able to offer more generous schemes if they wish to do so. The change will require legislation".

The Transport Act 2000 gave all those living in England and Wales who had reached the state pension age (then 65 for men, 60 for women) and those with disabilities, a free pass entitling them to half-fare bus travel within their local area all day Saturdays, Sundays and Bank Holidays and between 0930 and 2300 on weekdays.

The new rules came into effect on 1 April 2001 within London and on 1 June 2001 in England outside London [3].

After a hearing in the European Court of Human Rights, the age at which men were entitled to apply for a concessionary travel pass (CTP) was reduced to 60, which was implemented in April 2003.

In the 2005 Budget [4], the then Chancellor of the Exchequer, Gordon Brown, announced that the scheme in England would be extended from a half-price concession to free travel on local bus services. Under the heading of 'Building a fairer society', he said, in paragraphs 5.64 and 5.65:

"The Government is continuing to ensure that all pensioners can share in rising national prosperity. Since 1997, it has done this through directly increasing the incomes of older people and by indirectly reducing the cost of key public services to older people.

"Budget 2005 continues this policy by announcing free off peak local area bus travel for those aged over 60 and disabled people in England from April 2006. Not only will this reduce the cost of travel for approximately 11 million people aged over 60 and approximately 2 million disabled people, it should also help approximately 54 per cent of pensioner households who do not have a car to travel freely in their local area".

This was implemented from 1 April 2006 in England.

In the 2006 Budget [5] the Chancellor announced that from 1 April 2008 free bus travel would be extended England-wide. He said, in paragraph 5.50:

"Budget 2005 announced free off-peak local area bus travel for those aged over 60, and all disabled people, in England from April 2006. Building on this and recognising the importance of public transport for older people and the role access to transport has to play in tackling social exclusion and maintaining well-being, this Budget announces free off-peak bus travel for all pensioners and all disabled people, in England from April 2008, at a cost of up to £250 million a year. The Government will consult with local authorities and other interested parties on the best framework for delivering this entitlement".

This was introduced from 1 April 2008. The statutory scheme in England, known as the English National Concessionary Travel Scheme (ENCTS), provides free bus travel on all local buses across England from 9.30 am to 11.00 pm on weekdays and all day at weekends and on Bank Holidays for those eligible [3]. Local authorities can provide extra concessions for those living in their area. The present Coalition Government has given a commitment to maintain the scheme, which it regards as successful [6] but it has retained the policy of increasing the age of eligibility in line with changes in the state pension age in England announced by the previous Government in 2009 [3].

Similar schemes have been introduced in Scotland and Wales. In London the pass is branded as the 'Freedom Pass' and permits older and disabled people to travel free on both buses and the London Underground at all times.

As indicated above, the scheme in England has been introduced in three stages. In summary, the objectives have been:

1. To increase public transport usage by older people, especially those on low incomes and those without a car;
2. To improve access to basic necessities such as health care and shops for older people;
3. To reduce social isolation, reduce social exclusion and maintain wellbeing for older people.

In the next three sections, evidence will be examined to see the extent to which these objectives have been achieved.

It should be noted that it is not possible to establish the effectiveness of the policy unambiguously because of the absence of a counterfactual case: there are no older people in Britain who are not entitled to a CTP whose behaviour could be compared with that of CTP holders. Concessionary passes have been available under local schemes for many years which limits the opportunity for comparisons over time. In the literature there are some examples where comparisons have been made with other populations such as those aged 50-60 or people in northern England when changes were made to the scheme in Scotland prior to the equivalent changes in England but there are weaknesses in such approaches: in the former case people aged 50-60 are much more likely to be employed than older people, and the use of CTPs in different areas will reflect the local bus services and the characteristics of the population. Also, some older people would be using buses even without the CTP, so the fact that the pass is used for a particular travel purpose, for example, does not necessarily mean that the pass has stimulated all the use of the bus that can be identified. Notwithstanding these caveats, there is a large volume of data about the use of CTPs by older people which can be interpreted in terms of the objectives outlined above, but caution is required to ensure that the claims of the impact are not exaggerated.

3. The impact of the scheme on public transport use by older people

The first objective identified above was to increase public transport usage by older people. As Table 1 shows, this seems to have happened. Since receiving their CTPs, 54% of the recipients are using buses more, 35% about the same and 10% less. The larger increases seem to be amongst those who used the bus often previously. The picture is more complex than this implies, because the comparison is with the situation before receiving the pass. For many of them, receiving the pass would have coincided with retirement so they might be using buses more because they have more time available or because they no longer have a company car. On the other hand, they are older than they were before obtaining the pass and so might be travelling less than previously. Because CTPs are issued free of charge, obtaining one does not necessarily imply an intention to use the bus. This is illustrated in Table 2, which shows that 25% of CTP holders never use buses: they may have obtained the pass as a former of insurance, for example, in case their car is not available. Alternatively they may have obtained it in order to be able to show that they are entitled to some concessions, for example, reduced price access to some services. Table 2 also shows that those who have a pass tend to use the bus more often than those who do not.

Table 1 Change in frequency in the use of buses in Great Britain since receiving a CTP by previous frequency of use (%)

| | | Change in frequency of use of buses since receiving a CTP | | | | | |
|------------------------------------|--------------------------------|---|---------------------|----------------|---------------------|------------------|------------|
| | | A lot more often | A little more often | About the same | A little less often | A lot less often | Don't know |
| Previous frequency of use of buses | At least once a week | 53 | 23 | 24 | - | - | - |
| | Use, but less than once a week | 20 | 40 | 30 | 5 | 4 | 1 |
| | Never | 2 | 9 | 58 | 5 | 22 | 5 |
| All | | 28 | 26 | 35 | 3 | 7 | 2 |

Source: [7].

Table 2 Frequency of use of local bus in Great Britain, 2013

| | At least daily | Less than daily, up to weekly | Less than weekly, up to monthly | Less than monthly, up to annually | Less than annually | Never |
|----------------|----------------|-------------------------------|---------------------------------|-----------------------------------|--------------------|-------|
| CTP holder | 8 | 31 | 15 | 23 | 0 | 25 |
| Non-CTP holder | 6 | 10 | 11 | 20 | 5 | 49 |
| All | 7 | 14 | 12 | 20 | 4 | 43 |

Source: [7].

One objective of the policy was to increase bus usage amongst those without a car or on low incomes. Tables 3 and 4 show that those without a car and those with low incomes are using buses more frequently than before obtaining a pass, but not to a significantly greater extent than those who own a car or with higher incomes.

Table 3 Change in frequency in the use of buses in Great Britain since receiving a CTP by household car ownership level, 2013

| | A lot more often | A little more often | About the same | A little less often | A lot less often | Don't know |
|---------|------------------|---------------------|----------------|---------------------|------------------|------------|
| 0 cars | 29 | 14 | 40 | 2 | 11 | 4 |
| 1+ cars | 27 | 30 | 33 | 3 | 6 | 1 |
| All | 28 | 26 | 35 | 3 | 7 | 2 |

Source: [7].

Table 4 Change in frequency in the use of buses in Great Britain since receiving a CTP by income level, 2013

| | A lot more often | A little more often | About the same | A little less often | A lot less often | Don't know |
|-----------------------|------------------|---------------------|----------------|---------------------|------------------|------------|
| Up to £7,279 | 23% | 25% | 40% | 3% | 9% | - |
| £7,280 up to £14,559 | 24% | 25% | 34% | 5% | 9% | 3% |
| £14,560 up to £25,999 | 34% | 27% | 30% | 1% | 5% | 3% |
| All | 28 | 26 | 35 | 3 | 7 | 2 |

Source: [7].

Note the sample size was too small to show results for those with incomes of £26,000 or more.

Humphrey and Scott [8] carried out logistic regression on National Travel Survey (NTS) data for 2011 to establish the factors that influence use of the CTP. They found that pass holders who did not have access to a car were significantly more likely to use the CTP frequently than those with access. However, they found that income was not a significant factor when other variables such as age, gender and access to a bus stop were controlled for.

Overall, it does seem that the introduction of the CTP scheme has increased bus usage by older people and that those without access to a car use the bus more than those with, but it is not clear that the increase in bus use has been greater for those with low incomes and without cars. In fact, the opposite may be true because some of those with cars and higher incomes probably had very low bus use prior to retirement.

4. The impact of the scheme on access to services for older people

One objective of the concessionary travel pass scheme was to improve the access of older people to services such as health care and shops. Table 5 shows the purposes of trips made by bus by CTP holders and other people. It can be seen that the passes are used for shopping by 81% of pass holders compared with 60% of others. Visiting health care facilities would be included under 'Personal business'. This type of trips has been made by 34% of pass holders, compared with 20% of those who do not have a pass. Other surveys have shown that medical appointments was the third most popular reason for using the passes, after shopping and leisure trips [9,10].

Table 5 Purposes of trips made by bus in the past 12 months

| | Concessionary pass holders | Non concessionary pass holders |
|--|---------------------------------------|---|
| Shopping | 81 | 60 |
| To/from work | 8 | 30 |
| To/from school/college/university (not accompanying children) | 0 | 10 |
| To/from school/college/university (accompanying children) | 0 | 5 |
| Company business | 2 | 5 |
| Visiting friends/relatives | 31 | 29 |
| Personal business | 34 | 20 |
| To/from holiday | 6 | 11 |
| Days out (e.g. visits) | 20 | 21 |
| Other leisure trips | 12 | 14 |
| Other | 8 | 4 |

Source: [7].

There are some examples in the literature where respondents in surveys have said that the CTP has enabled them to access services. Whitley and Prince [11], in a study in Gospel Oak in North London, found that the CTP allowed many respondents to access appropriate services and to attend community activities. Kelly [12] analysed the English Longitudinal Survey of Ageing (ELSA) to examine the impact of offering CTPs to older people on access to services. She found a 6.1% increase in the probability of reporting that access to Post Offices was very easy and a 3.9% increase for access to general practitioners.

CTPs are used to access health care and shopping facilities but this does not necessarily mean that availability of the pass has improved access to these services. If the cost of travel was the barrier to making such trips then a pass that reduces the cost of travel should have increased accessibility. If there were other barriers, such as the lack of a bus service, then offering free travel would make little difference. A survey of older people looked at the reasons why the respondents did not make more trips by various modes [13]. It was carried out in March 2000 a year before the introduction of the national scheme for half-fare local bus travel. It showed that, for buses, affordability was cited as only 8% of the reasons, behind accessibility which included personal mobility difficulties, aspects of the journey and the availability of bus services.

It is very clear from Table 5 that accessing services shops and other services is a very important use of the CTP. What is not so clear is whether the pass has improved the access of older people to a range of health, shopping and other services which was a key objective of the scheme, as proposed in the 1998 Transport White Paper, as discussed in Section 2 above. Whilst the evidence is rather limited, the study carried out in March 2000 mentioned in the previous paragraph suggests that cost was not a major barrier to accessing such facilities. However, this needs to be set against the less tangible benefits of the pass such as making using the bus simpler for example by not requiring the handling of cash or requiring a request for a ticket to a specific destination.

5. The impact of the scheme on the social exclusion and wellbeing of older people

Reducing social isolation was mentioned as an objective of CTPs in the 1998 Transport White Paper [2], while tackling social exclusion was suggested in the 2006 Budget speech [5]. Social isolation is about interacting with other people in the community: the Health White Paper 'Healthy Lives, Healthy People' [14] says, in Paragraph 1.41:

“Maintaining social networks, being part of a community and staying active all benefit health and wellbeing in later life”.

Travel is necessary in order to interact with other people, so the logic of providing CTPs is that, by reducing the cost, more older and disabled people are able to meet one another. Social exclusion is a difficult concept to define, but it is concerned with a perception of feeling part of society. Church et al. [15] say that social exclusion implies that people or households are not just poor, but that they have additionally lost the ability to connect with many of the jobs, services, and facilities that they need to participate fully in society. For CTPs to tackle social exclusion they need to help provide these connections.

Andrews et al. [16] argue that holding a CTP can help to address isolation in later life by facilitating on-bus interaction, offering access to informal support networks and social engagement, and releasing funds that would have been used to pay bus fares to pay for socially-oriented activities, such as purchasing a cup of tea with friends. Andrews [17] found that some respondents in his surveys reported specifically using the bus to meet people and alleviate loneliness and boredom, and that they would have made fewer such bus trips if they had had to pay for the trip. Whitley and Prince [11] found that many respondents remarked that CTP allowed them to visit family and friends, and attend community activities. Some of them praised the pass as it enabled them to maintain their social and economic involvement in society. Jones et al. [18] examined the health impacts of concessionary travel on people aged 60 and older as part of a larger study on the public health implications of concessionary travel for young people. They conducted three focus groups with older people living in London and interviewed 46 of them to discuss their everyday travel experiences. They found that some respondents saw the pass in terms of societal belonging, reflecting recognition of their contribution to society over the course of their lives and a positive affirmation of social worth, and therefore having potentially beneficial effects on wellbeing through the meaning attached to the entitlement to the pass. However, a very small number of respondents felt discomfort at times in the course of using the pass because of their perceptions of the attitudes of other people. This suggests that positive perceptions of the entitlement to the pass by other people can be crucial to the welfare-promoting effects of the pass.

Several studies have found evidence of respondents saying that holding a CTP had improved their quality of life in general. Andrews [17] in his surveys in SW England found 74% of respondents stating that having a pass had improved their quality of life. Rye and Mykura [19] found 60% of their respondents in Edinburgh saying the same thing. Hirst and Harrop [9] found 74% of their respondents in Manchester saying that having a pass enabled them to engage in new pursuits and visit new

places. Andrews et al. [16] found evidence of a growth in 'buspass tourism' with many older people visiting new places as a result of having a CTP.

An important aspect of wellbeing is health. Walking can contribute to physical activity and hence health [20]. Interactions of walking with bus travel are fairly complicated because it is possible that some people, when offered the opportunity to travel by bus for free, will switch from walking to bus use for short trips. On the other hand, most bus trips include an element of walking to and from the bus stop, so by making more trips by bus, some people may be walking more. This question was addressed explicitly by Transport Scotland [10] which asked respondents whether they walked more, less or the same as the result of obtaining a CTP for the whole of Scotland. 17% said they walked more, 14% said they walked less and 63% said they walked the same amount. Interestingly, there was a clear difference with age: the younger old walked more and the older old people walked less. It should be borne in mind that the intervention being examined in that study was the introduction of the national scheme of concessionary travel and that local bus travel was free to CTP holder before the national scheme was introduced. The younger people may have been making more bus trips which involved walking while the reduction for older people may reflect the increase in the take-up rate so that more very elderly people were taking buses for short trips because travel was free.

The effects of the use of the bus on obesity amongst those aged 60 and over was examined by Webb et al. [21] who analysed the English Longitudinal Survey of Ageing (ELSA) to look at local bus travel in 2006 using logistic regression on the population eligible for bus passes (those aged 60+) compared with those aged 50-60 to predict the use of public transport. They concluded that older people who used public transport were less likely to be obese and less likely to become obese than those who did not. Coronini-Cronberg et al. [22] analysed NTS data for England for 2005-2008 and found that older people in England with a free bus pass seem more likely to use active travel (walking and cycling) and buses, and to undertake regular walking than those without, regardless of their socio-economic status. Hirst and Harrop [9] found from their survey of older people in Manchester that respondents reported the use of their CTPs to attend various physical-health oriented recreation and leisure activities. In contrast, Kelly [12] examined Sport England's Active People Survey (APS) and found no evidence that providing free public transport increased participation in sport.

The survey reported in Transport Scotland [10] asked respondents to rate the statement 'Scotland-wide free bus travel for older and disabled people has given me a more active lifestyle' on a scale of one to ten where one implied 'Strongly disagree' and ten implied 'Strongly agree'. Over 900 of the 2069 respondents gave a rating of 10, and about 70% rated the statement between 6 and 10, implying that they agreed with the statement to a greater or lesser extent. The report also states that the qualitative analysis showed that the national concessionary travel scheme encouraged more active lifestyles amongst elderly and disabled people. The respondents also noted that there were mental health benefits from being out more and interacting with other people. A few respondents said that they would feel 'housebound' if they could not use their passes. Some of those who did not use their passes regularly expressed the view that having the pass helped to prevent them feeling trapped at home.

Another aspect of wellbeing is mental health. Whitley and Prince [11] found that, for residents with a common mental disorder characterised by anxiety and depressive symptoms, the CTP scheme allowed them to access services, facilities and social support outside the neighbourhood which appeared to ameliorate some of the symptoms of their condition and prevent deterioration.

Some older people have to give up driving on health grounds. Musselwhite and Haddad [23] examined the travel needs of older people by conducting three focus groups of current elderly car drivers and interviews with older ex-drivers. They found that ceasing to drive caused anxiety about being able to go shopping, to hospital and to doctors' surgeries, with respondents mentioning feelings of depression and annoyance, particularly amongst those 'forced' to give up driving following advice from others or a driving incident. Isolation and exclusion from society were mentioned as resulting feelings. Andrews [17] found evidence that holding a CTP helped ease the transition from being a driver to not being one, particularly for those who held a CTP before they ceased to drive. It meant that they could gradually reduce their car use by giving up driving on some of the journeys that were found to be increasingly difficult such as driving at night, in winter and in congested areas, while using the car for other journeys. Hill et al. [24], who undertook in-depth interviews with people aged 65 to 84 living in central England, found that some car drivers had increased their bus use since obtaining a CTP and that it enabled those with worries about driving to continue to be mobile.

6. Wider impacts of CTPs

The various impacts of CTPs discussed above represent benefits that having a CTP have brought to the lives of older and disabled people. There are also some wider benefits to society of CTPs.

Hirst and Harrop [9] found a number of their respondents in Manchester using their passes for voluntary work. Andrews [17] found examples of how having a CTP helped to promote pass holder participation in society, such as working in the voluntary sector (some people surveyed had taken up voluntary posts on the basis they did not have to pay to get there or have the embarrassment of asking the charity for reimbursement of the travelling expenses, and they could use their CTPs to work more flexibly such as going home for lunch and running errands by bus), and giving informal voluntary help to others including grandparents taking children to school (and therefore engaging in social interaction and being given a greater sense of purpose in life).

Rayner [25] analysed over 3000 email responses from older people in London about their use of their CTPs. Whilst this was not a representative sample and the public transport opportunities are greater in London than elsewhere in Britain, it indicates the range of uses of CTPs. Over 45% of the reasons given were spending money, directly contributing to the local economy, and 25% indicated some form of voluntary activity. The WRVS [26] has estimated the value of the socio-economic contributions of older people in the UK and states that: "*Our new research shows that every year, older volunteers each spend an average of over 100 hours 'informally' volunteering and more than 55 hours in formal volunteering roles*". It is not possible to establish how much the contribution to society of voluntary work is facilitated by the CTP system, but it is likely that it is quite significant.

There may be reductions in health care costs for older people following from the improvements to health, including reductions in obesity, discussed in the previous section.

One impact of CTPs may be the effect on the usage on other modes. In particular, they may reduce car usage. Transport Scotland [10] examined the effects on car usage as a result of the introduction of free bus travel across the whole of Scotland and found that 43% of respondents were travelling by car less, 27% the same and 2% more. A control group in north-east England was used for comparison (this was prior to the introduction of free bus travel across the whole of England). This showed that 21% were travelling by car less, 7% more and 39% the same. This suggests that the introduction of a nationwide free bus travel in Scotland reduced car use. Earlier, another Scotland-wide study examined the effects of introducing free local bus travel [27]. 24% of those surveyed said that they were using their cars less often, 7% more often and 40% the same (and 30% never used a car). Similarly, there was a 20% reduction in the number of lifts received from friends, with 7% receiving more, 42% the same and 31% never receiving lifts. Andrews [17], in his study in south-west England, found that 38% of the trips surveyed would have been made by car, of which 27% would have been as car drivers and 11% as car passengers. 37% of the trips would have been as paid bus journeys, and 16% would not have been made. He also found that 7% of older people reported planning to give up car ownership as a result of the CTP. Passenger Focus [28] looked at the previous mode that was used for trips using CTPs outside the local area. 35% trips were made by car: 18% as drivers and 17% as passengers. Rye and Mykura [19] found that 20% of the extra trips being made by bus in Edinburgh as a result of obtaining a CTP would have been made by car.

It is not possible to say exactly what the impact of CTPs has been on car usage from these surveys because the questions were asked in different ways and the form of the concession varied according to when and where the survey was carried out. It does seem reasonably clear that offering CTPs has had an impact on car usage. A figure of about 20% of the bus trips being made using CTPs having otherwise been driven by car seems to be a rough (and fairly conservative) estimate, based on the reports cited above. Using this assumption, it is possible to estimate the effects CTPs have on the number of car trips. People in Britain made 954 trips per head per annum in 2012 [29]. With a population of 61.85 million [30], this implies that 59,004 million trips were made in Britain in 2012. 64% of trips in Great Britain were by car in 2012 [29], implying a total of 37,763 million person trips by car. 1,771 million concessionary bus journeys were made in Great Britain in 2012/13 [31]. If the estimate of 20% of bus trips by CTP being diverted from car is correct, this implies that 354.7 million bus trips would otherwise have been by car. Since 354.7 million divided by 37,763 million is about 9.4×10^{-3} , this suggests that the use of CTPs reduces the number of person trips by car in Britain by about 1%. The reduction in traffic on the road would be less because some people would have been travelling as car passengers, but in some cases, the trips would have been made for the benefit of the CTP holders (for example, to take them shopping or to see their doctor), and so use of the CTP would remove the need for that car trip. Hence the reduction in the number of vehicle trips by car is probably slightly under 1% (but would be greater if the assumption of a diversion of 20% of bus trips from car because of CTPs is too low).

There may be some benefits of providing CTPs to bus operations. PTEG [32], which represents the Passenger Transport Executives (PTEs) in the metropolitan areas, argues that, because the reimbursement to operators includes an allowance for additional capacity that may be required to carry the additional trips being made, the increase in off-peak frequency may attract more fare-paying passengers, adding to further user and non-user benefits. Focus groups conducted for the Department for Transport [13] suggested that offering free travel on public transport for older people would speed up the boarding process and reduce the incidence of bus drivers moving away before older people had sat down. In Manchester, the number of journeys on Ring & Ride fell by 4% because some users transferred to normal bus services with free fares, so the number of requests refused due to limited capacity fell from 15,600 in April-September 2005 to 12,400 in April to September 2006 [33].

7. The effectiveness of the policy

In this section the extent to which the policy of offering concessionary travel to older people has been successful will be considered.

In the 1998 White Paper it was stated that the scheme would “... *enable elderly people, especially those on low incomes, to continue to use public transport and to use it more often, improving their access to a range of basic necessities such as health care and shops and reducing social isolation*”. It was shown in Section 3 that older people use the bus more than they did before they received the bus pass, on average. This does not necessarily mean that they use the bus more than they would have had they not received the pass because, for many people, obtaining a CTP coincides with retirement which would be associated with changes in travel patterns, such as ceasing to travel to work. However, the research by Andrews [17] suggesting that some bus trips would not have been made without the CTP, and the evidence from NTS shown in Table 1 where 54% of respondents said they use the bus more since receiving a CTP (and only 10% said they use it less) mean that it is reasonable to deduce that public transport is being used more as a result of the CTP. Given that most CTP holders use their passes to access shopping, this suggests that access to shops and other services have improved. It is difficult to measure social isolation, but there is anecdotal information, indicated in Section 5, that the CTP has provided opportunities for social engagement.

The only social objective outlined in the 2005 Budget Statement was “... *it should also help approximately 54 per cent of pensioner households who do not have a car to travel freely in their local area*”. There are trips being made that would not otherwise have been made, as Andrews [17] found, and it is likely that some of these are being made by those who do not have a car. It should, however, be borne in mind that many people live in areas that are not well served by buses: providing a pass that offers free travel on local buses does not help those with no buses.

The 2007 Budget Statement said that extending the CTP to free bus travel across the country would help in “... *tackling social exclusion and maintaining well-being*”. The evidence discussed in Section 5, suggests that the CTP does seem to have achieved this. However, some analysts have been cautious in their interpretations of the evidence. Oxera [34] points out that, while the evidence suggests that providing concessionary travel has helped to reduce social exclusion, the benefits it provides to those on higher incomes and with access to cars, means that the scheme is

targeted too widely and therefore may not provide value for money. Last [35] in his analysis of smartcard data in Lancashire, found that about half the passholders made no trips with their passes in the five-week period being studied and that 2.4% of passholders accounted for 25% of local concessionary bus trips. He argues that a large amount of public money is associated with travel by a very small proportion of the targeted population and that this is probably partly due to the variability in the availability of high quality bus services. He argues that this raises questions about the effectiveness of the policy of offering CTPs as a tool for reducing social exclusion and the equity implications of the distribution of subsidy.

Overall, it does seem that the objectives implicit in the statements announcing the initiatives have been met to some extent at least. It would require a large survey of those with passes and a similar population without passes to identify differences in travel behaviour brought about by the passes, but this cannot be done because it is a universal benefit and so everyone in Britain over the state pension age is entitled to have one. Comparisons with younger people, more of whom would be employed, would not be valid.

An alternative approach to examining empirical evidence for evaluating the scheme is to carry out cost-benefit analysis. PTEG [36] carried out analysis that suggested that trips by concessionary passengers generate economic benefits of £670m per year in the PTE areas alone, which is more than twice the cost of the scheme in those areas. More recently, PTEG [32] has estimated the benefits and costs of the scheme in England. The summary figures are shown in Table 6. It can be seen that the greatest proportion of benefits accrue to users, particularly those who would have travelled without the concession ('old users'). This relates to the equity impacts because older people tend to have higher levels of deprivation than the population at large. The estimated benefits to new users at £69m greatly exceed the costs at £22m, implying a benefit-cost ratio exceeding 3.0. The benefits to other bus users, based on the improvement in bus service frequency, are estimated to be worth £27m. The other wider benefits of decongestion plus other externalities and the wider economic impacts come to £46m. The bus externalities and loss of indirect taxation, a total of £28m, have to be deducted from the benefits. This leaves a total net benefit of £377m. The costs of the revenue foregone and the extra capacity costs come to £254m, so this means that the overall benefit-cost ratio is 1.5 to 1.

Table 6 Welfare assessment of the national concessionary travel scheme

| | Benefits | | Costs |
|--|----------------|---|--------------|
| Welfare gain to old users (transfer) | £232m | Reimbursement for revenue forgone | £232m |
| Welfare gain to new users | £69m | Reimbursement for additional capacity costs | £22m |
| Deadweight welfare loss | -£0.5m | | |
| Decongestion and other externalities | £42m | | |
| Wider economic impacts | £19m | | |
| Welfare gains to other bus users | £27m | | |
| Health benefits (equally split between users and government/society) | £16m | | |
| Bus externalities | -£20m | | |
| Indirect taxation | -£8m | | |
| Total | £377m | | £254m |
| Benefit- cost ratio | 1.5 : 1 | | |

Source: [32] where the assumptions and detailed workings are shown in the Appendix.

8. Conclusions

The evidence presented in this paper suggests that CTPs have had a significant impact on the lives of older people and that the objectives set out in the three Government documents [2,4,5] have, to a large extent, been met: older people are using buses more, many of these trips are to shops and services, suggesting that their access to these has increased, many of those using the pass do not have access to a car, so these people have had their ability to travel in their local area increased, many respondents in the surveys cited stated that their wellbeing had been increased, and many seem to be participating in society more. There is also evidence [32] that the scheme generates more benefits than it costs. There are also wider benefits for society that would not normally be included in a cost-benefit exercise of a scheme such as volunteering.

Whilst benefits are difficult to quantify, the costs are not: the scheme costs over £1 billion a year [31]. This provides free buses to a large number of people who seem to appreciate it. However this raises an important question: if the Government wished to spend over £1 billion improving the lives of older people, was giving them free off-peak bus travel the best way to do this? It is not possible, in the absence of a comparable population without passes, to be certain that the observed and claimed impacts would not have happened anyway, to some extent, at least. Many older people can have a pass but do not have access to a bus: Humphrey and Scott [8] showed that those with poor access to bus services used bus passes much less often than those with a good service, and some of the papers cited [34, 35] suggested that there are equity issues that need to be considered. One way to save money on the scheme would be to introduce means testing, so only those on low incomes would be able to have a pass. However, because it is a universal benefit, it is relatively cheap to administer; any form of means testing would be much more expensive and would mean that some people who would be entitled to a pass

probably would not apply. Also, because many of those with higher incomes probably do not use the bus very often, the reduction in the number of trips made using the pass would not be huge: the saving might well be less than the cost of means testing. Another point to be borne in mind is that the scheme means that many bus routes are receiving subsidy through the reimbursement to the bus operators of the revenue that would have been received from those who would have paid to travel without a pass and some of these routes might not be operated otherwise, which benefits not only older people, but also some other members of society. Whilst some people might regard subsidising buses as a good thing, for example, to provide an alternative to the car, the network that is being subsidised is one that has emerged from the commercial decisions of bus operators with some additional services perceived as socially necessary by local authorities. It is not necessarily the optimal network from the perspective of passengers, including older people. Summing up: the policy of providing concessionary travel passes for older people was a political decision which has had major ramifications for both older people and bus operators, and indirectly for the rest of the population as tax payers and travellers.

Overall, the evidence suggests that the policy has achieved its objectives, but the nature of the evidence means that there are many uncertainties. It is quite likely that, with better monitoring and more comprehensive surveys, it would be found that the scheme has been rather limited in its achievement of the objectives. The full ramifications of the policy were not examined prior to implementation. If the £1 billion were not being spent on the scheme it probably would not be spent on either older people or bus services. Given that the money is both benefitting older people and helping to keep bus services running, it could be argued that it is a positive measure. Introducing policies to improve the quality of life is never going to be an exact science, so, on balance, it seems reasonable to deduce that the scheme has been successful.

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