



BRIEFING PAPER

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Concessionary bus fares

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Summary

This note explains the legislation covering concessionary bus fares in England. It briefly summarises the positions in Scotland, Wales and Northern Ireland.

There are two types of concessionary bus fares – statutory concessions (i.e. those which local authorities *must* provide in accordance with national legislation) and non-statutory, discretionary concessions (i.e. those which local authorities can provide from their own funds if they so wish).

The basic statutory concession in England provides for free bus travel for older and disabled people during off-peak times. The eligible age for the concession is rising to 66 by October 2020 and currently stands at around 62.5 – your entitlement to the concession will depend on when you were born.

Local authorities may provide further concessions in accordance with their local priorities – these extend only to the local authority area borders, unless a cross-border agreement has been reached with a neighbouring authority. For example, in London and other major cities, there is often concessionary travel on other modes of transport, and travel during peak hours. Taken together, the statutory and discretionary bus concessions cost approximately £1.17 billion per annum.

There has been an ongoing debate about whether the bus pass should be means tested for wealthier pensioners. The two main parties and the Liberal Democrats committed to protecting the free bus pass for older people in their 2015 manifestos. However, supporters of all three parties recommended that they look at means testing so-called ‘middle class benefits’ such as the bus pass after the election.

Information on rail concessions can be found in HC Library briefing paper [SN1904](#); and other briefings on bus-related matters can be found on the [Buses Topical Page](#) of the Parliament website.

1. England (statutory)

1.1 How was the scheme developed?

The Labour Government introduced a local, half-fare statutory scheme in 2001. The concession was gradually extended over the following seven years. The concession initially applied to women over the age of 60 and men over 65, but this had to be altered following a legal judgement that found it discriminatory. The eligible age was subsequently lowered to 60 for all, but has been increasing since April 2010 when the female state pension age began to rise.

The Labour Government announced in its July 1998 transport White Paper that it intended to introduce “a national minimum standard for local authority concessionary fares schemes for elderly people with a maximum £5 a year charge for a pass entitling the holder to travel at half fare on buses”.¹

This was legislated for by sections 145 to 159 of the [Transport Act 2000](#), which gave ‘elderly people’ (defined at the time as “a person who has attained pensionable age”) and specified disabled people the entitlement to a half-fare concession on local bus travel during the ‘relevant time’ (i.e. Saturdays, Sundays and Bank Holidays and between 0930 and 2300). Local authorities would issue a permit, provided free of charge, to those ‘residing’ within the authority boundary allowing them to claim the concessionary fare. Following consultation, the scheme came into effect on 1 June 2001 (1 April 2001 within London).²

In February 2001 the Government announced that it would introduce legislation to amend the law so that men would qualify for travel concessions at the same age as women.³ This followed a case brought before the European Court of Human Rights (ECHR), contending that the statutory concession constituted sex discrimination because women became eligible for it at aged 60 while men had to wait until 65.⁴

The [Travel Concessions \(Eligibility\) Act 2002](#) amended the legislation so that, from 1 April 2003, the definition of ‘elderly people’ for the purposes of the concession became “persons who have attained the age of 60”. It also included a power for the Secretary of State to make

¹ DETR, [New Deal for Transport: Better for everyone](#), Cm 3950, July 1998, para 4.81

² DETR, [Implementation of statutory minimum concessionary fares commitment](#), 20 December 1999; and [Transport Act 2000 \(Commencement No. 1 and Transitional Provisions\) Order 2000 \(SI 2000/3229\)](#)

³ DETR press notice, “[One million set to benefit from equal travel concessions](#)”, 19 February 2001

⁴ [Michael Matthews v. The United Kingdom](#), 28 November 2000; the final judgement, on a ‘friendly settlement’ was handed down on 15 July 2002 [[application no. 40302/98](#)]

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an Order to replace references to age 60 with a formula that would increase the eligible age alongside changes to pension age.⁵

The concession was extended from a half-fare concession on local bus services to free travel on local services throughout England from 1 April 2006.⁶ The Government provided an extra £350 million for 2006-07 through the Formula Grant system to fund the cost to local authorities.⁷ The Government extended the concession to provide free local bus travel England-wide from 1 April 2008 via the [Concessionary Bus Travel Act 2007](#).⁸ The Act includes a power to allow, in the future, for mutual recognition of national concessionary bus passes across the United Kingdom so it has the potential to be a national UK-wide scheme.⁹

In the December 2009 Pre Budget Report the Labour Government stated that the qualifying age for the statutory concession in England would rise to 65 between 2010 and 2020, in line with the planned rise in the female pension age.¹⁰ The *Travel Concessions (Eligibility) (England) Order 2010* ([SI 2010/459](#)) legislated for this change from 6 April 2010.

Due to further changes to the state pension age by the Coalition Government, the age of eligibility for the statutory concession will rise faster and higher than originally envisaged – to 66 by October 2020 (and presumably in line with subsequent rises after that).

1.2 What are the current arrangements?

Under the provisions of the [Transport Act 2000](#), as amended, in England outside London the statutory concession currently consists of guaranteed free off-peak travel for older and disabled people on all local buses anywhere in England from 0930 until 2300 on weekdays and all day at weekends and on Bank Holidays.

'Eligible services' are as specified in the *Travel Concessions (Eligible Services) Order 2002* (SI 2002/1016), as amended, made under section 146 of the 2000 Act. Broadly. This defines eligible services as 'local services', which are buses carrying passengers at separate fares locally, other than on private trips.¹¹

⁵ it was estimated that the Act benefited approximately one million men, see: DTLR press notice, "One million extra men to get cheaper fares", 27 February 2002; the background to the Act is given in HC Library briefing paper [RP 01/80](#)

⁶ *Travel Concessions (Extension of Entitlement) (England) Order 2005* ([SI 2005/3224](#))

⁷ [HC Deb 27 February 2006, c328W](#); this funding was distributed to local authorities according to the overall local government grant formula and was not ring-fenced

⁸ for more information on the Act, see HC Library briefing papers [RP 07/19](#) and [RP 07/53](#); the format for the new national concessionary pass was unveiled in September 2007 (see: DfT press notice, "[National bus pass for older and disabled people unveiled](#)", 18 September 2007)

⁹ in mid-2007 the DfT published a study on the impact of the all-England concession on bus company practices, see: Steer Davies Gleave for the DfT, [Impact of concessionary fares](#), April 2007

¹⁰ DfT, [Statement on Changes to Concessionary Travel announced in Pre-Budget Report](#), 9 December 2009; and: [Guidance for Local Authorities on the change in the age of eligibility for Concessionary Travel](#), March 2010

¹¹ see also section 2 of the [Transport Act 1985](#), as amended

This was most recently amended in 2009.¹² Following consultation, the definition of ‘eligible services’ was revised to exclude services on which the majority of seats can be reserved in advance of travel; that do not run for a period of at least six consecutive weeks; that are operated primarily for their historical interest or for tourism; rail replacement services; and services where the fare charged by the operator has a special amenity element.¹³ If they wish, local authorities can still fund these services as part of their discretionary schemes (see section 2, below).

1.3 Who is eligible?

Disabled people

Eligible disabled people are those specified in section 146 of the 2000 Act, as amended:

“disabled person” means a person who—

- (a) is blind or partially sighted,
- (b) is profoundly or severely deaf,
- (c) is without speech,
- (d) has a disability, or has suffered an injury, which has a substantial and long-term adverse effect on his ability to walk,
- (e) does not have arms or has long-term loss of the use of both arms,
- (f) has a learning disability, that is, a state of arrested or incomplete development of mind which includes significant impairment of intelligence and social functioning, or
- (g) would, if he applied for the grant of a licence to drive a motor vehicle under Part III of the Road Traffic Act 1988, have his application refused pursuant to section 92 of that Act (physical fitness) otherwise than on the ground of persistent misuse of drugs or alcohol,

Certain people are automatically passported to free bus travel:

- People in receipt of the higher rate DLA mobility component;
- People receiving PIP who have been awarded at least 8 points against either the PIP “Moving around” and/or “Communicating verbally” activities;
- Recipients of the War Pensioner’s Mobility Supplement; and
- People registered with a local authority as blind, partially-sighted, or profoundly or severely deaf¹⁴

¹² *Travel Concessions (Eligible Services) (Amendment) Order 2009 (SI 2009/575)*

¹³ DfT, *Consultation on the definition of eligible services for the statutory bus concession in England*, October 2008; and: *Government response to consultation on clarifying the definition of which services are eligible for the statutory bus concession in England*, March 2009

¹⁴ DfT, *Guidance to local authorities on assessing eligibility of disabled people in England for concessionary bus travel*, Version 1.2, April 2013, pp11-12

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The Department recommends that, where there is doubt about eligibility, local authorities seek independent medical evidence.¹⁵

It is for a local authority to determine whether someone is a 'disabled person' or not based on the definitions above and on the guidance issued by the Department for Transport, to which they *must* have regard when assessing eligibility. The guidance is: DfT, [Guidance to local authorities on assessing eligibility of disabled people in England for concessionary bus travel](#), Version 1.2, April 2013.

Older people

Eligible older people are those specified in Regulation 2 of the 2010 Regulations as being "in the case of a woman, her pensionable age [and] in the case of a man, the pensionable age of a woman born on the same day". Due to the policies of successive governments to raise the female state pension age and equalise it with that of men, this means that the eligible age for the statutory concession is also increasing.¹⁶

In 1995 the Conservative Government legislated to increase the female state pension age from 60 to 65 between 2010 and 2020.¹⁷ As indicated above, in February 2010 the Labour Government legislated to increase the eligibility for the statutory concession in line with this rise in the pension age. However, due to planned changes to the state pension age made by the Coalition Government between 2010 and 2015, the age of eligibility for the statutory concession will rise faster and higher than originally envisaged – to 66 by October 2020.

For full details of the plans to equalise and then increase the state pension age, see: HC Library briefing paper [SN6546](#)

1.4 How is it administered?

The scheme is administered by 'travel concession authorities' (TCAs). In England these are county, unitary and metropolitan authorities and the 33 London councils.¹⁸

These authorities were made TCAs in 2011 following changes made by the Labour Government prior to the 2010 General Election.¹⁹ This removed the responsibility for administering concessionary fare schemes from non-metropolitan district councils. The Government argued that making only upper tier authorities TCAs would deliver efficiencies; make the funding formula easier; enable discretionary concessions to be maintained at a local level; harmonise concessionary travel

¹⁵ *ibid.*, pp12-13

¹⁶ the [State Pension Age Calculator](#) can be used to work out the date and age at which one becomes eligible for the concession.

¹⁷ section 126 and Schedule 4 of the [Pensions Act 1995](#)

¹⁸ guidance for the new travel concession authorities was published in December 2010, see: DfT, [Guidance for Travel Concession Authorities on the England National Concessionary Travel Scheme](#), December 2010

¹⁹ *Concessionary Bus Travel Act 2007 (Variation of Reimbursement and Other Administrative Arrangements) Order 2010 (SI 2010/1179)*; the Order was debated in both Houses, see: [DL \(4\) Deb 16 March 2010](#); and: [HL Deb 15 March 2010, cc183-190GC](#)

responsibilities with wider transport authority ones; and assist with the roll-out of smart ticketing.²⁰

1.5 How is it funded?

It costs approximately £1.17 billion per annum to provide the statutory free local bus travel concession in England.²¹ This is an increase of £117 million since the concession was introduced. In 2013/14 there were 9.73 million concessionary travel passes issued across England, this puts the average cost at £120 per pass.²²

Over the years there has been a lot of debate about the adequacy of the funding for first the discretionary and then, after 2001, the statutory, bus concession schemes.²³ This became particularly acute after changes in 2009 to the mechanism for calculating the allocations to local authorities.²⁴

The most recent change followed the decision to wrap up funding for the statutory concessionary bus pass with the Formula Grant from April 2011.

Towards the end of 2010 the Department for Communities and Local Government (CLG) consulted on how the transfer of responsibility for concessionary travel (from lower tier to upper tier authorities – see above) would be taken into account in authorities' funding allocations from 2011/12.²⁵

Between 2008 and 2011 the Department for Transport provided a special grant, totalling just over £650 million, to local authorities to pay for the statutory concession.²⁶ However, the majority of funding was provided by CLG through Formula Grant. Since 1 April 2011, *all* funding has been through the Formula Grant.

1.6 Is it going to be means tested?

The bus pass is phenomenally popular amongst older and disabled people: as of 2014 approximately four fifths of those eligible for the bus pass take it up; in London take up is essentially universal.²⁷ It is clear that those in receipt of the bus pass highly value the freedom and independence it gives them. It is also worth noting that across the English local bus network more than one in five journeys is made using

Information on the funding of bus services in general, rather than concessionary fares, can be found in HC Library briefing paper [SN1522](#).

²⁰ DfT, [Consultation Response Document: Consultation on possible changes to the administration of concessionary travel](#), December 2009, paras 12&18

²¹ DfT, [Concessionary travel \(BUS0811\)](#), 16 December 2014

²² *ibid.*, [Concessionary travel \(BUS0811 and 0820\)](#)

²³ see, e.g.: [HL Deb 24 July 2001, c1904](#); and: [HC Deb 22 March 2006, c377W](#); and: "Concessionary travel deal leaves councils facing funding shortfall", *Local Transport Today*, 20 December 2007 [LTT 484]

²⁴ see, e.g.: [HC Deb 4 November 2009, c46WS](#); and: DfT, [Local Authority special grant funding in 2010/11 for the national bus concession in England: Consultation Paper](#), November 2009

²⁵ CLG, [Revenue Support Grant for 2011-12 and 2012-13 and related matters: consultation paper](#), December 2010, paras 26-27

²⁶ [HC Deb 11 October 2010, c47W](#); DfT, [Special Grant Report \(No. 129\)](#), HC 256, 19 February 2008; and: DfT, [Special Grant Report \(No. 130\)](#), HC 306, 28 January 2010

²⁷ *op cit.*, [Concessionary travel \(BUS0820\)](#)

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a concessionary pass.²⁸ It is not clear whether some of these services could survive without this cohort of passengers.

There are those who argue that the universal bus pass is simply not financially viable; that the universality of the bus pass is a waste of resources and that the significant amount of money put aside for bus passes could be better spent if older recipients were means tested. The money saved from not providing the bus pass to those with means to purchase their own bus tickets could be spent on other things, for example a new concession for younger people in higher education or those actively looking for work. In a December 2014 interview Martin Griffiths, chief executive of Stagecoach, said:

Are there some passengers who board our buses who could probably afford to pay? Of course they could. As a voter, I want to know bus services are going to be protected. They have to decide what is the prioritisation. They can't be dishonest just because these people vote – 8 million of them, they all vote ... so ooh, don't tamper with the concession scheme. Politicians are being disingenuous with all of us.²⁹

All major parties committed to protecting the free bus pass for older people in their 2015 manifestos. However, supporters of all three main parties in England recommended that they look at means testing so-called 'middle class benefits' such as the statutory bus concession after the election.³⁰ Support for the idea has also come from the Social Market Foundation and the Centre for Policy Studies.³¹

²⁸ op cit., [Concessionary travel \(BUS0821\)](#) and [Local bus passenger journeys \(BUS0103\)](#)

²⁹ "[Stagecoach boss: free bus travel comes at a cost](#)", *The Guardian*, 10 December 2014

³⁰ see, e.g.: "[Nick Boles is right to put universal benefits on notice](#)", *Conservative Home*, 10 July 2012; "[Ed should pledge to scrap 'middle class benefits'](#)", *Prospect blog*, 13 February 2013; and: "[Nick Clegg: pensioners' benefits should be means tested](#)", *The Daily Telegraph*, 4 December 2011

³¹ SMF, [Osborne's Choice](#), February 2012, p29; and: CPS, [2012 Budget: 21 policies for growth and wealth creation](#), March 2012, p2

2. England (discretionary)

Local authorities have discretion over any concessionary fares that they choose to offer in addition to the statutory concession. Any such discretionary concessions are funded from general spending.

Section 93(7) of the [Transport Act 1985](#), as amended, allows integrated transport authorities (ITAs)³² and local authorities in England, Scotland and Wales (outside London) to provide, at their discretion, travel for specified groups of people. In England, they are:

- persons whose age does not exceed sixteen years;
- persons whose age exceeds sixteen years but does not exceed eighteen years and who are undergoing full-time education;
- persons who are blind or partially sighted;
- persons who are deaf;
- persons who are without speech;
- persons who have a disability, or have suffered an injury, which has a substantial and long-term adverse effect on their ability to walk;
- persons who do not have arms or have long-term loss of the use of both arms;
- persons who have a learning disability, that is, a state of arrested or incomplete development of mind which includes significant impairment of intelligence and social functioning;
- persons who, if they applied for the grant of a licence to drive a motor vehicle would have their applications refused on grounds of physical fitness (otherwise than on the ground of persistent misuse of drugs or alcohol);
- any person travelling as the companion of an eligible disabled person and who requires the assistance of a companion in order to travel on journeys on public passenger transport services; and
- any other classes of persons as the Secretary of State may by order specify.

They may also provide a discretionary concession to anyone over the female state pension age (i.e. in the case of a woman, someone who has attained her pensionable age, and in the case of a man, someone who has attained the pensionable age of a woman born on the same day). This, in effect, forbids local authorities from offering discretionary concessions to the over 60s under the powers in the 1985 Act.

However, they can offer such a concession under their 'well being' powers in Part 1 of the [Local Government Act 2000](#), as amended. Government guidance states:

Whilst local authorities will no longer be able to use their powers under the Transport Act 1985 and the Greater London Authority Act 1999 to provide travel concessions to those below the pensionable age applying to women, subject to their own legal advice, they might be able to use their well-being powers under

³² ITAs replaced passenger transport authorities (PTAs) in the metropolitan areas of England from 9 February 2009 under section 77 of the [Local Transport Act 2008](#); for more information see section 3 of HC Library briefing paper [SN4351](#)

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the Local Government Act 2000 to provide discretionary travel schemes to such people.

However, English National Concessionary Travel Scheme (ENCTS) passes may not be issued to these people and the arrangements with transport operators would have different legal arrangements. We advise any local authority seeking to offer such concessions to seek advice from their own lawyers before they are established.³³

³³ op cit., [*Guidance for Local Authorities on the change in the age of eligibility for Concessionary Travel*](#), paras 27-28

3. London

The London scheme (known as the [Freedom Pass](#)) provides a standard concession for older and disabled people across the 33 London Boroughs, with the costs of the single scheme being charged back to each of the Boroughs under an agreed formula, based on the number of permits issued to the residents of each Borough.

The scheme provides free travel for pass-holders on almost all public transport in London. There are differing rules on [where and when permit holders can travel](#):

- **Buses** - on all TfL local buses (in the Greater London area) at any time of day or night;
- **Underground, Overground and DLR** - accepted all day, every day on the whole of the London Underground, Overground and Docklands Light Railway (DLR) network;
- **National Rail** - allows you to travel for free in all standard class train carriages on most local rail services between 0930 and 0430 the following morning Monday to Friday; and all day at weekends and on public holidays. On some routes Freedom Pass holders may travel free 24 hours;
- **London Trams** - accepted all day, every day;
- **River services** - a 50 per cent discount on normal river fares on a number of services including Thames Clippers and the Woolwich Ferry after 0900 Mondays to Fridays and at any time on Saturdays, Sundays and public holidays; and
- **Cable car** - a discount of £1.10 on a single ticket.

Responsibility for funding concessionary fares rests with the London borough councils under section 240 of the [Greater London Authority Act 1999](#), as amended.³⁴

The boroughs make voluntary arrangements with [Transport for London \(TfL\)](#) and other transport operators to provide the concessions, but if they do not agree, TfL is able to implement a reserve scheme and charge the boroughs for the cost of doing so.³⁵

London is one of the most generous authorities when it comes to discretionary concessions:

- In September 2006 it extended free travel to young people aged between 16 and 18 in full time education.³⁶

³⁴ formerly section 50 of the [London Regional Transport Act 1984](#)

³⁵ the closest the two have come to disagreement in the past decade was in 2007, see: London Councils press notice, "[Freedom pass safe in our hands](#)", 30 January 2007; and: London Mayor press notice, "[Freedom pass guarantee must remain](#)", 29 January 2007; Parliamentary efforts to amend the legislation in line with the boroughs' views were made and resisted during the passage of the 2007 Act, see: [HL Deb 8 January 2007, cc29-31 GC](#), [HL Deb 29 January 2007, c36-38](#), and [PBC Deb 5 June 2007, cc47-52](#)

³⁶ "London's buses now free for under 18s", *The Londoner*, September 2006; concerns about a possible increase in youth crime on public transport were addressed by Mayor Johnson's Safer Transport Teams initiative and an 'earn back' scheme for anti-social behaviour (see: London Assembly Transport Committee, [Crime and](#)

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- In November 2008 it extended free travel to all injured war veterans travelling in London – whether resident or visitors.³⁷
- In April 2009 it extended half price bus and tram travel to jobseekers.³⁸
- In November 2012 it restored free travel to all those aged between 60 and the state pension age.³⁹

[disorder on London's buses](#), January 2008; and Mayor of London, [Mayor's Transport Strategy](#), May 2010, proposal 121

³⁷ Mayor of London press notice, "[Mayor announces free travel for injured war veterans](#)", 27 June 2008

³⁸ Mayor of London press notice, "[Thousands of unemployed Londoners to be helped back to work](#)", 14 January 2009

³⁹ TfL press notice, "[Free travel restored for all London's over-60s](#)", 1 October 2012

4. Bus operator reimbursement

The basis upon which local authorities reimburse bus operators for accepting concessionary fares is constantly under review. Authorities apply a complex formula for calculating the correct level of reimbursement that is often a point of dispute with the operators.⁴⁰

The current guidance was published in October 2013. The guidance represents the Department for Transport's preferred approach for calculating reimbursement. However, local authorities are free to use the methodology of their choice in estimating reimbursement subject to ensuring compliance with [EU Regulation 1370/2007](#) on public passenger transport services, as well as the relevant domestic legislation that governs concessionary travel reimbursement.⁴¹

Operators can appeal to the Secretary of State if they disagree with changes to reimbursement arrangements by the relevant TCA.⁴²

The provision of concessionary travel schemes should be cost-neutral on bus operators. The general principle is that operators should be “no better and no worse off” from concessionary fares. In practice, this means:

Travel Concession Authorities should

- compensate operators for the **revenue forgone** – i.e. the revenue they would have received from those concessionary passengers who would otherwise have travelled and paid for a (full fare or discounted) ticket in the absence of a scheme; and
- pay operators any **net additional costs** they have incurred as a result of the scheme – this could for instance include the cost of carrying additional generated passengers (i.e. concessionary passholders that would not have travelled in the absence of the scheme) or other costs that would not have been incurred in the absence of the concession such as scheme administration costs. Those costs are net of additional revenue.⁴³

Calculating concessionary travel reimbursement is therefore predicated on determining what would have happened in the absence of the scheme. This requires local authorities to estimate the various components of reimbursement as outlined below:

The revenue forgone is an estimate of the revenue that would have been received in the absence of a scheme – it is therefore dependent on

Principle of reimbursement:

Total reimbursement due = Revenue Forgone [R] + Net Additional costs [A]

⁴⁰ see, e.g. [HC Deb 2 March 2010, c1012W](#); and [Certain Bus Operating Companies in the Stagecoach \[and\] Go-Ahead Group v. Secretary of State for Transport](#), 16 February 2010 [Case No: CO/3350/3356/4655/5087/3358/3807/2008]

⁴¹ i.e. [Travel Concession Schemes Regulations 1986](#) (SI 1986/77); and [Mandatory Travel Concession \(England\) Regulations 2011](#) (SI 2011/1121)

⁴² for details, see DfT, [Concessionary travel for older and disabled people: guidance on reimbursing bus operators \(England\)](#), October 2013, paras 2.14-2.19

⁴³ *ibid.*, para 3.2

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- The number of journeys that would have been made by concessionary travellers in the absence of a scheme. These journeys are also known as non-generated journeys: they would have happened anyway...
- The fares that operators would have offered and concessionary travellers paid in the absence of a scheme...

[...]

The recommended approach to estimate the number of journeys that would have taken place in the absence of the concession is to apply an adjustment factor – the **reimbursement factor** – to the number of observed concessionary journeys made using the free fare concession. The reimbursement factor depends on the sensitivity to fare changes of passengers' desire to travel by bus.

[...]

The additional costs are made of up to four components...:

Scheme administration costs – these are administration costs associated with running the scheme.

Marginal operating costs – the costs of carrying additional passengers assuming service levels are held constant.

Marginal capacity costs – the net costs incurred from additional capacity on a route to accommodate generated journeys, after allowing for revenue gain.

Peak Vehicle Requirement (PVR) costs – the costs associated with the requirement to run additional vehicles in the peak period due to generated concessionary travel.⁴⁴

In 2011 the TAS Partnership estimated that in practice reimbursement rates were around 50-65 per cent. Further, in 2009/10, reimbursement comprised almost a quarter of local bus revenue in England outside London and for many smaller operators the proportion of income may have been closer to a third.⁴⁵

The Department for Transport publishes concessionary travel statistics for each local authority in England showing, for older and disabled people: the total reimbursement of bus operators; the average reimbursement per journey; the average reimbursement per pass. These figures are obtained from bus operators through the annual Concessionary Travel Survey. They do not show reimbursement as a proportion of the full-fare cost of a journey. In addition, if bus operators indicate that the information is commercially sensitive, it is not included in the final published table.⁴⁶

⁴⁴ *ibid.*, paras 3.5-3.7

⁴⁵ Transport Committee, [Written evidence from TAS Partnership Ltd](#), January 2011 [BUS 37]

⁴⁶ DfT, [Reimbursement of bus operators for concessionary travel by Travel Concession Authority: England, annual \(BUS0832\)](#), 14 December 2014

5. Long distance coach services

In October 2011 the Coalition Government abolished a fuel duty subsidy to long distance coach operators, which in turn led to the abolition of the half fare concession for pensioners and disabled people on those services.

Since then, coach operators have introduced new concessions for older and disabled people. For example, National Express, the country's biggest long-distance coach provider, has a [Senior Coachcard](#) for the over 60s which provides a third off all coach travel (at a cost of £12 per annum for the card, including postage). It offers the same arrangement for disabled people via a [Disabled Coachcard](#).

The provision for travel concessions on coaches did not come under the general bus concessions legislation. It arose some time ago as a result of work by the [Commission for Integrated Transport \(CfIT\)](#) on fuel duty rebate (FDR).⁴⁷ CfIT concluded that FDR should be extended to cover long distance coaches, but that operators should offer in return a 50 per cent fare concession to pensioners and disabled people.⁴⁸ This came into effect from 1 May 2003.⁴⁹

Primary legislation was not needed to implement the scheme as coach companies agreed to introduce the change voluntarily. The *Bus Service Operators Grant (amendment) (England) Regulations 2003* ([SI 2003/1036](#)) were introduced to provide for the payment of grant to eligible coach services to cover the costs of the concessionary fares. A condition of eligibility for the grant was that concessionary fares were made available to passengers over 60 and those with a travel permit as a disabled person. Coach companies reserved the right not to offer fare concessions during some peak periods.

The Coalition Government announced its intention to abolish the grant from October 2011, also ending the *requirement* on coach operators to provide concessionary travel. The Government assessed the impact as follows:

Older and disabled people are currently eligible for the half price concession. Unless coach operators decide to offer their own schemes, they will lose out on these cheaper fares. We have assessed the impact overall as low. There are over 11 million people eligible for the concession – in 2009-10 around 3m concessionary travel journeys were made on coaches in England.

⁴⁷ FDR is now known as Bus Service Operators' Grant (BSOG); for more details on this, see: HC Library briefing paper [SN1522](#)

⁴⁸ CfIT, [Advice to Ministers ULSD duty and fuel duty rebate for express coach services](#), March 2001, para 30

⁴⁹ the Prime Minister gave his approval in 2001 and there followed a consultation by the DfT in 2002, see: [HC Deb 4 July 2001, c259](#) and DfT, [Review of bus subsidies](#), July 2002

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This contrasts with around 1bn concessionary travel journeys made on local buses in England.⁵⁰

National Express published a pro forma letter on its website asking concerned customers to contact their Member of Parliament to appeal against the changes.⁵¹

⁵⁰ further details in: DfT, [EqIA Screening Proforma: end to BSOG payments \(from October 2011\) for operators of long distance coaches offering half price concessions](#), November 2010

⁵¹ NX, [Important news on the concessionary fares scheme](#) [accessed 15 July 2015]

6. Wales

The Welsh Government is responsible for overseeing the administration of [concessionary fare schemes](#) by local authorities in Wales.

As in England, statutory provision for the minimum standard, that is a half-fare for men aged 65 and women aged 60, was introduced from 1 April 2001; free travel was introduced from 1 April 2002.⁵² This was extended to men aged 60 from 1 April 2003. The concession was further extended to injured service personnel and veterans from 2011.

In early 2010 the Assembly Government confirmed that the age of eligibility for older people in Wales would **not** rise with the state pension age like the scheme in England but would remain at 60.⁵³ Although many welcomed the decision, others questioned whether it was really sustainable in the face of financial problems.⁵⁴

⁵² Welsh Office press notice (ref W00381-Tr), 20 April 2000

⁵³ WAG press notice, "Free bus pass plans remain the same in Wales", 15 March 2010

⁵⁴ see, e.g.: "[Can Wales justify free bus passes in the face of a £187m budget cut?](#)", *Western Mail*, 26 May 2010

7. Scotland

A Scotland-wide national concessionary travel scheme for older and disabled people was launched on 1 April 2006. This scheme, which operates under the provisions of section 40 of the [Transport \(Scotland\) Act 2005](#), is administered and funded by Transport Scotland, although responsibility for the issue of Entitlement Cards lies with individual local authorities and [Strathclyde Partnership for Transport \(SPT\)](#).

The national scheme replaced 16 local concessionary travel schemes administered by local authorities and SPT. The concession provides for free travel throughout Scotland on virtually all local registered and long distance scheduled bus services available to the general public. There are only a small number of services on which the concession cannot be used, for example premium fare night buses and City Sightseeing Buses. Residents of the Western Isles, Orkney and Shetland can also get two free return ferry journeys to the mainland each year.

Other concessions offered in Scotland are a '[companion entitlement](#)' for those who care for and travel with dependent disabled people and a one third concession for [young people](#) aged between 16 and 18 and full time volunteers aged under 26.

Individual local authorities and SPT can choose to offer their residents additional travel concessions under section 68 of the [Transport \(Scotland\) Act 2001](#). This power was most recently used by the City of Edinburgh Council to offer Edinburgh residents eligible for the national concessionary travel scheme to travel for free on the Edinburgh Tram system.

In late 2010 Audit Scotland recommended that the Scottish Executive revisit the concession and increase the age of eligibility in order to keep the scheme financially viable. Transport Scotland rejected this idea.⁵⁵

Further details of the concessionary schemes in Scotland can be found in SPICe briefing [SB 09-02](#).

⁵⁵ "[Free travel for elderly must be reviewed, says watchdog](#)", *The Scotsman*, 7 October 2010

8. Northern Ireland

A concessionary fares scheme for Northern Ireland was established in 1978, under Article 5 of the *Transport (Northern Ireland) Order 1977* ([SINI 1977/599](#)), with the intention of extending existing concessions available on public transport in Belfast to cover services throughout Northern Ireland. Free travel was introduced for those registered as blind. Half fare travel was introduced for those aged 65 and over; people in receipt of a regular war disablement pension; and children between the ages of six and 16.

Those over 65 have had free travel on scheduled buses and trains since 1 October 2001 on production of a pass, obtainable free of charge; this was lowered to age 60 from 1 October 2008.⁵⁶

The following groups are entitled to travel free on public transport in Northern Ireland: those who are registered blind; the over 60s and those with a war disablement. The following groups may travel for half-fare: children under 16; those with a learning disability, who are in receipt of Disability Living Allowance (DLA), who are partially sighted or who have been refused a driving licence on grounds of medical fitness.⁵⁷

In 1995 the Irish Government introduced free cross-border travel for those eligible for concessionary fares resident anywhere on the island of Ireland. It should be noted that this concession was paid for by the Irish Government and did not form part of the Northern Ireland scheme. Since 2 April 2007 there has been an all-Ireland scheme providing free travel on public transport throughout the island of Ireland for those aged 65 (resident in Northern Ireland) and 66 (resident in the Republic of Ireland).

Further details of the concessionary schemes in Northern Ireland can be found in a [Briefing Paper on the Free Travel Scheme for People Aged 60-64](#), published in October 2012 by the Northern Ireland Assembly Research and Information Service.

⁵⁶ DRDNI, [Policy review of the Northern Ireland Concessionary Fares Scheme](#), July 2007

⁵⁷ for more information, visit the [NI Direct website](#) [accessed 15 July 2015]

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