

# Briefing: The free bus pass

This briefing note provides information about the free bus pass in **England** and explains Age UK's views. (Policy on the bus pass is devolved to local administrations in Scotland, Northern Ireland and Wales - where there are differences in the application of travel concessions).

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Contact: [joe.oldman@ageuk.org.uk](mailto:joe.oldman@ageuk.org.uk)

## **Who qualifies for a bus pass?**

A minimum standard for concessionary fares for older and disabled people was originally introduced under the Transport Act 2000 and extended by subsequent legislation.

Currently free off peak travel is available to older people and disabled people between 9.30 and 23.00 on weekdays and all day on weekends and bank holidays. For older people in England eligibility for a bus pass is determined by the female state pension age, whether you are a man or a woman<sup>i</sup>. This is gradually increasing from 60 to reach 65 by November 2018 (by mid-2016 this will be 63). The Department for Transport provides specific guidance to local authorities on assessing the eligibility of disabled people.

London and some other local authority areas have used their discretionary powers to reduce the qualifying age to 60, and to fund other discretionary transport services. Access to concessionary travel can vary from place to place depending on the local authority.

## **How many older people benefit from the bus pass?**

In 2013/14 there were 9.7 million concessionary bus passes in England, with an average of 104 bus journeys per pass per year.<sup>ii</sup> Of these 8.8 million passes were for older people. The percentage of eligible pensioners with a pass has slightly reduced between 2012 and 2013 from 78% to 76%.

People do not get a bus pass automatically – they have to apply. Bus operators are reimbursed based on how much older people travel on their buses. Therefore it does not cost the state anything unless it is used.

The main reason older people use the bus pass is for shopping, but it is estimated that between 35-40% of journeys are undertaken for social purposes such as visiting friends and relatives. Around 25% of bus journeys taken by people aged 65+ are for medical appointments<sup>iii</sup>.

## **How much do we spend on the bus pass?**

Spending on reimbursement to the bus companies for the statutory bus pass was £933 million in 2013/14<sup>iv</sup>. This is now paid to local authorities by DCLG through formula grant (i.e. funding allocated based on a calculation of need). This does not include discretionary travel concessions, which are determined by travel concession authorities (i.e. County Councils, Unitary Authorities, Passenger Transport Executives and London Boroughs). This increases the total spending to £1.109bn in 2011/12<sup>v</sup>.\*

82% of spending on concessionary travel by English authorities went on statutory bus passes, with the remaining 18% going to discretionary concessions, such as assistance for young people and non-bus transport. Metropolitan areas had higher net expenditure on discretionary concessions (25%) compared with non-metropolitan areas (8%).

Central Government also provides subsidies to buses via the Bus Service Operators Grant (BSOG), which benefits all passengers by reducing fares and helping to maintain rural bus services. At the end of 2015, BSOG totaling nearly £230m was protected from cuts by the Comprehensive Spending Review<sup>vi</sup>.

### **Is spending on the bus pass likely to decline or increase?**

The Campaign for Better Transport found that since last year 2013\14 there has been a net reduction of £9 million to supported bus services in England<sup>vii</sup>. The decline in spending reflects on-going cuts to all travel concession authorities. The number of older people eligible for a bus pass is likely to see a small reduction in some places as a result of increases in the state pension age. In the longer term, the demand for bus passes will increase in line with projected increases in the older population. In the UK, the numbers eligible for a bus pass will slightly decline in 2020 - but then increase to 17 million by 2037<sup>viii</sup>, compared to over 12.3 million now<sup>ix</sup>.

### **What would be the impact of cutting the bus pass?**

The Social Market Foundation (SMF) said that scrapping the free bus pass could save the Government £1bn and this would contribute to economic recovery<sup>x</sup>. Opponents to cuts say that bodies like the SMF fail to recognise the social, economic and environmental benefits of retaining the bus pass.

Research conducted by KPMG found that for every pound spent on the bus pass, £2.87 was produced in benefits to bus pass users and to the wider economy.<sup>xi</sup> It demonstrates the additional economic, social and environmental value of the bus pass by: supporting volunteers and carers, encouraging spending in shops, reducing congestion and pollution and improving the health and wellbeing of older people who use buses.

*Sheila takes the bus every week to church as well as to local amenities and services. She values it as a vital lifeline that keeps her in touch with her friends and her community. She's always volunteered and the bus pass is vital, without it she wouldn't be able to afford to continue giving back. Sheila particularly values being able to meet and chat to people on the bus, something she feels keeps her connected to what's going on in the local area.<sup>xii</sup>*

### **What has been the impact of the cuts to concessionary bus travel?**

The availability of the bus pass does not mean older people necessarily have access to a local bus service. There have been significant cuts to non-commercial bus routes that have previously been subsidised on a discretionary basis by local authorities. The Campaign for Better Transport found that 2,000 bus routes or services have been lost or reduced since 2010<sup>xiii</sup>.

Half of local authorities cut funding for bus service in 2014, affecting 500 routes.<sup>xiv</sup> The lack of bus services is a particular problem for isolated rural areas. In urban

areas 95% of people live within 13 minutes of a regular (hourly) bus, but in rural areas this falls to 6%.<sup>xv</sup>

## **Can community transport provide an effective alternative to the loss of local bus services?**

The Government recently made £25 million available to fund community transport operators<sup>xvi</sup>. While this is welcome, the House of Commons Transport Committee rejected the idea that community transport on its own can compensate for the loss of bus services. The committee has supported the idea of 'total transport'<sup>xvii</sup>, which proposes an integrated approach to funding public transport. This could include combining hospital transport with local bus services. The Government has made £4m available for pilots to test the total transport concept<sup>xviii</sup>.

*Ray is a keen walker. He uses his bus pass to travel all over England along with his wife Jackie, enabling them to hike 40 miles per week. The bus pass really keeps Ray active. It keeps him socially active too. Ray is part of a volunteer group, Friends of DalesBus, which has saved a local bus service from closing. Ray is also an active member of a great hiking club, Bradford CHA, all the walks are accessible without a car. Ray has had health issues over the past few years and uses the bus pass to get to and from hospital appointments. He also uses it to nip down to the shops and keep in touch with friends.<sup>xix</sup>*

## **Age UK viewpoint**

Age UK supports the retention of the free bus pass for all older people, combined with investment in local bus services, especially in rural areas. There are several reasons why we do not agree that bus passes should be means tested, including:

- The bus pass is often used as a way of attending medical appointments. The ability to get to a GP or hospital services and preventative care is vital to the health and wellbeing of older people.
- Better off older people tend not to use the bus pass in the first place. Age UK research indicated that the better off are less likely to use a bus pass - with higher take up by those on lower incomes<sup>xx</sup>. Introducing means testing would not achieve significant savings and might deter poorer older people from applying for a pass. Currently, around a third of older people who are eligible for means-tested benefits do not take them up<sup>xxi</sup>.
- Many older people rely on a car to remain independent, especially in areas with poor or unreliable public transport. However, the availability of reliable bus services or community transport can reduced car journeys and support older people who may need to give up driving. A reduction in car journeys helps to reduce congestion and pollution, producing broader social and environmental benefits.

- Subsidies retain the viability of bus routes that would otherwise be difficult to maintain, benefiting everyone in a local community.

- The use of public transport promotes health and wellbeing, with older people taking more exercise getting to and from bus stops. This contributes towards reducing demand on the NHS.

Given the range of benefits to both older people and society as a whole the bus pass should remain available to all older people. At the same time there needs to be sufficient funding for discretionary concessions to protect non-commercial bus routes, especially in isolated rural areas. It is important to explore the potential for integrated transport solutions to deploy existing resources more efficiently and ensure services are reaching the most vulnerable and isolated groups.

\* This does not represent total subsidies for bus services

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<sup>i</sup> Gov. UK. 'Apply for an older person's bus pass'. Available online at: <https://www.gov.uk/apply-for-elderly-person-bus-pass>

<sup>ii</sup> Department of Transport (Bus Statistics: Concessionary travel in England, 2013/14 Available online at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/357055/concessionary-travel-statistics.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/357055/concessionary-travel-statistics.pdf)

<sup>iii</sup> Greener Journeys (2014) *The costs and benefits of concessionary bus travel* Available online: <http://www.greenerjourneys.com/wp-content/uploads/2014/09/Concessionary-travel-costs-and-benefits-September-2014.pdf>

<sup>iv</sup> Department of Transport (Bus Statistics: Concessionary travel in England, 2013/14 Available online at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/357055/concessionary-travel-statistics.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/357055/concessionary-travel-statistics.pdf)

<sup>v</sup> House of Commons Library (2013) Buses: concessionary fares - Commons Library Standard Note Available online: <http://www.parliament.uk/briefing-papers/SN01499/buses-concessionary-fares>

<sup>vi</sup> Campaign for Better Transport (2015) Available online: <http://www.bettertransport.org.uk/blog/buses/buses-and-spending-review-%E2%80%93-33-bsog-saved-how-we-did-it>

<sup>vii</sup> Buses in crisis: A report on bus funding across England and Wales 2010 – 2015. Available online at: [http://www.bettertransport.org.uk/sites/default/files/research-files/Buses\\_In\\_Crisis\\_Report\\_2014\\_Final.pdf](http://www.bettertransport.org.uk/sites/default/files/research-files/Buses_In_Crisis_Report_2014_Final.pdf)

<sup>viii</sup> Greener Journeys (2014) *The costs and benefits of concessionary bus travel* Available online: <http://www.greenerjourneys.com/wp-content/uploads/2014/09/Concessionary-travel-costs-and-benefits-September-2014.pdf>

<sup>ix</sup> Pensions Policy Institute. Available online: <http://www.pensionspolicyinstitute.org.uk/pension-facts/pension-facts-tables/table-1-demographics>

<sup>x</sup> Further information available online: <http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/9094427/Strip-pensioners-of-free-bus-passes-says-think-tank.html>

<sup>xi</sup> Greener Journeys (2014) *Bus 2020: The Case for the Bus Pass*. Available online: <http://www.greenerjourneys.com/wp-content/uploads/2014/09/GJ-Bus-2020-brochure-single-pages.pdf>

<sup>xii</sup> Greener Journeys (2014) *The costs and benefits of concessionary bus travel* Available online: <http://www.greenerjourneys.com/wp-content/uploads/2014/09/Concessionary-travel-costs-and-benefits-September-2014.pdf>

<sup>xiii</sup> [http://www.bettertransport.org.uk/sites/default/files/research-files/Buses\\_In\\_Crisis\\_Report\\_2014\\_Final.pdf](http://www.bettertransport.org.uk/sites/default/files/research-files/Buses_In_Crisis_Report_2014_Final.pdf)

<sup>xiv</sup> [http://www.bettertransport.org.uk/sites/default/files/research-files/Buses\\_In\\_Crisis\\_Report\\_2014\\_Final.pdf](http://www.bettertransport.org.uk/sites/default/files/research-files/Buses_In_Crisis_Report_2014_Final.pdf)

<sup>xv</sup> National Travel Survey (2012). Available online:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/243957/nts2012-01.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/243957/nts2012-01.pdf)

<sup>xvi</sup> Further information available online: <https://www.gov.uk/government/news/transport-operators-urged-to-apply-for-25-million-minibus-fund>

<sup>xvii</sup> House of Commons Transport Committee (2015) *Passenger transport in isolated communities* Fourth Report of Session 2014–15. Available online:

<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmtran/288/288.pdf>

<sup>xviii</sup> Further information available online: <https://www.gov.uk/government/news/4-million-for-local-transport-in-rural-and-isolated-areas>

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<sup>xix</sup> Greener Journeys (2014) The costs and benefits of concessionary bus travel Available online:  
<http://www.greenerjourneys.com/wp-content/uploads/2014/09/Concessionary-travel-costs-and-benefits-September-2014.pdf>

<sup>xx</sup> Age UK (2012) Getting out and about. Available online: <http://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Transport/12.03.23%20ID200274%20Getting%20out%20and%20about%202012.pdf?dtrk=true>

<sup>xxi</sup> Age UK (2014) How we can end pensioner poverty. Available online:  
[http://www.ageuk.org.uk/Documents/EN-GB/Campaigns/end-pensioner-poverty/how\\_we\\_can\\_end\\_pensioner\\_poverty\\_campaign\\_report.pdf?epslanguage=en-GB?dtrk=true](http://www.ageuk.org.uk/Documents/EN-GB/Campaigns/end-pensioner-poverty/how_we_can_end_pensioner_poverty_campaign_report.pdf?epslanguage=en-GB?dtrk=true)