

EXPLANATORY MEMORANDUM TO
THE TRAVEL CONCESSIONS (ELIGIBILITY) (ENGLAND) ORDER 2010

2010 No. 459

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 This instrument amends the age of entitlement for travel concessions in England so that it is linked to the pensionable age applying to women. This means that as the state pension age for women rises in the period up to 2020 and beyond, so too will the age of eligibility for travel concessions in England, for both men and women.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 This instrument modifies the meaning of statutory provisions.

4. Legislative Context

4.1 The Greater London Authority Act 1999 and the Transport Acts of 1985 and 2000 make provision for travel concessions. In particular, older people resident in England are entitled to free off-peak travel on local bus services on showing a permit, which must be issued free of charge by the local authority. Older London residents are entitled to additional travel concessions on the London Local Transport Network. In addition to these mandatory concessions, local authorities have the discretion to establish schemes which offer older people further travel concessions.

4.2 The Travel Concessions (Eligibility) Act 2002 fixed entitlement to the travel concessions for older people at sixty years of age for both men and women. This Order uses the power in section 1(4) of the Travel Concessions (Eligibility) Act 2002 to redefine the age of eligibility for concessionary travel so that entitlement is instead linked to pensionable age.

4.3 The Order substitutes for the reference to the age of 60 years-

- (a) in the case of a woman, her pensionable age; and
- (b) in the case of a man, the pensionable age of a woman born on the same day

4.4 Under the Pensions Acts of 1995 and 2007 the pensionable age is being increased incrementally from the current ages of sixty years for women and sixty-five years for men. The process of equalisation of the pensionable ages for men and women will be completed in April 2020, so that any person born on 6th April 1955 will reach pensionable age on his or her 65th birthday. However, the pensionable age for men and women born on or after 6th April 1959 will be greater than sixty-five years. The process of increasing the pensionable age for men and women will be completed by April 2046, and the pensionable age for a person born after 5th April 1978 will be sixty-eight years.

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

6.1 The Minister for Transport, Sadiq Khan, has made the following statement regarding Human Rights:

In my view the provisions of The Travel Concessions (Eligibility) (England) Order 2010 are compatible with the Convention rights.

7. Policy background

- *What is being done and why*

7.1 The introduction of free off-peak local bus travel throughout England from 1 April 2008 has given the opportunity for greater freedom and independence to around 11 million older and disabled people. The policy recognises 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.

7.2 The current age of eligibility for statutory concessionary bus travel is 60 for men and women. Until 2002, eligibility for travel concessions was aligned with the state pension age, meaning that women became eligible at age 60 and men became eligible at age 65.

7.3 The age difference was challenged in the European Court of Human Rights and the Government subsequently took the decision to lower the age of entitlement for men to 60. In 2002 Parliament passed legislation to equalise the age of eligibility for men and women at 60. This meant that concessionary travel became available to those of working age.

7.4 The difference between men and women in the state pension age is set to disappear between 2010 and 2020. The pensionable age for women will rise incrementally to 65 during this period. This means that the Government now has the opportunity to re-align the entitlement to travel concessions with pensionable age.

7.5 This instrument will realign the age at which men and women are entitled to the travel concessions in England to the pensionable age for women, which will increase incrementally after 5 April 2010. It does not affect the eligibility of disabled people. It also does not prevent local authorities from introducing discretionary travel schemes to other people under their well-being powers in the Local Government Act 2000, although English National Concessionary Travel Scheme (ENCTS) passes may not be issued to these people.

8. Consultation outcome

8.1 This Order implements the change to the eligibility age for concessionary travel that was announced in the Chancellor of the Exchequer's Pre-Budget Report in

December 2009. The Department for Transport was not required to consult publicly on this change.

9. Guidance

9.1 The Department for Transport will provide local authorities with guidance on how the instrument should be implemented.

10. Impact

10.1 An Impact Assessment is attached to this memorandum.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 The Department for Transport will liaise with local authority and bus operator stakeholders to ensure there are no difficulties with the practical implementation of this policy.

13. Contact

Tracey Sedgley at the Department for Transport, Great Minster House, 76 Marsham Street, London SW1P 4DR, Tel: 020 7944 8842 or email: Tracey.Sedgley@dft.gsi.gov.uk can answer any queries regarding the instrument.

Summary: Intervention & Options

Department /Agency: Department for Transport	Title: Impact Assessment for re-establishing the link between the age of eligibility for free England-wide local bus travel and the state pension age	
Stage: Implementation	Version: FINAL	Date: 12 February 2010
Related Publications: Changes to Concessionary Travel announced in Pre-Budget Report, December 2009 (http://www.dft.gov.uk/pgr/regional/buses/concessionary/changes/)		

Available to view or download at: <http://www.dft.gov.uk/pgr/regional/buses/concessionary/>

Contact for enquiries: Teresa Delgado

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What is the problem under consideration? Why is government intervention necessary?

The current age of eligibility for concessionary bus travel is 60 for both men and women. Until 2002, eligibility was linked to the state pension age, meaning women became eligible at 60 and men at 65. However, since 2002 the age of eligibility has been 60 for both men and women. The difference between the sexes in the state pension age is set to disappear between 2010 and 2020, as the pension age for women will gradually rise to 65 (the overall pension age for both sexes will gradually increase to 68 between 2024 and 2046). With people living longer, it is questionable whether eligibility should remain at 60 or whether it should rise in line with changes in the state pension age.

What are the policy objectives and the intended effects?

The policy objectives of this change are to continue to ensure free local bus travel throughout England is available to eligible older and disabled people. Given limited resources, it is important that resources are targeted in a way that ensures maximum benefit. With a 'do nothing' option, Government resources would be used to offer concessionary travel for those people of working age and may be viewed as inconsistent with the aim of reducing social exclusion.

What policy options have been considered? Please justify any preferred option.

The policy options that have been considered are:

- Policy option 1: A 'do nothing' approach where eligibility continues to be at age 60;
- Policy option 2: A "gradual" approach whereby eligibility gradually rises in line with the state retirement age;

Policy option 2 has been favoured given it helps ensure the long term sustainability of the concession for those who need it most while minimising the transitional costs involved.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

3 years after implementation.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

Sadiq Khan

24th February 2010

Summary: Analysis & Evidence

Policy Option: 2	Description: A “gradual” approach whereby eligibility gradually rises in line with the state retirement age from April 2010;
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by ‘main affected groups’. This option would lead to a reduction in concessionary travel spending. This would result in a direct transfer from those concessionary travellers who would have otherwise travelled for free.
	One-off (Transition)	Yrs	
	£		
	Average Annual Cost (excluding one-off)		
	£ 79 – 93m	10	Total Cost (PV) £ 627 – 733m
Other key non-monetised costs by ‘main affected groups’. There are likely to be negative carbon and congestion impacts from increased car traffic, costs to local authorities in assessing eligibility and a need for extra communications (potential links with the Department for Work and Pensions who are communicating the impact of changes in state pension age to affected people).			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by ‘main affected groups’. The reduction in concessionary travel expenditure would be equal to around £627 – 733m over 10 years. Given the pressures on public finances, this would help ensure the concession is maintained for those who most need it (which tend to be older and disabled concessionaires) and is gradually implemented.
	One-off	Yrs	
	£ 0		
	Average Annual Benefit (excluding one-off)		
	£ 79 – 93m	10	Total Benefit (PV) £ 627 – 733m
Other key non-monetised benefits by ‘main affected groups’. No loss to those who are already eligible and no need for transitional arrangements for those that have a pass but are younger than 65. This policy is also consistent with other Government moves in aligning eligibility of benefits.			

Key Assumptions/Sensitivities/Risks. If those who no longer become eligible for concessionary travel at age 60 are significantly less price sensitive than current concessionary travellers - as a result of being more likely to have a higher income and access to a car - then such a measure may not necessarily be welfare reducing.

Price Base Year 2008/9	Time Period Years 10	Net Benefit Range (NPV) £ Neutral	NET BENEFIT (NPV Best estimate) £ Neutral
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What is the geographic coverage of the policy/option?			England	
On what date will the policy be implemented?			6 April 2010 onwards	
Which organisation(s) will enforce the policy?			DfT / Local Authorities	
What is the total annual cost of enforcement for these organisations?			£ n/a	
Does enforcement comply with Hampton principles?			Yes	
Will implementation go beyond minimum EU requirements?			Yes	
What is the value of the proposed offsetting measure per year?			£ n/a	
What is the value of changes in greenhouse gas emissions?			£ (small) positive	
Will the proposal have a significant impact on competition?			No	
Annual cost (£-£) per organisation (excluding one-off)	Micro	S m	Medium	Large
Are any of these organisations exempt?	N/A	N/	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)		
Increase of	£ n/a	Decrease	£ n/a	Net Impact	£ n/a
Kev:	Annual costs and benefits: Constant Prices			(Net) Present Value	

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No

CONCESSIONARY BUS TRAVEL

IMPACT ASSESSMENT

Background

This Impact Assessment sets out the potential costs and benefits arising from changes in the age of eligibility for concessionary travel. With an ageing population and ever increasing number of eligible concessionary travellers, it is important that this market intervention continues to be sustainable and well targeted on those who need it most.

In many instances the impacts in this assessment are highly dependent upon assumptions used as well as the responses of bus passengers and bus operators and related factors. Therefore, the analysis is subject to uncertainties over the size and impact of the proposals, and cost and benefit estimates are uncertain.

EVIDENCE BASE

Introduction

1. The evidence base is organised in four sections:
 - **Policy context** - describing the purpose of concessionary travel and options for reform;
 - **Costs and benefits** - providing further information about the costs and benefits for each option;
 - **Enforcement** - explaining, where appropriate, how and by whom the different options will be enforced; and
 - **Specific impact tests** - covering a range of specific potential impacts of the proposed changes, as listed in the "specific impact tests" checklist;

Policy context

2. The Department for Transport (DfT) has a number of strategic aims as set out in 'Delivering a Sustainable Transport System (DaSTS)'.¹ These include:
 - To support national economic competitiveness and growth, by delivering reliable and efficient transport networks;
 - To reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of tackling climate change;
 - To contribute to better safety security and health and longer life-expectancy by reducing the risk of death, injury or illness arising from transport and by promoting travel modes that are beneficial to health;
 - To promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society;
 - To improve quality of life for transport users and non-transport users, and to promote a healthy natural environment;
3. It also has additional aims that focus on improving bus services and patronage; boosting affordability and value for money; minimising

¹ <http://www.dft.gov.uk/about/strategy/transportstrategy/dasts/>

regulatory burdens and administrative costs; helping deliver wider objectives such as devolving funding; and transferring more responsibility to local government where that makes sense.

4. Buses are Britain's most-used form of public transport, with over 4 billion journeys a year, or nearly two thirds of all public transport journeys. Public expenditure on buses now stands at around £2.5 billion a year, up from £1 billion a decade earlier.
5. Bus patronage has been on a long-run downward trend since the 1950s, but recent years have seen a gradual turnaround, led by London and smaller centres such as Brighton, Cambridge, Oxford and Telford, with the first year on year increases nationally in decades. Experience in these places, and some others, shows how improvements to local bus services, as part of a package of measures, can deliver substantial increases in bus patronage - which in London is up by a third since 2000-01. Over the last few years there has been a significant increase in bus patronage nationally driven by the introduction of free local bus travel for older people and the disabled since April 2006.

Concessionary bus travel

6. The statutory minimum bus concession is currently administered locally by over 260 Travel Concession Authorities (TCAs), who are responsible for setting local schemes, requiring negotiations with local operators, issuing cards for their residents and responding to public enquiries.
7. The primary objective of the mandatory national bus concession is to reduce social exclusion. In many instances older and disabled people suffer from mobility difficulties which may prevent them from driving a car, and so public transport is often their only means of visiting friends and relatives, and accessing services and amenities. Those on low incomes may forgo some trips they would like to make because they feel they cannot afford them. The provision of concessionary bus travel allows these socially excluded people to travel more, and thus benefit from more frequent social interaction and improved access to local facilities.
8. Although reducing social exclusion is the key objective with this policy, it also indirectly serves other government objectives, such as reducing congestion, cutting carbon emissions and improving local air quality.
9. As part of the improvement of benefits that has taken place over the past ten years, concessionary travel has expanded from a patchwork system of local travel schemes, offered at the discretion of authorities, to a statutory, England-wide scheme offering free travel to 11 million people at an annual cost of around £1 billion.
10. However, with an ageing population and ever increasing number of eligible concessionary travellers, it is important that this market intervention is

sustainable and well targeted on those who need it most. The following section attempts to identify the costs and benefits of different options for reform.

Costs and Benefits

Option 1 – A ‘do nothing’ approach where eligibility continues to be at age 60;

Background

11. This option involves continuing to fund concessionary travel for those 60 and over (and those with disabilities). This option therefore represents no change in the current policy.
12. The table below illustrates the projected level of concessionary travel spending. Two scenarios are identified - low and high – which are determined by different assumptions of how real fares and trips per person will change over time, as explained below.
13. In theory, one would expect the concessionary travel bill to rise over time due to (1) more people turning 60 and people living longer and (2) bus fares increasing in real terms over time². However, the level of reimbursement is also linked to the number of trips being made. If those potential concessionary travellers who are approaching 60 are less price sensitive than other concessionary travellers – perhaps because they have higher incomes and own cars – then average trip rates of “newer” concessionary travellers will also be lower thus reducing concessionary fares spending over time.
14. In the low scenario, the assumed real year-on-year change in real fares is smaller than the decrease in trips per person which results in a reduced level of concessionary travel spending. In the high scenario, the net effect of the increase in real fares and decrease in trips per person offset each other, so the net effect is equal to zero (these savings do not take into account indirect tax effects which could decrease the net saving by 10%-20%).

² As concessionary travel reimbursement depends partly on the revenue foregone by bus operators – which is linked to the commercial fare charged by an operator – it follows that as real fares increase, the concessionary travel bill also increases.

Table 1: Forecast level of real concessionary bus travel expenditure in England for those aged over 60 (excluding those with disabled passes) (£m, 2008/09 prices)³

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Low	£766	£761	£756	£752	£747	£742	£738	£735	£733	£732
High	£797	£809	£820	£831	£843	£118	£868	£882	£898	£914

Sources: CLG and ONS.

Benefits

15. At the aggregate level, Government funding of concessionary bus travel is welfare enhancing given the social inclusion benefits of this policy and improved environmental outcomes. The vast majority of the benefits of the concessionary travel scheme accrue to concessionary travellers. These benefits can be estimated using the concept of 'consumer surplus', which is the difference between what consumers would be willing to pay for something and what they actually have to pay for it. This is broadly a one-to-one transfer between Government and concessionaires.
16. In addition, the policy helps deliver lower congestion, lower carbon emissions as well as improved local air quality outcomes due to reduced car traffic. The social inclusion benefits of the concessionary bus travel policy accrue to people on low incomes who otherwise would not have been able to afford as many trips. As such, an evaluation of consumer surplus may well understate the benefits of the policy to socially-excluded people because their low incomes reduce their willingness-to-pay.
17. Therefore, by continuing with the current policy, the benefits cited above will continue to be captured (albeit at a declining rate given those approaching 60 are likely to be richer than those of older age).

³ The level of concessionary travel expenditure is derived from the total expenditure in 2008/09 in real terms obtained from Local Authorities returns to CLG adjusted by 2008 based population forecast from ONS. The cost of concessions for youths and disabled people are excluded from the computations.

Costs

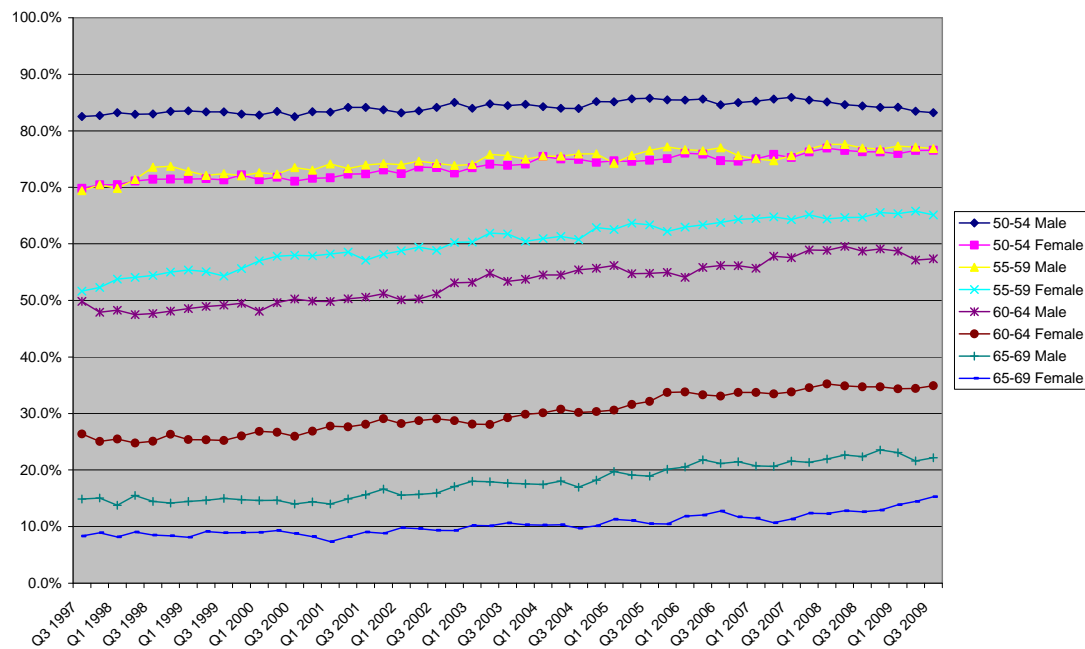
18. Around £1 billion per year is spent on concessionary travel including spend on discretionary enhancements⁴. With an ageing population, this could significantly increase concessionary travel spending over the next 10 years thus putting pressure on both the DfT and local government spending in future years.
19. There are currently around 11 million people over 60 in England (around 6 million women and 5 million men)⁵. Office for National Statistics (ONS) figures estimate that by 2020 this will have increased to 13.9 million, of which 3.1 million would be aged 60-65 (around 7.3 million women and 6.3 million men)⁶. This 25% increase in the eligible population would therefore increase the concessionary travel bill to the public sector. In the medium-to-long term it may become increasingly hard to offer concessionary travel without either significantly increasing funding or cutting back on the entitlement offered.
20. As seen in Figure 1, the economic activity rates of people over 50 have been rising over the last decade or so (see Labour Force Survey). In the age group affected by the changes in eligibility for concessionary travel (60 to 64) economic activity rates have risen from around 50% and 25% in the mid 1990s to around 60% and 35% now for men and women respectively. The current recession has had some effect on these rates, but in the longer term it seems likely there is scope for these rates to continue to rise. If economic activity reduces social exclusion, the degree of social exclusion for the 60 to 64 age group is both less than for older age groups and likely to decline in the future.

⁴ The expenditure on concessionary travel including discretionary enhancements and the disabled travellers was around £990m for 2008/09.

⁵ <http://www.statistics.gov.uk/statbase/Expodata/Spreadsheets/D9543.xls>

⁶ http://www.statistics.gov.uk/downloads/theme_population/NPP2008/wEng085y.xls

Figure 1 England Employment rates; LFS Q3 1997 - Q3 2009



21. With many 60 to 65 years olds of working age, this policy option of ‘do-nothing’ therefore arguably represents a poor targeting of limited resources and is potentially inconsistent with the policy aim of reducing social exclusion (see discussion in option 2).

Option 2 – A “gradual” approach whereby eligibility gradually rises in line with the state retirement age from April 2010;

Background

22. This option involves the gradual alignment of eligibility of the travel concession to the projected changes in the state pension age. More details of this change can be found at ‘State Pension Reform – Briefing Pack for Advisors’ (2009) <http://www.dwp.gov.uk/docs/third-party-briefing-pack.pdf>. It therefore represents an alignment of funding to those with most need.

Benefits

23. In terms of public expenditure, there is a benefit to the public sector from reducing the level of concessionary reimbursement that would have otherwise taken place.
24. Using current concessionary bus travel outturn expenditure data together with population projections data, it is possible to estimate the public

sector savings of raising the eligibility age. Due to the gradual rise in the eligible age, the savings will increase over the period reaching as high as £200m per year by 2020. Table 2 below illustrates these potential savings.

Table 2: Estimated real reductions in concessionary bus travel expenditure per year in England under a ‘gradual’ option (£m, 2008/09 prices)⁷

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total NPV
Low	£17	£34	£48	£60	£73	£85	£98	£111	£125	£139	£627
High	£18	£36	£52	£67	£82	£98	£115	£133	£153	£174	£733

Derived from CLG and ONS data. See Table 1 for more details.

25. The low and high scenarios are determined by different assumptions of how the real fares and trips per person change over time. Over 10 years, these reductions are equal to around £630-730m in current values.
26. A clear benefit with this option is that it does not penalise current concessionaires who would no longer be eligible for a pass. It can also arguably be a more reasonable policy for prospective concessionary travellers who are approaching 60, who might have expected to be entitled to a pass.
27. In addition, as shown in Table 3 below, National Travel Survey (NTS) data suggests that bus trips tend to increase with age, though they fall among very elderly concessionaires. This would suggest the benefits of concessionary travel are higher for older concessionaires compared to younger concessionaires.

Table 3: Average bus stage boardings in England per person per year by age and by sex⁸

Age group	Male	Female	All persons
60-64	58	89	73
65-69	79	103	95
70-74	71	110	95
75-79	83	116	102
80-84	105	116	111
85+	93	75	81

Source: National Travel Survey 2006-08 combined Survey data.

⁷ In the ‘Gradual’ option, the concessionary entitlement for people over 60 years old decreases in a steady way (by 10% every year) from 100% in 2009/10 to 0% in 2019/20.

⁸ Note that these are stage boardings rather than main mode trips as usually defined on the National Travel Survey.

28. It is also important to note that as people live longer, retire later, and remain active later in life, they may be at a relatively low risk of social exclusion at age 60. Raising the age at which people become eligible for a bus pass (whilst retaining separate concessionary passes for disabled people) might therefore be unlikely to negatively impact on the social inclusion benefits of the existing scheme.
29. This option therefore helps ensure the long term sustainability of the policy while targeting it to those who need it most. The cost of removing passes (or issuing new passes for the over 65's) will not be an issue given those already age 60 to 65 will continue to be eligible for the concession. The people that are turning 60 years old on from 6th April 2010 will need to wait longer in order to obtain their concessionary pass, with a scale that goes up to 65 years old in 2020. Between 2024 and 2046 the State Pension age will increase further for both men and women, reaching 68 by 2046.

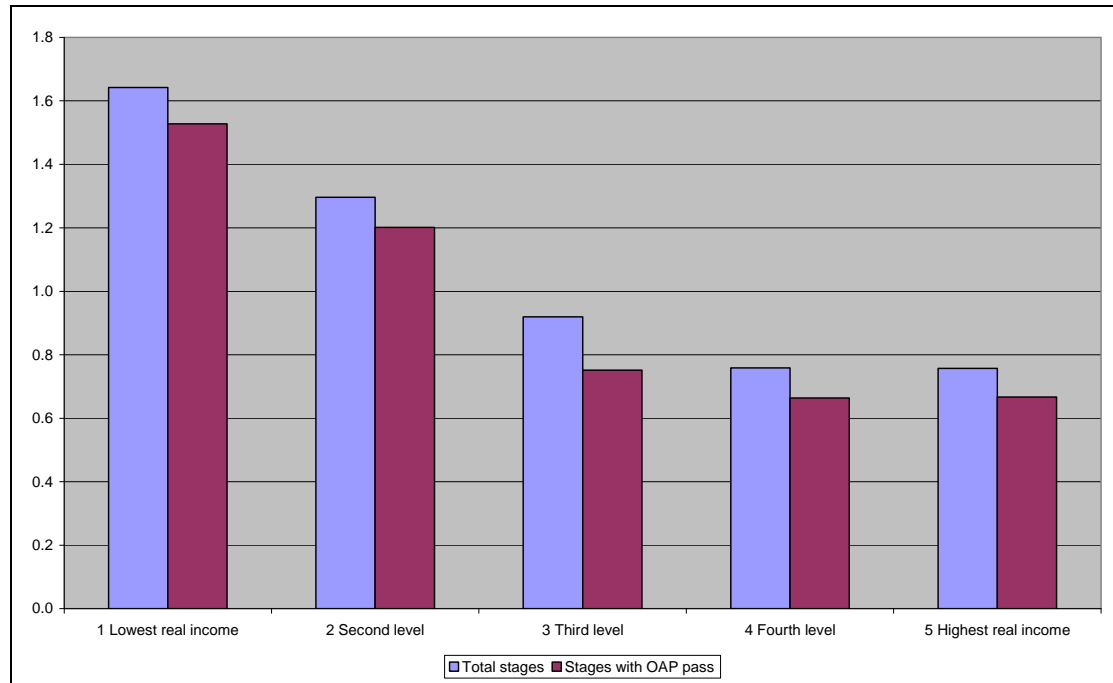
Costs

30. As with any potential policy there are likely to be transitional costs associated with change. A key cost will be communicating the new policy. However, the DWP has been providing briefing packs to pension advisers on the reforms to the pension age for some time. Therefore implementing the change from April 2010 in line with the changes set out by DWP would enable such a measure to be communicated via existing communication channels⁹. However, the Department for Transport will need to undertake additional communication with local authorities and provide them with guidance on assessing eligibility.
31. In addition, while there is a reduction in the concessionary travel bill to the public sector, there is an additional cost to the bus user. Given that concessionary travel is welfare enhancing, by eliminating the concession for these people there will be a direct welfare loss with potential increases in carbon (see benefits section for option 1). However, as identified above, younger concessionaires tend to make fewer trips meaning the welfare loss may be small. Given the reimbursement to bus operators is based on the principle of "no better no worse off" there is no direct impact on bus operators.
32. Part of the reason for younger concessionaires making fewer trips is that they are more likely to have a higher income and own a car. National Travel Survey data shows how passholder take-up rates, bus trip rates and concessionary bus trip rates among pensioners vary with income

⁹ The July 2007 Pensions Act that legislated the reforms to the State Pension was preceded by the independent Pensions Commission report "A New Pension Settlement for the Twenty-First Century" (2005) and the Government's White Paper "Security in Retirement: towards a new pensions system" (2006). So changes to the pension system have had a prolonged communication period. See <http://www.dwp.gov.uk/policy/pensions-reform/>

and car availability. A key finding shown below in Figure 2 is that pensioners in the poorest income quartile make twice as many bus trips as those in the richest quartile.

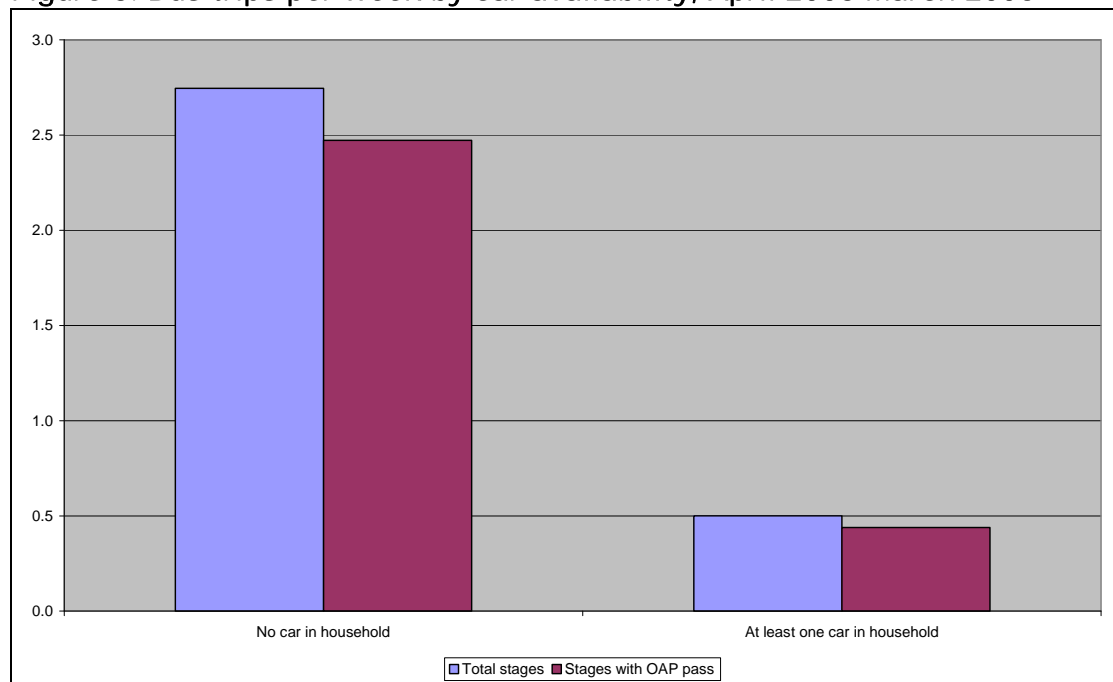
Figure 2: Bus trips per week by income quintile, April 2003-March 2006



Source: National Travel Survey

33. In addition, as seen in Figure 3, pensioners without access to a car make around 5 times more bus trips than those with at least one car in their household.

Figure 3: Bus trips per week by car availability, April 2003-March 2006



Source: National Travel Survey

34. This would suggest that on the assumption that 60-64 years olds have a higher income and more likely to own a car than those 65 and older, by targeting the concession on those 65 and older will not be welfare reducing. Therefore, such a change is not likely to significantly reduce net welfare to society, particularly given its gradual nature.

Enforcement

35. Option 2 would require the same enforcement options as the current system (option 1).

Specific impact tests

Competition assessment

36. It is not thought that any of the proposals in this impact assessment would raise any competition issues. There should be no impact on competition as whatever the eligibility of the concession, concessionary reimbursement does not subsidise the operators. Instead, no matter which services are covered by the scheme, they should all be reimbursed on a no better, no worse basis.

Small firms

37. The bus market contains a number of very large operators, with five major companies accounting for around two thirds of services and an even greater proportion of passenger trips. However, there are also many smaller operators. In total, there are an estimated 650 operators in England (outside London), and 900 in Great Britain. There should be no impact on small firms. Instead, no matter which services are covered by the scheme, they should all be reimbursed on a no better, no worse basis.

Legal Aid Impact Assessment

38. No legal aid impact is envisioned.

Sustainable development / Carbon Assessment / Other environmental impact

39. The Government is committed to five principles of sustainable development, as follows:

- Living within environmental limits;
 - Ensuring a strong, healthy and just society;
 - Achieving a sustainable economy;
 - Promoting good governance;
 - Using sound science responsibly;
40. The proposals cited in this impact assessment are judged to be consistent with these principles. Option 2 may lead to an increase in carbon emissions from those concessionaires that would have travelled by bus but instead use a car (though as younger concessionaires are more likely to own a car than older concessionaires anyway this impact is likely to be small compared to option 1).

Health

41. Option 2 might have a negative impact on health through reduced mobility of 60-64 year olds.

Race equality

42. The Department's aim is transport that works for everyone, and this means understanding the effects of its policies on all sections of society. Much work has been carried out to understand the particular transport needs and concerns of minority groups, for example a long-term programme of consultation and engagement that was begun in 1999 and has been linked into the Race Equality Scheme 2003-05 and 2005-08, for which more information can be found on the Department's website¹⁰.
43. The proposed options in this impact assessment are not directly focused on race equality issues and do not generally coincide with the specific issues identified by minority groups as of particular concern to them.

Gender equality

44. Similarly to race equality issues, the proposed options for reform are not specifically directed at gender issues. All options considered ensure there is equal treatment of both genders.

¹⁰ <http://www.dft.gov.uk/about/sr/diversity/res/scheme/raceequalityscheme20032005?page=1>

Disability equality

45. Similarly to race and gender equality issues, the proposed options for reform are not specifically directed at disability issues and the travel concession will continue to apply to those with disabilities.

Human rights

46. The options cited in this impact assessment are not specifically directed at human rights issues and there is nothing to suggest that any of the proposed options are not consistent with the European Convention on Human Rights.

Rural proofing

47. The options in this impact assessment are not specifically directed at different areas as they apply to all local bus services.
48. Furthermore, according to the National Travel Survey, between 2006 and 2008 only 9% of households in rural areas in England do not have access to cars (compared to 41% in London and 31% in Metropolitan built-up areas). Also, 52% of households in English rural areas had access to two or more cars compared to 17% in London.
49. According to the National Travel Survey 2008, the take-up of concessionary passes for men and women aged over 60 years old was 56% in rural areas, compared to 84% in Metropolitan built-up areas and 91% in London¹¹.
50. According to the National Travel Survey, in England between 2006 and 2008 there were 38% of people in rural areas with an older person's concessionary bus pass who had no access to a household car. Of those, only 10% were aged between 60-64 years old. Of those people living in rural areas who have no access to a car, the majority (54%), did not have any type of concessionary pass before April 2008. Therefore it can be said that only a very small proportion of people in rural areas will be affected by policy option 2, less than 0.4%. However this may change over time as the gap between the take-up of concessionary passes among rural residents narrows with that of other areas.

¹¹ See <http://www.dft.gov.uk/pgr/statistics/datatablespublications/personal/mainresults/nts2008/> and Table 5.9 on <http://www.dft.gov.uk/excel/173025/221412/221531/223963/4049791/NTS2008excel1to4.xls>.