

Statement on Changes to Concessionary Travel announced in Pre-Budget Report, December 2009

A package of reforms to concessionary bus travel in England was announced today as part of the Pre-Budget Report. The package includes proposed changes to responsibilities for administering the concession following a consultation on this issue earlier this year. Also announced were plans to re-establish the link between the age of eligibility for free England-wide local bus travel and the state pension age as part of a wider package of changes to increase the age at which pensioner benefits can be received in line with pension age changes.

The introduction of the England-wide concession in 1 April 2008 has given the opportunity for greater freedom and independence to around 11 million older and disabled people. No older or disabled person in England need now be prevented from bus travel by cost alone, and the concession represents a major step forward in tackling social inclusion for some of the most vulnerable people in our society.

Over 200 responses were received to the consultation on administrative reform of concessionary travel and a summary of these responses has been published today. Having considered the consultation responses Ministers have concluded that shifting responsibility for administering the statutory minimum concession from shire district councils to county councils will deliver real benefits and will help ensure the long term sustainability of the concession.

Given this change it also makes sense to move the ability to make discretionary travel concession schemes (using powers under the Transport Act 1985) away from shire and metropolitan districts to county councils and PTEs. Although district councils may still be able to use their broad well-being powers in this area. There will be no changes to administrative responsibility in London, or unitary authority areas.

This reform will bring with it many benefits, including:

- Enabling efficiencies to be realised, for example through economies of scale and by reducing the number of negotiations with bus operators;
- Making accurate funding by formula easier;
- Harmonising concessionary travel responsibilities with the wider responsibilities of transport authorities for the first time; and
- Assisting with the roll-out of smart ticketing

It is intended that this change to administrative responsibilities will come into force from 1 April 2011. An order under section 9 of the Concessionary Bus Travel Act 2007 will be presented to Parliament for scrutiny in due course.

The Department for Communities and Local Government will consult in 2010 on how the financial implications of the change will be taken forward as part of the next three year local government finance settlement.

These changes to the arrangements for administering concessionary travel should by no means detract from the success of this hugely popular policy and the Government intends to continue offering free off-peak local bus travel throughout England to older and disabled people.

Also announced today were plans to change the age of eligibility for concessionary bus travel in line with the changes that are being made to the state pension age from April 2010. For the purposes of concessionary travel this means tying the age of eligibility for the bus pass to the pensionable age for women. So, as the pensionable age for women gradually increases from 60 to 65 over the ten-year period from 2010 to 2020 so too will the age of eligibility for the concessionary bus pass increase for both men and women.

Currently both men and women become eligible for a free bus pass at 60. These plans mean that by 2020 the age of eligibility will increase to 65. Until pensionable age is equalised between the sexes in 2020, men will continue to become eligible for a concessionary bus pass when they reach the pensionable age of a woman born on the same day.

The changes to the age of eligibility will not impact on anyone already in possession of a bus pass. The changes will only affect those due to turn 60 on or after 6 April 2010 and will bring eligibility for the national bus concession into line with changes to other entitlements that have already been announced by the Department for Work and Pensions, such as the change in the age of eligibility for the Winter Fuel Allowance.

The purpose of the concession is to provide greater freedom and independence to older people in their retirement. Until 2002 eligibility was linked to the state pension age, with women becoming eligible at 60 and men at 65. In 2002, the age of eligibility was equalised at 60 for both men and women.

With the difference in state pension age for men and women set to disappear between 2010 and 2020, Ministers have decided that it is now time to begin to re-establish the link with pension age for concessionary travel and remove the anomalous position of working age citizens receiving free bus passes. This is the fair thing to do and will further assist in securing the long term financial sustainability of this generous and popular scheme.

An Order will be presented to Parliament under the powers contained in the Travel Concessions (Eligibility) Act 2002 to enact these changes.

The changes announced today are part of a wider package of workstreams aimed at streamlining the administration of concessionary travel. Other areas of reform include proposals to simplify how bus operators are reimbursed for carrying concessionary passengers and plans to speed up the adoption of smart ticketing as part of the Government's strategy on smart and integrated ticketing which will be published shortly.