

Consultation on free and discounted fares on public transport (concessionary fares)

Submission by the Democratic Unionist Party

Introduction

The Democratic Unionist Party believes the provision of subsidised access to public transport remains crucial toward reducing social isolation and promoting economic and educational opportunity among older people and other marginalised groups living across Northern Ireland. We would contend that a number of the options under active consideration by the Department would be short-sighted and regressive at a time when innovative, flexible and inclusive approaches are needed to enhance the delivery of public transport services, particularly in rural areas.

The evolution of the Concessionary Fares Scheme has underlined the practical benefits of stable devolved government for all communities in Northern Ireland. With this in mind, we share concern expressed by service users and their representatives that those aspects of concessionary travel in Northern Ireland which are enhanced vis a vis other regions of the United Kingdom are being viewed by the Department as a soft target for cost-cutting measures. Such provisions should continue to be cherished, rather than used to justify the erosion of much valued support for eligible groups.

The issues engaged by this consultation strike to the very heart of what it means to promote a fair, inclusive and compassionate society. Proposals to restrict access and reduce the number of journeys eligible for discounted travel would have far-reaching, and potentially life-changing, impacts for older people, those with disabilities, war disabled pensioners and those who are blind. Therefore, the DUP holds that future decisions in these areas should remain the sole responsibility of elected representatives and the collective will of a restored and fully-functioning Executive and Assembly.

In its evidence to the 2015 Northern Ireland Audit Office inquiry on the effectiveness of public transport, the Department for Regional Development indicated that the Scheme had helped to attract new paying passengers and thus preserve and enhance the viability of the public transport network. It is deeply regrettable that the Department intends to sacrifice these benefits by developing policy on the basis immediate budget concerns rather than an independent or in-depth assessment of need.

As will be articulated throughout our submission, we are unconvinced that reducing the cost of the Scheme will provide an effective or long-term solution to the current financial pressures facing the Department. The shortfall in the baseline budget for concessionary travel is just one symptom of the chronic underinvestment in local public services by the Treasury over the last decade. When assessed against the UK Government's own definition of need - which stems from the Holtham Commission and forms the basis for the current operation of a funding floor in Wales - Northern Ireland has been underfunded to the tune of £1.2bn in the current three-year spending review period.¹ This is

¹ The £1.2 billion is reached using both the UK Government's definition of need (see the Holtham formula, as used in Wales, which for NI is £124) and the UK Government definition of spend for the current three years spending review period (see the Treasury Block Grant Transparency document, as in Wales, which for NI is £121), operating thereby on the same foundation used by HMT for funding Wales. On this basis we were funded £322 million below the UK Government definition of need last year, £431 million below the UK Government definition of need this year and £458 million below need next year and are additionally being required to repay £297 million from last year which is greatly compounding our difficulty.

particularly impactful for travel budgets given that our need for the Smart Pass is particularly developed here in Northern Ireland because of our high levels of sparsity, which is one of 7 elements that contribute to the Holtham formula's definition of need. Out of the 12 regions of the UK only one is more sparsely populated than Northern Ireland.

In the future, the aim should be to ensure that baseline budgets are capable of keep pace with population estimates and ambitious targets for achieving the modal shift to public transport. However, at a minimum, the total available budget for providing comparable public services should be allocated fairly across the UK through the consistent application of the existing definition of need. That does not mean the total allocations will be the same in each region but rather ensures funding is commensurate to the circumstances of each region as they are assessed against the same criteria.

This is patently not the case at present and it is unacceptable that Northern Ireland is funded below need in contrast to the other devolved administrations. . Tinkering at the edges is not the answer. We need to address the gulf in funding per head on public transport in Northern Ireland compared in other regions of the United Kingdom.

The Holtham floor has added a needs-based factor to the operation of the Barnett formula in Wales, adjusting allocations accordingly. On this basis, there is no need to remove the Barnett Formula or produce a bespoke formula for Northern Ireland. Established mechanisms already exist and there should be no impediment to the Government implementing these in Northern Ireland to the benefit of spending on our public transport network and indeed all other critical services.

In the interim, the DUP does not underestimate the challenge facing the Department and Northern Ireland Civil Service in giving effect to what is, on a UK basis, a discriminatory decision not provide resources to Northern Ireland on a fair basis. However we are also clear that to press ahead with a range of proposed cuts to concessionary travel would be deeply counter-productive and we would caution against this in the strongest possible terms.

The Department for Infrastructure is Translink's second largest source of revenue, representing approximately one third of total income during 2019 and 2020. A significant proportion of this relates to the reimbursement of concessionary fares. Subsequently, insofar as total savings generated by the proposed suite of options exceed the shortfall in baseline funding going forward, any reduction in Scheme costs would also lead to a loss of revenue. This risk demonstrates the weaknesses inherent in targeting a reduction in costs through a reduction in demand. Over 29 million public transport journeys were made by non-fare paying passengers in 2020-21. Any abandonment of the scheme would result in a massive decrease in journeys undertaken on buses and rail, creating a vicious circle of reduced usage, reduced revenue and the contemplation of reduced services. This would not only put Translink in a precarious financial position but create deep uncertainty for community transport users and those travelling by ferry.

The DUP believes the implication that any loss in revenue could be offset by growing income from paid fares is, at best, uncertain. No detailed studies have been commissioned to determine the extent to which subsidies for concessionary travel safeguards services which would otherwise be socially necessary but loss-making. Nor has there been an assessment of the extent to which this subsidy reduces the burden borne by the taxpayer to maintain services already deemed to be loss-making. Without such an analysis, we feel there is a prospect that far from easing the pressures on our public finances, the cuts at the heart of this consultation could simply displace those pressures by placing further demand on Public Service Obligation funding, which the Department is obliged to provide.

Even a modest loss in passenger numbers could have this effect, which would also constrain future investment in our public transport network.

There are also serious question marks over the reliability of the indicative costings provided in Annex A of the consultation. £9.3m was reimbursed under the Scheme for journeys taken by 60-64s in 2018/19, yet the Department is only estimating a decreased cost of £4.1-£5.1m next year if that cohort is removed from the Scheme. Similarly, while rail journeys accounted for 34% of reimbursed costs, the estimated decreased cost from moving to a bus-only Scheme is set at just £2.8m, under 6% of total Scheme costs in 2018/19. It is unclear whether this is an acknowledgement that a significant proportion of any savings from these options would have to be redirected to fulfilling the Public Service Agreement, however either way it illustrates that short-term financial benefits would be limited compared to the profoundly negative impact restricting access would have on service users and communities.

The public also have a reasonable expectation that Translink undertake a thorough and evidenced review of operational and administrative expenditure to identify potential savings before sweeping cuts to transport access are considered. It is our understanding that the new Public Service Agreement (PSA) between DfI and Translink includes *“a provision for increased monitoring and/or the development of an action plan setting out measures to improve performance.”* Those mechanisms must be fully utilised and the outcome must be transparent.

The DUP believes it would be unwise to approach the challenges facing Translink’s financial position solely through the lens of concessionary travel. In 2018/19, the company posted a consolidated pre-tax loss of £19.5m and senior Departmental officials later indicated to the Committee for Infrastructure that making this level of saving annually would decimate the public transport network. It follows, therefore, that proposals to raise the age of eligibility for free travel, restrict benefits to off-peak travel and exclude rail journeys fail the Department’s own test. If Translink’s public position in recent years has been that existing subsidies are insufficient to maintain unprofitable services, the loss of concessionary fare compensation is unlikely to alleviate that situation. We accept that officials will argue that these steps have been necessitated by a failure of the Treasury or the Department of Finance to provide adequate central funding, however it is not clear how the case for extra investment will be strengthened by advancing proposals which are highly likely to reduce passenger demand.

The importance of the Concessionary Fare Scheme as presently constituted also needs to be seen in the context of protecting the environment and promoting the transition away from private car ownership to use of public transport. Previous studies have found that Belfast is the most car-dependent city in the UK and that the percentage of such journeys across Northern Ireland is above the UK average. According to the 2021 Census, only 4.7% of the working population in our Province used public transport to get to their place of work. Reducing access to the Scheme would therefore further dampen Northern Ireland’s net-zero ambitions by ushering in a decline in the number of passengers using public transport.

Option 1 – Raising age eligibility

The DUP introduced free travel for those aged 65+ in 2001 and successfully campaigned for the extension of the Scheme to additional categories, culminating with the inclusion of 60-64s in 2008. We believe this policy has been instrumental toward increasing mobility among older people from diverse backgrounds, improving health and wellbeing and unlocking higher levels of participation in both civic and economic life.

As a Party, we do not believe the circumstances of older people in the 60-64 age band are sufficiently distinct from peers aged 65+ to justify their exclusion from free bus and rail travel going forward. Many are suffering from chronic or long-term health conditions. Indeed it is notable that the 2019 DfI survey of the Scheme found the proportion of respondents aged 60-64 who had a disability (41%) was broadly comparable with those aged 65-69 (39%).

The Department has suggested that the rate of employment among 60-64s (52.7% in 2022) points to a reduced need for concessionary fares, however we believe that finding is premature. Almost half of people aged 60-64 are not economically active and research has found that those with lower incomes are more likely to require, and avail of, concessionary travel. Leaving those below state pension age bereft of the means to attend GP and hospital appointments, to visit family or friends and do their shopping will therefore erode the independence and wellbeing of many senior citizens.

It is worth bearing in mind that only 3% of SmartPass holders surveyed in 2019 listed 'commuting to work/business' as the most important activity enabled by the Scheme. Therefore, while labour force data indicates that a small majority of 60-64s being in work, it would be mischievous to suggest that this either illustrative this age group as a whole or indeed representative of the needs of those in this age group who are presently benefiting from the Scheme.

Even if we assume that a significant proportion of SmartPass holders below state pension age are already economically active, there is no guarantee that the social inclusion benefits of being in work will be maintained if free travel is axed or restricted. Older people who earn lower wages, are employed on a part-time or casual basis, or travel significant distances to their place of work, may be dissuaded from continuing in employment if their disposable income is reduced. This effect will be magnified among women and in areas where there is a scarcity of affordable and accessible alternative travel options.

More generally, the DUP remains unconvinced removing free transport for some or all older people below state pension age would deliver the scale of financial benefits that the Department envisages. The 2007 Policy Review of the Scheme accepted that discontinuing concessionary travel would lead to *"a reduction in the number of journeys taken by public transport and thus negatively impact Translink's financial position."* These effects, we believe, would be more marked in today's climate as statutory concessions have been extended in the intervening period. No indication has been provided given as to how Translink would grow the number of paying passengers to a level that offsets the loss of subsidy for free travel for older people - and in a timeframe that avoids placing the future of staff and services under threat.

Consequently, the DUP does not believe it would be prudent for the Department to proceed with raising the age of eligibility in the absence of more quantifiable data on the changes in passenger behaviour and associated impact on Translink's budget. We acknowledge that Q3 seeks to capture some of this data, however it is restricted to current 60+ SmartPass holders. There needs to be a realisation that the withdrawal of concessionary or free travel could have a chilling effect on those who are nearing the current age of eligibility but will be bereft of access to this support under Options 1B or 1C.

Option 2 - Limiting SmartPass use to off peak travel only

The DUP opposes restricting SmartPass use to off-peak times for either age or disability-related Scheme participants. We are particularly concerned that such a proposal would lead to a reduction in the number of public transport journeys undertaken by those commuting on a regular basis for work or study, to perform caring responsibilities or to attend routine medical appointments and treatment.

For those in employment, including those with low earnings, discounted travel at peak times is not a luxury but rather a lifeline, as the cost of maintaining a car or private vehicle prohibitive. The impact of a blanket ban on these journeys would also be borne disproportionately in rural and hard-to-reach areas, where off-peak travel public transport options are more limited and infrequent.

Over 25% of all concessionary fare journeys at peak times in 2022/23 were by those aged 60 and over and this would suggest that a ban on peak travel would be disproportionately felt by those senior citizens who remain eligible for the Scheme.

It is not unreasonable to highlight the inconsistent way in which the principle of parity with other jurisdictions has been applied as part of this consultative process. With the exception of England, all other UK regions permit peak time travel as part of their concessionary travel schemes for public transport. The DUP does not believe Northern Ireland should be a case apart in terms of rolling back protections available to our senior citizens and other vulnerable groups in our society.

Option 3 – Limiting SmartPass use to bus only travel

The DUP believes access to concessionary bus and rail travel should be maintained for both age and disability-related SmartPass holders in Northern Ireland. In our view, it would be reckless to advance a proposal to limit the Scheme to bus services only in the absence of clear and quantifiable evidence that passenger demand and quality of service could be maintained.

It is notable that between 2008-09 and 2018-19, the number of rail passenger journeys rose from 10.2m to 15.8m whereas the number of Ulsterbus and Metro journeys decreased from 70.5m to 68.7m. This gives rise to a legitimate concern that this proposal is being driven more by a desire to address the stagnation in bus passenger growth - which was highlighted in the 2015 NIAO report - than the need to target concessionary fares toward the most valued and most accessible services.

Disability campaigners have expressed longstanding concerns that their members often find it more difficult to navigate the bus network and despite progress in recent years, there are fears that design standards for public transport remain a barrier to fuller participation. In addition, although the refreshed Public Service Agreement includes a commitment to ensuring advance notice is not required to travel on its services, advice on the Translink website would suggest that this is not currently the case in practice. Should reforms directly or indirectly encourage the bulk of concessionary passengers with mobility problems to use only one mode of travel, in this case bus services, those concerns will be amplified.

It is unclear whether the existing bus infrastructure would have the requisite capacity to absorb any displacement of rail passengers - who accounted for roughly a third of concessionary fare costs in 2018/19 - or indeed extra demand flowing from Option 5 (free travel for those currently receiving a half fare concession due to a qualifying disability). There were fewer buses in operation in 2021-22 than in 2008-09. In contrast, Translink added 21 new carriages to its rail fleet, providing more than 2,000 additional seats, and it remains to be seen whether limiting concessionary fares to bus services would undermine this, and other, recent investment.

The Department is keen to stress that for every rail route an alternative bus route is currently available, however availability is not the only determinants of whether someone will choose to use a public transport service. Quality is key too. Independent monitoring of Translink's Passenger Charter has found higher levels of satisfaction among rail users. In rural areas, previous Consumer Council research found that just 54% of consumers felt there was a good local bus service where they lived. It is also probable that some rail services will be superior to bus routes serving the same destination in terms of the duration of travel, and this will disadvantage those travelling longer distances. The DUP believes the fact that only 33.6% of the working population in Ards & North Down had a workplace less than 10km from their home compared to 58.4% in Belfast in 2021 underlines the regional inequalities this proposal could exacerbate.

Finally, limiting concessionary travel to bus services would appear to conflict with Translink's support for future ticketing arrangements that are integrated and which allow the smooth transition between modes of transport. No data is provided on the level of concessionary fare journeys that routinely span both rail and bus services. However if the aim of introducing integrated ticketing is to make travel more flexible and encourage more passengers to use public transport, the Department should also acknowledge that it would be wrong to withhold these benefits from senior citizens and those with disabilities by requiring them to purchase a separate ticket for the rail leg of their journey.

Option 4 – Application, renewal, and replacement fees

The DUP does not believe the Department should introduce a fee for a SmartPass. This would generally place Scheme users at a disadvantage compared to their counterparts elsewhere in the United Kingdom and Irish Republic, with minimal benefit for the Department's budget. Whilst the aim of this proposal is to recover the administration costs of delivering the Scheme, it is significant that the Department has chosen not to provide a detailed breakdown of those costs, or indeed demonstrate an effort to reduce them, as part of the consultation.

It is curious that the Department has chosen to focus on one very blunt instrument when it comes to overhauling the administration of the Scheme when wide-ranging concerns regarding the application process have been consistently raised by a range of advocacy organisations including the Consumer Council and the Inclusive Mobility and Transport Advisory Committee (IMTAC). The DUP believes the requirement for senior citizens to apply in-person should be reviewed and there should be a renewed focus on providing guidance materials in a range of formats, including online and by telephone, to promote greater uptake of concessionary travel. The case for introducing automatic renewals should also be examined.

Furthermore, given that the personal circumstances of SmartPass holders may change as they get older, it is notable that there is often currently a need to migrate between various categories of pass, requiring standalone applications to access the various discounts. This needless bureaucracy would be exacerbated by the prospect of a new application or administration fee.

Option 5 - Free travel for those currently receiving a half fare concession due to a qualifying disability

The DUP would support the extension of free transport to those currently in receipt of the half-fare concession due to a qualifying disability. This category accounted for just 2.2% of total Scheme costs in 2018/19 and in our view the benefits to service users in terms of promoting mobility and fuller civic

and labour market participation would outweigh the modest costs incurred by its implementation. The financial implications themselves would be ameliorated by the fact that half-fare SmartPass holders using Glider services already benefit from free travel as there is no mechanism to charge a half-fare concession. This option would also have the added benefit of ending misgivings around the framing of a half-fare, which relates only to standard single fares and often represents a reduced discount compared to other special travel offers.

Streamlining the rate of concession for senior citizens and those with a range of qualifying disabilities stands to reduce disparities in treatment between service users. It also serves to reduce bureaucracy in terms of how the Scheme is administered. In the event that a decision to raise the age of eligibility for older people under the suite of proposals in Option 1 - which we oppose - the upgrade in half-fare concessions would also be an exercise in damage limitation, maintaining the current level of support for those aged 60-64 who meet the disability-linked qualifying criteria.

In Northern Ireland, eligibility for half-fare travel includes those who have been refused a driving licence due to a medical condition. In Great Britain this relates to people who would be refused a licence due to a medical condition. This is an important distinction that has been recognised by IMTAC and the Consumer Council and which leads to those who have no prospect of securing a driving licence having to undergo onerous steps to apply for one before applying for their SmartPass. This is potentially discriminatory and it is right that Option 7 would facilitate the extension of the more flexible criteria operated in GB model, as outlined in Annex B.

Option 6 - Companion passes for disabled people unable to travel alone

The DUP acknowledges that among those eligible for a SmartPass on grounds of a qualifying disability there will be a subset who will experience particular difficulty using public transport unaided or unaccompanied. The 2019 Survey of the Scheme found that almost a quarter of respondents (23%) used a stick, crutches or other walking aids, whilst 9% indicated that difficulty getting on or off vehicles had prevented them from using their SmartPass in the last twelve months. Crucially, 4% said they never used their SmartPass and we can only speculate that lack of confidence or capacity to travel alone contributed to non-participation in some of those cases.

In light of this, we are open to exploring the possible introduction of companion passes for those service users who routinely require the care and assistance of others in the course of daily life and who would otherwise be unable to access the public transport network. However we are also conscious that such a concession must be targeted to represent good value for money and safeguard it against abuse. It is therefore important to make the distinction between those who find accessing bus and rail services challenging and those for whom such difficulties are insurmountable.

In order to achieve the right balance, our preference would be for any eligibility criteria to require the SmartPass holder in question to either be in receipt of one of the benefits covered by the Carer's Allowance, be assessed separately as medically unfit to travel alone, be a permanent wheelchair user or be registered blind. We do not believe it would be proportionate for spouses, children or other family members to be routinely granted a companion pass unless it is evidenced that they are discharging this role in connection with a demand for full-time care.

Option 7 - Extend the qualifying criteria for a Half Fare SmartPass in line with other jurisdictions

The DUP is cautiously supportive of the proposal to widen the qualifying criteria for a SmartPass on the grounds of disability to align it more closely with other UK jurisdictions. All changes should be subject to prior consultation and robust assessment in terms of economic and equality implications.

The argument for replicating additional criteria in Great Britain is perhaps most compelling in relation to those with profound hearing loss and those who have lost limbs, given the proliferation of such injuries as a result of acts of violence during the Troubles in Northern Ireland. However we believe a scoping exercise should also take place with view to increasing synergies between eligibility for free travel and the Blue Badge Scheme.

Separately, the eligibility of those with a terminal diagnosis should not be dependent on that person receiving fast-tracked access to vital welfare payments like PIP or DLA. There needs to be capacity to ensure those individuals receive easy access to support.

Option 8 - Free transport for those receiving asylum support and victims of human trafficking

The DUP believes asylum seekers should continue to be able to access subsidised travel if they meet the criteria under one of the concessionary fare categories currently supported under the Scheme. Whilst sustained focus should be given to improving uptake among this cohort, including by removal barriers to proving eligibility, on balance we do not believe it would be balanced or proportionate to extend the scheme to all asylum seekers, including children, at this time.

This is not to say departments and local councils should neglect their duty to ensure refugees benefit from dedicated strategies and adequate support. The absence of a statutory concession should not prevent discretionary support where it is targeted at a local level. However we believe it should be first and foremost the responsibility of the UK Government to address concerns surrounding the level of subsistence support for asylum seekers, not just in Northern Ireland but further afield.

Separately, the DUP is proud that Northern Ireland continues to lead the way nationally and internationally when it comes to anti-trafficking legislation. In the last Assembly term, we secured an amendment to the 2015 Human Trafficking and Exploitation Act which ensures that from the point someone is confirmed as a victim of modern slavery, the Department of Justice is under a statutory duty to ensure that they receive necessary support and assistance for up to twelve months, or longer than twelve months, as required. We would hope, and indeed expect, that the exercise of this function would result in trafficking victims receiving support with accommodation, access to healthcare, and additional financial aid as appropriate. Subsequently, in keeping with the spirit of paragraph 9.15 of the consultation documents, we believe it would be premature to extend free travel benefits to trafficking victims in the absence of further data on the effectiveness of existing statutory protections.

Options 9 & 10 - Changes to the residence test and proving residency

The DUP recognises that the current residency test was designed at a time when free movement from the EEA presented a risk that short-term visitors to Northern Ireland could exploit the Scheme at the expense of the public purse. That threat may have subsided somewhat as a result of the UK's exit from the EU, however there remains a need to ensure the administration of the Scheme allows effective monitoring and enforcement to ensure free transport remains targeted toward the permanent resident population in Northern Ireland.

We acknowledge that the proposal to ask applicants to sign a declaration that Northern Ireland is their primary residence is broadly comparable with the system in place in the Republic of Ireland. However, one also has to question whether affording asylum seekers who intend to permanently reside in Northern Ireland greater access to the Scheme, whilst at the same time uprooting the rights of 60-64 year olds - many of whom have contributed to our economy and society for decades - is a fair or desirable outcome.

Notwithstanding these caveats, the DUP has no objection to the proposed review of the list of documentation that can be used to prove residency. We would expect the outcome of such a review to ensure that the range of admissible proofs can withstand scrutiny and can be corroborated by records held by other statutory authorities, including the Home Office and health authorities.