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Background to the Free Travel Scheme for People Aged 60-64

1 Background

The Northern Ireland Concessionary Fares Scheme provides free and half fare travel on public transport for several groups of people, including children, senior citizens and some people with disabilities. The Scheme is funded and administered by the Department for Regional Development (DRD).¹

The Scheme was established in 1978, under Article 5 of the Transport (Northern Ireland) Order 1977. Initially free travel was restricted to individuals who were registered as blind while half fare concessions were available to senior citizens aged 65 and over; people in receipt of a regular war disablement pension; and children between the ages of 6 and 16.²

Free travel for senior citizens was introduced in October 2001, then for war disabled pensioners in May 2002. It was at this time that electronic 'SmartPasses' were introduced.

Figure 1: Translink's 65+ Concessionary Pass



¹ DRD (2007) Policy Review of the Northern Ireland Concessionary Fares Scheme [online] available from: <http://nia1.me/13m>

² Ibid.

The scheme was extended again in April 2004 to give a half-fare concession for four new categories of people with disabilities; those who are:

- Registered as partially sighted;
- Refused a driving licence on medical grounds;
- Known to have a learning disability; or
- In receipt of either mobility component of Disability Living Allowance.

Since October 1st 2008 the concessionary fare scheme has been extended to include free travel for all men and women over 60 years old. This paper will examine the background and main drivers behind this policy change, and include an overview of the consultation process. In addition this paper presents costs of the Northern Ireland's concessionary fare scheme.

Table 1: Concessions available to residents of Northern Ireland, by year of introduction

Year	Half Fare	Free
1978	<ul style="list-style-type: none"> ▪ Senior Citizens ▪ War disabled Pensioners 	<ul style="list-style-type: none"> ▪ Registered blind
2001		<ul style="list-style-type: none"> ▪ Senior Citizens (65 and over)
2002		<ul style="list-style-type: none"> ▪ War disabled Pensioners
2004	<ul style="list-style-type: none"> ▪ Registered partially sighted; ▪ Refused a driving licence; ▪ Learning disability; or ▪ either mobility component of Disability Living Allowance 	
2008		<ul style="list-style-type: none"> ▪ Men and Women aged 60-64

Source: DRD (2007)

2 Policy review of concessionary fare scheme

The overall aim of Northern Ireland's Concessionary Fare Scheme is:

*'To promote social inclusion by improving public transport accessibility through free and concessionary fares for members of the community who are most vulnerable, or liable to social exclusion.'*³

As part of the Accessible Transport Strategy for Northern Ireland 2015, published in 2005, DRD confirmed that it would carry out a review of the concessionary fares scheme within two years. The review was carried out during 2006 and the findings were published in January 2007.⁴

³ DRD (2004) Equality Impact Assessment (EQIA) on The Northern Ireland Concessionary Fares Scheme [online] available for: <http://nia1.me/13n>

⁴ DRD (2007) Policy Review of the Northern Ireland Concessionary Fares Scheme [online] available from: <http://nia1.me/13m>

The review considered a range of issues regarding the current and future operation of the concessionary fare Scheme, including:

- The development of concessionary fares policy in Northern Ireland and how this compares with developments in the rest of the United Kingdom and the Republic of Ireland;
- The aim of the Scheme within the context of wider government objectives;
- The success of the Scheme in achieving its aim; and
- The identification and consideration of options for the future.

2.1 Demand for free travel for those aged 60-64

Based on evidence from a previous consultation on concessionary travel⁵ and the department's receipt of correspondence from elected representatives, civil society groups and members of the public, the DRD identified a strong demand for free travel for those aged 60 to 64:

This issue has become an increasingly frequent topic of correspondence since the introduction of free travel for those aged 60 and over in Great Britain. The Department has received requests from several elected representatives (both MPs, MLAs and on behalf of LGDs) as well as members of the public.⁶

The DRD also received correspondence requesting concessions or improved concessions for other groups, including:

- All School Children;
- Free travel for people with disabilities;
- Free travel for carers;
- Users of other transport modes, such as: taxis and community transport.

2.2 Consideration of options

The review considered the potential costs and benefits of eight options based on the perceived risk of social exclusion faced by those expected to gain from each of the options. The review concluded that it was “...*questionable whether the existing eligible categories and relative levels of concession accurately target those groups most at risk or liable to social exclusion.*”

The review identified a number of potential positive outcomes which may have occurred as a result of extending the concessionary fares scheme to those aged 60-64:

⁵ Consultation on the All -Ireland Free Travel Scheme for Older People

⁶ DRD (2007) Policy Review of the Northern Ireland Concessionary Fares Scheme [online] available from: <http://nia1.me/13m>
PAGE 42

- It would bring the eligible age for senior citizens into line with that in the rest of the United Kingdom;
- It would ensure that all those in receipt of a state pension in Northern Ireland would be eligible for free travel on public transport; and
- It would be welcomed by elected representatives, senior citizens and related interest groups.

However, a major shortcoming of this potential change was its 'questionable impact' on supporting the overall policy aim of increasing social inclusion, with the report identifying groups more at risk of social exclusion, including:

- Children and young people;
- Those with disabilities; and
- People on low incomes.

Table two provides a summary of the costs and benefits of each of the options identified excluding options 1-2 which were: do nothing and reduce/discontinue the concessionary travel scheme.

Table 2: Estimated cost and impact of each of the options identified

Option	Estimated additional cost	Estimated total annual cost (current cost of 21m + option)	Equality implications
Free travel for senior citizens aged 60 to 64	£3,900,000	£24,900,000	Positive impacts on: Aged 60 to 64
Half fare travel for those aged 16 & 17	£1,220,000	£22,220,000	Positive impact on: 17 and under
Half fare for those in full-time education	£23,800,000*	£44,800,000	Positive impact on: Children and young people; Women; People with dependents
Free travel for those with disabilities	£3,700,000	£24,700,000	Positive impact on: People with disabilities; People with dependents
Free travel for carers	£1,050,000	22,050,000	Positive impact on: People with disabilities; People with dependents
Concessionary travel on other modes	NA	NA	Positive impact on: 16 and under; 65 and over; People with disabilities; People with dependents; Women; Catholics
Half fare for those on low incomes	£940,000	£21,940,000	Positive impact on: Women

* This figure is a best guess and includes £500,000 per annum to issue SmartPasses. It is difficult to estimate with any precision the level of costs that would be generated by this option

3 Introduction of free travel for those aged 60-64

On 10 April 2008 the Department for Regional Development launched a consultation and draft Equality Impact Assessment (EQIA) seeking views about the proposal to extend the Northern Ireland Concessionary Fares Scheme to include free travel for all men and women aged 60 to 64.

According to the consultation report:

The proposal to extend free fares to persons aged 60-64 inclusive followed the Review of the Northern Ireland Concessionary Fares Scheme. The Minister for Regional Development, Conor Murphy MP MLA, made bids (totalling £11m annually) as part of the Budget 2007 process.

These bids would have allowed the Scheme to be extended in a number of ways, including providing half fares to all young people up to age 18, providing free – rather than half – fares to people with disabilities, providing concessionary travel arrangements on rural community transport and on Door-2-Door services, as well as providing 12 months free travel to persons returning to work from long-term unemployment.

[...however]

*The resulting Budget has indicated that resources will only be made available to extend the Scheme to persons aged 60-64 inclusive. As well as reflecting **the Executive's priority**, this choice also takes account of the fact that this is the single most important concessionary fares issue raised by members of the public and their elected representatives.⁷*

3.1 The consultation

The consultation period ended on 9 June 2008. In all, 30 responses were received from a range of political representatives, Local Authorities, community and voluntary organisations and members of the public; 29 were positive while one was neutral.

4 Costs incurred by the Department

The costs incurred by the Department in operating the Scheme can be divided into two broad categories, actual and notional. Actual costs are those which are accounted for within the Scheme budget, primarily reimbursements paid to transport operators but also administrative expenses such as the purchasing and printing of SmartPasses. Notional costs relate to those expenses that the Department could, notionally, remove from other budgets, were the Scheme to cease, such as the cost of staff employed to administer the Scheme.

⁷ DRD (2008) Public Consultation and Equality Impact Assessment Final Report: Free Travel Scheme for People Aged 60-64

4.1 Actual Costs of concessionary fare scheme

As shown in table two, the estimated additional cost to the DRD for extending the concessionary fare scheme to all those aged 60-64 was estimated to be in the region of £3.9m. Table three shows that this figure was exceeded in year 2 of the scheme and by 2011/12 it was 73 per cent higher than the original estimate. Between 2007/08 and 2011/12 the actual cost of the concessionary fare scheme has increased from £12.8m to £26.4m representing a 107 per cent increase.

Table 3: Actual costs of Northern Ireland Concessionary fare Scheme 2007-08 – 2011-12

YEAR	Senior 65+	60+	HALF FARE	Total	% Change
	£000s	£000s	£000s	£000s	
2007/2008	12,130	-	635	12,765	-
2008/2009	14,805	2,341	676	17,822	39.6
2009/2010	16,457	5,473	667	22,597	26.8
2010/2011	17,785	6,133	715	24,633	9
2011/2012	18,935	6,747	740	26,422	7.3
				TOTAL CHANGE	107

Source: DRD

4.2 Notional costs

The notional costs incurred by the DRD are those which are required to administer the scheme and the departmental operating costs. Unfortunately the most up-to-date data available for these costs is from 2008/09. This was the first year of the extended scheme and this is reflected in the running costs which increased from £577,000 in 2007-08 to just over £1m in 2008/09.

Table 4: Notional costs of Northern Ireland Concessionary Fare Scheme 2003/04 – 2008/09

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	£000s	£000s	£000s	£000s	£000s	£000s
Concessionary Fares Implementation and Admin	259	261	76	332	577	1,004

Source: [AQW 7781/09](#)