



**Welsh Liberal Democrats**  
**Democratiaid Rhyddfrydol Cymru**

# A Concessionary Fare Scheme for Young People in Wales

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Policy Report



Welsh Liberal Democrats

March 2014

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## Executive summary

In 2013, Welsh Liberal Democrat Conference passed a motion noting with concern the disproportionate impact of increased public transport fares on young people. The motion called for a national scheme to establish a young persons' travel rate for 16-18 year olds and full time students, to assist with studies, employment and training. This motion was supported by the 'Fairer Fares' campaign promoted by the Liberal Democrat youth wing, Liberal Youth, and the Welsh Liberal Democrat youth wing, IR Cymru, to secure affordable transport for young people.

This report explores different policy mechanisms for operating a concessionary fare scheme for young travellers to help reduce the cost of public transport and improve access to education, employment and training opportunities. It will examine the policies proposed by Liberal Youth in its 'Fairer Fares' campaign alongside other policy options to improve the affordability and accessibility of public transport.

The Welsh Liberal Democrats are keen to see a reduction in youth unemployment and believe that breaking down the barriers to affordable and accessible transport also breaks down the barriers to opportunity.

The report recommends a national concessionary fare scheme based on a blanket reduced fare rate for 16-18 year olds and students. This policy achieves the objectives of improving access to affordable transport for young people, with minimal administration costs. Eligibility would be determined through means of official forms of identification or visual verification of age. This policy is estimated to cost between £2.4m to £40.6m depending on the level of concession offered and the age groups included.

The report also recommends pursuing an expansion to the Bwcabus network to other rural areas of Wales to improve access for young people in rural areas. Taken together, these policy options would help ensure that every young person has the ability to take up the employment and training opportunities which are vital in building a stronger economy and a fairer society.

## Introduction

In 2013 the Welsh Liberal Democrats passed a policy motion at conference highlighting that young people are disproportionately impacted by increases in fares for public transport due to their reliance on low cost public transport to access work, education, training and apprenticeships. The motion called on the Welsh Government to introduce a national concessionary scheme for young people aged 16-18 and those in full time education.<sup>1</sup>

This policy builds on the 'Fairer Fares' campaign by Liberal Youth, which notes that under the last Labour UK Government the cost of transport rose by 24%, leaving many young people isolated and unable to take advantage of education and training opportunities. The campaign calls for fairer pricing on public transport so that it is affordable and accessible to young people, including: an increase in the reduced fare age; expanding the railcard scheme to cover all public transport and introducing peak time discounts for young people.<sup>2</sup>

According to the British Youth Council, children and young people are one of the largest user groups of public services - including public transport - yet evidence suggests that the cost of travelling by bus, rail or tram can pose a barrier to young people getting around.<sup>3</sup> However, while children aged 5-15 pay a reduced fare, those aged 16-18 and full time students, who are often still financially dependent or without a notable income, are often subject to the full adult fare.

Under the Learner Travel (Wales) Measure 2008, local authorities are required to assess the travel needs of learners up to and including the age of 19. However there is no legal duty on local authorities to provide transport for students in post-16 education. While some local authorities in Wales have taken welcome steps to introduce a concessionary fare scheme for young people, there is significant variability in concessionary schemes. This leads to confusion over affordable transport options for young people and difficulty when travelling across local authority boundaries.

Between 2006 and 2008 a pilot scheme by the Welsh Government in Denbighshire, Flintshire and Wrexham in the North-East, and in Bridgend in South Wales offered half-price travel on buses for 16-18 year olds; however it was later deemed unaffordable in the current economic climate.

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<sup>1</sup> IR Cymru: Fairer Fares policy motion <http://ircymru.org/fairerfares-campaign/>

<sup>2</sup> Federal Liberal Youth: Fairer Fares campaign <http://liberalyouth.org/getonboard/>

<sup>3</sup> British Youth Council: 'Safe and Affordable Public Transport' <http://www.byc.org.uk/campaigns/safe-and-affordable-public-transport.aspx>

On 7 February 2012 the Minister for Local Government and Communities wrote to the Chair of the Petitions Committee responding to petition P-04-361 on free bus passes for students under 25 and in full time education. The response stated that “the Welsh Government is not able to take forward a national scheme that would provide concessionary travel for students and learners between 16 – 25 years of age. Such a scheme would be unaffordable in the face of the very tight spending constraints we face.”<sup>4</sup>

While there would be an initial investment required to establish a concessionary fare scheme, enabling young people to have better access to education, employment and training opportunities would enable young people to make a greater contribution to the local economy and help to sustain bus services by increasing usage of public transport, particularly in rural areas and at off peak times. In government the Welsh Liberal Democrats would aim to bring forward a cost efficient scheme to realise these aims for the benefit of young people.

This report will examine the policies proposed by Liberal Youth and IR Cymru and investigate potential methods of implementation. It will discuss solutions that can be implemented to help reduce the cost of transport for young people and improve access to education, employment and training opportunities. The aim is to develop a policy proposal that is cost efficient, improves ease of access, reduces barriers to affordable transport and improves accessibility to education and employment opportunities.

The Welsh Liberal Democrats are keen to see a reduction in youth unemployment and believe that breaking down the barriers to affordable and accessible transport also breaks down the barriers to opportunity. Ensuring that every young person has the ability to take up employment and training opportunities is vital in building a stronger economy and a fairer society.

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<sup>4</sup> Petitions Committee:

<http://www.senedd.assemblywales.org/documents/s8619/12.02.07%20Minister%20to%20Chair.pdf>

## **Policy Options**

### **Policy Option 1: Expanding the Railcard**

This policy was proposed by Liberal Youth as part of its 'Fairer Fares' campaign. It would operate by extending the railcard to involve other forms of public transport such as buses, trams and Transport for London services. The aim would be a simple unified approach to young people's discounts whereby they would only need one card, and would apply only once, to access discounts on an array of transport means.

However, the 16-25 Railcard is not offered by the Welsh or UK Government; it is instead offered by the Association of Train Operating Companies (ATOC) under the brand of National Rail. It was established by train companies and is independent of the government.<sup>5</sup>

Expanding the policy to all other forms of public transport would require negotiations between ATOC and other transport providers. There is also a cost to obtaining the railcard whereas ideally a concessionary fare scheme would involve minimal upfront cost, to 'unlock' a young person's discount on bus transport. Furthermore, within Wales there is no tram or metro service at present; therefore expanding the Railcard would solely be confined to bus services.

### **Policy Option 2: Extending the reduced rate on bus transport**

Buses already offer a reduced rate for children usually up to the age of 16. However this excludes students, apprentices and other young learners from accessing affordable transport; instead they are subject to the full adult fare.

Extending the reduced rate on public transport would establish a new young traveller's rate. Such a discount would be funded in a similar way to the Over-60s bus pass: through a concessionary subsidy to bus companies to guarantee that a reduced rate is available for young travellers. The discount would be uniform across Wales and should be separate from the under-16 child rate.

A young traveller's rate on bus services in Wales offers an easily operable and accessible discount, with flexibility to determine eligibility through a variety of means.

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<sup>5</sup> Association of Train Operating Companies <http://www.atoc.org/about-atoc/about-us/>

One consideration is whether this fare extension should only apply to young people living in Wales. Restricting eligibility in this way would require a form of eligibility card as proof of residency. Offering the concessionary rate to all young people travelling in Wales would provide a more straightforward system and avoid the need to create an eligibility card to prove residency, which would incur additional administration costs and would likely offset the saving made by restricting the discount to Welsh residents.

### **Options for Implementation**

#### **➤ Use of NUS Cards & Youth Bus Cards (for non Higher Education students)**

A possible option would be to use Student ID cards for those that have them and issue a 'youth bus card' to those that do not. Students would therefore automatically be eligible to receive the discount on bus fares, while others in the 16-24 demographic would need to apply for their own 'youth bus card'.

#### **Benefits:**

- reduced promotion and administration costs as those with student IDs would automatically be entitled;
- would not require negotiation with ATOC;
- no upfront cost to obtain the discount.

#### **Disadvantages:**

- ensuring mass uptake from younger people not in higher education could be challenging, particularly with those on apprenticeships;
- difficulties could emerge in engaging with those on apprenticeships due to the large number of employers involved;
- there could be confusion for students over who needs to apply for a youth bus card and those who are automatically entitled through their Student IDs;
- bus drivers would be accepting three forms of entitlement identity cards (over 60s Bus Pass, Young Persons Bus Pass, and Student ID cards);
- additional administration costs in providing youth bus cards.

### ➤ **The Scottish solution; a single National Entitlement Card**

Scotland has introduced a 'Scottish National Entitlement Card'; this is a multifunctional card that predominately acts as a concessionary travel pass and is offered to certain disabled groups and persons aged over sixty. It can also act as Proof of Age for young people (Young Scot NEC) and provide access to civic services such as libraries and leisure centres depending on the local authority.

The Scottish Government also supports the free Young Scot National Entitlement Card and offers every 12-18 year old the opportunity to sign up for it. The Young Scot NEC acts as authorised Proof of Age for young people, as well as offering access to various local and national deals such as free use of leisure and library services. In addition, for young people aged 16–18 year olds plus 19-25 year olds who volunteer full time, there are transport-related discounts including access to the Scottish Youth Railcard (free discount card for 1/3 off Scottish rail journeys) and a bus discount card for 1/3 off single adult fares.<sup>6</sup>

The scheme is managed under a lead authority in Scotland, this being Dundee City Council and between 2006 and 2011, cards were issued to over 1.7 million people.

#### **Benefits:**

- simplicity – a single card for many schemes; can be used for both over-60s bus schemes, youth discounts on buses, and as a library card, among other uses;
- greater incentive for uptake due to the benefits of providing official identification and commercial discounts;
- through data sharing across public services, citizens only have to provide information once for a change to take place across all systems;
- when a council transfers other services onto the card, such as leisure and library membership, citizens will only need to carry one card;
- in Scotland, the National Entitlement Card (Young Scot Version) includes a free Scottish Youth Railcard which includes 1/3 off most rail fares within Scotland, 50% off weekly and monthly tickets and 1/3 of advance purchases for 16-18 year olds;
- there may be scope for negotiation with Arriva Trains Wales to combine their Valleys Student Railcard with a National Entitlement Card or the inclusion of such a Railcard with a Young Person's Entitlement Card.

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<sup>6</sup> [http://en.wikipedia.org/wiki/Scottish\\_National\\_Entitlement\\_Card](http://en.wikipedia.org/wiki/Scottish_National_Entitlement_Card)



## **Disadvantages:**

- substantial changes to administration to unify a variety of different schemes under one form of entitlement identification;
- replacement of old cards and the issuing of new cards would have an upfront cost, but it would result in savings in the long run;
- strong marketing campaign needed to encourage widespread uptake of the card;
- there have been some concerns from citizens regarding privacy whereby Transport Scotland maintained a journey database which travellers regarded as an unacceptable intrusion of their privacy;<sup>7</sup>
- engagement would be needed with schools, FE/HE institutions as well as encouraging those on apprenticeships to take up the card.

### ➤ **Using official age identification to ascertain eligibility**

The administration cost of issuing cards could be removed through a system of visual identification as currently used for child tickets, where in the event of uncertainty bus drivers could request a form of official identification of eligibility for the young travellers rate.

## **Benefits:**

- easy to implement as it would amount to an extension of the existing child's reduced fare;
- minimal administration as young people would be automatically eligible and run on the basis of already existential identification schemes;
- using existing forms of identification such as driving licenses and PASS logo cards would save money through not having to issue new forms of identification;
- does not have the privacy concerns that would emerge from a National Entitlement Card;
- simple for young people to access the reduced fares as no application forms would be needed to apply for a card, as long as they have a form of official identification.

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<sup>7</sup> <http://www.no2id-scotland.net/news.html>

## Disadvantages:

- for young people, possession of official ID is limited<sup>8</sup>:
  - 70% of 18 and 19 year olds do not have driving licenses.
  - 1/3 do not have a passport.
  - while 5 million PASS cards have been issued, there have been issues previously regarding acceptance.<sup>9</sup>
- cost of acquiring a PASS card is between £15-£30; this effectively is a cost to unlocking the concessionary fare;
- questions over the eligibility for young people from the rest of the UK.

## Policy Option 3: Peak time discount to help young people access jobs and training

This policy was proposed by Liberal Youth as part of their 'Fairer Fares' campaign. It would introduce reductions on bus tickets for young people at peak times. This would operate under the assumption that full rate fares would operate at other times.

While peak discounts would offer some financial relief for young commuters, it would offer little benefit for young people working unsociable hours, or those attending interviews. Young people often travel at a variety of times during the day, therefore offering a reduced rate that would apply at all times would be of far greater benefit allowing greater flexibility for young travellers.

There is a concern that this could encourage tiered fares which are extensively used on trains and can be inconvenient for travellers. Buses do not have peak and off-peak fares presently, and such a policy may establish a precedent.

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<sup>8</sup> PASS FAQs (July 2013): <http://www.pass-scheme.org.uk/files/8513/8684/4180/PASS-QA-brochure-final-2013.pdf>

<sup>9</sup> The Proof of Age Card that doesn't PASS muster. <http://www.theguardian.com/money/2011/nov/25/proof-of-age-card-pass>

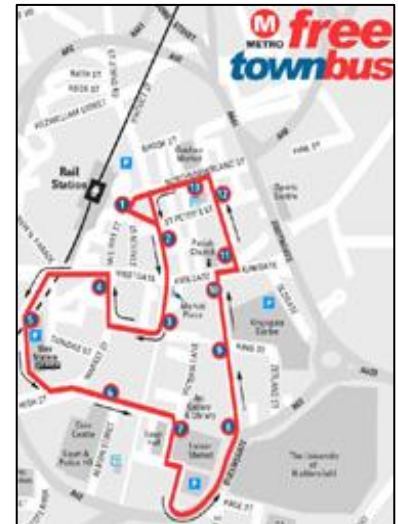
## Policy Option 4: Free town and city transport

Metro Connect runs a number of zero-fare bus services in some towns and cities in West Yorkshire under the brand of FreeCityBus/FreeTownBus. Such services have been operating since 2006 in Leeds, Huddersfield, Wakefield, Bradford and Dewsbury.

These services have proven extremely popular, with the service in Huddersfield carrying over 100,000 passengers in under six months.<sup>10</sup> These services are funded jointly between local authorities including Kirklees Council, the West Yorkshire Passenger Transport Executive (Metro) and local businesses.

Such a service has proven popular, and stands to benefit the most people as it is a universally free service accessible to all within the confines of the city centre. However, the benefit to younger people is somewhat limited as young people can often get to their destinations through walking, cycling or lift sharing when journeys are confined to city and town centres.

Furthermore, those who are most disadvantaged on the basis of their location due to rurality would not benefit from such a service. Under this provision, focus would be disproportionately given to city and town centre transport and would do little to address issues of affordability for longer or rural journeys.



Route Map for the FreeTownBus Service in Huddersfield

## Policy Option 5: Expanding community transport: the Bwcabus model

The Bwcabus service is an accessible local bus service which is tailored to the needs of rural residents by operating in response to pre-booked journeys. It allows those communities that are disconnected from fixed routes to benefit from a bus service where a more regular operation is not commercially viable.

The service is charged by every half-mile, with a maximum of 9.5 miles (£2.55 adult fare) and a minimum of 0.5 miles (£0.85) adult fare. Child fares are available to under 16s, and

<sup>10</sup> Huddersfield FreeTownBus <http://archive.is/5ytDu>

16 and 17 year olds in full-time education on journeys to or from school. These child fares are not available to young people travelling to apprenticeships.<sup>11</sup>

The Bwcabus service is restricted to Northern Carmarthenshire and Ceredigion and does not serve other rural communities in Wales such as those in Powys, Gwynedd, Anglesey and Conwy. Communities that are not connected to a local bus route are restricted to use their own vehicles, carshare, or use of the limited public transport available. Young people in these communities would face significant barriers to education, training, apprenticeships and employment if they are unable to afford a car of their own.

The Bwcabus service would improve connectivity for young people in rural areas. The cost of medium distance travel is affordable and the scheme offers support for 16-17 learners.

In 2013 the Enterprise and Business Committee produced a report on 'Integrated Public Transport'. It recommended that the Bwcabus network should be expanded into other rural areas in Wales, as the community transport network in terms of its integration with the wider network is 'patchy at best at the moment'.<sup>12</sup>

However, the Welsh Government has only accepted expansion in principle and suggests that stakeholders visit and learn from the Bwcabus experience. The Welsh Government noted that the present service costs approximately £120,000 per annum, with further funding from Europe and local authorities. Expansion would be subject to the availability of public funds as it is unlikely that this service will become self-funding.<sup>13</sup>

While this service is useful to help young people reach apprenticeships, employment, training and education, it would serve mostly young people in rural areas. It would also benefit people from other backgrounds and ages in terms of rural connectivity.

It would be beneficial to encourage the Welsh Government to commence a further rollout of the Bwcabus network, engaging with local stakeholders to improve rural connectivity. This would not only help young people access key career opportunities, but would also improve the mobility of people from other backgrounds, such as the elderly, to access services and facilities in nearby towns.

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<sup>11</sup> Bwcabus: <http://www.bwcabus.traveline-cymru.info/>

<sup>12</sup> Enterprise and Business Committee: Integrated Public Transport May 2013  
<http://www.senedd.assemblywales.org/documents/s17569/Report%20on%20Integrated%20Public%20Transport%20-%20May%202013.pdf>

<sup>13</sup> Welsh Government Response to the Enterprise and Business Committee's report on Integrated Public Transport in Wales  
<http://www.senedd.assemblywales.org/documents/s18781/Welsh%20Government%20Response%20to%20Committees%20Report%20on%20Integrated%20Public%20Transport%20in%20Wales.pdf>

## **Policy Costings**

Currently, the Welsh Government has an agreement with the bus industry and local authorities for the all Wales concessionary bus fare scheme for the elderly and disabled. Under the 3 year deal, £213m is being provided to support the scheme until March 2014.

There are currently a total of 628,746 people over 60 in Wales in possession of a bus pass. This figure rises to approximately 700,000 when injured veterans and eligible disabled people are included. Using these figures, the approximate cost of providing concessionary bus transportation is between £95-£109 per person per year.

### **A concessionary rate for 16-18 year olds:**

There are 77,100 people aged 16 and 17 in Wales. Using the cost per person calculated above, the cost:

- to provide free bus transport: £7.3m – £8.4m;
- to provide a ticket concession of 50% off bus transport: £3.7m-£4.2m;
- to provide a ticket concession of 1/3 off bus transport: £2.4m-£2.8m.

### **A concessionary rate for 16-18 year olds and students:**

There are 372,515 young people aged 16-24 in Wales. While not all are in full time education, the costings below would provide an approximate calculation of the maximum extent of funding required to include students and young people studying an apprenticeship:

- to provide free bus transport would cost between £35.4m - £40.6m;
- to provide a ticket concession of 50% off bus transport: £17.7m – £20.3m;
- to provide a ticket concession of 1/3 off bus transport: £11.7m - £13.4m.

Many of the policy papers published by the Welsh Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to implement all these proposals immediately. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the Assembly election.

## Conclusion

This report recommends the expansion of the reduced fare to cover young adults and learners (policy option 2). This offers the greatest benefits in terms of improving affordability of public transport and helps to tackle the barriers young people face in accessing work, education, employment and training.

Policy option 1 would be difficult to achieve as it would require significant upfront cost and involve a complex arrangement with ATOC over the usage of the Railcard. Policy 3 for peak time fares on its own would provide only limited benefits as it would not suit young people travelling off peak for shift work or interviews. Policy 4 would provide little benefit to young people, as a free local bus would run short routes that would often be walked and money may be better spent on longer distance transport. Policy 5 briefly examined expanding the Bwcabus network to other rural areas of Wales and this report supports consideration of this option to improve rural transport links.

The recommended policy option 2 would be implemented through the provision of an additional subsidy for bus operators to provide a reduced fare. This would require the least amount of administrative expansion, keeping the cost of the policy down as it would not require the creation of dedicated eligibility cards. Using the calculations above, we have an indicative cost of £2.4m-£8.4m for a concessionary fare scheme for 16-18 year olds, depending on the level of subsidy provided. Extending the scheme to include all 16-24 year olds could cost a maximum of £40.6m. Administration costs would be low as it would operate on the basis of official proof of age cards already in operation such as PASS cards, driving licenses and student ID cards, in addition to visual verification where possible.

It is important to consider that cost is not the only barrier to young people seeking opportunities to further their careers. Due to the rural nature of many parts of Wales, accessibility of local transport is often poor and reducing the cost without improving service is of little benefit. For this reason, this report examined the Bwcabus scheme in brief, and noted that in the current area it operates it has been successful in connecting rural communities. Therefore this report recommends considering an expansion of the Bwcabus network into other parts of Wales as part of developing an integrated transport plan to improve access to affordable transport for young people.

Taken together, these policy recommendations would help ensure that every young person has the ability to take up employment and training opportunities which are vital in building a stronger economy and a fairer society.