



**West Midlands  
Combined Authority**

## **WMCA Board**

<b>Date</b>	22 March 2019
<b>Report title</b>	Women's Concessionary Travel Scheme Pass
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<b>Report has been considered by</b>	TfWM Strategic Leadership Team WMCA Strategic Leadership Team Strategic Transport Officers Group WMCA Programme Board

### **Recommendation(s) for action or decision:**

#### **The WMCA Board is recommended to:**

- (1) To seek approval (noting the required consultation with operators) to introduce a local travel concession commencing on 7 July 2019 for women in the West Midlands most affected by the 2011 Pensions Act which accelerated the increase in the State Pension age from 2016.
- (2) Approve the forecast costs for the selected scheme option, which is funded from within the overall Transport Delivery budget.
- (3) Seek agreement on the recommended scheme option 1 from those presented in the report and agree eligibility being based from the Pensions Act 1995 (applicable if the scheme is to be extended beyond its proposed 15 month period).

## **1 Purpose**

- 1.1 The purpose of this report is to seek approval to support an agreed cohort within the WASPI (Women against State Pension Inequality) women – born between 6th March 1954 (assuming a July launch date) and up to 5th November 1954 – with a local travel concession providing some of the benefits of the English National Concessionary Travel Scheme (ENCTS) plus free Metro travel.
- 1.2 The proposed Women's Concessionary Travel Scheme pass would provide free off-peak (between 9.30am and 11.59pm Monday to Friday, and all day at weekends and on public holidays) local bus and (subject to CA board approval and depending on the option decided upon) Metro travel for around 9,000 women. It would not be feasible to include rail due to budget restraints as well as the longer timescales required for implementation. It could also only be used for concessionary travel within the West Midlands Metropolitan region.
- 1.3 A £500K budget allowance for 2019-20 has been identified to develop and implement a Women's Concessionary Travel Scheme, with an assumed budget of £220K built into the Medium Term Financial Plan assumptions for 2020-21. It has been made available as a result of operating efficiencies made during 2018-19. This proposal does not therefore require any changes to the overall Transport Delivery Budget.
- 1.4 The Women's Concessionary Travel Scheme pass is proposed to commence on 7<sup>th</sup> July 2019 (and based on the recommended option 1) would last around 15 months. Actual costs will depend upon the extent of the coverage of the scheme and on actual take up rates and usage of the concession.
- 1.5 In total, three options, and two eligibility scenarios have been presented in this report with the cohort group varying from those born 6<sup>th</sup> March until 5<sup>th</sup> November 1954 or the 5<sup>th</sup> November 1955. End dates for each option also vary from October 2020 – October 2021.
- 1.6 With option 1, consideration could also be paid to extending the schemes availability following its launch and subject to reviews of take up and usage - enabling the scheme to be offered to more women than the predicted 9,000.

## **2 Background**

- 2.1 Since 1940 men have received their state pension at 65 and women at the age of 60. However changes set out in the 1995 Pensions Act drew up a timetable which sought to equalise the age at which men and women could draw their state pensions.
- 2.2 This in turn raised the qualifying age for women to 65 with changes being phased slowly between 2010 and 2020. However, the Government accelerated the timetable in the 2011 Pensions Act. The new qualifying age of 65 for women was brought forward to 2018, and then the State Pension Age (SPA) was raised again to 66 as of October 2020 for both men and women.

- 2.3 The Pension Act 2011 has therefore resulted in some women being financially worse off, as a consequence of having to wait longer for their pension income than was initially set out in the 1995 Pensions Act, alongside a shorter notice period (than the 1995 Act gave them in which to adjust). For example, those born between March 6<sup>th</sup> 1954 and November 5<sup>th</sup> 1954 have had to wait up to 18 months longer, in some cases with less than five years' notice.
- 2.4 Women have also had to wait longer than expected for benefits that were commensurate with SPA such as the ENCTS pass.
- 2.5 The campaign 'Women against State Pension Inequality (WASPI)' was launched in 2015 and the group have since been lobbying on these issues. They aim to "achieve fair transitional state pension arrangements for women born in the 1950s".
- 2.6 The WASPI campaign agrees with the equalisation of the SPA; but does not agree with the "unfair way the changes were implemented – with little or no personal notice (1995/2011 Pensions Acts); faster than promised (2011 Pensions Act); and no time to make alternative plans".
- 2.7 To help compensate for their wider loss, this group have campaigned for the right to be granted an ENCTS pass earlier than will be the case based upon the 2011 changes. TfWM's Supported Travel Policies Review (undertaken in the summer 2018) also referenced this WASPI cohort. As a result, a number of West Midlands Transport portfolio holders showed willingness to explore options to support WASPI women.
- 2.8 The introduction of a Women's Concessionary Travel Scheme would therefore be supporting women on some of the lowest incomes (who make nearly three times more trips by bus). It would also assist this cohort to access key services and opportunities – which are particularly important for older people in tackling social exclusion, social isolation, maintaining good health and wellbeing and enabling independence.
- 2.9 Following further discussions with the West Midlands Transport Cabinet Portfolio Leaders, WMCA Leaders and the WMCA's Overview & Scrutiny Committee during late 2018, it has been proposed to create a Women's Concessionary Travel Scheme pass that will be launched from 7<sup>th</sup> July 2019.

### **3 Scheme Options**

- 3.1 Three Women's Concessionary Travel Scheme options have been considered, encompassing three different timescales.
- 3.2 The estimated costs over the lifetime of each proposed scheme option are based on the most recent ONS (Office for National Statistics) and NTS (National Travel Survey) data informing take-up rates and population information; current Metro concessionary reimbursement fees, and; a 'higher end cost scenario' for bus reimbursement rates. These three options are now presented below:

### Option 1 (Recommended Option)

- 3.3 This option includes women born on or after March 6th 1954 – November 5th 1954. The initial WASPI women have already reached pensionable age, but of this cohort there is still a group who could benefit for a maximum of around 15 months (and a minimum of around 2 months) from this scheme (around 9,000 women).
- 3.4 For this option both bus and Metro would be financially feasible, and funded from the budget provision of £500k available within the Transport Delivery 2019-20 budget, and the £220k assumed budget built into 2020-21 in the Transport medium term financial plan. Any additional costs between the budgeted £500k and projected £549k for 2019-20 would be managed within the overall Transport Delivery Budget. This option would also support those women of most concern to the WASPI campaign - those being affected the most by the 2011 acceleration of the 1995 State Pensions Act.

### Option 2

- 3.5 This cohort would include women born between March 6th 1954 and May 5th 1955 and would benefit around 15,000 women. However it would be cost prohibitive as the projected costs are significantly in excess of the budget available for 2019-20 and the assumed 2020-21 budget within the Medium Term Financial Plan.

### Option 3

- 3.6 This option would include women born within March 6th 1954 – October 5th 1955 and operating for 2 years and 4 months. This would benefit around 22,000 but again this option would be cost prohibitive for the same reasons as that for Option 2.
- 3.7 Consideration was also given to a fourth option which included all WASPI women born until the end of 1959. The scheme would have benefitted over 70,000 women over a 6 year scheme lifetime. However, the estimated costs of this scheme would be in excess of £7 million and would be unfeasible given the funding available.
- 3.8 **Table 1: Scheme Options Summary** (please note the numbers of women eligible will steadily decrease throughout the lifetime of all options as more reach pensionable age and thus ENCTS eligibility).

Option	Max Notice as a result of 2011 SPA change	Estimated size of group to benefit	Eligibility (DOB from and to)	Lifetime of scheme (assuming 7 July 2019 start date)
1) Apply scheme to women born between 6 Mar 1954 and 5 Nov 1954	Up to 9 years notice	9,000	6 <sup>th</sup> Mar 1954 – 5 <sup>th</sup> Nov 1954	1 year 3 months
2) Apply scheme to women born between 6 Mar 1954 and 5 May 1955	9 years 6 months max notice	15,000	6 <sup>th</sup> Mar 1954 – 5 <sup>th</sup> May 1955	1 year 10 months
3) Apply scheme to women born between 6 Mar 1954 and 5 Nov 1955	10 years max notice	22,000	6 <sup>th</sup> Mar 1954 – 5 <sup>th</sup> Nov 1955	2 years 4 months

- 3.9 Option 1 can be funded from within the available budget and is the recommended option. This option will target those who have had some of the longest delays but also the least notice of such delays to their pensions after the 2011 Act changes to the original timetable.
- 3.10 The costs of options 2 and 3 are in excess of the budget available for 2019-20 and the assumed 2020-21 budget within the Medium Term Financial Plan.
- 3.11 Any additional costs above the £500k in 2019-20 and assumed £220k for 2020-21 would need to be met from identified equivalent savings within the overall Transport Delivery Budget.
- 3.12 Rail costs are also excess of the budget available for all three options and would also therefore be unfeasible from the given budget for any scenario.
- 3.13 While option 1 targets the smallest group of women, consideration could be paid to extending the schemes availability following its launch and subject to reviews of take up and usage - enabling the scheme to be offered to more women. Extending the life of the Women's concessionary Travel Pass scheme beyond October 2020 could then support more women than the predicted 9,000.

#### **4 Approaches to Eligibility**

- 4.1 We have also considered two eligibility scenarios which are based on two slightly different formulation approaches. These are outlined below:
- 1) Eligible from the Pensions Act 1995:** One eligibility scenario would follow the example of the Greater Manchester Women's Travel Concession scheme. In this scenario, women receive their travel concession from the age they would have been eligible for their pension under the 1995 Act.
  - 2) Eligible from the age of 60 (prior to 1995 Pensions Act):** A second eligibility scenario considered would make women (born after March 6<sup>th</sup> 1954 but before 1960) eligible for their travel concession from the age of 60, as in London, and on Merseyside, for example.
- 4.2 These two scenarios determine only when women would first be offered the proposed concession – either all together at the start of each option if eligible from age 60, or from the date they would have started receiving their pension under the 1995 Act in that scenario.
- 4.3 For the recommended option 1, both the aforementioned scenarios would benefit the same number of women, for the same amount of time and for the same cost. All the women covered by this option would already be in receipt of their pension under the 1995 Act.
- 4.4 However, if the scheme was to be extended beyond the 15 month period (subject to reviews of take up and usage), an agreement on the formulation to eligibility would need to happen.

- 4.5 In the first eligibility scenario, some women would need to wait to become eligible. This scenario is therefore more manageable to implement and in line with the TfGM eligibility approach. In the second scenario, all women from 60 onwards would be eligible from the start, and would benefit for longer. However this option would be considerably more expensive.
- 4.6 In either scenario, once the proposed eligible group(s) reach retirement age, they will then become eligible for the existing English National Concessionary Travel Scheme, meaning the numbers of women eligible will reduce towards the end of any scheme.

## **5 Implementation**

- 5.1 An online application process will be specified in detail and agreed for development, launching on 7<sup>th</sup> July 2019. The initial stage of the application will allow women to check their eligibility and progress to application stage eligible. On completion of the application they will be advised the validity of this pass, along with a little detail on the full ENCTS pass they will progress to.
- 5.2 Those without internet access will be referred to the Customer Contact Centre where a paper application will be available along with information about the concession including how to apply, where the travel pass can be used and timescales for applications.
- 5.3 A new card type and supporting literature will need to be designed. A full marketing campaign will be required for awareness and promotion of the scheme.

### **Engagement with bus operators/MML:**

- 5.4 Agreement with bus operators should be straight forward, however the WMCA has powers to insist on acceptance of this scheme if necessary. Negotiations will be required with MML.

### **Agree any additional upfront development costs:**

- 5.5 Customer Management System (CMS) development costs will be required to develop this scheme. Estimated costs have been factored in based on recent development undertaken for nNetwork Term, child and student products. Internal costs to Swift can be fulfilled with existing staff resources.

### **Reconfiguration of ticketing machines:**

- 5.6 Operators will be require to re-configure all their on bus machines for any changes to products. TfWM would undertake this for managed service operators whilst non-Managed Service operators would be required to do their own. Although operators have not charged TfWM for reconfiguration costs previously, confirmation of this should be obtained to ensure no additional costs will be incurred.

5.7 The table below shows a high milestone plan:

Activity	Feb	Mar	Apr	May	Jun	Jul
Operator Consultation	■	■	■			
Technical Specification	■	■	■			
Scheme Development		■	■			
Branding Development		■	■	■		
Legal & Contract Work			■	■		
Technical Delivery			■	■	■	
Web/Application Development				■	■	
Operator Configuration				■	■	
Quality Assurance Testing					■	
Publicity and Marketing					■	■
Implementation & Deployment						■

## 6 Financial Implications

- 6.1 Option 1 can be funded from within the available budget provision of £500k for 2019-20 and the assumed £220k budget built into 2020-21 in the Transport medium term financial plan. Any additional costs between the budgeted £500k and projected £549k Option 1 costs for 2019-20 would be managed within the overall Transport Delivery budget. The costs of options 2 and 3 are significantly in excess of the budget available for 2019-20 and the assumed 2020-21 budget within the Medium Term Financial Plan.
- 6.2 Depending on uptake of the scheme and the actual costs incurred, there may be an opportunity to extend the life of the Women’s concessionary Travel Pass scheme beyond October 2020. This will be dependent on whether any underspend is identified within the budgeted funding during its operation and will be considered towards the end of the scheme.
- 6.3 The costs of implementation can be funded within existing budgets with internal costs related to Swift fulfilled with existing staff resources.

## 7 Legal Implications

- 7.1 Please refer to appendix 1.

## **8 Equalities Implications**

- 8.1 A full Equality Impact Assessment was conducted which identified that the proposed scheme is likely to have a positive impact on the cohort of women identified within Option 1 of this report. The Equality Impact Assessment is attached at appendix 2. The assessment also identified that the scheme is likely to have a negative impact on men born during the same period and on WASPI women falling outside of the cohort who would not be benefitting from the concessionary scheme. The Equality assessment identified that the WASPI women within the cohort suffer a greater disadvantage specifically connected to their sex and age. Provided consideration has been given to other ways in which the disadvantage suffered by WASPI women can be minimized and this has been deemed as the most effective one adverse impact to these groups can be justified on the grounds of minimising the disadvantage suffered by WASPI women within the cohort.

## **9 Inclusive Growth Implications**

- 9.1 This concessionary scheme set out within this report forms an integral part of an inclusive transport system which supports inclusive growth objectives by:
- Supporting those on the lowest incomes (who make up to three times more trips by bus);
  - Supporting those access labour markets;
  - Supporting those access other key services and opportunities;
  - Helping tackle social exclusion and social isolation;
  - Supporting good help and wellbeing;
  - Enabling independence; and
  - Supporting place making initiatives.

## **10 Geographical Area of Report's Implications**

- 10.1 This report applies across the West Midlands Combined Authority area.

## **11 Other Implications**

- 11.1 There are no environmental impacts resulting directly from the recommendations within this report. Developing a Women's Concessionary Travel Scheme across the region will help develop the use of sustainable and active travel modes which in turn will have environmental benefits and particularly help to improve air quality and congestion.

## **12. Schedule of Background Papers**

Appendix 1 - Legal Report (Private)

Appendix 2 - Full Equality Impact Assessment