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10 DOWNING STREET

From the Private Secretary

14 March, 1983

Family Policy Group

I attach a paper by the Secretary of State for Transport on Transport and the Elderly (FPG(83)12).

I am copying this letter to John Kerr (H.M. Treasury), Imogen Wilde (Department of Education and Science), David Edmonds (Department of the Environment), Jonathan Spencer (Department of Industry), David Clark (Department of Health and Social Security), Barnaby ~~Clark~~ (Department of Employment), Mary Brown (Lord Privy Seal's Office), Alex Galloway (Chancellor of the Duchy of Lancaster's Office), Pamela Hilton (Overseas Development Administration), Richard Hatfield (Cabinet Office), Gerry Spence (CPRS), and for information to Muir Russell (Scottish Office) and Adam Peat (Welsh Office).

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DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

T. Flesher Esq
Private Secretary
10 Downing Street
Whitehall

14 March 1983

Dear Mr Flesher

FAMILY POLICY GROUP: THE ELDERLY

As we mentioned to you last week, our Secretary of State has prepared a paper on transport and the elderly which he would like circulated to members of the Family Policy Group for information.

/ As you suggested, I now enclose twenty copies of the paper for this purpose.

Yours sincerely

See Faulkner

MISS S I FAULKNER
Private Secretary

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TRANSPORT AND THE ELDERLY:

PAPER BY THE SECRETARY OF STATE FOR TRANSPORT

The Problem

1. Travel is a vitally important part of people's lives. People choose freely to devote a large proportion of their personal wealth to providing for their own mobility, and overwhelmingly the mode which they choose is the private car. Of a total users' expenditure on passenger transport of £24 billion in 1981, nearly £21 billion - 86% - was on private and business motoring. Sixty per cent of households in Great Britain in 1981 had at least one car. Since 1951, travel in private motor vehicles has risen over sevenfold, and passenger travel overall (excluding walking) by over 2½ times. In a very real sense, there has been a transport revolution.

2. However, the benefits of this revolution have not been evenly distributed throughout society. There are, and will always be, groups within society who do not or cannot own or have access to private cars. Elderly people figure prominently among these groups and will do so increasingly as the proportion of elderly people in the population as a whole rises.

3. Information from the 1981 Census and the Department's National Travel Survey give a broad picture of the nature and scale of the problem nationally. Only some 5% of the 9½ million people over pensionable age are in communal establishments. The vast majority live in independent households and must make their own travel arrangements. Yet car ownership is much less common in households in which elderly people live. Some 60% of households containing one or more pensioners were without access to a car in 1981, while for households consisting entirely of pensioners, the figure was nearly 75%. Three main factors lie behind this. Relatively low income is the first. Another is that a significant proportion of elderly people have never learned to drive. This problem is more significant for women than for men. Thirdly, as they get older, more people have

to relinquish their driving licences for medical reasons. The number of people holding driving licences falls rapidly with age.

4. With the passing of time, as personal affluence and the prevalence of car ownership increases, the overall proportion of elderly people with access to a car should rise. On the other hand, the problems of infirmity may assume greater significance as the proportion of very elderly people in the population increases. On balance, it is clear that lack of access to cars, and the isolation which that can cause, will continue to be a major problem for elderly people for the foreseeable future.

The Failure of Traditional Answers

5. Surveys indicate that 60% of all journeys by people in the 65 and over age group are for shopping and personal business, the rest being mainly social visits or day trips. Because fewer elderly people have cars, they are more likely to walk or to use public transport. Rail services are usually unattractive for the relatively short journeys involved, owing to the longer distances between stops and problems of access to stations. For elderly people therefore, public transport has traditionally meant the public stage bus - a pattern reinforced by the tendency for populations of elderly people to be concentrated in rural areas.

6. The problem is that stage bus services depend for their viability, on a wider market than just the elderly (who have always travelled less than the adult population generally). The rise of the private car has meant that much of that wider market has drifted away; a trend which shows little sign of easing. Over the past 10 years, demand for stage bus services (in terms of passenger journeys) has declined on average by 3½% a year (by 30% in total). Inevitably, operators have adjusted to this trend by curtailing services, but not to the same extent that demand has fallen. Stage bus mileage fell by 1½% a year

over the past decade (15% in total). Costs per passenger mile rose considerably. The average public subsidy per passenger journey (excluding concessionary fares) rose from about ½ pence to 10½ pence (ie 21 times) over the 10 years from 1971 to 1981, while retail prices generally rose by a little over 3½ times.

7. Conventional bus services remain vitally important to many elderly people, but there is no disguising the fact that, in effect, more and more money has been spent to provide for a dwindling number of passengers a level of service which is getting gradually worse. This position is not likely to improve, particularly if greater competition and keener pricing of services on more intensively used routes - which the Government is anxious to encourage - reduce the surplus of revenues available for cross-subsidy of unprofitable services. (Despite the massive growth in public subsidy in recent years, unprofitable bus services are still subsidised more by passengers using profitable services than by Government). Moreover, the impact of the decline in conventional bus services on the quality of life for elderly people has been exacerbated by the trend towards centralisation of shops and services.

8. Concessionary fares schemes, supported by local authorities and offering varying discounts on normal fares to certain groups of people, have undoubtedly buoyed up the use of conventional bus services by the elderly. There is strong public pressure for a national, standardised concessionary fares scheme, but that could be expensive. Expenditure on concessions already comes to over £200 million a year. A national scheme allowing off-peak travel at half fare would cost a further £100 million pa (assuming existing, more generous, local schemes continued), while free off-peak travel for all pensioners would cost over £400 million pa.

9. There is no question of injecting extra resources on this scale. Even if there were, the principle of concessionary fares schemes is open to objections. They seek to keep expensive services going by disguising their cost from users, and in doing so inhibit innovation and potentially encourage inefficiency. Moreover, they do not discriminate on grounds of need.

10. There is no reason to believe that car ownership has yet reached saturation point. The number of cars per 1,000 population is lower in Britain than in many western European countries, and growth in first and second car ownership is likely to encroach further on bus patronage. Over the past decade, rising subsidies and concessionary fares support have slowed the pace of contraction in bus services and thus the pace at which bus users, including many elderly people, have had to adjust. The only way to stabilise bus services at today's level would be to increase the level of subsidy substantially each year. There is no question of doing this, so the prospect is for some further decline in bus services, at a rate related to growth in car ownership. In order to maintain and improve transport services for the elderly we must seek new solutions, more effectively adapted to the age of the car.

A New Approach

11. This Government came to power committed to encouraging new local transport initiatives, tailored to local circumstances and to modern needs. As quickly as possible, the Government took positive steps towards achieving this objective. Recent legislation culminating in the Transport Act 1980 swept away many barriers to innovation. A relaxation of the bus licensing regulations and a provision allowing non-profit, community based social car schemes to be publicly advertised has facilitated the use of unconventional modes of transport when conventional modes are no longer viable. Experimental areas allow shared taxis in designated areas.

12. It is in the realms of voluntary transport that the greatest progress has been made with the introduction of a number of community bus services, social car schemes and dial-a-ride schemes. In the Reading area, the Readibus scheme has enabled many elderly and disabled people who cannot use conventional public transport to become much more mobile. Four minibuses, fitted with tail lifts to accommodate wheelchairs, provide the service which can be booked by phone and is allocated on a first come first served basis. Monitoring of the Readibus service has shown that a significant number of elderly disabled people who had been housebound over long periods are now able to visit friends and relatives and to make shopping trips etc. My Department has produced a film about dial-a-ride schemes which is available on free loan to groups all over the country

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who are interested in setting up services of this kind.

13. The National Bus Company, more usually associated with the operation of conventional bus and coach services, is playing a part in helping with the establishment of local bus schemes. The Company is offering advice and practical assistance both to those considering setting up schemes and, where schemes have already been established, in such fields as market research, scheduling, licensing, insurance, timetables, tickets, fares, publicity, driver training and vehicle maintenance. The Department of Transport has produced a booklet on Community Transport schemes which gives advice to groups considering setting up a community bus service.

14. In some rural areas in particular, even a community bus service may not be viable and here social car schemes (eg WI, hospital car schemes) can fill the gap. The chief advantage of a car service is its adaptability and low cost of operation so that arrangements can be made without undue difficulty to provide a door-to-door service.

15. Dial-a-ride schemes, which provide door-to-door services on demand, have perhaps had the greatest success in reaching those elderly people in the more urban areas who, because of physical frailty are either unable to get to a bus stop to use a scheduled service, or are unable to board an ordinary bus. Such services are usually provided by specially adapted vehicles capable of carrying disabled or wheelchair bound passengers. These services are expensive to run and, while a charge is generally made - avoiding any aura of charity - they still depend on assistance from local authorities. However, all dial-a-ride schemes established so far have revealed a considerable latent demand for this type of service.

16. The Government has made clear its support for local community based transport schemes by making an annual grant for a period of three years, beginning in 1982 with a maximum grant of £65,000, to a voluntary body - Community Transport. Community Transport has had wide experience in this field and the grant has enabled it to set up and run a small unit to provide a national source

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of expertise and advice to groups wanting to set up locally based transport schemes and operate mini-buses.

17. In rural areas in particular wider use is being made of existing specialised transport services. For instance school buses and post vehicles may carry fare paying passengers during the course of their scheduled trips. Again this enables elderly people in the more remote areas to be more independent. In Lewes, East Sussex County Council are setting up experiments with a series of community schemes which bring the hospital patients', social services', school childrens' and shoppers' needs of an area into one integrated service.

18. The problem of access to vehicles for even moderately active elderly people is another point which the Department has sought to resolve, with the co-operation of bus manufacturers and operators. In some areas a new generation of buses is being introduced with split-level steps which effectively reduce the height between steps. Other experiments have been tried with retractable steps and kneeling buses which lower the level of the first step up from the kerb. Improvements inside vehicles give elderly people better hand-holds and thus greater confidence and safety when moving in the bus.

19. Decisions on the type and standard of services offered, and their financing, can only be taken on a local scale, in the light of detailed knowledge of the problems of a locality. There is no case for centralised decision taking (though there could perhaps be more co-ordination by County Councils of activity at District and Parish Council level). Nor is there a case for any major input of central government funds, distinct from those already made available in support of local authority transport expenditure generally.

20. The Government does however have a vital role to play in encouraging an innovative and demand-responsive approach by local organisations in general, and in fostering a climate in which new ideas are given a fair chance to prove their worth. Indirectly, pressure for change comes through continuing con-

straints on resources for subsidy for conventional services. More positively, the Government should endeavour to create the right regulatory framework. While the position is now much freer than when we took office, there may still be some unnecessary barriers. We should seek to identify these, with the help of local advice, and to make any necessary changes.

21. Information on the full possibilities and on the innovations already working both at home and abroad needs to be widely disseminated - both to potential operators and users as well as to voluntary organisations and the local authorities. If we can get our message across sufficiently widely, pressure for innovation should gather its own momentum and resistance by some local authorities and established transport operators may crumble. This could involve more publicity nationally and locally, and a continuing round of visits by Ministers and officials and regional seminars to encourage the exchange of ideas.

22. However, our basic message here, as elsewhere in social policy reform must be that these new approaches are better tailored to those who really need help than the old more centralised and expensive methods. As always, of course, this is not a message the vested 'welfare' interests, or the vested transport interests, wish to hear.