

Cabinet

15 January 2020

WASPI Concessionary Travel Scheme

Ordinary Decision



Report of Corporate Management Team

Ian Thompson, Corporate Director of Regeneration and Local Services

Councillor Carl Marshall, Cabinet Portfolio Holder for Economic Regeneration

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To consider the introduction of a discretionary local travel concession to assist women across County Durham who have been most impacted by the Government's State Pension Age (SPA) changes.

Executive summary

- 2 The Government's changes to statutory SPA have left women waiting longer for their pension income than was initially set out in the 1995 Pensions Act. These women are also having to wait longer for benefits that are commensurate with the SPA, including their English National Concessionary Travel Pass (ENCTS).
- 3 Women born between December 1953 and November 1954 have seen their SPA increase by 18 months (the maximum increase brought about by the 2011 Pensions Act) and are considered to have suffered the greatest financial hardship as a result of the pension changes.
- 4 In order to help alleviate some of the financial hardship caused by the changes in SPA, it is proposed to introduce a discretionary travel scheme for those women most impacted by the changes in SPA, which would operate in a similar way to the English National Concessionary Travel Scheme (ENCTS).

Recommendation(s)

5 Cabinet is recommended to:

- (a) Approve the introduction of a local concessionary travel scheme from 1 March 2020 for those women born between December 1953 and 5 November 1954 who have not already reached State Pension Age.

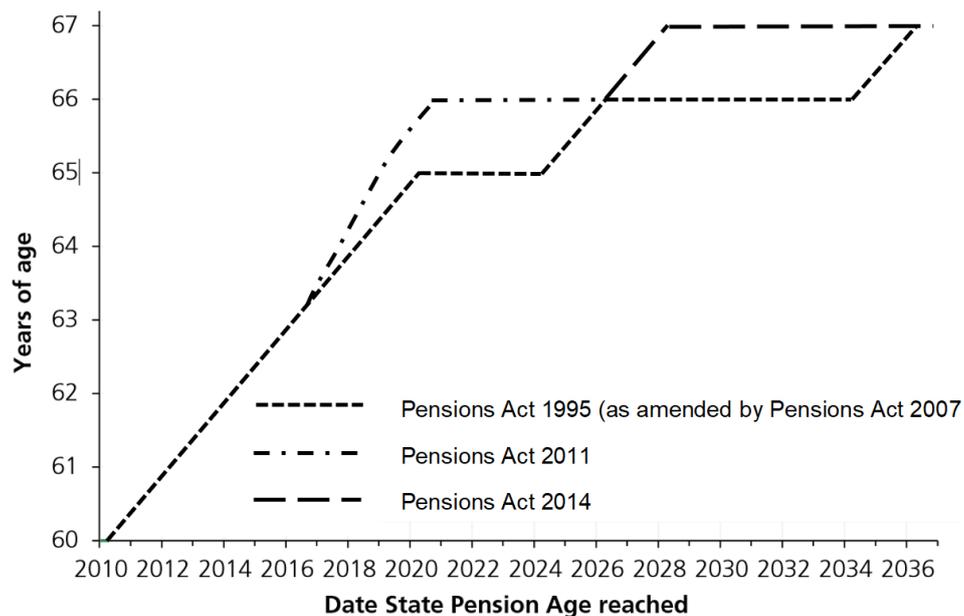
Background

- 6 We have received a number of requests from residents, local members and MPs asking us to consider providing assistance with travel costs for women who have been affected by the 2011 state pension age changes.
- 7 The pension age changes have resulted in some women being financially worse off, due to waiting longer for pension income than was initially set out in the 1995 Pensions Act. These women are also having to wait longer for benefits that are commensurate with the State Pension Age, including their English National Concessionary Travel Pass (ENCTS).

Pension Changes

- 8 The Pensions Act 1995 was brought in to equalise the State Pension Age (SPA) for men and women. This resulted in the SPA for women increasing from 60 to 65 over the period from April 2010 to 2020.
- 9 The Pensions Act 2011 accelerated the latter part of this timetable, starting in April 2016, when women's SPA was 63 years, such that their SPA would now reach 65 years in November 2018. The equalised SPA would then have risen to 66 by April 2020.
- 10 Because of concerns expressed at the short notice of these significant changes for some women, the Government made a concession when the legislation was in its final stages. This limited the maximum increase under the 2011 Act to 18 months.
- 11 The Pensions Act 2014 further increased the State Pension Age from 66 to 67 between 2026 and 2028.
- 12 The chart below shows how women's SPA changed, as a result of the Pensions Acts of 1995, 2007, 2011 and 2014.

State Pension Age for women 2010 to 2036



WASPI Campaign

- 13 The campaign 'Women against State Pension Inequality (WASPI)' was launched in 2015 and is one of a number of groups which are lobbying on this issue. WASPI aims to *"achieve fair transitional state pension arrangements for women born in the 1950s (born on or after 6 April 1951)"*.
- 14 WASPI 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 Pension Acts); faster than promised (2011 Pension Act); and no time to make alternative plans"*.

Women Affected

- 15 In total, there are approximately 35,000 women in County Durham who have been impacted by the Government's pension changes (i.e. those born between June 1950 and April 1960). Some of these women have already reached state pension age and are therefore automatically entitled to a concessionary bus pass.
- 16 Whilst all women born in the 1950s have been affected by the 1995 Pensions Act to equalise the SPA (as have all women born later), it is the 2011 Act, which accelerated the increase, which is considered to have had the most adverse effect on a proportion of these women.
- 17 The Department for Work and Pensions disclosed in a Freedom of Information Request that some women were not notified of the changes resulting from the 1995 Pension Act until 2009. This would mean, for

example, that a woman born in December 1953 could have found out at the age of 56 that their retirement age was rising from 60 to 63 years and 9 months. They were then subsequently informed, in 2011, that the accelerated timetable would add an additional 18 months to this timescale.

- 18 The age group most affected by these changes are women born between December 1953 and 5 November 1954, whose SPA has increased by 18 months; the maximum increase brought about by the 2011 Pensions Act. It is therefore considered that this age group has suffered the greatest financial hardship as a result of the pension changes.

Concessionary Travel Scheme

- 19 In order to help alleviate some of the financial hardship caused by the changes in SPA, the Council has powers under the Transport Act 1985 to implement a discretionary travel scheme, which would operate in a similar way to the English National Concessionary Travel Scheme (ENCTS).
- 20 The ENCTS is a national scheme, that provides free off-peak local bus travel (between 9.30am and 11pm Monday to Friday, and all day at weekends and on public holidays) to everyone of state pensionable age on all local buses anywhere in England.
- 21 In addition to ENCTS, the Council provides County Durham pass holders with non-statutory, local concessions, allowing free bus travel between 11pm and midnight on Monday to Friday, and 50 pence single fares for travel before 9.30am.
- 22 A discretionary travel scheme for those women most affected by the SPA changes would have similar benefits to ENCTS card holders. However, because the scheme is a locally implemented scheme, it would only allow concessionary travel for journeys boarding or alighting at bus stops within the administrative boundary of County Durham.
- 23 Initial discussions have been held with Nexus (the transport authority for Tyne & Wear) and dialogue continues with the north east authorities to explore the possibility of expanding this scheme to become a regional offer.
- 24 The main bus operators are supportive of the local concessionary travel scheme and have agreed the principles and outline terms for reimbursement of revenue foregone. However, it is necessary to formally publish the scheme and agree operational details, it is therefore proposed that the travel concession would begin on 1 March 2020.

- 25 There are approximately 3,000 women in County Durham who were born between 6 December 1953 and 5 November 1954, the group most impacted by the SPA changes. However, some of this cohort have already qualified for their ENCTS bus pass. It is therefore estimated that up to 1,000 women could benefit from the introduction of the scheme from 1 March 2020 as described above.
- 26 Women born on or before 5 November 1954 will be able to apply for their travel pass from 1 February 2020 and start using it from 1 March 2020. Applications for the scheme would be managed in the same way as for standard ENCTS passes i.e. through the Council's customer access points or by post.

Financial consideration

- 27 There are approximately 3,000 women in County Durham Born between December 1953 and November 1954. Of these 2,000 will have reached the qualification age for a concessionary travel pass under the ENCTS scheme by 1 March 2020. This leaves approximately 1,000 women who would be eligible to apply under the proposed local scheme.
- 28 Based on data from existing ENCTS users, the likely take up of passes amongst this cohort would be around 70%, with each pass holder making an average number of journeys costing £180 per annum in reimbursement costs.
- 29 The estimated cost of reimbursement to bus operators for the local concessionary travel scheme has been forecast at £54,000. In addition, there would be a cost for production and issue of passes estimated to be £2,500.
- 30 All women within this cohort will have reached statutory pension age (and therefore qualify for free travel under ENCTS) by 5 November 2020. The estimate of £56,500 is therefore the total estimated cost of implementing the discretionary travel scheme, and not an annual recurring figure.
- 31 It is proposed that the costs of these proposals would be funded from reserves.

Alternative options

- 32 To extend the scheme to all WASPI women (i.e. those born up to April 1960) would add an additional 20,300 women to the cohort of eligibility and give benefits for some women for up to a maximum of six years and two months. The estimated cost of this option is in excess of £1million and is considered to be cost prohibitive in the current financial conditions.

Equality Act Compliance

- 33 From a legal perspective, the Equality Act 2010 recognises that some groups (e.g. women) are disadvantaged in some areas of life due to past or current discrimination and makes it lawful to take 'positive action'. For positive action measures to be considered lawful, three conditions must be satisfied:
- The employer or service provider must reasonably think that the group in question suffers a disadvantage, has different needs, or has a disproportionately low level of participation;
 - The employer or service provider takes action with the aim of enabling or encouraging the group to overcome or minimise their disadvantage, meeting their needs, or enabling or encouraging participation; and
 - The action is a proportionate means of achieving that aim - that is, that the action is both appropriate and necessary to achieve the aim.
- 34 Action that involves different treatment that does not meet all three conditions is likely to be considered unlawful. In line with similar concessionary travel schemes introduced in Manchester and West Midlands, it is considered that the proposed scheme will meet the relevant legal requirements and will comply with the Equality Act 2010 if implemented by the Council.
- 35 A full Equality Impact Assessment included as appendix 2

Conclusion

- 36 In order to relieve some of the financial hardship for women who have seen their State Pension Age increase by 18 months (the maximum increase brought about by the 2011 Pensions Act), it is proposed to implement a local concessionary travel scheme for women born on or before 5 November 1954.

Background papers

- None.

Other useful documents

- UK Parliament Briefing Paper “State Pension age increases for women born in the 1950s”
<https://researchbriefings.files.parliament.uk/documents/CBP-7405/CBP-7405.pdf>

Contact: Adrian White

Tel: 03000 267455

Appendix 1: Implications

Legal Implications

It is considered that the proposed scheme will meet the relevant legal requirements and will comply with the Equality Act 2010 if implemented by the Council.

Finance

The total estimated cost of the local concessionary travel scheme has been forecast at £56,500. All women within this cohort will have reached statutory pension age by 5 November 2020, and therefore will qualify for free travel under ENCTS. This proposal is therefore a time limited commitment and not an annual recurring figure. It is proposed that these costs will be funded from reserves.

Consultation

Internal only.

Equality and Diversity / Public Sector Equality Duty

A full equality impact assessment is included at appendix 2.

Climate Change

The scheme encourages use of sustainable travel, which is considered beneficial to the environment in reducing carbon emissions and improving air quality.

Human Rights

None.

Crime and Disorder

None.

Staffing

The scheme will be managed by existing staff resources that facilitate the statutory concessionary travel scheme.

Accommodation

None.

Risk

None.

Procurement

Concessionary passes will be sourced under the existing pass supplier arrangements.

Appendix 2: Equality Impact Assessment

Durham County Council Equality Impact Assessment

NB: The Public Sector Equality Duty (Equality Act 2010) requires Durham County Council to have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people from different groups. Assessing impact on equality and recording this is one of the key ways in which we can show due regard.

Section One: Description and Screening

Service/Team or Section	REAL, Transport and contract services
Lead Officer	Adrian White, Head of transport and contract services
Title	WASPI Discretionary local travel concession
MTFP Reference (if relevant)	N/A
Cabinet Date (if relevant)	11 December 2019
Start Date	November 2019
Review Date	November 2020

Subject of the Impact Assessment

Please give a brief description of the policy, proposal or practice as appropriate (a copy of the subject can be attached or insert a web-link):

Cabinet are being asked to consider the introduction of a discretionary local travel concession to assist women across County Durham who have been most impacted by the governments State Pension Age (SPA) changes.

The government's statutory changes to equalise SPA for men and women has left women waiting longer for their state pension income than was initially set out in the 1995 Pensions Act. These women are also having to wait longer for benefits that are commensurate with the SPA, including their English National Concessionary Travel Pass (ENCTS).

The Pensions Act 2011 accelerated the timetable for equalization of state pension ages of men and women. This has resulted in some women being worse off financially 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 in which to adjust.

Women born between 6 December 1953 and 5 November 1954 have seen their SPA increase by 18 months (the maximum increase brought about by the 2011 Pensions Act) and are considered to have suffered the greatest financial hardship as a result of the pension changes.

The campaign 'Women against State Pension Inequality (WASPI)' was launched in 2015 and is one of a number of groups who are lobbying on this issue. WASPI aims to *"achieve fair transitional state pension arrangements for women born in the 1950s (born on or after 6 April 1951)"*.

WASPI 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 Pension Acts); faster than promised (2011 Pension Act); and no time to make alternative plans"*.

In order to help alleviate some of the financial hardship caused by the changes in SPA, it is proposed to introduce a discretionary travel scheme for those women most impacted by the changes in SPA, which would operate in a similar way to the English National Concessionary Travel Scheme (ENCTS).

Who are the main stakeholders? (e.g. general public, staff, members, specific clients/service users):

County Durham residents, especially women born between 6 December 1953 and 5 November 1954

Screening

Is there any actual or potential negative or positive impact on the following protected characteristics?

Protected Characteristic	Negative Impact Indicate: Y = Yes, N = No, ? = unsure	Positive Impact Indicate: Y = Yes, N = No, ? = unsure
Age	Y	Y
Disability	N	N
Marriage and civil partnership (workplace only)	N	N
Pregnancy and maternity	N	N
Race (ethnicity)	N	N
Religion or Belief	N	N
Sex (gender)	Y	Y

Sexual orientation	N	N
Transgender	N	N

Please provide **brief** details of any potential to cause adverse impact. Record full details and analysis in the following section of this assessment.

The proposal is likely to have a negative impact on women who have been affected by the 2011 changes but fall outside of the cohort to receive the pass.

However, the women within the chosen cohort to benefit experience the greatest increase in pension age and are at the greater disadvantage. The increase reduces across later age ranges. Therefore, the negative impact for the women outside the chosen cohort is smaller.

Men born between 1953 and 1960 for whom the SPA increased from 65 to 66 will also be negatively impacted as they have seen an increase in SPA.

However, the rate for men is slower than for women. Furthermore, evidence shows that women are more likely to have experienced disproportionate socio-economic disadvantage compared to men.

How will this policy/proposal/practice promote our commitment to our legal responsibilities under the public sector equality duty to:

- eliminate discrimination, harassment and victimisation,
- advance equality of opportunity, and
- foster good relations between people from different groups?

The proposed initiative is likely to have a positive impact on female residents of the county born between 6 December 1953 and 5 November 1954. Although some of these women have already qualified for their ENCTS bus pass, it is estimated that

up to 1250 women could benefit from the introduction of a concessionary fare scheme from 1 February 2020.

The initiative will enable women, in this cohort, to be granted a bus pass earlier than will be the case based upon the 2011 changes which will have a positive impact, especially for women from lower socio-economic groups, and help to minimise the disadvantages experienced by this group of women.

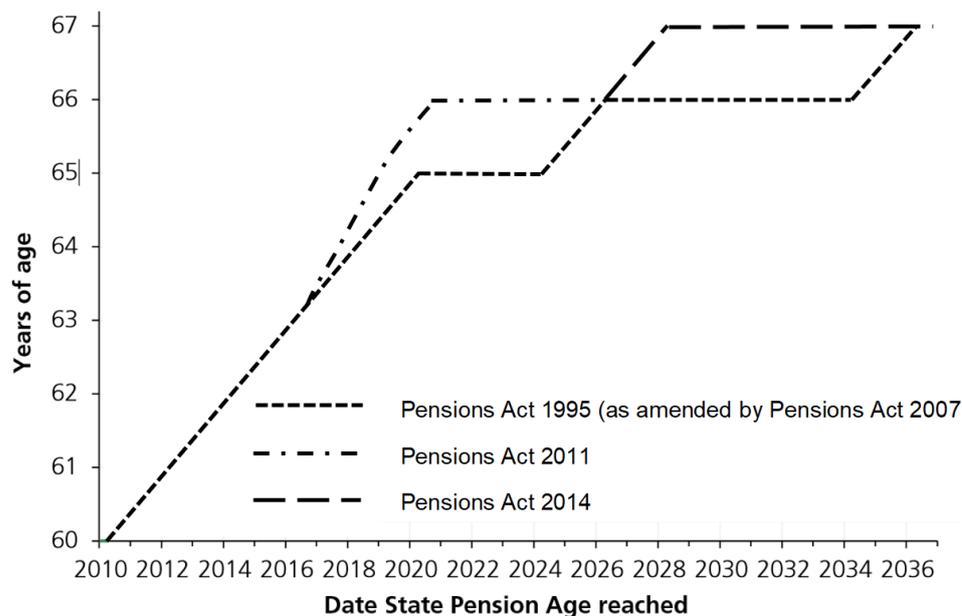
Evidence

What evidence do you have to support your findings?

Please **outline** your data sets and/or proposed evidence sources, highlight any gaps and say whether or not you propose to carry out consultation. Record greater detail and analysis in the following section of this assessment.

Chart 1: Changes in women's SPA as a result of the Pensions Acts of 1995, 2007, 2011 and 2014.

State Pension Age for women 2010 to 2036



The age group most affected by these pension changes are women born between 6 December 1953 and 5 November 1954, whose SPA has increased by 18 months; the maximum increase brought about by the 2011 Pensions Act. It is

therefore considered that this age group have suffered the greatest financial hardship as a result of the pension changes.

There are approximately 3000 women in County Durham who were born between these dates, however, some of this cohort have already qualified for their ENCTS bus pass. It is therefore estimated that up to 1250 women could benefit from the introduction of a concessionary fare scheme from 1 February 2020.

The women more likely to apply for the bus pass are bus users. Women of this age cohort who use buses frequently, are more likely to be on lower incomes as bus users are generally more likely to be financially worse off (lower car ownership, lower income, bigger reliance on public transport/buses).

Bus statistics state that women carry out a higher number of local bus stages per person per year (67 in England in 2016) than men (52 in England in 2016).¹

Background Data: Working age employment rates, economic in/activity and total weekly earnings in County Durham by sex (ages 16-64)²

Employment rate: 79.1% (Male), 69.3% (Female)

Full time employment rate: 89.4% (Male), 60.4% (Female)

Economically inactive: 17% (Male), 27.5% (Female)

Total average weekly earnings: £516 (Male), £352 (Female)

Screening Summary

On the basis of this screening is there:	Confirm which refers (Y/N)
Evidence of actual or potential impact on some/all of the protected characteristics which will proceed to full assessment?	Y

¹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/666759/annual-bus-statistics-year-ending-march-2017.pdf

² <https://www.durhaminsight.info/economy-and-employment/>

No evidence of actual or potential impact on some/all of the protected characteristics?	N

Sign Off

Lead officer sign off: Adrian White, Head of transport and contract services	Date: 28 Oct 2019
Service equality representative sign off: Mary Gallagher, Equality and diversity team leader	Date: 30 Oct 2019

Section Two: Data analysis and assessment of impact

Please provide details on impacts for people with different protected characteristics relevant to your screening findings. You need to decide if there is or likely to be a differential impact for some. Highlight the positives e.g. benefits for certain groups, advancing equality, as well as the negatives e.g. barriers for and/or exclusion of particular groups. Record the evidence you have used to support or explain your conclusions. Devise and record mitigating actions where necessary.

Protected Characteristic: Age		
What is the actual or potential impact on stakeholders?	Record of evidence to support or explain your conclusions on impact.	What further action or mitigation is required?
<p>Positive impact on County Durham residents who are women born between 6 December 1953 and 5 November 1954, not already in receipt of a bus ENCTS pass.</p> <p>This is particularly positive for women of this age group (65 years old) who come from a lower socio-economic background and will help to minimise the disadvantages experienced by this age group of women.</p> <p>The proposal is likely to have a negative impact on women who have been affected by the 2011 changes but fall outside of the cohort to receive the bus pass at an earlier date.</p>	<p>The age group most affected by these changes are women born between 6 December 1953 and 5 November 1954, whose SPA has increased by 18 months; the maximum increase brought about by the 2011 Pensions Act. It is therefore considered that this age group have suffered the greatest financial hardship as a result of the pension changes.</p> <p>Institute for Fiscal Studies³ states:</p> <ul style="list-style-type: none"> • Employment rates for women born in the 50s is lower than those born after the 1950s • Only 55% of women were in employment in 1975. The majority of these women were working part-time (over 80%). <p>The above evidence demonstrates that women of this age group are less likely</p>	<p>If proposal agreed develop a comms plan to ensure women in this cohort are aware of the initiative</p>

³ <https://www.ifs.org.uk/uploads/BN234.pdf>

<p>However, the women within the chosen cohort to benefit experience the greatest increase in pension age and are at the greater disadvantage. The increase reduces across later age ranges. Therefore, the negative impact for the women outside the chosen cohort is smaller.</p> <p>Men born between 1953 and 1960 for whom the SPA increased from 65 to 66 will also be negatively impacted as they have seen an increase in their SPA.</p> <p>However, the rate for men is slower than for women. Furthermore, evidence shows that women are more likely to have experienced disproportionate socio-economic disadvantage compared to men.</p>	<p>to have built up valuable occupational pensions compared to younger age groups to enable financial independence in later years and would have been more reliant on receiving state pension at an earlier age.</p>	
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Protected Characteristic: Disability		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
<p>People with a disability are eligible for a disabled persons bus pass so will not be impacted by this proposal.</p>		

Protected Characteristic: **Marriage and civil partnership (workplace only)**

What is the actual or potential impact on stakeholders?

Explain your conclusion considering relevant evidence and consultation

What further action or mitigation is required?

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Protected Characteristic: **Pregnancy and maternity**

What is the actual or potential impact on stakeholders?

Explain your conclusion considering relevant evidence and consultation

What further action or mitigation is required?

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Protected Characteristic: **Race (ethnicity)**

What is the actual or potential impact on stakeholders?

Explain your conclusion considering relevant evidence and consultation

What further action or mitigation is required?

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Protected Characteristic: **Religion or belief**

What is the actual or potential impact on stakeholders?

Explain your conclusion considering relevant evidence and consultation

What further action or mitigation is required?

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Protected Characteristic: **Sex (gender)**

What is the actual or potential impact on stakeholders?

Explain your conclusion considering relevant evidence and consultation

What further action or mitigation is required?

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<p>Positive impact on County Durham residents (women) born between 6 December 1953 and 5 November 1954, not already in receipt of a bus ENCTS pass.</p> <p>This is particularly positive for women of this age group who come from a lower socio-economic background and will help to minimise the disadvantages experienced by this group of women. Evidence suggests that women are more likely to use buses compared to men which is a further positive of receiving a bus pass earlier than SPA.</p> <p>The proposal is likely to have a negative impact on women who have been affected by the 2011 changes but fall outside of the cohort to receive the bus pass at an earlier date.</p> <p>However, the women within the chosen cohort to benefit experience the greatest increase in pension age and are at the greater disadvantage. The increase reduces across later age ranges. Therefore, the negative impact for the</p>	<p>Working age data for County Durham by sex (2019)⁴</p> <p>Employment rate: 79.1% (Male), 69.3% (Female)</p> <p>Full time employment rate: 89.4% (Male), 60.4% (Female)</p> <p>Economically inactive: 17% (Male), 27.5% (Female)</p> <p>Total average weekly earnings: £516 (Male), £352 (Female)</p> <p>Women born in the 50s⁵:</p> <ul style="list-style-type: none"> • Were much more likely to drop out of the labour market around the time they had their first child. Only 40% of women born in 1958 were still in work 2 years after the birth of their first child. • Were much more likely to be in lower paid jobs than men • Have disproportionately smaller or no pension pots compared to men due, in part, to reduced job opportunities and time out of labour market for caring responsibilities. 	<p>If proposal agreed develop a comms plan to ensure women in this cohort are aware of the initiative</p>
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⁴ <https://www.durhaminsight.info/economy-and-employment/>

⁵ <https://www.ifs.org.uk/uploads/BN234.pdf>

<p>women outside the chosen cohort is smaller.</p> <p>Men born between 1953 and 1960 for whom the SPA increased from 65 to 66 will also be negatively impacted as they have seen an increase in their SPA.</p> <p>However, the rate for men is slower than for women. Furthermore, evidence shows that women are more likely to have experienced disproportionate socio-economic disadvantage compared to men.</p>	<p>The above evidence demonstrates that women of this age group are less likely to have built up valuable occupational pensions compared to men to enable financial independence in later years and would have been more reliant on receiving state pension at an earlier age.</p> <p>Women are more likely to use buses compared to men.⁶</p>	
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Protected Characteristic: Sexual orientation		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?

Protected Characteristic: Transgender		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?

Section Three: Conclusion and Review

Summary

Please provide a brief summary of your findings stating the main impacts, both positive and negative, across the protected characteristics.

The proposal has both positive and negative impacts in relation to sex (women and men) and age.

There is a positive impact for County Durham residents (women) born between 6 December 1953 and 5 November 1954, not already in receipt of a bus ENCTS pass. The proposal will be particularly beneficial to women from lower socio-economic groups and will help to minimise the disadvantages experienced by this group of women.

The proposal is likely to have a negative impact on women who have been affected by the 2011 pension changes but fall outside of the cohort to receive the pass. However, as the increase in SPA reduces across later age ranges, the negative impact for the women outside the chosen cohort is smaller.

Men born between 1953 and 1960 for whom the SPA increased from 65 to 66 will also be negatively impacted as they have seen an increase in SPA although the rate for men is slower than for women. Furthermore, evidence shows that women are generally more likely to have experienced disproportionate socio-economic disadvantage compared to men.

Will this promote positive relationships between different communities? If so how?

Action Plan

Action	Responsibility	Timescales for implementation	In which plan will the action appear?
If proposal agreed develop a comms plan to ensure women in this cohort are aware of the initiative	Head of transport	February 2020	

Review

Are there any additional assessments that need to be undertaken? (Y/N)	N
When will this assessment be reviewed? Please also insert this date at the front of the template	November 2020

Sign Off

Lead officer sign off: Adrian White, Head of transport and contract services	Date: 5.11.19
Service equality representative sign off: M Gallagher, Equality and diversity team leader	Date: 5.11.19

Please return the completed form to your service equality representative and forward a copy to equalities@durham.gov.uk