



Consultation response

Social Mobility and Child Poverty Review

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1. Introduction

- 1.1. **pteg** represents the six Passenger Transport Executives (PTEs) in England which between them serve more than eleven million people in Tyne and Wear ('Nexus'), West Yorkshire ('Metro'), South Yorkshire, Greater Manchester, Merseyside ('Merseytravel') and the West Midlands ('Centro'). All six PTEs were consulted on this response.
- 1.2. Leicester City Council, Nottingham City Council, Transport for London (TfL) and Strathclyde Partnership for Transport (SPT) are associate members of **pteg**, though this response does not represent their views.
- 1.3. The PTEs plan, procure, provide and promote public transport in some of Britain's largest city regions, with the aim of providing integrated public transport networks accessible to all.

2. Our response

- 2.1. We welcome the opportunity to respond to the call for evidence for the 'Social Mobility and Child Poverty Review' and would like to draw your attention in particular to the importance of transport in delivering social mobility and tackling child poverty.
- 2.2. Affordable and available public transport is essential in ensuring children and young people and their families can access a range of opportunities. It enables children and young people to access education, attend attainment boosting after-school activities, see friends, participate in sports and generally play a full and active part in their community. It ensures their parents can get to work and training – the primary route out of poverty.
- 2.3. The role of public transport in providing access to opportunity is particularly essential for the 50% of households on a low income¹ and the 64% of jobseekers who lack access to a car².
- 2.4. The bus is the form of public transport most used by families on the lowest incomes. The average number of bus trips made by households of all income levels is 68. The average number of bus trips made by households in the lowest income quintile is 111³.
- 2.5. The bus industry outside of London is, however, facing severe challenges which could see one in five big city bus services disappear by 2014 and fares rise 24% above inflation⁴. This could see many families cut off from opportunities to be socially mobile as routes out of poverty such as employment, education and community involvement become physically inaccessible.
- 2.6. Rising bus fares already limit opportunities for social mobility. The Joseph Rowntree Foundation reports annually on what level of income is needed to achieve an acceptable minimum standard of living. The 2011 report found that it is getting harder for households to reach this minimum standard and that:

¹ DfT (2011) National Travel Survey (table NTS0703).

² Based on a sample of those claiming Jobseekers Allowance in Woodland, Mandy and Miller (2003) *Easing the transition into work (Part 2 – client survey)* (p.146)

³ DfT (2011) National Travel Survey (table NTS0705)

⁴ **pteg** (2011) *Underpinning Policy: Modelling bus subsidy in English Metropolitan Areas* available from <http://www.pteg.net/PolicyCentre/Bus/research>

*'One particular impact on those close to or below the minimum is the effect of above average price rises in items such as food and public transport, which make up relatively high proportions of a minimum income.'*⁵

- 2.7. Rising bus fares can force low income families to limit the trips that they make. For parents, this can limit job prospects, reducing the number of opportunities they are able to consider in finding a new or better job and therefore reducing social mobility. The following statistics from various studies, bought together in a report by the Social Exclusion Unit⁶ serve to illustrate the problem:
- Almost 40% of jobseekers say that their job search has been limited because of the costs involved. For 63% of them, this results from the cost of travelling to interviews.
 - 14% of unemployed lone parents say they cannot afford the cost of transport to work.
 - 13% of people say they have not applied for a particular job in the last 12 months because of transport problems. This rises to 18% for people living in low income areas.
 - 5% of people say they have been offered a job but turned it down in the last 12 months because of transport problems. This proportion doubles for people living in low income areas.
- 2.8. As well as through their parents job prospects, a lack of affordable transport also directly impacts on the social mobility of children and young people themselves. Evidence suggests that bus fare increases cause parents to restrict the journeys their children make⁷. Ability to participate in after-school activities particularly suffers, a problem given that such activities can be key in building the self-esteem, skills, interests and contacts necessary for social mobility.
- 2.9. Young people's opportunities could be further curtailed as a result of the abolition of the Education Maintenance Allowance which helped meet the costs of travel and widen young people's choice of courses and learning establishments. According to the Association of Colleges, some 72% of students take the bus to college with journeys averaging nine miles. They found that 94 per cent of colleges believe the abolition of EMA has affected students' ability to travel to and from college⁸.
- 2.10. Evidence suggests that fares will rise still further, pricing many families off the bus, representing a continuation and escalation of trends observed in the Metropolitan areas in particular, where bus fares have been shown to have almost doubled in real terms over a 13 year period⁹. A recent report for **pteg** using the most sophisticated modelling tool currently available for forecasting the impact of public spending reductions forecast that between 2009 and 2014, fares will increase 24 per cent above the rate of inflation¹⁰.

⁵ Joseph Rowntree Foundation (2011) *A minimum income standard for the UK in 2011* available from http://www.minimumincomestandard.org/downloads/2011_launch/MIS_report_2011.pdf

⁶ Social Exclusion Unit (2003) *Making the Connections: Final Report on Transport and Social Exclusion*

⁷ Greater Manchester Transport Research Unit (2008) *Food or education – the impact of the rise in the concessionary bus fare in Greater Manchester*.

⁸ Association of Colleges (2011) AoC EMA Transport Survey January 2011

⁹ **pteg** (2010) *The effect of bus fare increases on low income families* available from <http://www.pteg.net/PolicyCentre/SocialInclusion/Research>

¹⁰ **pteg** (2011) *Underpinning Policy: Modelling bus subsidy in English Metropolitan Areas* available from <http://www.pteg.net/PolicyCentre/Bus/research>

- 2.11. Cuts to public spending could also see bus service levels reduce outside of London, further reducing the opportunities public transport presents for social mobility. As of October 2011, one in five supported bus services had already been cut and 77 per cent of local transport authorities in England were either planning to, or could not rule out, further cuts¹¹. Supported bus services are those funded by the local authority that would not be profitable for bus operators to run commercially but that are socially necessary. Often these are lifeline services to isolated housing estates, rural areas or evening and weekend services which are vital to those working non-traditional hours.
- 2.12. In the most extreme cases, councils have chosen to withdraw all of their supported bus services. In Hartlepool, one of the most deprived housing estates in the country has been left with no bus service whatsoever¹² and no facilities on the estate.
- 2.13. In the first year of spending cuts, the Metropolitan areas were able to protect their supported services, however, maintaining this position is set to get harder every year. Modelling for *pteg* suggests that one in five big city bus services could disappear by 2014¹³.

3. What needs to happen?

1. Government to examine support for bus services

Government needs to take a considered look at current levels of support for bus services and how this can be best deployed to make every pound count. Times are tough, but without some change of course, the resulting high bus fares and reduced service levels look set to hit the poorest hardest.

2. Develop a simple, consistent offer on child fares

Simple, affordable and consistent fare offers for children can dramatically increase the number of journeys they make and save money for their families. A capped daily fare means that families no longer have to restrict journeys, making it more likely that their children will be able to attend valuable activities outside of school hours. Such offers are also easily communicated, further increasing the likelihood that children and families will make full use of them.

Such an approach has been shown to have a positive effect. In Tyne and Wear, the PTE (Nexus) offers children and young people under 16 flat fares of £1 for an all-day ticket (allowing unlimited journeys). This resulted in over a million extra journeys being made by under 16s in the first 6 months of operation alone¹⁴.

¹¹ 'New figures reveal cuts to 1 in 5 council bus services', Campaign for Better Transport press release 13 October 2011.

¹² Channel 4 News 'Cuts to bus subsidies leave vulnerable stranded', broadcast 14/08/11.

¹³ *pteg* (2011) *Underpinning Policy: Modelling bus subsidy in English Metropolitan Areas* available from <http://www.pteg.net/PolicyCentre/Bus/research>

¹⁴ Nexus press release *Children make a million more journeys by bus and Metro*, 15 June 2009.

3. Look at ways of making transport more affordable for jobseekers

Employment is one of the surest routes out of poverty for families but the costs of finding work and meeting the costs of transport in the first weeks of employment can be hard to meet and act as a considerable disincentive.

Many PTEs have offered, and continue to offer, WorkWise schemes, often via Jobcentre Plus offices. WorkWise provides free or discounted travel to interviews and to meet the cost of travelling to a new job in the weeks before the first pay packet arrives. This financial support is complemented by PTE expertise in providing personalised journey planning and travel advice to help jobseekers broaden their travel horizons and job search net. In one such scheme, 80 per cent of beneficiaries said they would have struggled to reach employment without it¹⁵. However, many of these schemes have had to close or reduce in scope due to a lack of available funding.

With lifeline bus services and valuable schemes such as WorkWise under threat, a meaningful discussion is needed as to how best jobseekers can be provided with support to overcome transport barriers to employment.

¹⁵ For more on WorkWise see **pteg** (2009) *WorkWise briefing* available from <http://www.pteg.net/PolicyCentre/SocialInclusion/Briefings>