

LETTER FROM THE AUDITOR GENERAL FOR SCOTLAND, TO THE CONVENER OF
THE PUBLIC AUDIT COMMITTEE, 1 DECEMBER 2010.

NATIONAL CONCESSIONARY TRAVEL

Thank you for your letter of 17 November concerning the Public Audit Committee's inquiry into the audit of Scotland's national concessionary travel scheme.

You requested further information regarding the independent report produced by Halcrow entitled *Evaluation of National Concessionary Travel*. Please find attached a copy of the report along with a brief summary of the methodology and findings. The evaluation of the scheme was commissioned and published by Transport Scotland.

You also requested that we provide details of the total value of fraudulent claims being investigated by Transport Scotland in 2009/10. Discussions with Transport Scotland confirm that at the time of the audit, the total value of fraud being investigated was £1.654 million across four bus operators. There are now eight operators which are the subject of investigation and report to the courts and the total value is £1.701 million.

Following our briefing session to the Committee, it was decided that evidence would be taken from Transport Scotland at a future meeting. Given that this information resides with Transport Scotland, there will be an opportunity for the Committee to raise this issue directly with Transport Scotland at its evidence session on 22 December.

I hope this response is helpful.

Transport Scotland Evaluation of National Concessionary Travel in Scotland

Introduction

1. At its meeting on 10 November 2010, the Public Audit Committee requested the Auditor General to provide additional information on the evaluation of Scotland's National Concessionary Travel scheme, which is referred to in paragraphs 41 – 42 and Appendix 2 of the audit report. This evaluation was undertaken by Halcrow Group Limited and was published by Transport Scotland in May 2009. Halcrow is a multi-national consultancy firm specialising in water, transport and energy issues. A copy of the report is enclosed – it comprises 160 pages. We have provided a short summary for Members of the Committee.

Purpose and methodology

2. The evaluation states that its aim was *"to measure the performance of the National Concessionary Travel (NCT) scheme against a range of performance indicators in order to assess the success of the NCT against the established policy objectives. Many of these objectives were inherent in earlier schemes, but are now delivered through the NCT."*
3. The evaluation was based on the analysis of published information and primary research, including a postal survey and interviews with card holders and non-card holders.

Published information used:

- Scottish Government's Bus and Coach Statistics
- Scottish Household Survey
- Scottish Household Survey Travel Diary Results
- Household Transport Statistics
- Travel by Scottish Residents Statistics

Primary research methods used:

- Postal surveys of registered travel-card holders – 8,000 surveys were issued and 2,993 responses were received.
- On-street interviews of non-users – 416 on-street interviews of 50 – 59 year olds were carried out.
- Focus groups and in-depth interviews – a series of 21 focus groups and in-depth interviews was carried out with a range of user and non-user groups at a variety of locations.
- Consultations with key stakeholder groups and bus operators.

Findings

Promoting social inclusion

4. The evidence relating to the national concessionary travel scheme's impact on promoting social inclusion is provided in pages 72 - 77 of the main report. This refers to Scottish Household Survey (SHS) data on the possession and use of concessionary travel passes before and after the introduction of the scheme, broken down by the Scottish Index of Multiple Deprivation (SIMD) Quintiles. It also considers SHS data on possession and use of card by employment status and net income.
5. The evaluation concludes that - *"Although the take-up of the concessionary travel schemes has always been higher amongst the most deprived social groups, the impact of the enhanced NCT scheme amongst those in the most deprived groups was less than the increase in concessionary pass take-up observed amongst the least deprived. Additionally, there was a lower take-up of the enhanced NCT scheme amongst the lowest income groups than from the most affluent. However, the least affluent are observed to have made the greatest use of the extension of the scheme outside the former local scheme boundaries."*

Improving health by promoting an active lifestyle

6. The evidence relating to the scheme's impact in terms of improving health is provided in pages 77 - 87 of the main report. This refers to Scottish Household Survey (SHS) data on the mode of travel, including walking, before and after the introduction of the scheme. It also considers results from Halcrow's own survey of disabled and older NCT cardholders.
7. The evaluation concludes that - *"There are more walking trips being made by eligible users and this appears to be taking place alongside increased concessionary bus travel, with an increase in active mobility apparent. There is clear evidence of increased levels of activity and the potential to improve health when assessing the change in walking habits and indeed modal shift, from private car to more sustainable transport, amongst users, but it is not clear to what extent the NCT has contributed to this change in behaviour which is also observed in other groups of travellers."*

Promoting a shift from private car to bus use

8. The evidence relating to the scheme's impact in terms of promoting a shift from private car to bus is provided in pages 91 - 101 of the report. This is based on SHS data, Halcrow's own survey of disabled and older NCT cardholders and focus groups of NCT users. In terms of the shift from car to bus use, 2.7 per cent of those surveyed by Halcrow claimed that they had decided not to use or own a car as a direct result of NCT and 59.5 per cent said they travelled less by car since receiving their pass.

9. The evaluation concludes that - *"There is clear evidence that bus trips have substituted car trips in both the older person and disabled groups. A high proportion of NCT scheme user respondents own or have access to a car and a proportion of these users revealed that they are travelling by car less and travelling more by bus because they have a NEC. However the SHS Travel Diary comparing the 2006-07 cohort of elderly people to the cohort for the previous year suggests that overall both bus and car use have reduced as a proportion of all trips, and there has been an increase in walking. This suggests that, whilst individuals claim to be making more use of the bus, this is as much due to lifestyle changes arising from ageing and associated employment, financial and health changes as it is due to the enhancement of the National Concessionary Travel Scheme."*

The Scottish Government's review of concessionary travel

10. The Scottish Government has also carried out a review of the concessionary travel scheme. This was also published in May 2009 and used the findings of Halcrow's research. The Scottish Government's own review concluded that there was insufficient evidence that the scheme was achieving more than the previous local schemes that were in place.

LETTER FROM THE CONVENER OF THE PUBLIC AUDIT COMMITTEE TO THE
AUDITOR GENERAL FOR SCOTLAND, 17 NOVEMBER 2010.

**INQUIRY INTO AUDITOR GENERAL FOR SCOTLAND REPORT – NATIONAL
CONCESSIONARY TRAVEL**

At its meeting on 10 November 2010, you briefed the Public Audit Committee on your report entitled “National concessionary travel”. I attach a link to the Official Report of that meeting for your information:
<http://www.scottish.parliament.uk/s3/committees/publicAudit/or-10/pau10-1902.htm#Col2216>

At the meeting, Audit Scotland offered to provide the Committee with a copy of Halcrow’s independent report entitled *Evaluation of National Concessionary Travel in Scotland*, along with a brief summary of the methodology used and conclusions reached. The Committee would be very grateful for this document and summary.

Audit Scotland was also asked to provide the total value of fraudulent claims being investigated by Transport Scotland in 2009/10. Audit Scotland agreed to provide this information, although it was noted that it may be confidential.¹ The Committee would be grateful if you could provide this information, however, you may wish to consider the Scottish Parliament’s guidance on submitting written evidence to subject and mandatory committees (enclosed). This sets out the Freedom of Information (Scotland) Act 2002, but also on steps that should be followed when considering submitting confidential information.

I would appreciate a response to this request by Wednesday 1 December 2010. Should you require any further information please do not hesitate to contact either the Assistant Clerk, Jason Nairn on 0131 348 5236 or by email at pa.committee@scottish.parliament.uk.

¹ Scottish Parliament Public Audit Committee, *Official Report*, 10 November 2010, Col 2223