WRITTEN EVIDENCE FROM AGE SCOTLAND

Introductory Remarks

Since 2007 the Scottish Government has made supporting sustainable economic growth their principal policy objective. However sustainable growth and ever increasing GDP is by itself a poor barometer for measuring Scotland's economic, social and environmental progress as it simply measures the volume of cash, not how it is being spent, who is benefiting or whether the money has been generated by say polluting activities.

The proportion of total Scottish income going to the richest tenth is noticeably higher than a decade ago: 29% in 2008/09 compared with 25% in 1998/99. If a few individuals get incredibly wealthy it can distort figures and increase GDP even at a time where most individual's income are declining.

Policies that promote GDP at the expenses of other more meaningful measures of progress risk exacerbating this situation and contributing to greater inequality, social immobility and environmental damage. Age Scotland believes that the Scottish budget should be used to reshape the public sector so that it promotes and enhances those areas of public life which make the most significant impact on our health, well-being and happiness. These policy priorities do not necessarily conflict with sustainable economic growth, but by looking beyond economic growth and GDP and focusing on a broader set of indicators that more accurately capture both well-being and sustainability will better address the wider social and environmental problems in our society.

Concessionary Transport Scheme

Concessionary Fares and Bus Services Budget

	2012-13 Budget	2013-14 Draft Budget	2014-15 In
Smartcard Programme	2.8	2.8	2.8
Concessionary Fares	192.0	192.0	192.0
Support for Bus Services	53.8	53.8	53.8
Total	**248.6**	**248.6**	**248.6**

The Bus Service Operators Grant funding was reduced to £53.8 million from £60.8m in 2012-13 and is now capped in monetary terms at £53.8m until 2014-15 which is a real term cut over this period.

- The cut to the bus service operators grant is a major concern for all bus companies as this has been reduced in every year since 2009-10 and has now fallen £8 million since 2011/12 to £53 million.
- The cut means that that budget will be 25 per cent less than the £66.5 million budget that the Scottish Government originally agreed with the bus industry back in 2010.
- Some marginally commercially routes may become unviable as the costs to operators increase, with further pressure on transport authorities to subsidise those routes, too.
    1. Falkirk Council has agreed to step in to maintain six bus services that are being cut by operator First Scotland at the end of October. However the cost of maintaining this service for six months will mean that other policy priorities will not be met. [i]

2. SPT withdrew the 62 service, which connects Coatbridge with Glasgow, cutting off south Coatbridge in the evenings and at weekends.
3. First Buses East withdrew from services in East Lothian and Midlothian. Lothian Buses have stepped in to replace those services but the no 113 will charge £2.40 for a single fare as opposed to £1.40.
4. While research by the Strathclyde Partnership for Transport (SPT) revealed that cuts in bus services were most acutely delivered in the 15 per cent most deprived areas and in semi-rural areas.

The withdrawal of these services not only impacts on the isolation and loneliness of older people but also can contribute significantly to transport poverty amongst the general population by compelling individuals to buy a car. According to the RAC, it costs an average of £6,689 to run a car for a year – a rise of 14 per cent in 12 months from £5,869. For many people, owning a car is a source of debt and poverty, and this is unlikely to change in the long term with fuel prices going up and up.

Concessionary Fares Cap
The reimbursement rate for the concessionary travel system was initially 73.6p in the £1, this was cut to 67p and now the Government is conducting another study to determine if there is scope for further reductions in the reimbursement rate in order to pay for the capping of the concessionary fares scheme. The findings of this review are due in the new year. However the increase in fuel costs, coupled with the reduction in BSOG and concessionary fare cap has also led to the following

- Fares rose by an average of 7.3% above inflation between 1999 and 2010.
- In Aberdeen fare are rising by 8% in 2012.
- In Dundee fares rising by 6.5% in 2012.
- In Edinburgh fares are rising from £1.30 to £1.40 for a single journey in 2012. This is an increase of 40p since 2008.

Preventative Spending
The concessionary travel scheme has real positive impacts on health and well-being outcomes. A study by Imperial College London analysed the travel patterns of almost 17,000 people, over four years, looking both at those who had free bus passes and those who did not.

It showed an increase in the percentage of bus pass holders walking three or more times a week and found that they were more likely to undertake any form of active travel, which includes walking and cycling as well as using public transport.

Given the need to encourage older people to be physically active, the provision of free bus passes is having a positive impact on health and care.

Indeed the withdrawal of transport is sometimes the tipping point which causes isolated and vulnerable people to go into residential care as they no longer have access to essential amenities such as shops to feed themselves or health centres/ GP surgery/hospitals to cater for their health needs. Each individual in residential care costs a local authority around £24,000, so the bill for care can rise steeply as a direct consequence of transport cuts and means that overall the cuts to transport are a false economy for the Council.

Research undertaken by Leonard Cheshire shows 32% of disabled people who had scheduled medical appointments missed them due to a lack of accessible transport. Conservative estimates show this cost the NHS £50.7m.

Equalities

The equality impact assessment detailed that “Funds have continued to be provided towards the operation of Community Transport organisations allowing people who cannot make use of conventional bus services, in particular older and disabled people, to access local services.” However there is no budget line that details exactly how much money has gone to community operators. If the Government recognise the key role of community transport as partners in helping older people access local services then there is the need requirement for increasing funding to them directly. Further, Age Scotland believes that in order to best support the vital role that non-commercial transport services provide the Government should review older people transport services with a view to (i) extending eligibility for the concessionary pass scheme to cover section 19 bus services (ii) examining an appropriate reimbursement rate for community operators and (iii) better support community car schemes.

Questions

- How will the freeze in the bus budget impact on the provision of bus services across the country? Is the withdrawal of services being mapped?
- Is the capping of costs and reducing the reimbursement rate the best way to deliver value for money for the concessionary scheme?
- Given the recognition of the crucial role of community transport in the equality impact assessment how much central government money is expected to support the community transport in in 2013/14?
- Given the clear preventative spend impact of the concessionary pass is there merit for extending the scheme to demand response services?

Recommendations

- A full review of the concessionary transport scheme is required to put it on a sustainable financial footing and ensure it meets the needs of older people across Scotland. This must include (i) extending eligibility for the concessionary pass scheme to cover section 19 services (ii) examining an appropriate reimbursement rate for community operators and (iii) supporting community car schemes

Housing

Housing Allocations in Scottish Government’s Draft Budget (£m)*

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Housing & Regeneration	£693.3	£494.1	£411.5	£300.8	£303.9	£282.4
Of which Housing Supply	/	/	/	£155.3	£172.8	£170.1
Supporting Sustainability	/	/	/	£118.3	£114.0	£95.0
Supporting Transitions	/	/	/	£32.2	£22.1	£22.3
Total (less £5m income)				£303.80	£303.90	£282.40

*Note these are at 2012/13 figures.

Supporting Sustainability & Transitions (Fuel Poverty & Adaptations)
The Supporting Sustainability and Supporting Transitions lines provide housing-related support services targeted at those people with the greatest need. Supporting Sustainability is primarily focused on funding energy-efficiency measures. This spending assists "Scotland's transition to a low-carbon economy" and is aimed at reducing energy costs for targeted households. Supporting Transitions is aimed at improving the use of the existing housing stock. One of the components of this spend is continued funding for adaptations, i.e. helping older and disabled people live independently.

The combined budget for these two lines was £141.1m in 2011/12. This rose slightly to £150.5m in 2012/13 but is set to fall to a proposed £136.1m 2013/14, with a further reduction to a proposed £117.3m by 2014/15 – a fall of approximately 17 per cent over the period.

Overall, between 2012/13 and 2013/14, there is a proposed £14.4m reduction in Supporting Sustainability & Supporting Transitions (£4.3m and £10.1m respectively). When these budgets were previously cut, it was stated in the Spending Review[ii] as being largely due to transferring spending towards Housing Supply (i.e. new build housing as a means of supporting economic growth).

However the supply of new housing in Scotland decreased by 2%, from 17,267 in 2010-11 to 16,882 in 2011-12. The recession has clearly impacted on private house building, with only 10,039 houses being built by the private sector in 2011-12 - this is a 6% fall from 2010-11 and is the lowest level of private sector new build for more than three decades.[iii] Clearly, current projections suggest that the Government is off target, however, there is an argument that the existing target in no way reflects the level of need.

Adaptations
The Government also argued in the 2011 Spending Review that additional funding for adaptations was also available from the Reshaping Care Change Fund, which stands at £80 million over the next two years. However given that the Change Fund is to be used on new projects exclusively there is little scope for existing adaptation projects to access this funding. Indeed according to Care and Repair Scotland little money has been channelled to support housing adaptations through the Change Fund despite the (a) increasing demand from pensioner households and (b) the proven worth of investing in adaptations.

a) The 'Impact of Population on Housing' report published in 2010 [iv] demonstrated that, all things remaining equal, the overall number of pensioner households requiring adaptations will rise from 66,300 in 2008 to over 106,000 in 2033. Furthermore, in order to maintain current ratios of provision to probable need, the combined numbers of sheltered and very sheltered housing stock will need to rise from 38,000 in 2008/9, to 45,900 in 2018 and to 61,400 in 2033, an increase of 23,400 units over the period.
b) In July 2011, the All Party Parliamentary Group on Housing and Care for Older People noted that the average cost to the State of a fractured hip was £28,665, nearly 5 times the average cost of a major housing adaptations and 100 times the cost of fitting hand and grab rails to prevent falls. Similarly, research undertaken by Bield, Hanover (Scotland) and Trust Housing Associations on the Social Return on Investment of adaptations found that, for an average cost of £2,800, each adaptation

saved the Scottish health and social care systems an average of over £10,000 – equivalent to 483 hours of home care, 19 weeks in care with nursing care, or two orthopaedic operations. Furthermore, it concluded that every £1 spent on adaptations delivered a return of up to £6. At less than £3,000, the average adaptation compares favourably with the typical annual bill for a publicly funded residency in a care home of £26,650.[v]

If we are to support Scotland's older people to remain active and independent, it is vital that funding of adaptations is not only maintained, but increased to reflect the cost benefit they are known to provide the state.

Fuel Poverty

The bulk of references to Fuel Poverty in the Scottish Government's Draft Budget refer to the development of the National Retrofit Programme and the Government's expectation of obtaining a pro-rata share of the Energy Company Obligation (ECO) monies, creating anticipated expenditure of around £200 million a year in total.

The Full ECO package will be around £1.3bn across the UK, with the aspirational Scottish share therefore amounting to some £120m. While this is to be hoped for, there is little guarantee that such a representative share of ECO monies might come to Scotland in reflection of Scotland's overall population equivalent of the UK. The distribution of ECO monies will be dependent upon the delivery bodies allocating funds, which will be done on the basis of which investment provides the greatest return against their own parameters – namely the reduction of carbon emissions.

The Scottish Government is seeking to ensure that, come the time when ECO monies are available, Scotland is the most attractive place for this investment. It remains the case, however, that the Scottish Government cannot say for certainty that ECO funding would, therefore, amount to £120m per year.

Older People's Housing Budget Line

The older people's housing strategy, 'Age, Home & Community', published in December 2011, created a national framework for delivering housing stock suitable to the needs of older people.

This Strategy, and the upcoming reports from the Preventative Support and Adaptations Working Groups, demonstrate the Government's awareness that they must strengthen independent living in the home. However, the real challenge is ensuring that commissioning bodies, such as local authorities and health boards, use their resources to invest in preventative measures.

To date, there is little in the way of progress from any local authority about how they will build the supply of this new stock suitable to the needs of older people. Indeed, given the lack of any specific and measurable targets within the document, and no additional money being allocated to delivering on the Strategy in the budget, it seems unlikely that the vision detailed in the document of a national supply of adaptable housing that meets the needs of an ageing population will become a reality. Ultimately, with no compulsion or incentive to act, local housing provision for older people will continue to develop in an ad hoc manner which threatens to undermine the entire Strategy

Questions

- If money from ECO is less than expected will the Government make up the shortfall?
- Does the lack of money and measurable targets within the Older People's Housing Strategy make it impossible to deliver on?
- Is the Change Fund money still designed to meet gaps in other budget lines as suggested from the 2011 spending review?

Budget

The Scottish Government has only allocated £3m towards miscellaneous welfare initiatives in the draft budget.

Questions

- How is the Scottish Government and local government supporting information and advice service at local and national level?
- Aside from the Council tax benefit policy what distinct measures are the Government taking to tackle pensioner poverty?

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[i] http://www.bbc.co.uk/news/uk-scotland-tayside-central-19888279
[ii] www.scotland.gov.uk/Publications/2011/09/26110945/19
[iii] http://www.scotland.gov.uk/About/Performance/scotPerforms/indicator/newhomes
[iv] www.scotland.gov.uk/Publications/2010/07/20125707/1
[v] http://bit.ly/OUa2NZ This figure increases to an average of £30,000 for self-funders, with those who also receive nursing care as part of their package paying over £35,000 per year.