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Campaign for
Better Transport 

Transport, social equality and welfare to work

A joint report by Campaign for Better Transport and Citizens Advice

“Social mobility and, in particular, moving people off welfare and into work, often depends on transport infrastructure. If people on isolated and deprived estates cannot get a bus or a train to the nearest city or town, they may be stranded without work and without hope.”

Philip Hammond, Secretary of State for Transport¹

In August, David Cameron and Nick Clegg sent a joint letter to the Cabinet, setting out the driving purpose of the Coalition Government.² The letter identified welfare reform that “get[s] people off benefits and into work” as one of the difficult but necessary long-term decisions that this government must make to deliver a “sustainable economy for the future”.

“[T]his government, unlike previous governments, will govern for the long term. That’s why we are prepared to take the difficult decisions necessary to equip Britain for long-term success. [...] That means welfare reform that will get people off benefits and into work [...] tackling the blight of youth unemployment and long-term investment in our infrastructure to build a competitive and sustainable economy for the future. These should be our priorities.”

So far, the main focus has been on the type and level of state benefits. The Secretary of State for Work and Pensions, Iain Duncan Smith, recently proposed sweeping changes to the benefits system, with the aim of ensuring that people would always be better off in work than on the dole. But for a third of jobseekers the biggest obstacle is not a willingness to have a job, or the financial reward of doing so. Instead, poor transport options make it very difficult for them to get to work and back.

This short report considers how transport affects people’s ability to find and retain jobs. It looks at the impact cuts to bus support could have on welfare, including the social impacts of reduced accessibility. Finally, it explores ways in which targeted support has helped people overcome transport problems and get back into long-term employment.

¹ <http://www.surreyherald.co.uk/surrey-news/surrey-columnists/2010/08/24/philip-hammond-mp-transport-is-at-the-heart-of-the-country-growth-86289-27135014/>

² www.number10.gov.uk/news/latest-news/2010/08/pm-and-dpm-open-letter-to-cabinet-54208

"Citizens Advice welcomes the Government's intention to simplify the benefit system and make work pay. It must, however, be a joint commitment across government.

"Too many people are desperate for work, but cannot find – or keep – a job because of problems with transport. This report shows very clearly that without a joined-up transport policy, Government plans for welfare reform are likely to fail."



Teresa Perchard
Director of Public Policy
Citizens Advice

"Buses get little press and political attention, and are often a low priority for politicians. Yet they are a crucial part of our transport network. There is a danger that politicians and decision-makers forget just how critical buses are to meeting key Government objectives, such as getting people off benefits and back into work.

"As the Government finalises its spending plans, it must remember the wider benefits of reliable, affordable public transport. Buses are the backbone of our public transport network, and must be protected."



Stephen Joseph
CEO
Campaign for Better Transport

Few people on low incomes or benefits have access to a car

Ms A lives in a village served by one bus service a day. She was unemployed and had been asked by the Jobcentre to attend a training course in a town 15 miles away. However, to get there, Ms A would have to book the bus a day in advance, get the 8.30 am bus to the nearest town with a train station, and then get the train to her destination, getting there at 9.30 am. She would have to leave the course early to catch the bus home again. When the Jobcentre was told of Ms A's travel difficulties, they threatened to impose a sanction on her claim for jobseeker's allowance, saying "we're not interested in buses".

Case study from a Dorset Citizens Advice Bureau, November 2009

Millions of people in the UK rely on public transport as their means of getting about. This is especially true for those on low incomes. Half of households in the bottom income bracket do not own a car, compared to a national average of 25% (10% of the top bracket). This figure is even higher for individuals on benefits: nearly two-thirds of people claiming income support or jobseeker's allowance (the main benefit for unemployed people seeking work) do not have access to a car and a licence to drive it.³

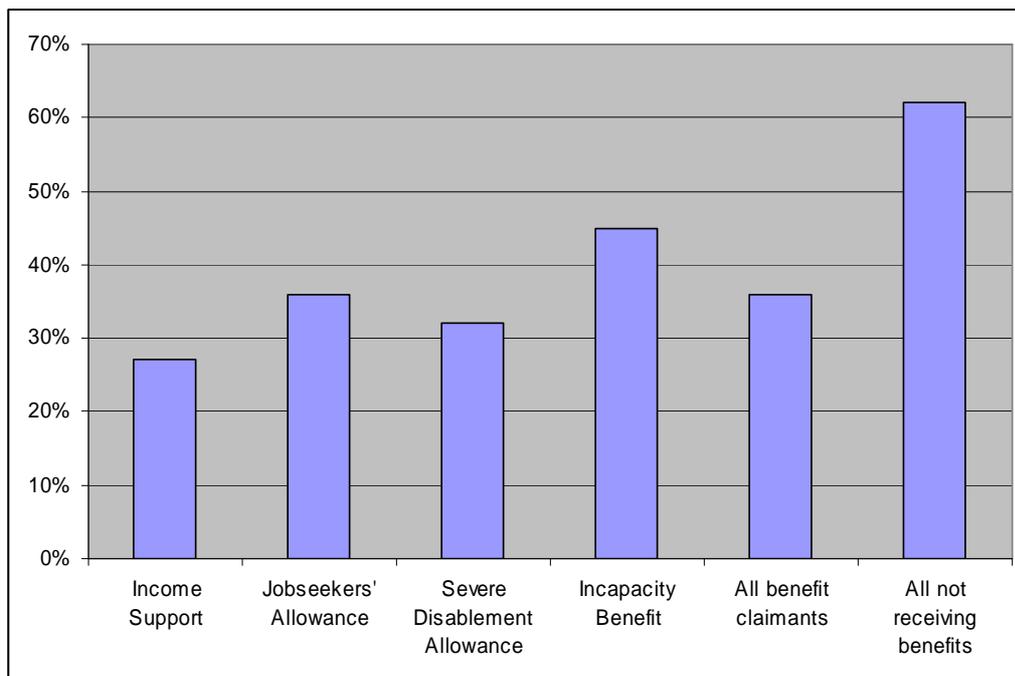


Figure 1 – Proportion of benefit claimants with a driving licence and access to a car⁴

With so few claimants having access to a car, it is unsurprising that people feel held back from work by poor transport choices. Research by the Social Exclusion Unit discovered that 38% of job seekers found transport was a major obstacle to their finding work:

“Job vacancies are not always within reach of workless people, even when they are quite close. The main problems are: a lack of access to public or private transport, prohibitive

³ While the data used is from 2003, it is the first listed research report used to support the 21st Century Welfare White Paper. <http://www.dwp.gov.uk/consultations/2010/21st-century-welfare>

⁴ Amended version of Table B.6. In: Woodland, Mandy and Miller (2003) 'Easing the transition into work (Part 2 – client survey)', page 146. <http://research.dwp.gov.uk/asd/asd5/rrep186.pdf>

costs of fare, or running a vehicle to get to work, and limited travel horizons, which includes lack of knowledge about and trust in the available travel options.”⁵

The Government should not underestimate the psychological barriers of this lack of knowledge and trust. Many people moving into work need personal and intensive support to get used to new lifestyles. The National Centre for Social Research (NatCen) found that among those who are actively seeking work, concerns about access to public transport is the strongest source of anxiety about moving off benefits; higher even than previous work experience or the extent of their responsibility for housing costs.⁶

Moreover, people who rely on public transport find it harder to find and hold onto a job; the NatCen found that former claimants who had subsequently found work were significantly more likely to have access to a car than those who were still claiming unemployment benefit.

Without reliable bus services, people struggle to find and hold on to jobs

Mr B is a 49-year-old man who lives eight miles outside the town, and relies on buses as his only means of transport. He had been unemployed for most of 2009, and had been in receipt of jobseeker's allowance. The Jobcentre had stopped his benefit for two weeks as they alleged he had not done enough job searching. He had to apply for six jobs in a two-week period. Two of the jobs that Jobcentre Plus had given him had closing dates only three days ahead. They said that he would be able to send them his CV, but neither employer would accept this and said he had to apply in person. One was in a village four miles the other side of the town from Mr B and the other in a city 18 miles away, with no direct public transport links. As a result of the sanction on his benefit, Mr B faced rent and council tax arrears, as his housing and council benefit also stopped.

Case study from a Warwickshire Citizens Advice Bureau, February 2010

Mr C is an unemployed man, aged 27, who needed advice as to whether he should accept a particular job offer. He had been made redundant in November 2009 and had now been offered a part-time job at a supermarket working from 5pm to 10pm, three days a week. However, the supermarket was at least seven miles from his home. Both the trains and the buses, however, would stop running before his shift ended and they were expensive, especially the bus, at £5.80 return. Mr C was concerned that if he did not take the job he might lose his benefit.

Case study from a Hampshire Citizens Advice Bureau, June 2010

Mr D is a married man with three children. He lived in a village eight miles from his place of work and was finding it difficult to get there as his old car was about to break down. He could not afford to get it repaired, and he would not be able to take out a loan to buy a new one as he had a poor credit record. As he started work at 6 am, there were no buses at that time of the morning. It would be difficult for him to cycle as the route to work was along busy streets with no cycle path. He could not afford to rent a house in the village

⁵ Making the Connections: Final Report on Transport and Social Exclusion, Social Exclusion Unit. http://www.cabinetoffice.gov.uk/media/cabinetoffice/social_exclusion_task_force/assets/publications_1997_to_2006/making_transport_2003.pdf

⁶ *Easing the transition into work*, page 97.

where he worked, as rents were higher there. Mr D wanted to work, but felt that it was not cost effective for him to do so, and was considering claiming benefits instead.

Case study from a Cambridgeshire Citizens Advice Bureau, June 2010

For millions of people, having access to a reliable and affordable bus service can mean the difference between being able to work and being locked into welfare dependency. Buses are the most commonly used form of public transport, especially for people on low incomes. Buses also serve places which would be otherwise inaccessible without a car, such as rural villages or out-of-town business parks.

Without decent bus services, many people are simply unable to get back to work, because they are reliant on finding a job locally. Recent research by Citizens Advice and Citizens Advice Scotland on the back-to-work support provided by Jobcentre Plus found that the top barrier to finding work for people on jobseeker's allowance was the need to find a job near to where they lived.⁷

The Government's Social Exclusion Unit explored how transport can reduce or contribute to social exclusion. They found that new jobs were increasingly being created in locations inaccessible without a car and which are "not always close to where unemployed people live".

"Transport has become more of an issue over time partly because of the growth of employment in places and at times that are not served by public transport, and which are not always close to where unemployed people live. Many of the new jobs created in recent years have been in out-of-town or suburban locations, which can be hard to reach without a car. More jobs also require evening and weekend work, when public transport services are poorer."⁸

With fewer jobs being created in places which are easily accessible without a car, people on low incomes will become even more reliant on decent public transport. However, the Government is considering dramatic cuts to bus support, which means that many vital services will be cut. This will have a serious impact on plans to reform welfare, because people cannot get back into work if there are no jobs near them and they have no means of getting to jobs which are further away.

Cuts to bus services would hit the poorest hardest

Mr E has learning difficulties and was finding it difficult to get to work due to cuts in bus services. His place of work was five miles from his home and he worked shifts – one week starting at 6am and then the following week finishing at 10pm. As there were no bus services early in the morning or late in the evening, he had to get home by taxi. He could not afford the fares, and consequently was facing debt and housing problems.

Case study from a Hampshire Citizens Advice Bureau, May 2010

The upcoming comprehensive spending review is widely expected to include major changes to the Bus Service Operators Grant (BSOG). BSOG, which repays 80% of the fuel duty paid by bus operators, costs

⁷ *Fair welfare: supporting claimants into work*, Citizens Advice and Citizens Advice Scotland, September 2010.

<http://www.cas.org.uk/fairwelfaresupportingclaimantsbackintowork.aspx>

⁸ *Easing the transition into work*, page 97.

just over £400 million a year. It represents fantastic value for money: the Commission for Integrated Transport found that every pound invested in BSOG brings in between £4.80 and £5 of benefits.⁹

BSOG makes it easier to run services which would otherwise be unprofitable, such as those which run through rural areas, early in the morning or late at night. These routes are of particular importance to shift workers, who may have no other means of getting to work and back. It also reduces the cost of lifeline services tended for by local authorities.

Cutting BSOG would have an immediate impact on the cost of bus fares and the frequency of bus services. The Public Transport Executive Group (pteg) estimates that without BSOG, fares would rise 10% and the number of services would fall by a similar amount.¹⁰ Not only would this hit people on low incomes hardest (see figure 2), it could see some lifeline services cut altogether.

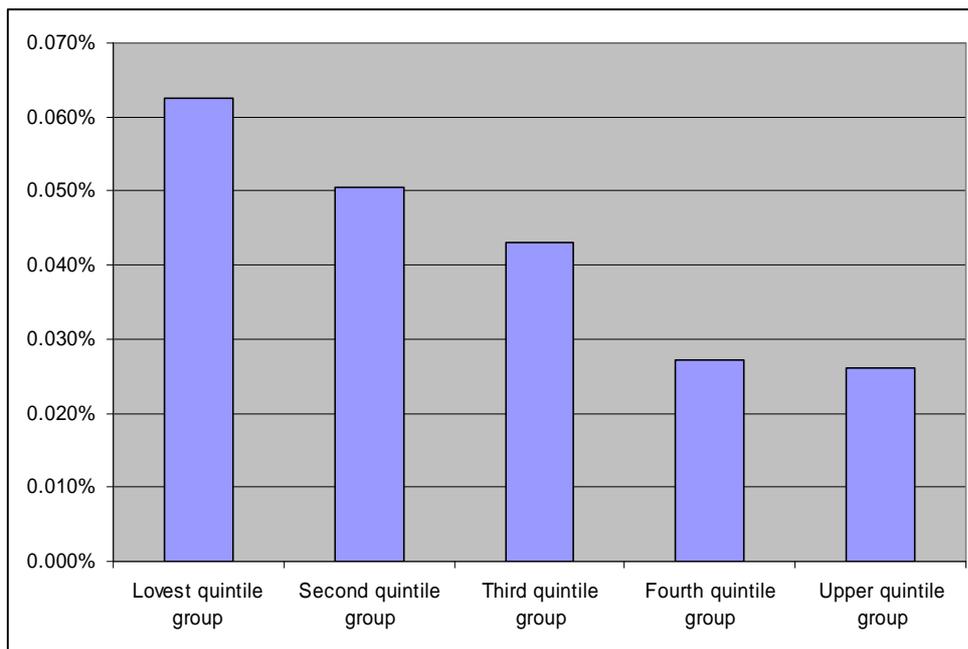


Figure 2 - Changes in cost of living of 10% increase in bus fares¹¹

With fewer and more costly bus services, job seekers would find it harder to get to work or attend interviews. Others are likely to find that once-affordable and accessible jobs are now too expensive or difficult to get to, driving them back to the dole queue. With no way of getting to work, cuts to bus support risk making hundreds of thousands of people dependent on welfare, at a time when the coalition is trying to cut the number of people claiming unemployment benefit.

Improving travel choices helps people find work and stay employed

“My customer started work for a cleaning company. She wasn’t eligible for job grant or housing benefit run-on, which put her in financial difficulties when she came off Income Support. The bus pass has been a great financial incentive as she was struggling to cope

⁹ *Public Subsidy for the Bus Industry: The Case for Incentive Per Passenger*, Commission for Integrated Transport, chapter 3. <http://cfit.independent.gov.uk/pubs/2009/psbi/03.htm>

¹⁰ pteg, letter to MPs, July 2010. <http://www.pteg.net/NR/rdoonlyres/4E7D6BCD-36D4-4B3C-BF8B-F3353882963D/0/BSOGltrnoesignatures.pdf>

¹¹ Data extrapolated from the Family Expenditure Survey 2009, table 7.3.

with paying dinner money for children, rent and council tax whilst waiting for her first working tax credit payment. She came into the office to say it had really helped her stay in her job.”

Jobcentre Plus Advisor supporting the Travel for Work Scheme in West Yorkshire

“Over the past few months, I have been looking for employment and have had assistance to ‘travel to interview’ through the WorkWise scheme. This help has been essential as I have no other means of transport and have relied on the bus passes available...without this assistance I would not have been able to attend interviews and ultimately obtain a job.”

Anthony, North Solihull WorkWise customer

“I found the travel information really helpful as I work shifts, so I needed to know that I could definitely get back home late at night. The free MetroCard was great, I catch 4 buses a day and am paid monthly, so it really helped until the first pay day.”

James, Travel to Work customer

Cancelling or severely cutting central Government support for buses will have a harmful effect on the ability of many job seekers to return to work. However, targeted support to assist job seekers in overcoming transport problems has demonstrably helped people find work and stay employed.

Passenger Transport Executive (PTE) led WorkWise programmes are one such form of targeted support. WorkWise offers job seekers travel advice and personalised journey planning to help them get to interviews or new jobs. It broadens travel horizons, giving people the information and personalised advice they need to understand where they can get public transport, be reassured that they will arrive on time and have the confidence to look for work beyond their local area.

WorkWise schemes combine journey-planning support with free or discounted tickets and passes to reach interviews and work, including during the first crucial weeks of a new job when money can be particularly tight until the first pay packet arrives. The average cost of supporting a person into a new job through WorkWise is around £250.

Last year pteg produced a briefing on various WorkWise schemes.¹² It found that in the West Midlands alone, WorkWise has helped over 4,200 people get to an interview and over 4,300 people to travel to a new job. More than 80 per cent of customers said they would have struggled to reach these opportunities without support from WorkWise.

In West Yorkshire, Travel to Work, a scheme using the WorkWise model was hosted by Metro (West Yorkshire PTE) and delivered by Jobcentre Plus (JCP) Advisors in 24 of the area’s 25 JCP offices. It also helped over 4,200 people back into work who would otherwise have been unable to accept offers of employment due to travel costs or perceptions of accessibility of work sites. The success of the project has enabled Jobcentre Plus to continue the scheme in-house.

¹² *WorkWise – a ticket to employment*, pteg, 2009. <http://www.pteg.net/NR/rdonlyres/1FABD1A3-900D-4521-A1FA-B100D9DD647E/0/WorkwiseBriefingSheetJune2009.pdf>

Evidence suggests that WorkWise beneficiaries are able to sustain their employment. In the West Midlands, for example, 80 per cent were still in work after 13 weeks and in Tyne and Wear 92 per cent sustained employment; between 7 per cent and 19 per cent higher than the national average.¹³

Conclusion: we won't get people back to work without buses to take them there

It is tempting to assume that many people currently receiving unemployment benefits are unwilling to work. But for many people, work is simply not an option, because they have no means of getting there. Without a regular, reliable bus service, people are forced to rely on jobs close to home. But with ever-more jobs being created in places which are inaccessible without a car, and with so few people on benefits having a car, it is no surprise that people feel held back from work by poor transport options.

Thankfully there are ways to overcome these obstacles. Targeted support for job seekers, to help them find jobs in places they can get to has made a real difference to thousands of people across England. But if the Government reduces its support for buses, then more people will find themselves either unable to afford the bus fare, or without a bus to take them to work.

If the Government is serious about helping people back into work, they must get transport right. That means protecting existing bus services (so that those who rely on them do not suddenly find themselves unable to get to work), working with employers to make existing business parks and out-of-town developments more accessible and helping job seekers understand what transport options they have and how to make best use of them.

Our recommendations:

1. Protect the Bus Service Operators Grant during the Comprehensive Spending Review;
2. Promote the powers available to local authorities in the Local Transport Act to improve bus services;
3. Encourage local authorities to work with employers to make it easier to get to business park and out-of-town developments without a car;
4. Tackle social exclusion and help people back to work by supporting WorkWise programmes, with funding from the Department for Work and Pensions to match investment from local partnerships.

¹³ *Sustainable employment: supporting people to stay in work and advance*, National Audit Office, 2007. http://www.nao.org.uk/publications/0708/supporting_people_to_stay_in_w.aspx