

# **Plymouth City Council – Concessionary Fares Scheme**

## **Issue 18 – 1 December 2007**

### **1. General**

The Plymouth City Council Concession Fares (hereinafter called "the Scheme") is published under the power given to the City Council by Section 93 of the Transport Act 1985 (hereinafter called "the 1985 Act"), the Transport Act 2000 (hereinafter called "the 2000 Act"), the Travel Concession Scheme Regulation 1986 (hereinafter called "the Regulations"), the Travel Concessions (Eligibility) Act 2002 (hereinafter called "the Eligibility Act 2002" and the Travel Concessions (Extensions of Entitlement) (England) Order 2005 (the 2005 Order) and the Concessionary Bus Travel Act 2007. All operators have a right of admission to the Scheme (Section 96). The City Council has powers to oblige operators to enter the Scheme (Section 97).

### **2. Eligible Persons**

In accordance with Section 93(3) and 93(7) of the 1985 Act, Circular 5/86, sections 145(4) and 151(5) of the 2000 Act and the Eligibility Act 2002, the City Council has included the following persons in the Scheme, as persons eligible to travel at concession fares. Such persons must be resident in the City (Also see Appendix 1):

- 2.1** Males and females aged 80 and over.
- 2.2** Males and females aged 60 and over.
- 2.3** Persons registered blind under the National Assistance Act 1948
- 2.4** Disabled ex-serviceman, subject to certification by DSS of their application, who are in receipt of a pension at a rate of 80% or over in respect of a leg or arm amputation sustained on military service.
- 2.5** Persons suffering from any disability or injury, which has a substantial and long-term adverse effect on their ability to walk.
- 2.6** Persons with no use of both arms.
- 2.7** Persons who would, if they applied for the grant of a licence to drive a motor vehicle under Part III of the Road Traffic Act 1998, have their application refused pursuant to section 92 of that Act (physical fitness) otherwise than on the grounds of persistent misuse of drugs or alcohol.
- 2.8** Persons who are partially sighted.
- 2.9** Persons who are deaf or suffer from severe hearing loss
- 2.10** Persons with learning disabilities, that is, a state of arrested or incomplete development of mind which includes significant impairment of intelligence and social functioning.
- 2.11** Persons without speech.
- 2.12** Persons in school years 1 to 6 and years 11 to 13.
- 2.13** Persons in school years 7, 8, 9, 10 and 11 if they are eligible for free school meals.

**2.14** Persons in school years 12 and 13 whose age does not exceed 19 years travelling to/from the place of their full time education. Those reaching 19 years in mid academic year may travel at concession rate until the end of that academic year.

### **3. Identification of Eligible Persons, Issue of Passes etc.**

#### **3.1 Categories 2.1 to 2.11**

**3.1.1** All eligible persons will be required to obtain a relevant concessionary bus pass from the City Council showing their entitlement to travel at concession fares. Operators issue a concession fare only on production of such a valid Pass.

**3.1.2** A 12 month pass will be issued to disabled persons who suffer from one or more of the disabilities outlined in section 2, but where the disability is not of a permanent nature but is likely to last for at least 12 months, and which will have a substantial affect on a person's ability to carry out normal day to day activities.

**3.1.3** Passes will continue to be issued by Plymouth City Council or designated supplier or contractor and will be valid for the duration of the Scheme or until such time at which Plymouth City Council wishes to renew the pass, except those in section 3.1.2. Passes issued will materially remain in the ownership of Plymouth City Council.

**3.1.4** Passes are available only to residents of the City of Plymouth. If the holder moves outside the City Boundary, the Pass is not valid and must be returned to Plymouth City Council.

**3.1.5** Applications for a Pass should be made in person at a designated Concessionary Pass Issue Point across the City

**3.1.6** Lost and stolen Passes will be replaced upon production of a valid log or crime number obtained from the police and at a charge of £10

**3.1.7** As a residents eligibility changes a replacement pass will be issued free of charge i.e. upon 80<sup>th</sup> birthday. Re-application for residents becoming 80 years of age will be automatic.

**3.1.8** Residents who become registered blind will have to re-apply for a pass as in 3.1.5

**3.1.9** Residents whose proof of disability time expires will have to re-apply as in 3.1.5 (this could include time expired eligibility to Disability Living allowance – higher Rate Component, or DVLA requirement)

#### **3.2 Category 2.12, 2.13 and 2.14**

- 3.2.1 All eligible persons will be required to obtain a Pass called the "Young Person's Travel Pass", at the start of Secondary School Education (years 11 to 13 inclusive and those in years 7, 8, 9 and 10 entitled to free school meals), showing their entitlement to travel at concession and child fares. Operators will apply a concession fare only on production of the pass.
- 3.2.3 Students in years 12 –13, and those in years 7, 8, 9, 10 and 11 entitled to free school meals, who are Plymouth residents and travelling to and from Plymouth schools will get concessionary fares. Children who live outside the City boundary, and all year 7, 8, 9, 10 and 11 students not included above will be able to obtain a child fare, at the discretion of the operator.
- 3.2.4 Application for a Pass should be made in accordance with the arrangements in force at the time of the application.
- 3.2.5 Lost Passes will be replaced on payment of a £7.50 fee (£10 for Post 16 students).
- 3.2.6 Children in years 1 to 6 will be entitled to travel to and from school at concessionary rates but will not require any form of identification in order to obtain these. These children will not be entitled to operators' school season tickets.

#### **4. Validity of the Scheme**

Concession fares shall apply only to all registered local bus services (as defined by the 1985 Act and 2000 Act) provided by an operator admitted to the Scheme or another English Travel Concessionary Authorities Scheme (except if specifically excluded within the area and times set out below) & any Plymouth City Council discretionary extensions as detailed in Section 12:

##### **4.1 Valid Area**

The Scheme shall apply to any journey on a registered local bus service within England made within the times set out below

##### **4.2 Valid Times**

Persons in 2.1 and 2.3 may use the Scheme at any time on Saturdays, Sundays and Bank Holidays and up to 23.00 hours Monday to Friday within the confines of Plymouth City Council's administrative boundary and at the times detailed in 4.3 elsewhere in England. This is subject to annual review as detailed in Section 12.

- 4.3** Persons in 2.2 to 2.11 (excluding 2.3) may use the Scheme at any time on Saturdays, Sundays and Bank Holidays but only between 09.30 and 23.00 hours Monday to Friday.

**4.4** Persons in 2.12 – 2.14 may use the Scheme on days, which they are engaged in their full time education for one return journey between home and school, only before 9.00am and between 3.00pm and 6.00pm, Monday to Friday only, unless otherwise authorised by Plymouth City Council.

## **5. Method of Allowing Concessions to the Passenger**

### **5.1 Free Travel**

Travel for persons in 2.1 and 2.3 at any time on Saturdays, Sundays and Bank Holidays and up to 23.00 hours Monday to Friday shall be free within the confines of Plymouth City Council's administrative boundary. This is subject to annual review as detailed in Section 12.

Travel for persons 2.2 – 2.11 (excluding 2.3) at any time on Saturdays, Sundays and Bank Holidays and between 09.30 and 23.00 hours Monday to Friday shall be free both within Plymouth City Council's administrative boundary and across England.

### **5.2 On Bus Tickets**

Groups 2.1 to 2.11 traveling outside of their hours of eligibility to the Scheme will be required to pay the operators standard commercial fare applicable to their journey.

Group 2.12 – 2.14 will pay half the adult single fare with a maximum charge of 60p but this will only apply at the times specified in Paragraph 4.4. Scholars will also be able to purchase an 80p-transfer ticket.

### **5.3 Time and Journey Expired Tickets.**

It is assumed that for Groups 2.1 – 2.11 that no time or journey expired tickets need to issued

For group 2.12, concession versions will only be reimbursed during school terms.

Operators may offer a time expired off bus ticket for group 2.12 to cover each of the six half term periods. This will be priced at one times the four weekly plus two and a half times the one weekly adult tickets less a 50% discount, and be the same price for each of the six half terms, regardless of the length of any half term. The reimbursement will be the difference between this price and the cost of a four weekly adult price plus two and a half-weekly adult tickets, subject to generation.

Operators may offer these half term tickets to group 2.12 instead of, or as well as, all other off bus tickets.

In addition for group 2.12 operators will offer a joint ticket available for either a half term or a full academic year. This will be priced as per the equivalent adult tickets described above plus 20% for the joint availability facility. Reimbursement will be the difference between the full price equivalent and the concessionary version, subject to generation. A further version of the joint ticket will be available at full price for all year 7, 8, 9, 10 and 11 students not included within group 2.12 – 2.14.

#### **5.4 Returns**

Concessionary return tickets will not be applicable to groups 2.1 – 2.11

Passengers in group 2.12 – 2.14 will not be eligible for returns.

### **6. Reimbursement of Bus Operators**

**6.1.1** The Plymouth City Council Scheme will comply with the Travel Concessions Scheme Regulations 1986, with the principle adopted that operators should be no better and no worse off by carrying concession passengers. The Scheme will also follow the Department for Transport document 'Concessionary Fares for Older and Disabled People: Local Authority Guidance'.

Reimbursement will apply to any concessionary journey, undertaken with a valid National (English) Concessionary Bus Pass, starting within the City boundary

This involves a need to compensate for revenue foregone taking into account any generated trips and to provide sufficient capacity such that all those wishing to travel (both concessionary and non-concessionary passengers) may do so.

Two separate compensation budgets for 2.1 to 2.11 and 2.12 above have been established and have operated since scheme adoption in 1986 with successive amendments.

The actual number of journeys made by Plymouth pass holders under a free travel Scheme will be monitored so the amount of reimbursement paid to operators under the Scheme can be monitored and reviewed on an annual basis to ensure that payments reflect the objective that operators should be no better or worse off as a result of the Scheme. Plymouth City commits itself, in partnership with participating operators, to review the Scheme on an annual basis. Such a review will have to anticipate statutory notification/publication timescales.

**6.1.2** The Reimbursement Factor (RF) applied to operator's Average Adult Equivalent Fare (AAEF) will be based on a proportional elasticity

constant value of -0.4216 for the year 2008/09 and will be calculated as follows:

$$RF = \exp(-0.4216 * AAEF)$$

On receipt of valid claims, operators of eligible services will receive the following amount of reimbursement for revenue foregone:

$$RF * AAEF * \text{number of eligible concessionary trips carried}$$

In addition, the operator will also receive the following amount to cover the additional cost of carrying a generated passenger:

$$(1 - RF) * 10.14p * \text{number of eligible concessionary trips carried}$$

On 1<sup>st</sup> April each year, the proportional elasticity constant will be reduced to take account of consumer inflation based on RPIX (retail price index excluding mortgage interest payments) using the following formula:

$$\text{Elasticity constant}_{\text{year } X+1} = \text{Elasticity constant}_{\text{year } X} / (1 + 12 \text{ month percentage change in RPIX})$$

Where the 12 month change in RPIX is based on the latest available 12 month change figures when the scheme is published.

The allowance for additional costs will also be reviewed each year to ensure the figure is representative of costs experienced by operators in carrying generated passengers. Nominally this figure will be increased by regional Confederation of Passenger Transport (CPT) inflation.

- 6.1.3 For the purposes of reimbursement an operators AAEF shall be calculated to include single tickets, return ticket and dayrider tickets (or equivalent). Single tickets will be regarded as one trip, returns 2 trips and day riders 2.46 trips.

$$AAEF = (\text{total revenue received from commercial single, return and dayrider fares}) / (\text{total number of trips})$$

For the purposes of reimbursement post 1<sup>st</sup> April 2008 the AAEF shall be determined through ETM returns for March 2008.

- 6.1.4 Operators are requested to give 28 days notification in writing to Plymouth City Council regard changes in commercial fare values and how this will impact on an individual operators AAEF.

- 6.2 For the group 2.12 – 2.14 the percentage of generated concession passengers will be the percentage fare discount multiplied by 0.1

### 6.3 Extra Costs

Plymouth City Council will not, in general, accept that the operators incur extra costs by carrying concession passengers. All extra costs excluding those detailed in 6.3.1 are deemed to be covered within reimbursement rate detailed in Section 6. Claims relating to 6.3.1 will be considered where the operator submits relevant demonstrable and justifiable evidence and will be considered on a case-by-case basis. Plymouth City Council agrees to use an independent body to arbitrate negotiations where necessary and/or agreement between Plymouth City Council and the relevant operator cannot be made.

- 6.3.1 Separate payments will be made to operators to cover the costs of providing additional vehicle capacity to cope with growth in patronage brought about by concessionary travel. This will be considered on a case-by-case basis and will be service specific. Any such increases in capacity must be agreed with the City Council before frequencies are increased.
- 6.3.2 Payment regarding revenue foregone from eligible residents who bought standard commercial tickets before obtaining a concessionary bus pass
- 6.3.3 Payment regarding agreed administrative costs incurred by participating in the Scheme
- 6.3.4 Additional publicity costs (including increased levels of Traveline call costs).
- 6.3.5 Any other evidenced claims regarding additional costs associated with Scheme changes.

#### **6.4 Sales Returns**

Operators must make monthly returns of sales of all values of concessionary tickets by service to the City Council, within 1 week of the end of the preceding month. Failure to do so will result in the reimbursement estimate being reduced from the 75% level as described in section 10.

#### **6.5 Off Bus Tickets**

It is the view of Plymouth City Council that no concessionary off bus tickets will be purchased.

#### **6.6 On Bus Tickets & Free Fares**

- 6.6.1 Participating operators will accept and record any valid concessionary pass(es) as issued and agreed by the City Council. Valid passes will be designed in accordance with national concessionary scheme requirements. An additional logo enhancement will be in place to alert drivers to the additional benefits available to residents in 2.1 and 2.3. Travel enhancements, beyond the statutory minimum, will only apply within the confines of the City Council's administrative boundary.

- 6.6.2 All legacy concessionary passes will cease to be valid for concessionary travel after 1 April 2008.
- 6.6.3 In all cases (both before and after 09.30) operators will be required to record travel transactions by pass type. This may be undertaken through issuing zero-value tickets (manual recording of travel transaction) and/or smartcards. There will also be a necessity to record concessionary origins and destinations in order to assess the total volume of concessionary travel in addition to concessionary travel undertaken outside of the statutory minimum times of operation.
- 6.6.4 Where relevant transactions should be recorded by Electronic Ticket Machines (ETM's). The Council shall use its discretion to upgrade and purchase new ETM's where it feels there is a business and/or fraud saving benefit.

## **7. Survey and Information from Operators**

- 7.1 Operator Sales Returns as detailed in section 6.4 should be submitted through a relevant electronic interface where appropriate on a weekly basis i.e. Transcend.
- 7.2 The City Council will require access (free of fare) to the operators' vehicles to survey all journeys or sections of journeys, which are included in the Scheme. Operators will provide to the Council every year 5 annual 'Commutacards' or inter-operable ticketing equivalent to enable sporadic and unplanned surveys to take place.
- 7.3 The City Council may gather any information required from concession passengers, but shall restrict information gathered from non-concession passengers to the number of passengers, their journeys and fares paid. The City Council may require data on overall fare revenue and patronage on journeys within the Scheme and reserves the right to commission independent checks as to the accuracy of any data supplied. Such data will be treated in confidence.
- 7.4 The City Council requires operators to give 28 days notice (in writing) of any commercial fares increase to enable the correct calculation of reimbursement rates. This should include the revise AAEF and exemplification as to how this has been derived.

## **9. Exception to Reimbursement Methods**

Any operator has a right to be reimbursed as in Section 6 above, but the City Council will negotiate *ad hoc* compensation in the following two cases.

### **9.1 Small Operators**

Any operator whose total mileage within the Scheme does not exceed 150,000 miles per year.

## **10. Method of Payment**

The total payment due to each operator for each quarter will be estimated by Plymouth City Council and 75% of that sum will be processed for payment within the first week of each calendar month. The balance due to each operator, or to the Council, including any necessary adjustments, will be processed for payment within 1 month of the end of the preceding month, if the necessary data has been supplied. The 75% estimate payment may be reduced if patronage information from previous months is still outstanding.

Payments regarding extra costs as detailed in Section 6.2 will be dealt with on a case-by-case and on submission of relevant, auditable evidence associated with increased costs associated with the introduction of the new Scheme.

Operators can negotiate a revised process of payment as detailed in 10.1 in agreement with Plymouth City Council

## **11. Reimbursement Procedures**

Any operator unhappy with the reimbursement arrangements determined by the City Council should apply to the Secretary of State for a modification of the arrangements or any proposed variations in line with section 150(2) of the 2000 Act.

## **12. Variations to the Scheme by the City Council**

- 12.1 The City Council reserves the right to make any variations to the Scheme provided that such variations will be published at least 4 calendar months before implementation, as required by the Eligibility Act 2002.

Enhancements to the Scheme can be made using powers of the Transport Act 1985. In such cases the Council will give an operator to whom any such period of notice applies at least 28 days prior warning.

- 12.2 Free travel for 2.1 and 2.3 prior to 09.30 is offered by Plymouth City Council as a discretionary extension beyond the required statutory minimum.
- 12.3 Sections 2.1 – 2.11 will be eligible for free travel after 09.30 on Ring and Ride services operated by Plymouth Shopmobility and Community

Transport. Free travel will not be available on any other sec 19 or 22 services operated within the City.

- 12.4 Plymouth City Council reserves the right to withdraw any discretionary extensions as detailed Sections 12.2 and 12.3 with appropriate notification as in Section 12.1

**13. Variations by Operators**

If an operator varies routes or timings, it must inform the City Council in writing at least 56 days prior to making the change.

**14. Commencement Date**

The Scheme commenced on 26 October 1986 and was modified on 16 May 1988, 8 April 1990, 6 September 1993, 3 April 1994, 1 December 1996, 12 July 1998, 1 August 1999, 1 May 2001, 1 June 2001, 1 November 2001, 18 August 2002, 1 April 2003, 6 July 2003, 1 September 2003, 1 September 2004, 1 April 2006, 1 April 2007 and 1 April 2008.