

NORTH LINCOLNSHIRE COUNCIL

**HIGHWAYS AND NEIGHBOURHOODS
CABINET MEMBER**

**CONCESSIONARY FARE REIMBURSEMENT 2015/16 – PUBLICATION OF
DRAFT SCHEME**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The council, as a Travel Concession Authority (TCA) is required by law to reimburse bus operators for carrying concessionary passengers.
- 1.2 The Transport Act 2000 sets out a process on how operators are to be reimbursed in respect to the statutory scheme. The first step is to publish reimbursement proposals four months prior to the scheme commencing, based on the agreed methodology for 2015/16 and therefore a draft scheme for publication is presented in Appendix 1.
- 1.3 The purpose of this report is to seek Cabinet Member approval to publish the draft scheme before a new scheme commences on 1 July 2015.

2. BACKGROUND INFORMATION

- 2.1 The council by law must provide free travel on local buses for older people and people with disabilities. We must also reimburse bus operators for concessionary travel.
- 2.2 The Transport Act 2000 sets out the process for reimbursing operators for mandatory concessions:
 - The TCA must publish reimbursement proposals in as much detail as possible to allow for meaningful negotiation. This must be completed four months prior to the start or variation of the statutory scheme; and
 - The TCA must determine final reimbursement arrangements 28 days prior to the start or variation of the statutory scheme.
- 2.3 The council should have published a draft scheme by 31 December 2014. However, we have delayed this report to align more effectively with the council's budget cycle. We intend to continue with the current payments, until the new scheme comes into effect on 1 July 2015. The scheme will finish on 31 March 2016. A new scheme will replace it.

- 2.4 The principal of the scheme is to ensure that bus operators are “no better off” and “no worse off”. The money operators receive should depend on how much they would get if all passengers paid a fare. It is difficult to estimate this because free travel encourages more journeys.
- 2.5 It is also not possible to present the final scheme. We are awaiting further information from operators and as such cannot finalise the average fare increase prior to the publication of the scheme.
- 2.6 Our current scheme provides reduced or free rate local rail reimbursement. This costs approximately £76,000 per annum.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option 1 is to publish the draft scheme as attached as Appendix A and continue with negotiations with bus operators.
- 3.2 Option 2 is to not approve the draft scheme.

4. ANALYSIS OF OPTIONS

- 4.1 Option 1: We are required to publish a draft scheme four months prior to implementation. We are also required to provide the mandatory elements of the scheme.
- 4.2 Option 2: Failure to meet our TCA requirements could lead to challenge from the bus operators.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 **Finance** Cost implications of the scheme will become clear once the calculation of average fare increase is completed. This will be subject to a separate report finalising the scheme from 1 July 2015.
- 5.2 There are no other resource implications as a result of this report.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 6.1 The council has a duty to provide free local bus travel for older people and people with disabilities. The assessment reflects this.

7. OUTCOMES OF CONSULTATION

- 7.1 We have engaged with the major bus operators. We will continue to engage with all bus operators and agree reimbursement rates before the final scheme is published.

8. RECOMMENDATIONS

- 8.1 That the Cabinet Member approves the publication of the draft scheme for concessionary fare reimbursement to start on 1 July 2015.
- 8.2 That negotiations start with all bus operators to agree the individual reimbursement rates.

DIRECTOR OF PLACES

Civic Centre
Ashby Rd
Scunthorpe
DN18 1AB
Author: Helen Reek
Date: 26 January 2015

Background Papers used in the preparation of this report: Concessionary Fare Scheme statement 2014/15 and Department for Transport Concessionary Travel Reimbursement Guidance update 2015/16.



Draft

**Travel Concession Scheme
for Elderly and Disabled People
From 1 July 2015**

Version 1

Peter Williams BSc, DMS, CEng, MEI, MCMI, AMIMechE
Director of Places

Civic Centre,
Ashby Road
Scunthorpe DN16 1AB

North Lincolnshire Council Travel Concession Scheme

Scheme Statement from 1 July 2015

1. Introduction and Amendments

- 1.1 This document sets out the details of North Lincolnshire Council's Travel Concession Scheme as required by the Transport Act 1985, Section 149 of the Transport Act 2000 and the Concessionary Bus Travel Act 2007.
- 1.2 It replaces the scheme statement which came into operation on 1 April 2014.
- 1.3 This scheme statement (Version 1) will take effect from 1 July 2015.

2. Travel Concessions for Elderly and Disabled People

Where and When the Scheme Applies

- 2.1 The scheme covers the whole of the Unitary Authority of North Lincolnshire.
- 2.2 For holders of passes issued by North Lincolnshire Council the scheme has no time restriction and applies at any time and on any day for journeys beginning within the boundary of North Lincolnshire.
- 2.3 For holders of English National Concessionary Travel Scheme (ENCTS) passes issued by other authorities who may board buses in North Lincolnshire, the scheme applies between 09:30 and 23:00 Monday to Friday and all day on Saturday, Sunday and bank holidays.

Bus Services on which the Scheme Applies

- 2.4 The concession provides free travel for passholders on all local bus services running wholly or partly within North Lincolnshire.
- 2.5 "Local Bus Service" has the meaning defined by Section 2 of the Transport Act 1985.
- 2.6 Dial a Ride Services: The concession is available on dial a ride and other services provided under Section 22 of the Transport Act 1985 running wholly or partly within North Lincolnshire to meet the needs of members of the public who are elderly or have disabilities.
- 2.7 The concession is not available on long distance coach or bus routes which are not registered as local services or on excursions, tours, private hire vehicles, special services and any others which are not open to the general public.

Rail Services on Which the Scheme Applies

- 2.8 A holder of a valid North Lincolnshire pass in group A (See paragraph 2.19) and companions of people with disabilities will be allowed a reduction of:
 - 50% of the cost of a standard class return rail ticket: and
 - 34% of the cost of a standard class single ticket.

On local rail journeys within the area defined in paragraphs 2.10 and 2.11.

- 2.9 A holder of a valid North Lincolnshire pass in group B (See paragraph 2.19) will be allowed to travel free in standard class accommodation on local rail services within the area defined in paragraphs 2.10 and 2.11.
- 2.10 The concession is available for any passenger journey made between any two stations in North Lincolnshire and between any North Lincolnshire station and: Habrough, Healing, Stallingborough, Great Coates, Grimsby Town, Grimsby Docks, New Clee, Cleethorpes, Thorne South, Stainforth and Hatfield, Kirk Sandall and Doncaster.
- 2.11 The rail concession is available via Barnetby only for any passenger journey made between North Lincolnshire stations and Gainsborough Central, Lincoln, and Market Rasen.
- 2.12 The concession is not valid on excursion or special rail services and any others which are not open to the general public.

General Requirements

- 2.13 The pass is not transferable and may only be used by the person to whom it was issued.
- 2.14 The concession is only available to people who normally live within North Lincolnshire. They will be:
- eligible for inclusion on the North Lincolnshire electoral roll; or
 - in the case of a disabled person aged under 18, have parents eligible for inclusion on the North Lincolnshire electoral roll; or
 - be known to the Council's People Directorate as resident within North Lincolnshire.
- 2.15 Possession of a travel concession pass does not guarantee any person the right to a place on any particular train or passenger service vehicle, or the right to a seat on such a vehicle.
- 2.16 All people travelling at concessionary rates are subject to the conditions of carriage of the public transport operators. They will be asked to show proof of eligibility on boarding any bus and may also be asked to show proof of eligibility at any time on any journey. Where a bus is fitted with electronic pass recognition equipment, the passholder must ensure that the electronic transaction is completed. The Council accepts no liability for any loss, injury or inconvenience incurred as a result of using a travel concession pass.
- 2.17 Passes are normally valid for five years. There there will be a charge of £10 for replacement passes unless the pass has been stolen and a crime number is provided.
- 2.18 The Council reserves the right to withdraw, amend or replace any pass.
- 2.19 The categories of people eligible to receive a pass are:

Concession Group A

- Elderly people, defined as: in the case of a woman, from her pensionable age: in the case of a man, from the pensionable age of a woman born on the same day.
- War Pensioners:
- People registered with North Lincolnshire Council's People Directorate as being physically disabled or learning disabled or partially sighted and who possess a valid registration card issued by that Directorate or, in the case of a child aged under 18, registration by Act4Children:

- People who are deaf:
- People without speech:
- People who are medically unfit to drive (excluding those who are unfit to drive on the grounds of persistent misuse of alcohol or drugs):

Concession Group B

- Blind,
- Profoundly or severely deaf
- Limbless
- Severe Learning Disabled (defined as "People with a permanent organic learning disability which prevents them living in the community without significant help and support") and
- those who have a disability or have suffered an injury which has a substantial and long term effect on their ability to walk 100 metres without stopping, without severe discomfort or without help from another person.

2.20 Applicants with disabilities must have an impairment which is permanent or likely to last at least 12 months.

2.21 The Council will also provide concessionary travel for companions of people who are unable to travel on public transport by themselves. This will be indicated by a "+C" symbol on the disabled person's pass, not by the issue of a separate pass to the companion.

2.22 Concessionary passes are not available to disabled children under five as they would normally travel free of charge on local bus services.

Pass Issue

2.23 In order to obtain the travel concession eligible people must first obtain an identification pass. The Council will take applications at advertised times and places.

2.24 Applicants will be asked for proof that they are eligible, as specified by the Council. A photograph taken and a pass will be issued by the Council or its contractor. It will be sent to the applicant by post.

2.25 Applicants who require a companion to accompany them must provide written confirmation as specified by the Council that he or she can only travel on public transport with a companion.

3 Participation of Public Transport Operators in the Scheme and Reimbursement of Revenue Forgone

General Conditions

3.1 Section 145 (1) of the Transport Act 2000 and Section 1 of the Concessionary Bus Travel Act 2007 require operators to provide free concessionary travel on local bus services for people in possession of an English National Travel Concession Scheme (ENCTS) pass.

3.2 All operators participating in the scheme shall recognise and accept a valid ENCTS pass as reasonable proof of the holder's entitlement to concessionary travel within the defined boundaries of the scheme.

- 3.3 Before allowing travel at concessionary rates, the driver, conductor, inspector or ticket office clerk shall exercise reasonable care that the pass shown is being used by the person whose photograph it bears and the pass is not beyond its expiry date.
- 3.4 Operators will be allowed to join the scheme or add services to the scheme at any time provided that they give the Council's Public Transport Team at least 28 days notice in writing of their intention to do so.

Principles of Reimbursement

- 3.5 Operators will be financially no better and no worse off as a result of participating in the scheme.
- 3.6 Operators are required to provide accurate and timely records of the number of passholders boarding their services in North Lincolnshire.
- 3.7 All operators will inform the Council of any changes in services or fares on any services on which concessions are available. This information shall be given not later than seven days before any change is made.
- 3.8 If an operator charges premium fares on any service on which the concession is available the Council will limit its reimbursement to the level of fares prevailing on commercial services in the area.
- 3.9 Normal reimbursement arrangements may be amended by specific terms or requirements set out in local bus service contracts issued by the Council.

Calculation of Reimbursement

- 3.10 The Council will reimburse local bus operators for
- Journeys made by North Lincolnshire passholders starting within North Lincolnshire at any time on any day and
 - Journeys made by holders of ENCTS passes issued in other areas starting within North Lincolnshire after 09:30, Monday to Friday and all day on Saturday, Sunday and bank holidays.

- 3.11 The Council will also reimburse operators of local bus services for free travel by companions of disabled people who hold ENCTS travel passes issued by

- Hull City Council,
- The East Riding of Yorkshire Council,
- South Yorkshire PTE and
- North East Lincolnshire Council

for journeys returning from North Lincolnshire to their home authority area after 09:30, Monday to Friday and without time limit on Saturday, Sunday and bank holiday.

These passholders will have a pass bearing the same "+C" symbol which is used by North Lincolnshire Council.

- 3.12 Bus operators with existing services in North Lincolnshire on 31 March 2015 will be reimbursed from 1 July 2015 using the following formula:

Projected passholder journeys in 2015/16 x 2014 average fare + a percentage fare increase (to be agreed) x 60.1%

- 3.13 This will indicate a fixed sum payable from 1 July 2015 to 31 March 2016 which will

not be varied, up or down, in response to changes in fares or changes in passholder journeys on the existing network.

3.14 The Council may vary or cease payments to individual operators during the scheme in response to:

- the ending of any service or reduction of the number of journeys by 50% or more; and
- changes in operator on contracted or commercial services.

3.15 In the case of new operators, the Council will use the formula:

Number of passholder journeys starting within North Lincolnshire x Average adult fare x 60.1%

3.16 The average adult fare will be calculated as:

Value of adult single, return and day and day out tickets
Number of journeys

using the following assumptions about the number of journeys per ticket:

Adult single tickets:	1
Adult return tickets:	2
Adult day tickets (Scunthorpe) :	3
Adult "Day Out" tickets:	4

One average fare value will be calculated for each local bus service operator in North Lincolnshire.

3.17 The average fare will be calculated using journey and revenue figures for a minimum of one month. (Four weeks or one calendar month).

3.18 Reimbursement payments will be deemed to cover any additional operational or administrative costs arising from the operation of the scheme.

Payments

3.19 The Council recognises the importance of prompt concessionary fare payments in maintaining operators' cash flow.

3.20 Where the estimated total sum due to the operator during the period of the scheme exceeds £10,000, the council will make payments in the middle of each four week period throughout the year.

3.21 For existing operators, these payments will be approximately one thirteenth of the total sum payable.

3.22 For existing operators whose reimbursement claims are under £10,000, payments will be made quarterly. These payments will be approximately one quarter of the total sum payable.

3.23 For new operators, each payment will comprise:

- An on-account payment of 85% of the estimated total for the period
- A balancing payment which will be calculated as:

Average adult fare x 60.1% x Number of passholder journeys in previous period
minus on-account payment for previous period.

- 3.24 The Council may withhold up to 15% of the monthly payment if any operator fails to provide within four weeks of the previous month end accurate records of the number of passholders boarding their services at stops within North Lincolnshire.

Confidentiality

- 3.25 The Council will treat any information provided by any operator in the utmost confidence.

Access for Survey

- 3.26 All operators will be required to allow the Council's officers to have access, free of charge, with reasonable frequency to their vehicles on which concessions are available to:
- Survey, count or estimate the number of passholders carried and the fares paid; and
 - Obtain any other information which the Council considers necessary to enable it to calculate or verify payments due under the concessionary fare scheme.

Access for Audit

- 3.27 In order that the Council may verify claims for reimbursement operators may be required to make available to officers of the Council books, vouchers, records (including computer records) and documents relating to their claims.
- 3.28 Operators may also be required to provide such further information and explanations relating to the above books, vouchers, records and documents as the Council thinks necessary.

Peter Williams BSc, DMS, CEng, MEI, MCMI, AMIMechE

Director, Places
North Lincolnshire Council