

**THE TORBAY CONCESSIONARY TRAVEL SCHEME**

**With effect from 1 April 2019 until 31 March 2020**

**Overview**

1. A concessionary travel scheme (“the scheme”) will operate throughout the Borough of Torbay (a unitary authority) from 1st April 2019 until 31st March 2020 unless otherwise modified. The scheme is being operated by Torbay Council (“the Authority”).

2. Under section 95 of the Transport Ace 1985, amended by the Transport Act 2000 and the Concessionary Bus Travel Act 2007 (“the Acts") the Council is under a duty to publish particulars of the scheme and of the reimbursement arrangements.

**Eligible Persons**

3. Any person holding an English National Concessionary Travel Scheme (ENCTS) “smartcard” pass issued by an English Local Authority (“National Passholders”).

**Participating Operators**

4. All operators of local bus services in Torbay registered with the Traffic Commissioners, where the service complies with the description of an eligible service under concessionary legislation, are required to participate in this scheme. Where new operators enter the market by registering bus services to operate within the Torbay area, they will be required to participate in the scheme and will be contacted by the Authority’s Highways Management Team or its successors (the “Scheme Administrator”).

**Description of Scheme**

The National Scheme

5. The concession to be offered by operators participating in the scheme shall be free travel for National Passholders as defined in Paragraph 3 on all journeys where the Passholder boards at or after 0930 until 2300 hours; and on all journeys where the Passholder boards at any time on a Saturday and Sunday or on any day which is a Bank Holiday in England under the Banking and Financial Dealings Act 1971.

6. The concession is to be made available on all eligible services beginning in the Unitary Authority of Torbay, and ending in England to all eligible persons having a valid “smartcard” pass issued by an English Local Authority.

The Torbay Scheme

7. The concession to be offered by operators participating in the scheme shall be:

Free travel for all ENCTS National Passholders on all journeys where the Passholder boards at or after 0930 until 2300 hours the same day; and on all journeys where the concessionaire boards at any time on a Saturday and Sunday or on any day which is a Bank Holiday in England under the Banking and Financial Dealings Act 1971.

8. Eligible services are defined as:

a. All local bus services which operate wholly or partly within Torbay.

b. Any other service for which in the opinion of the Authority should be included in the scheme.

9. Ineligible bus services are defined as:

a. Tour buses

b. Tours and excursions (note: it is recognised that these are generally not registered bus services)

c. Long distance coach services such as those operated by National Express and Megarider.

d. Bus services run by operators who do not offer all year round local bus services.

10. The Authority reserves the right to use the powers under Section 96 (4) to (6) of the 1985 Act to exclude from participation in the scheme any service where the fares include a special amenity element, unless the operator has agreed appropriate modification of the reimbursement arrangements.

11. The Authority also reserves the right to exclude School Services where they do not allow members of the public to ride and omnibus on demand.

**Admission of services to the scheme**

12. It is presumed that new services will automatically be included in the scheme from the date they start to operate. The Scheme Administrator will endeavour to obtain details of new services, changes and withdrawals, from registration particulars. As a guarantee that changes will be taken into account however, operators should provide requisite details of the change to the Concessionary Fares team at Torbay Council, as outlined in Paragraph 13.

13. When an operator commences the operation of eligible services within the Authorities Administrative boundary, it shall supply:

a. A copy of the service registration

b. All relevant fares and fare tables and a list of the ticket types valid for travel on such services

14. The operator shall inform the Authority of the introduction or cessation

of any eligible services, changes to the times and routes of eligible service operations as per Paragraph 38, and, within 7 days of such an event occurring, any circumstances leading to the temporary cessation or major disruptions to such services.

15. The appropriate alteration to reimbursement will be made to take effect not later than the week following that in which the change occurred, provided the requisite notice of registration was given and the above returns were supplied in time.

16. Operators who commence services for which they intend to apply for concessionary reimbursement and do not give prior notice as in Paragraph 13 above will only receive reimbursement if due from the date the Authority is correctly notified.

**Reimbursement Arrangements**

17. The objective of the reimbursement arrangements shall be to ensure that operators are no better or worse off financially as a result of participation in the scheme.

18. In accordance with “Concessionary travel for older and disabled people: guidance on reimbursing bus operators (England)” published in November 2016 by the Department for Transport, the Authority has calculated reimbursement to operators in accordance with the principles set out in European Regulation No 1370/2007 and the Travel Concession Scheme Regulations 1986 and any subsequent applicable regulations.

19. Reimbursement shall be calculated using the following formula:

Reimbursement = Revenue Reimbursement + Marginal Additional Costs

20. Revenue Reimbursement will be calculated for each Participating Operator as follows:

R = J x F x fr

Where:

R is Revenue Reimbursement

J is the validated number of Passenger Journeys made in accordance with the Statutory and Discretionary Elements of the Scheme and starting in the Principal Area of the Scheme

F is the Average Fare

fr is the Reimbursement Factor which takes account of Generated Travel. This factor will be determined individually for each operator.

21. Marginal Additional Costs shall be paid for generated concessionary journeys. Generated concessionary journeys shall be calculated as follows:

Jg = J x (1 - fr )

Where:

Jg is the number of generated journeys

J is the validated number of passenger journeys

fr is the Reimbursement Factor which takes account of Generated Travel, expressed as a decimal fraction.

Marginal Operating Costs

22. Marginal Operating Costs will be calculated in accordance with the Department for Transport’s Reimbursement Calculator. Each operator will receive Marginal Operating Costs for each generated concessionary journey, except in the circumstances described within Paragraphs 29 and 30.

23. Marginal Operating Costs will be calculated in two parts for each operator; the “Fixed” and “Variable” elements, using the DfT Reimbursement Calculator.

24. The “Fixed Element” of operating costs equates to £0.0642 per generated concessionary journey. The “Variable Element” relates directly to the average concessionary journey length for an operator. The average journey length will be taken to be the default value in the DfT Reimbursement Calculator (3.9 miles) unless the Travel Concessionary Authority can determine an alternative value based on local evidence.

Marginal Capacity Costs

25. Marginal Capacity Costs are the costs to a bus operator of necessarily providing increased capacity on a bus route to accommodate Generated Travel resulting from the concessionary travel scheme, by using the existing bus fleet more intensively through increased frequency. Marginal capacity costs payable are net of the estimated additional revenue generated from commercial journeys that arise from increased frequency.

26. It is recognised that a possible alternative response to the increase in demand from generated concessionary travel would be to increase seating capacity rather than increase frequency of service. However, the costs payable to operators making this operating choice will not exceed the net costs of increasing frequency (including revenue effects) of using existing buses, as set out below.

27. The Travel Concession Authority will adopt the Marginal Capacity Cost (MCC) calculator of the DfT Reimbursement Calculator for determining the level of Marginal Capacity Costs payable to each operator. This requires the following input parameters for each operator’s network of services that serve Torbay:

Average bus speed

Mean vehicle occupancy

Mean journey length

Mean route length

Commercial journeys as a percentage of total journeys

Average commercial fare per journey

28. Where an operator can provide (in the reasonable judgment of the Travel Concession Authority) a properly evidenced full set of local inputs on all of these parameters for a recent and representative period of time, they will be used for calculating Marginal Capacity Costs due using the DfT MCC Calculator. Where an operator does not provide such a properly evidenced full set of local inputs on all these parameters for a recent and representative period of time, the set of default values contained within the DfT MCC calculator will be used for calculating Marginal Capacity Costs due to that operator.

29. Where an operator is contracted to operate bus services on behalf of Torbay Council, another Travel Concession Authority or another organisation through minimum subsidy tender (where the operator retains all fares and the Transport Authority or organisation pays an agreed subsidy), then operators will not be reimbursed Marginal Capacity Costs for eligible journeys originating within the Torbay Council boundary. Operators will be reimbursed Marginal Operating Costs.

30. Where an operator is contracted to operate bus services on behalf of Torbay Council, another Travel Concession Authority or another organisation through minimum cost tender (where the fares are collected by the operator and passed on to the Transport Authority or organisation), then operators will not be reimbursed Marginal Capacity Costs or Marginal Operating Costs for eligible journeys originating within the Torbay Council boundary, in accordance with DfT guidance.

31. Where an operator operates a bus service that is part contracted through minimum subsidy or minimum cost tender, the Travel Concession Authority reserves the right to request for the valid number of concessionary journeys disaggregated by trips made on the commercial elements of the service and by those made on the contracted elements of the service.

**Payment Arrangements**

32. “Payment periods” will be monthly. Provisional payments, which is estimated to be equal to, but not less than 85% of the sum Torbay Council estimates to be due to the operator will be made as close to the mid-point of the respective period as possible. Settlement periods at the end of which the provisional payments made will be reconciled with actual payments due, will be no later the 3 months in all cases.

33. Subject to Paragraph 37, the Authority will make a further payment to operators, not later than 3 months after the end of the relevant payment period, equal to the difference (if any) between:

a. The sum already paid to the operator for the relevant payment period,

b. The actual amount calculated as due to the operator for that relevant payment period.

34. If the amount paid under Paragraph 32 exceeds the amount calculated under Paragraph 24, such that the Authority has made an overpayment for the relevant period, it shall either:

a. Deduct the level of such overpayment from the next or any subsequent payment; or

b. If no such further payment is likely to become due or to be insufficient to recover such overpayment, demand in writing such overpayment from the operator who shall repay the same within 14 days of the demand being made.

35. Although it is generally the intention to pay the full amounts due on payment dates, the Authorities reserve the right to pay a proportion of this. This may arise, for example, where there is uncertainty in estimating provisional payments due to the late receipt of claims from a recent change in service. A delay in the receipt from an operator of the information required to calculate the actual payment may lead to a corresponding delay in the appropriate payment.

36. Retrospective claims for reimbursement will not be considered after more than 12 months have elapsed.

37. If the operator fails to provide such information or data as is referred to above in Paragraph 16, or to allow access to surveys as is required in Paragraph 40a, then the Authority may at its discretion defer all or part of any payment otherwise due to the operator until such omission is fully rectified or may reimburse the operator on the basis of such estimated reimbursement as it considers appropriate.

**Supply of Information**

38. Each operator will be required to provide information on all journeys undertaken by all Passholders. Operators will have to demonstrate to the Scheme Administrator that they have in place sufficient controls to ensure the accurate recording of concessionary journeys.

39. At the end of each “payment period” operators are required to provide summary information by service of the number and value of tickets sold for single, return, day, week and carnet type tickets.

40. Every operator claiming reimbursement under the Arrangements is required to submit to the Authority the following:

a. Within 7 working days of the end of each “payment period” the total number of concessionary passengers carried, by route, starting within the Scheme area. Scheme Administrator reserves the right to conduct on-bus audit surveys without prior notice to establish that operators’ returns are a true and fair representation of concessionary journeys.

b. Within 7 working days of the end of each “payment period” the tickets sold and revenue received by the operator from fare paying passengers.

41. The value of recorded travel from which payment will be calculated is to be obtained as follows:

a. For operators with electronic ticket machines, a comprehensive record of all concessionary travel recorded by them. Operators will supply this data at the end of each payment period using the Authorities reimbursement spreadsheet.

b. Where an operator has recorded concessionary journeys using smartcard based system, data may be downloaded electronically by the scheme administrators from the operator’s back office. The scheme administrator will be required to conclude an agreement with the operator before this option is selected as a means of recording and verifying operator returns.

c. For all other operators, by self-completing returns. This will be done at the end of each payment period using the Authorities reimbursement spreadsheet.

42. At the discretion of the Authority, additional administration charges may be made for non-smartcard systems data. This is set at 3% of the total payment period.

43. The information provided by an operator will be treated in strictest confidence. However, an operator may request details of any survey information, obtained on its services, or the details of the calculation of its payment, at any reasonable interval.

44. In exceptional circumstances (where for example some ETM data has been irretrievably lost) an agreed level of reimbursement could be determined jointly by the Scheme Administrator and the operator concerned, provided this is consistent with the principles of the standard method and previous payment precedents.

**Passes**

45. Any current “smartcard” concessionary fares pass issued by any local authority in England and conforming to the layout determined by the

Department for Transport will be valid for journeys in and around the Torbay area under the National Scheme.

46. Specimens of the concessionary fare passes to be recognised in connection with the scheme have been provided to operators. Any operators shall have the right to refuse to offer the travel concession to any person who fails to present a pass, or presents an expired, defaced or altered permit. Any such passes may be withdrawn and returned to the Concessionary Travel Administrator at the address on the back of the card.

**General Arrangements**

47. The Scheme Administrator will require 56 days’ notice by operators of their intention to withdraw from voluntary participation in respect of any service in the scheme, and the operators will be expected to provide travel concessions until the period of notice has expired.

48. Operators must allow the Scheme Administrator’s staff to have reasonable access to their vehicles on which concessions are available for the purpose of surveying the number of concessionaires and fares paid in connection with the reimbursement arrangements. In appropriate circumstances, the operators may be required to supply the Scheme Administrator with the corresponding information obtained from ticket machines for the surveyed journeys and their equivalent at other comparable times

49. For operators supplying information by means of electronic ticket machines, the Scheme Administrator will require at the end of each financial year a certificate of accuracy and completeness given by a responsible person as defined by regulation 16 (5) of the Travel Concessions Schemes Regulations 1986 (SI 1986/77) (“the Regulations”); and from time to time a measure of proportion of on-bus or total revenue for the routes within the scheme (in aggregate) which is accounted for by concessionary travel; and to co-operate with the Scheme Administrator when conducting ad hoc on-bus checks for the purpose of audit, as described in Paragraph 48.

50. In connection with the reimbursement arrangements, operators will be required to notify the Scheme Administrator in writing of details of any fare changes, not later than 7 days after such change takes effect, on services where concessions are available.

51. The content of any notice relating to compulsory participation in the scheme, or any other matter relating to the administration of the scheme, which may be issued under Section 96-99 of the 1985 Act by the Scheme Administrator or an operator, shall comply with the Regulations.

52. The Scheme Administrator shall not give less than 28 days’ notice in writing to operators of its intention to vary the scheme or reimbursement arrangements for operators in the scheme.

53. A full copy is available for inspection at Lower Ground Floor, Town Hall, Torquay TQ1 3DR.

54. It can also be viewed on the Torbay Council web site at: www.torbay.gov.uk/roads/travel/bus-pass/ or can be obtained by writing to:

Concessionary Travel Scheme Administrator

Torbay Council

Lower Ground Floor

Town Hall

Torquay

TQ1 3DR

*Published by the Highways Management Team, Torbay Council, on behalf of Torbay Council*