

# CABINET

## ADDITIONAL INFORMATION

Tuesday, 21st March, 2017  
at 4.30 pm

### Contacts

Cabinet Administrator

Pat Wood

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# MEMBERS ROOM DOCUMENTS

9 **CONCESSIONARY FARES SCHEME 2017/18** □ (Pages 1 - 8)

DELEGATED DECISION NOTICE AND AMMENDED SCHEME

## DELEGATED DECISION NOTIFICATION

Directorate:	Growth
Decision Maker	Mike Harris
Subject	Southampton Concessionary Fares Scheme 2017-18
Register of Delegated Powers Reference Number or Cabinet Decision Number:	1.10 Directors and Service Directors shall have authority to act under all current or future legislation and Council plans, policies, guidelines and procedures relating to their services and functions managed, operated and controlled by them or their Service Leads, and shall have the authority to vary or change their services or functions following consultation with the Chief Executive (where there are Head of Paid Service) and the Service Director: Strategic Finance & Commercialisation and Service Director: Legal & Governance where legislation, regulations, orders or guidance subsequently issued by Ministers in relation to such services or functions require a change in service delivery greater than “de minimus”.
Decision / Reason	<p><b>Decision:</b></p> <p>A technical ammendment to Appendix 1 SOUTHAMPTON CITY COUNCIL CONCESSIONARY FARES SCHEME 2017/18 (‘the Scheme’) which is the supporting document to the Cabinet report of the 21<sup>st</sup> March 2017 on the CONCESSIONARY FARES SCHEME 2017/18.</p> <p>To approve the technical amendment to the Appendix 1, section - User Eligibility criteria, and specifically Age eligibility. To amend the following:</p> <p><i>“Residents of Southampton who meet any of the following criteria will be eligible for a free concessionary fares pass:</i></p> <ul style="list-style-type: none"> <li>• <i>men and women aged 63 years and older;”</i></li> </ul> <p>to be amended to:</p> <p><i>“Residents of Southampton who meet any of the following criteria will be eligible for a free concessionary fares pass:</i></p> <ul style="list-style-type: none"> <li>• <i>Men and Women who have reached the female state pension age (you can calculate if you are eligible here: <a href="https://www.gov.uk/state-pension-age/y">https://www.gov.uk/state-pension-age/y</a>”.</i></li> </ul> <p>And</p> <p><i>“For those under the age of 63, applicants must either provide confirmation that:”</i></p> <p>To be amended to:</p> <p><i>“For those under the female state pension age, applicants must provide confirmation that:”</i></p>

**Reason:**

**To ensure that Appendix 1 Scheme Conditions, is in accordance with the local enhancements as specified in the Cabinet Report on 21st march 2017. And specifically that age eligibility is defined by the national minimum which is a statutory duty and not a local enhancement to the Southampton City Council Concessionary fares Scheme 2017/18.**

Declared Officer /  
Member Interests

n/a

Details of consultation  
undertaken (other  
reasons / organisations  
consulted

	Yes	No	Date
Executive Member	<input type="checkbox"/>	<input type="checkbox"/>	_____
Ward Councillors	<input type="checkbox"/>	<input type="checkbox"/>	_____
Chief Officer affected	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____
Others (specify)	<input type="checkbox"/>	<input type="checkbox"/>	_____

Contact Person

Pete Boustred

Contact No

4743

Authorised Signatory

M Harris

Date

### Scheme Conditions

## **SOUTHAMPTON CITY COUNCIL CONCESSIONARY FARES SCHEME 2017/18 ('the Scheme')**

### **Introduction**

The Concessionary Fares Scheme agreed by Southampton City Council will come into effect on 1 April 2017 and continues until 31<sup>st</sup> March 2018. This Notice and Scheme replaces the Southampton Concessionary fares Scheme 2016/17 and supersedes all previous Schemes and Notices

### **Legislation**

The scheme is made in accordance with the Concessionary Bus Travel Act 2007, the Transport Act 2000, the Travel Concessions (Eligibility) Act 2002 and the discretionary powers contained in the Transport Act 1985 ('the Acts').

### **Responsible Authority**

The responsible authority for the Scheme shall be Southampton City Council. The Scheme shall be funded by Southampton City Council. The Scheme shall be administered by either Southampton City Council or its appointed agent(s).

All enquiries regarding the Scheme and all Notices required to be served upon the responsible authority under the Acts should be addressed to:

Mike Harris, Director of Growth, Civic Centre, Southampton, SO14 7LY.

A copy of the Scheme will be supplied to any person on request by post from the person specified above and is available on the Council website at [www.southampton.gov.uk](http://www.southampton.gov.uk) .

### **Operator Eligibility**

Operators of registered bus services running within the City which is in receipt of Bus Service Operators Grant or contracted by the Local Public Transport team of Southampton City Council or a neighbouring local authority.

### **User Eligibility**

Residents of Southampton who meet any of the following criteria will be eligible for a free concessionary fares pass:

- Men and Women who have reached the female state pension age (you can calculate if you are eligible here: <https://www.gov.uk/state-pension-age/y>)
- blind people;
- partially sighted people;
- deaf people;
- people without speech (in any language);
- people with a disability, or who have suffered an injury, which, in the opinion of a qualified medical practitioner, seriously impairs their ability to walk;
- people without the use of both arms;
- people with a learning difficulty;

- people who would be refused the grant of a driving licence to drive a motor vehicle under Section 92 of Part III the Road Traffic Act 1988;
- people with a long term mental health problem; and
- travelling companions/escorts of disabled people.

**For those under the female state pension age, applicants must provide confirmation that:**

- i) They are in receipt of Disability Living Allowance (higher mobility component); or
- ii) They have been awarded 8 or more points Personnel Independent Payment for Moving Around or Communicating verbally
- iii) They are in receipt of War Pensions Mobility Supplement; or
- iv) They have a valid registration card for their disability; or
- v) Certification of Vision impairment; or
- vi) Have learning difficulties and attend Southampton Day Services or registered with Southampton Learning Disabilities team; or
- vi) They have a signed form (MQ14) from their doctor confirming eligibility.

### **Hours of Operation**

The Southampton concessionary fares scheme will be based on bus travel alone. Concessionary travel available all day on Saturdays, Sundays, Bank Holidays and declared public holidays and between 09:00 and 00:30 on other days for residents of Southampton and between 0930 and 2300 for all others. Blind persons will be permitted to travel at any time.

### **Area of Travel**

Any journey that starts within the boundary of Southampton (NOTE: funding of such travel shall be subject to any inter-authority boundary/funding agreements which may be entered into and shall be deemed to be part of this Scheme. This will not affect user eligibility or operator reimbursement).

### **Level of Concession**

The proposed scheme provides free travel on presentation of a valid pass:

### **Administration**

The administration of the issue of concessionary fares scheme passes will be carried out by the Strategic Transport Team. A database of all people who are issued with a bus pass will be kept. The City Council will be responsible for meeting the statutory requirements for data protection.

### **Reimbursement**

Operators will submit monthly returns to the City Council unless otherwise agreed in advance. Payment of 85% of the estimated figure for the month will be agreed with the operator and be made on the 15<sup>th</sup> of the month. The outstanding figure paid once exact figures are known and the claim should identify the number of journeys undertaken and the average fare payable.

The City Council will require all information produced in support of claims to be certified as accurate by a “responsible person”.

The returns will be subject to periodic audit by the City Council or its nominated representatives. Bus operators will be expected to provide information reasonably required for this purpose.

The City Council will reimburse operators at 49.6% of the average adult fare. The average fare will be calculated using the relevant average fare methodology as set out by the DfT in their Concessionary Fares guidance for 2017-18<sup>1</sup>.

Unless agreed otherwise with operators, an additional amount of £0.07 per generated trip will be paid to recognise operators' additional costs in providing the concession. The council will also pay an administration fee of £0.002 for each trip made under the scheme.

### **Guidelines on evidence required to substantiate Additional Capacity Cost claims to the Concessionary Fares Scheme**

The Southampton Concessionary Fares Scheme makes provision for operators to claim specific additional costs "to cover the costs of providing additional vehicle capacity to cope with growth in patronage brought about by concessionary travel", in addition to the standard marginal additional costs allowance. Such Additional Capacity Costs are considered on a case-by-case and service-specific basis, on submission of written evidence of the circumstances together with a statement of the costs incurred and may comprise claims for marginal capacity costs calculated in accordance with any prevailing DfT guidance and/or Peak vehicle Requirement Costs if evidenced to the satisfaction of the City Council.

The following checklist gives guidance on the nature of information which is considered necessary to substantiate Additional Capacity Cost claims. It should be appreciated that the amount and detail of information required will increase with claims of greater scope: one duplicate journey will require much more limited evidence than that to support a general increase of service frequency.

The claimant should demonstrate, with auditable evidence for each affected service:

- a) The extent of the capacity increase which is deemed necessary, itemising the resources entailed in its provision.
- b) The rationale for the increase, including –
  - the average distribution of capacity and utilisation by day / time and direction, and the scale and frequency of peaks in each;
  - the decision thresholds applied; and
  - any constraints on those decisions (e.g. maintaining clock face frequency).
- c) The proportions of concessionary passengers using the service at relevant times, and the contribution towards costs made by commercial passengers generated by the additional capacity.
- d) The relevant costs, clearly distinguishing –
  - marginal costs of operation (e.g. driver's time, fuel, tyres);

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<sup>1</sup> <https://www.gov.uk/government/publications/guidance-on-reimbursing-bus-operators-for-concessionary-travel>

- semi-variable costs (e.g. maintenance);
- attributable overheads (if any); and
- capital / financing costs and profit margin (if capital investment is involved).

Account should be taken of the standard Additional Marginal Costs allowance, either by netting off the cash sum or the exclusion of relevant cost headings.

Operators claiming reimbursement from the scheme above a level of £10,000 per annum must have suitable, auditable, Electronic Ticket Machine (ETM) data that will be required each month, except in circumstances that have been agreed with the Authority. Claims submitted with inadequate data may need to be validated through surveys. In these cases, the Scheme reserves the right to reclaim the cost of this validation.

Operators claiming reimbursement from the scheme above a level of £10,000 per annum must have ITSO-compliant smart readers with fully-functioning Class 2 messaging (including hot listing), and that are compatible with the Southampton HOPS, in active operation and must use the output of those readers to arrive at the claim. If smart readers are not in use or if they are not being used with full functionality as above, the Council reserves the right to make a proportionate deduction of 3% from the number of journeys claimed each month to account for the level of undetected fraudulent travel that is assumed to be taking place. The relevant reimbursement rate will be applied to the number of journeys after deduction unless the operator can provide verifiable evidence that all the journeys claimed for were made by holders of valid passes.

On request, the operator must make available historic boarding data for affected services; this will normally be in the form of unprocessed data from electronic ticket machine systems.

To enable the timely and efficient operation of the scheme and consideration of claims, claims should be submitted by the end of the calendar year to which they relate and relate to the preceding 12 months operation of the scheme. Additional claims submitted in accordance with the Limitation Act 1980 will be considered on a case by case basis.

Any challenge to any decision by the Authority in relation to any claim for additional capacity costs must be brought in accordance with the paragraph below headed “Operator Representations and Complaints”.

### **Right to Survey**

The City Council has the right to carry out surveys on vehicles on which concessions are given. Bus operators will be consulted as to how and when the survey will be carried out and operators will be given reasonable prior notice of the City Council’s intention.

### **Variations**

Southampton City Council reserves the right to vary the Scheme or to offer discretionary enhancements to the Scheme in accordance with the provisions of the Transport Act 1985 and any reimbursement arrangements relating to and forming part of the Scheme at any time in accordance with the provisions of the Acts, upon relevant Notice. Southampton City Council shall give 28 days notice in writing to Operators of any proposed variations or changes to the Scheme, save where changes relate to reimbursement arrangements in relation to which the Authority shall give 4 months notice of any proposed changes reimbursement arrangements, but the period of such notice may be shortened by mutual agreement or variations to the scheme required to give effect to a decision of the Secretary of State for Transport’s determination of any application



under the Transport Acts in relation to which the Authority shall give notice in writing to apply with immediate effect .

### **Right of Participation**

Notwithstanding the mandatory participation of Operators in accordance with the Transport Act 2000 and the Concessionary Bus Travel Act 2007, Southampton City Council may require and notify any Operator to participate in the Scheme or any variation of the Scheme in accordance with the Transport Act 1985, and such participation will commence not less than 28 days after receipt of such written notification. At the date of notification the Operator will be supplied with a copy of this Scheme and any Variations thereto.

### **Operator Representations and Complaints:**

If an Operator participating in this Scheme wishes to make any representations in relation to this scheme or reimbursement under this scheme (including any challenge, complaint, concern or grievance in relation to the Scheme) such a representation should be made in writing to the Responsible Authority at the address set out above. Representations will be considered by the Council on their merits and without prejudice to the Operators rights of Appeal under the Acts. Operators also have the right to avail themselves of the Authority's Corporate Complaints Policy, details of which may be found on the Authority's website at [www.southampton.gov.uk](http://www.southampton.gov.uk)

### **Right of Appeal**

Any Operator has a right of appeal to the Secretary of State against the terms of reimbursement of the Scheme under the Transport Acts 1985 and 2000 or against participation in any discretionary element of the Scheme under the Transport Act 1985 on the grounds that:-

(a) There are special reasons why their company's participation in the scheme in respect of any of the services to which the notice applies would be inappropriate (under both the 2000 Act and the 1985 Act); or

(b) Any provision of the scheme or of any of the scheme arrangements are inappropriate for application in relation to any operators who are not voluntarily participating in the scheme (1985 Act only).

Prior to making such an application, notice in writing must be given to the person and at the address specified under the 'Responsible Authority Heading above.

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