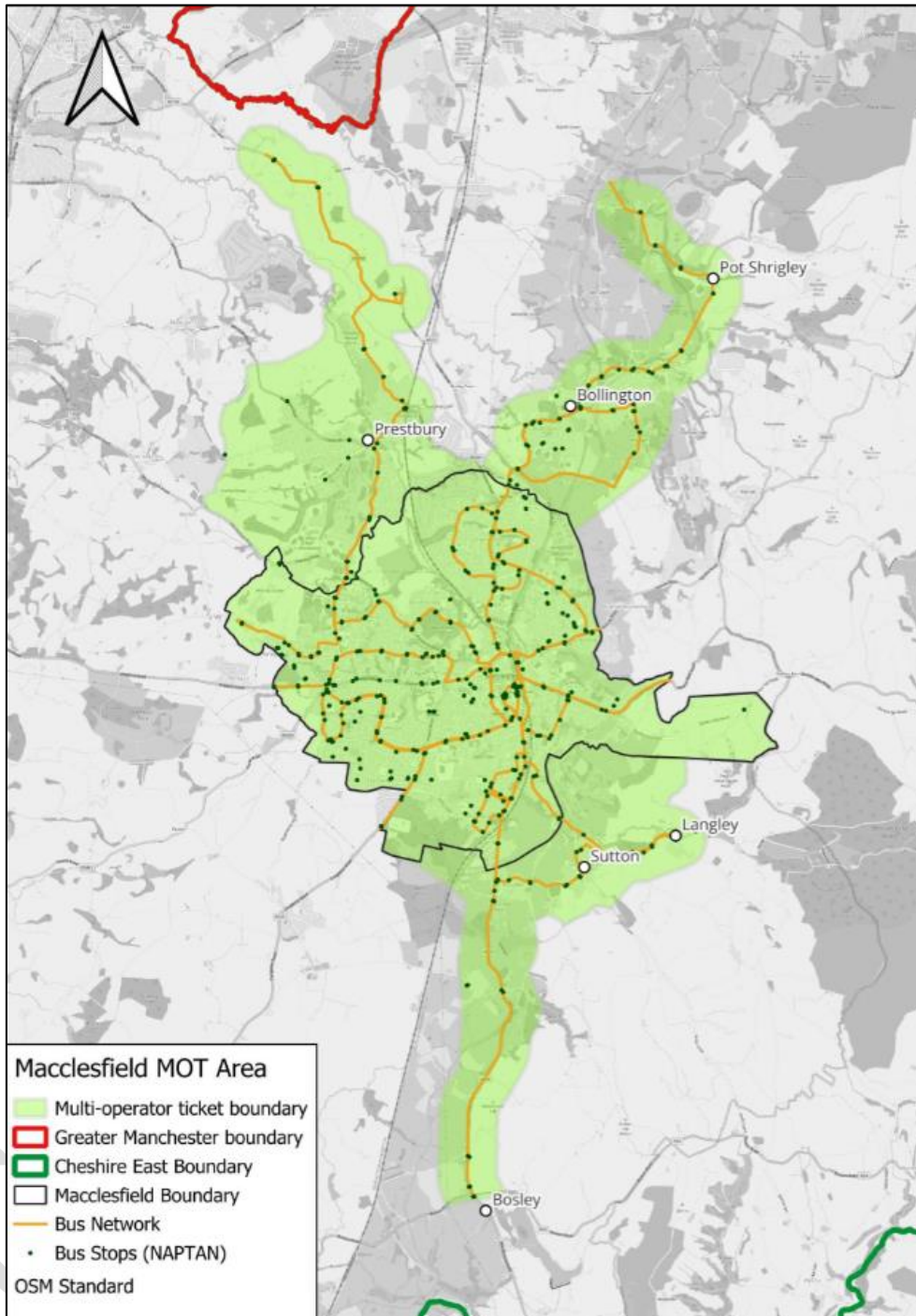


### **BSIP+ Funding Task - 1 Addendum A (Product detail)**

The product included under Task 1 is a Multi-Operator Ticket (MOT) for the Macclesfield area. This has been developed in accordance with the obligations outlined within Cheshire East's Enhanced Partnership (EP) Scheme (see EP Scheme sections 3.4.1 and 4.4.1).

<b>Ticket type</b>	Paper ticket, for a 12-month trial period.
<b>Name of product</b>	Silk Town Ticket.
<b>Ticket option</b>	Adult weekly ticket.
<b>Area covered</b>	Macclesfield and surrounding areas, a map of the network coverage is shown in Figure 1.  Eligible routes, boundary end-point descriptions and their associated NaPTAN names will be provided.
<b>Existing bus services within area covered</b>	Existing services are: 10, 109, 130, 14, 14A, 19, 19A, 3, 38, 391, 392, 58, 60, 60A and 88.
<b>Existing bus operators within area covered</b>	D&G Bus, High Peak Buses, Belle Vue and Aimee's Travel.
<b>Duration</b>	Monday 2 <sup>nd</sup> September 2024 for 12-month trial period until Sunday 31 <sup>st</sup> August 2025.  A review period will be undertaken at 1-month, 3-months, 6-months, 9-months and 12-months from the inception date.  This offer may be removed at any point prior to the 12-month period by a decision of the Enhanced Partnership Board.
<b>Reconciliation period</b>	During the proposed trial period, the process of reconciliation is to be undertaken by CEC Officers on MOTs which are sold.  Participating bus operators will be required to submit data returns every 4-weeks (7 <sup>th</sup> of every month).  This will require participating bus operators to join the trial to provide the number of tickets sold and values associated with this.
<b>Pricing</b>	Pricing is £20.00 which will be reduced to £12.00 for bus users, providing a circa 1/3 reduction to passengers, funded by the BSIP grant.
<b>Revenue/ reimbursement mechanism for comment</b>	The revenue/ reimbursement mechanism for the MOT as part of the trial period will be based on: <ul style="list-style-type: none"> <li>Revenue from on-bus paper adult weekly tickets shall 'lie where it falls', with an associated reimbursement mechanism for the circa 1/3 reduction</li> </ul> <p>However, during the trial period, CEC, along with participating bus operators, will review revenue as part of the trial period.</p> <p>Mechanisms of the EP Scheme will apply, with proposed amendments/ variations of the scheme will be discussed at the EP Board.</p>

**Figure 1 – Area covered**



## **BSIP+ Funding Task 1 - Addendum B (Competition Tests Summary)**

### **Task 1 Summary Specification**

The product included under Task 1 comprise a multi-operator ticket for the Macclesfield area. The key assumptions and exclusions are detailed in Addendum A; however, **Table 1** provides a summary of the key elements.

**Table 1 – Task 1 Multi-operator Ticket Summary**

<b>Product</b>	Silk Town Ticket (STT)
<b>Ticket Types</b>	Adult weekly ticket
<b>Validity</b>	Macclesfield and surrounding areas
<b>Operator eligibility</b>	All operators of local bus journeys covered by the ticket area are invited to participate through the Enhanced Partnership.
<b>Scheme duration</b>	As a trial for a 12-month period from an agreed inception date, subject to regular review.
<b>Price</b>	£20 (£12 paid by passengers and £8 reimbursable by CEC through BSIP grant)
<b>Operator reimbursement</b>	Passenger fare and reimbursement for CEC subsidy retained by vendor (revenue “lies where it falls”), subject to regular review. Monthly reconciliation of subsidy claims.

### **The Transport Act 2000 and the competition test**

Under the Transport Act 2000 (as amended by the Bus Services Act 2017), local authorities making an Enhanced Partnership must ensure that an appropriate balance is struck between delivering benefits for passengers and resulting impacts on competition in the bus market.

The Department for Transport has produced guidance<sup>1</sup> outlining tests under the Transport Act 2000, Schedule 10 Part 1 and Part 2 to determine if the scheme achieves the require balance.

The Part 1 test asks

- Is there likely to be a significantly adverse effect on competition?
  - If Yes – continue
  - If No – the Part 1 test is passed
- Is the scheme aiming to securing one or more of the ‘bus improvement objectives’ (to secure improvements in the quality of vehicles or facilities used to provide local services, to secure other improvements in local services of benefit to users of local services, or to reduce or limit traffic congestion, noise or air pollution)?
  - If Yes – continue
  - If No – the Part 1 test is failed
- Is the effect on competition (likely to be) proportionate to the achievement of that aim?
  - If Yes – the Part 1 test is passed
  - If No – the Part 1 test is failed

The Part 2 test is required where there is an agreement between bus operators (called a qualifying agreement) which ‘has as its object or effect the prevention, restriction or distortion of competition in the area of the authority’.

**The Task 1 product does not fall within the scope of the Part 2 test.**

The likely effects on competition have been considered. The Task 1 product does not restrict operators of local bus journeys covered by the ticket from joining the scheme, nor does it restrict operators in how they run their operations or make commercial decisions (it may have some limited influence on these, but this will not be significant or uneven across operators). No commercially sensitive information will be exchanged between operators, directly or indirectly.

It is therefore considered that the Task 1 product is unlikely to have a significantly adverse effect on competition and consequently **passes the Part 1 test for the Transport Act 2000, Schedule 10 without further assessment.**

Following the EP Board decision on 15<sup>th</sup> August 2024, the Competition and Markets Authority will be consulted on the Task 1 product and the overall Enhanced Bus Partnership Agreement, as required by section 138F of the Transport Act 2000, as well as informing the Traffic Commissioners department (North West of England) and notification upon the dedicated Enhanced Partnership page of the Cheshire East Council website.

<sup>1</sup> Department for Transport *The National Bus Strategy - Delivering Bus Service Improvement Plans using an Enhanced Partnership* [Online] Available from <https://assets.publishing.service.gov.uk/media/60effb43d3bf7f5683aae0a8/national-bus-strategy.pdf>