

## **BSIP+ Funding Task 2 - Addendum A (Product detail)**

The product included under Task 2 is a Young Person's 16-19 Concessionary pass and an 18-21 Care Leavers Pass (known as the '16-19 Bus Saver'). This has been developed to simplify fares within Cheshire East in accordance with the obligations outlined within Cheshire East's Enhanced Partnership (EP) Scheme (see EP Scheme sections 3.4.2 and 4.4.2).

<b>Card type</b>	Smart card enabled technology, for a 24-month trial period.
<b>Name of product</b>	16-19 Bus Saver.
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>• The scheme enables eligible young people: <ul style="list-style-type: none"> <li>○ Aged 16 to 19 a reduction of 1/3 (one third) on the ticket price of an adult single fare<sup>1</sup>, and</li> <li>○ Aged 18 to 21, as Care Leavers, free travel on the ticket price of an adult single fare<sup>1</sup>.</li> </ul> </li> <li>• Eligible young people aged between 16 and 19, and are a resident in Cheshire East on the date their application is made.</li> <li>• Eligible young people aged between 18 and 21, and are a resident in Cheshire East, and are defined as Care Leavers, on the date their application is made.</li> <li>• Eligible Young Person's 16-19 Concessionary Pass and 18-21 Care Leavers pass will be valid until before their 19<sup>th</sup> and 21<sup>st</sup> birthday respectively, or up to and including the penultimate date / day before the trial expires or if in agreement between the Scheme Governance arrangements (CEC and participating bus operators) the pass offer is removed.</li> </ul>
<b>Area covered</b>	Valid on local bus journeys which start and/or end within the Cheshire East borough.
<b>Existing bus operators within area covered</b>	<p>As at July 2024, 11 bus operators provide services within Cheshire East's borough and include:</p> <ul style="list-style-type: none"> <li>• Aimee's Travel;</li> <li>• Belle Vue;</li> <li>• D&amp;G Buses;</li> <li>• Direct Taxis Lymm Shopper;</li> <li>• First Potteries;</li> <li>• High Peak Buses;</li> <li>• Hollinshead Coaches;</li> <li>• Mikro Coaches;</li> <li>• Stagecoach Manchester;</li> <li>• Stagecoach Merseyside, Cheshire &amp; South Lancs; and</li> <li>• Warrington's Own Buses.</li> </ul> <p>It is recognised that following the Bus Services Review, a change in bus operators may occur.</p>

<sup>1</sup> It is acknowledged that the current adult single fare cap (as at July 2024) is £2, at the point of which this fare cap ends, the Council will discuss as an EP Partnership the reimbursement going forward.

<b>Usage</b>	<p>There are no restrictions on the time of day when the 16-19 Bus Saver card can be used.</p> <p>The 16-19 Bus Saver card cannot be used with other discounted tickets.</p>
<b>Duration</b>	<p>Monday 30<sup>th</sup> September 2024 for 24-month trial period until Wednesday 30<sup>th</sup> September 2026.</p> <p>A review period will be undertaken at 3-months, 6-months, 12-months, 18-months and 24-months from the inception date.</p> <p>This offer may be removed at any point prior to the 24-month period by a decision of the Enhanced Partnership Board.</p>
<b>Reconciliation period</b>	<p>During the proposed trial period, the process of reconciliation is to be undertaken by CEC Officers on adult single fare tickets which are sold with 16-19 Bus Saver cards.</p> <p>Participating bus operators will be required to submit data returns every 4-weeks (7<sup>th</sup> of every month).</p> <p>This will require participating bus operators to join the trial to provide the number of tickets sold and values associated with this.</p>
<b>Revenue/ reimbursement mechanism for comment</b>	<p>The revenue/ reimbursement mechanism for the trial period will be based on:</p> <ul style="list-style-type: none"> <li>• Aged 16 to 19 a reduction of 1/3 (one third) on the ticket price of an adult single fare; and</li> <li>• Aged 18 to 21, as Care Leavers, free travel on the ticket price of an adult single fare.</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>

## **BSIP+ Funding Task 2 - Addendum B (Competition Tests Summary)**

### **Task 2 Summary Specification**

The products included under Task 2 comprise a Young Person's 16-19 Concessionary Pass and an 18-21 Care Leaver's Pass (known as the '16-19 Bus Saver card' though have been separated for ease within this document). The key assumptions and exclusions are detailed in Addendum A; however, **Table 1** provides a summary of the key elements.

**Table 1 – Task 2 16-19 Bus Saver card**

<b>Product</b>	Young Person's 16-19 Concessionary Pass	18-21 Care Leaver's Pass
<b>Passholder Eligibility criteria</b>	Young people aged over 16 and under 19 may apply if they are resident in Cheshire East on the date their application is made.	Young people aged over 18 and under 21 may apply if they are resident in Cheshire East, and are defined as Care Leavers, on the date their application is made.
<b>Pass Validity</b>	Up until the sooner of: the day before their 19 <sup>th</sup> birthday, or the day before the trial scheme ends.	Up until the sooner of: the day before their 21 <sup>st</sup> birthday, or the day before the trial scheme ends.
<b>Concession</b>	A reduction of 1/3 (one third) on the ticket price of an adult single fare, on local bus journeys within Cheshire East at any time. May not be used with other discounted tickets.	Full value of the ticket price of an adult single fare, on local bus journeys within Cheshire East at any time. May not be used with other discounted tickets.
<b>Operator eligibility</b>	All operators of local bus journeys covered by the concession are invited to participate through the Enhanced Partnership.	
<b>Scheme duration</b>	As a trial for a 24-month period from an agreed inception date, subject to regular review.	
<b>Operator reimbursement</b>	Full value of fares foregone, to be reconciled monthly.	

### **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 2 products do not fall within the scope of the Part 2 test.**

The likely effects on competition have been considered. The Task 2 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

<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>

significant or uneven across operators). No commercially sensitive information will be exchanged between operators, directly or indirectly.

It is therefore considered that the Task 2 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 2 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.

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