

## **CONCESSIONARY BUS TRAVEL – BULLETIN #8**

### **Concessionary Bus Travel Act 2007 - Commencement**

The Commencement Order for the Act was made on 23 September. The Order provides formal, legal assurance that the main start date for the national concession in England is 1 April 2008.

The Commencement Order also brings into force some specific provisions of the Act from 17 October 2007. This is in order to allow the Secretary of State, local authorities and bus operators to carry out necessary preparations for April 2008. The early start of these provisions does not mean that eligible people will have a right to free travel on off-peak local buses anywhere in England from this October. Finally, the Order provides for some transitional arrangements from next April relating to the use of existing local passes. Further information on the transitional arrangements is provided in the passes section below.

The text of the Commencement Order, including a short Explanatory Note, is available online at:

<http://www.opsi.gov.uk/si/si2007/20072799.htm>

Its full title is 'The Concessionary Bus Travel Act 2007 (Commencement and Transitional Provisions) Order 2007' (SI 2007/2799).

If you have any questions about the Act or its commencement, please contact us via email at: [concessionaryfares@dft.gsi.gov.uk](mailto:concessionaryfares@dft.gsi.gov.uk)

### **Appeals**

#### **2006-07**

Last year the Department's independent adjudicator made directions in some of his determinations to an end-of-year adjustment based on out-turn figures. The Department has been made aware that in some cases agreement has

still to be reached in these cases. Although this is an unsatisfactory situation, the Department has no powers to revisit the appeal cases, or for the adjudicator (Mr John Martin) to make further directions. His determinations were final and legally binding. Ultimately, a bus operator can seek the judgement of the Courts if local agreement proves intractable. However arbitration using a professional body is an option that both parties may wish to consider.

## 2007-08

To date 96 appeals have been received in respect of Travel Concession Schemes for this financial year. Of these, 19 have subsequently been withdrawn. We would strongly encourage continued dialogue and local resolution where possible.

We expect our independent adjudicator to have the first tranche of appeals determined in the autumn. However, the over-riding consideration is that the appeals are determined fairly and this can take time.

## Implementation of the 2008 national concession

*Days until 1 April 2008: 178*

### Funding

We can confirm that £212m extra funding will be made available for the national bus concession in 2008/9. This is equivalent to £250m minus allocations to the Devolved Administrations made under the Barnett Formula. The additional funding will be distributed by a non-ringfenced formula-based special grant. Existing funding will continue to be made available through the formula grant process.

A consultation on the options for distributing the extra funding has recently been opened and the consultation paper can be found at:

<http://www.dft.gov.uk/consultations/open/consulnattravelconcess08/>

Included in this paper are four possible distribution options. These are based on data that is likely to closely correlate with the key drivers of the extra cost of the concession. Views are invited on which of these options is preferable. The Department would also welcome views on which authorities should receive the grant. Payment by special grant opens up the possibility of making

a single payment for London, paying the Passenger Transport Authorities direct and, conceivably, making a single payment where there are county-wide schemes. The closing date for responses is 23 November 2007.

The decision to allocate funding by special grant means that the options for distributing the additional funding via formula grant, as set out in CLG's recent consultation paper, should now be ignored.

### **Reimbursement Guidance**

We are working with the reimbursement taskgroup of the Concessionary Fares Working Group (CFWG) on producing new guidance on reimbursing bus operators. We expect this to be issued later this month. The guidance will include a reimbursement calculator (a spreadsheet tool) to help inform the level of reimbursement due to bus operators locally.

### **Assessment of eligibility**

As mentioned in Bulletin #7, work has been underway on redrafting the Department's guidance to local authorities on assessing eligibility. A first draft of the updated guidance has now been completed and sent to the Disabled Persons Transport Advisory Committee (DPTAC) for comments. DPTAC is a statutory body whose role is to advise the Government on the transport needs of disabled people. Once DPTAC's comments have been received, we will be seeking views from the CFWG and the Concessionary Fares Stakeholder Group which includes representatives from a range of organisations representing the interests of older and disabled people. Our aim is to issue updated guidance to local authorities later this year.

### **ITSO Services Ltd**

A letter was sent to all TCAs on 3 October 2007 about a new company, ITSO Services Ltd, explaining the services it will provide to non-smart TCAs, which are the majority of TCAs at present.

In order to produce ITSO compliant smartcards a TCA would normally need to become an ITSO Member and obtain a back office system (known as a HOPS) to deal with all electronic transaction data. However, ITSO Services Ltd has been set up to carry out these and other functions on behalf of non-smart TCAs.

There will be no cost to non-smart TCAs for receiving these services from ITSO Services Ltd. However, TCAs must sign up to receive them. A standard letter to send to ITSO Services Ltd is attached to the letter to TCAs.

It is very important for non-smart TCAs to send this letter to ITSO Services Ltd now if they wish to use their services. Until they do so, non-smart TCAs will not be able to produce any passes.

### Data Encoded on Cards

There has been some confusion about the information that needs to be encoded on the chip in the English national concessionary pass. The ONLY information that MUST be encoded on the card is:

- An ITSO shell
- A type 16 national concessionary product
- The type of concession - 60 and over or disabled
- The expiry date of the concessionary product
- National Stored Travel Rights IPE

An ITSO shell is necessary to load any ITSO products on to the smartcard. The shell contains the 18 digit number shown on the front of the card and allows cards to be uniquely identified, but the shell itself does not contain any personal information about the pass holder.

The concessionary product is the electronic "ticket" that is loaded on to the ITSO shell. It is this product that is recognised by smartcard reader as entitling the holder to the national concession.

The type of concession - 60 and over or disabled - needs to be encoded on the card for the same reason that there is a different coloured stripe on the side of the card - many areas have different additional concessions for disabled or older people. Encoding this allows smart readers to distinguish between the two and which benefits the holder is entitled to.

The expiry date of the concessionary product encoded in the card must be the same as the one printed on the front of the card.

An expiry date can also be set for the ITSO shell, which would end any application on the card. Only requiring the *product* expiry date to match the expiry date on the front of the card leaves the option open to local authorities to use the card for other products beyond its lifespan as a concessionary bus pass.

Having the National Stored Travel Rights (STR) IPE stored-value product on the card is an ITSO requirement. It ensures that if National Stored Travel Rights are introduced there is space on all ITSO cards. Local authorities do not have to encode any specific extra information in this product and it therefore contains no personal information about the pass holder

The Department for Transport will not be mandating that the passholder's name is encoded onto the card, or other personal information such as the date of birth.

We included in Bulletin #5 a best practice data set. However, this is not to suggest that all this information should be loaded on to the passes. This information was intended to give local authorities a full dataset for ordering, encoding and delivering cards as well as developing a database of concessionaires.

The act of processing (including storing) data requires a local authority to comply with Data Protection legislation. Further encoding this processed data onto a card may require further declarations under legislation, so local authorities should satisfy themselves that they are compliant with relevant legislation.

If local authorities wish to include additional data they must ensure, through the fair processing notice that must be given under the Data Protection Act, that applicants are informed that this personal data will be encoded on the card, with an explanation why.

Further guidance about encoding ITSO compliant smartcards will be made available in due course.

## **Outcome of Consultation**

The Department undertook a consultation about the design and technical specifications of the new national concession pass. The consultation closed on 20 July and the consultation response document is now available on our website at:

<http://www.dft.gov.uk/consultations/closed/concessionarybustravelpass/>

We strongly recommend that local authorities read this document as it sets out our plans for the passes. The key points are reproduced below, but a fuller account can be found in the response document.

## Pass Design

The final pass design was announced on 18 September and can be found on our website at:

<http://www.dft.gov.uk/pgr/regional/buses/concessionary/concessionmarketingcoms/concesscarddesigns>

The top right hand corner remains free for local customisation. As a result of concerns raised in the consultation only one scheme or TCA identifier will be required on the pass and we will not require a county logo to be displayed (though of course schemes may display a county logo if they wish). Additional logos/identifiers/words/symbols can be added to this area at the discretion of the TCA.

The pass design will feature a high security hologram to deter fraud and counterfeiting. This hologram has been procured by the Department and will be made available to card producers. Manufacturers outside the framework agreements will be required to give the Department assurances that any holograms received will be handled securely and a full audit trail provided.

## Expiry Dates

The card will be required to feature an expiry date and the expiry date must be no more than 5 years from the date of issue. The same expiry date must be encoded on the concessionary product stored on the chip. However, within that time frame local authorities are then free to set the exact expiry date. As stated in Bulletin #5, we recommend that TCAs stagger the expiry dates on cards issued for April 2008 in order to avoid a bulk re-issue.

## Transitional Arrangements

The consultation responses showed strong support for transitional arrangements that are specified in legislation to ensure consistency across the country.

Transitional Arrangements have therefore been included in the Commencement Order for the Act (further information about the Order can be found at the start of this bulletin). These arrangements guarantee that concessionaires will be able to use their existing passes to access free off-peak travel on buses for six months after 1 April 2008, but only within their local area.

TCAs will also be able to make voluntary arrangements during this period for travel outside the TCA if they wish. For example, county-wide schemes can make transitional arrangements that will continue to allow county-wide travel for concessionaires using their old passes.

The transitional arrangements are needed because not all concessionaires will have applied for their new pass in time to receive it before April 2008. We do not want them to be denied access to local buses simply because they are late in applying for a new pass. A similar approach was adopted in Scotland when they introduced their national concession and our pragmatic approach to this is supported by both operators and local authorities.

The transitional period will last until 30 September 2008, which gives concessionaires plenty of time to apply for and receive their new passes.

### **Passes Grant - Letter about the Second Tranche**

A letter was sent out to all TCAs on 1 October giving further information about the payment of the second tranche of the grant for issuing new passes.

The second tranche of the grant will be paid on 14 November 2007.

In order for us to release the second tranche we will need to receive a signed declaration from each TCA confirming the number of passes they currently have in circulation.

If we do not receive a signed hard copy of the declaration by 19 October the second payment may be delayed.

### **Recent and future communications from DfT**

As preparations for the new concession continue the Department has issued, and is likely to continue to issue, a number of important communications to TCAs. These either take the form of a direct letter to TCAs, or information included in a bulletin. To ensure that all TCAs are aware of all of these

communications a list of key recent and future communications is provided below. Likely future communications are in italics and dates are indicative only at this stage.

<b><u>Date</u></b>	<b><u>Format</u></b>	<b><u>Key content</u></b>
5 April 07	Bulletin #5	Detailed information about the data that TCAs need to collect in order to be able to produce passes
25 May 07	Passes Consultation Paper (consultation closed)	Outlines the Department's initial proposals for the design and specification of the national passes and asks for comments
27 June 07	Ministerial letter to TCAs about passes	A letter from Gillian Merron about the passes project
29 June 07	Bulletin #6	Information about the framework agreements including a worked example of an order form for Lot 1. Extensive Q&A about all aspects of the national concession
5 July 07	Grant explanation letter	An explanation of how the grant to cover reasonable new burdens associated with passes will be calculated
31 July 07	Plain English Guide to ITSO	A basic, easy to understand introduction to ITSO smartcards
29 August 07	1 <sup>st</sup> Tranche Grant Determination	A breakdown of how much each TCA received for the first tranche of the passes grant
5 September 07	Bulletin #7	Details of the framework providers for all 4 lots and details of mentor authorities
18 September 07	Press release about the pass design	The official announcement about the final pass design
19 September 07	Letter about the Framework Agreements	Further information about the framework agreement and pricing schedules
28 September 07	Funding Consultation Paper (closes 23 Nov)	Invites comments on options for distributing additional funding for the 2008 national concession via special grant
1 October 07	Letter about second tranche of grant	Confirms the second grant payment will be made on 14 November and requests a signed declaration of the number of passes in circulation, which must be received before the second tranche can be paid
3 October 07	Letter about ITSO services Ltd	Explains the services that ITSO Services Ltd will provide to non-smart TCAs and provides a letter for TCAs to "sign up"
3 October 07	Passes Consultation Response Document	Summarises the responses received to the consultation and sets out the Department's plans for the design and specifications of the national pass
<i>TBC</i>	<i>Encoding ITSO Smartcards</i>	<i>Further information about encoding ITSO smartcards</i>

### **New email address**

Now that the Concessionary Bus Travel Bill has become an Act we are preparing to phase out the [cbtbill@dft.gsi.gov.uk](mailto:cbtbill@dft.gsi.gov.uk) email address. If you have any questions or comments about these bulletins, or about concessionary fares policy generally, from now on please email us at [concessionaryfares@dft.gsi.gov.uk](mailto:concessionaryfares@dft.gsi.gov.uk).

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