

**GREATER MANCHESTER COMBINED
AUTHORITY**

**TRANSPORT ACT 1985
Travel Concession Scheme**

valid from 1st February 2020

GREATER MANCHESTER COMBINED AUTHORITY

TRANSPORT ACT 1985 TRAVEL CONCESSION SCHEME

1st February 2020

1. The Scheme

1.1. This Travel Concession Scheme (“the Scheme”) has been established by the Greater Manchester Combined Authority (“GMCA”), in pursuance of its powers under:-

- a. the Transport Act 1985 (as amended) (“1985 Act”);
- b. Travel Concession Scheme Regulations 1986 (“TCSR”); and
- c. all other relevant statutory regulations.

1.2. The Scheme also covers the discretionary concessions to be provided by Operators under the 1985 Act as detailed in paragraph 5 below and the arrangements for the reimbursement of Operators (“the Arrangements”). The Scheme will be administered by Transport for Greater Manchester (“TfGM”).

1.3. Unless otherwise defined in this Scheme words or terms used in the Scheme shall have the same meaning as given to such words or terms in the 1985 Act and TCSR.

2. Operative Date

2.1. The Scheme shall come into operation on 1st February 2020.

3. Scheme Area

3.1. The area covered by the scheme is the Passenger Transport Area of Greater Manchester, which consists of the administrative areas of the Metropolitan District Councils of Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan (“Scheme Area”). For information, Schedule 9 Part 1 contains a list of the principal stopping points which are nearest to the boundary of the Scheme Area.

4. Scheme Applicability

4.1. The Scheme shall apply:

- (a) to Eligible Persons listed in Schedule 1 who tender to the Operator on a Scheme Service (both of which are defined below) the applicable permit or pass and Applicable Concessionary Fare (if any) for that category of concessionary passenger referred to in Schedule 1;
- (b) when travelling on Eligible Services which have been admitted or required to participate in the Scheme or on the following passenger rail journeys and light rail networks:
 - i. the Metrolink light rail system; and

- ii. rail passenger journeys which begin and end within the Greater Manchester train boundary which is shown in Schedule 10.
- (c) only on Journeys:
- (i) between places in the Scheme Area;
 - (ii) between places in the Scheme Area and places in the Vicinity of Greater Manchester; or
 - (iii) as regards rail passenger journeys only, on journeys which begin and end within the Greater Manchester train boundary which is shown in Schedule 10.

5. **Eligible Persons and Nature of Concession**

- 5.1. Operators participating in the Scheme will be required on all Scheme Services to allow the concessions detailed in Schedule 1 to Eligible Persons.
- 5.2. The GMCA or TfGM may from time to time by giving a minimum of 28 days notice in writing vary the class of Eligible Persons or nature of the concessions to be provided or the Arrangements by notice and where relevant such notice should comply with the provisions of section 97(6) of the 1985 Act.

6. **Applicable Concessionary Fare**

- 6.1. Subject to paragraphs 6.4 and 6.5 references to the Applicable Concessionary Fare payable by an Eligible Person under this Scheme shall be references to half the fare which a Non-Concessionary Passenger would be required to pay in order to make such a Journey.
- 6.2. Subject to paragraphs 6.4 and 6.5, references to fare shall include the amount paid for any ticket product which a Non-Concessionary Passenger could have purchased in the Scheme Area for such Journey or Journeys including multi-operator and/or multi-journey products and which the Operator would accept from a Non-Concessionary Passenger, whether these are the Operator's own products or not. The Operators shall therefore ensure that all such ticket products available to Non-Concessionary Passengers are available to be sold at half-price to passengers eligible for a concession to which an Applicable Concessionary Fare applies as specified in Schedule 1.
- 6.3. The Operator shall admit any Eligible Person who tenders a valid permit or pass (if required in accordance with Schedule 1) and who pays the Applicable Concessionary Fare (if applicable) or tenders a valid concessionary ticket issued by TfGM (if applicable) to travel on any Scheme Service it provides and shall not charge any class of Eligible Person more than the Applicable Concessionary Fare for any Journey.
- 6.4. References in paragraph 6 to ticket products shall not include ticket products which are:
 - 6.4.1. multi-modal tickets (i.e. tickets which are valid for travel by two or all of rail, light rail and bus);
 - 6.4.2. family tickets;

- 6.4.3. tickets available only to students; or
 - 6.4.4. such other ticket products available only to a specific category of passenger where TfGM has determined, or agreed with such Operator, in each case acting reasonably, that such ticket product has been discounted below the Operator's equivalent adult fare due to the nature of such category of passenger. Operators are not obliged to ensure that the ticket products referred to in this paragraph 6.4 are available to be sold at half price to passengers eligible for a concession to which an Applicable Concessionary Fare applies.
- 6.5. Where any ticket product is either:
- 6.5.1. used predominantly outside the Scheme Area; or
 - 6.5.2. is, in TfGM's opinion, acting reasonably, designed to encourage use predominantly outside the Scheme Area,

TfGM reserves the right to exclude such ticket product from the Applicable Concessionary Fare or require that the Operator offer an equivalent ticket product which can only be used within the Scheme Area for the purposes of passengers entitled to a concession to which an Applicable Concessionary Fare applies.

- 6.6. An Operator may submit to TfGM a written request for approval for the price for concessionary passengers of any multi-Journey ticket product issued by that Operator, which has a validity period of 5 days or more to be a price which is more than half the price of such ticket product for Non-Concessionary Passengers. If TfGM, acting reasonably, considers that the price proposed by the Operator, taking into account the average half fare price of equivalent products available in the Scheme Area from other Operators, is reasonable, then TfGM may approve a price for such ticket product which is more than half-fare, and in relation to such ticket product references to the Applicable Concessionary Fare shall be construed accordingly.
- 6.7. Two or more Operators acting jointly may submit to TfGM a written request for approval for the price for concessionary passengers of any multi-Operator ticket product which has a validity period of 5 days or more, which is accepted by such Operators to be a price which is more than half the price of such ticket products for Non-Concessionary Passengers. If TfGM, acting reasonably, considers that the price proposed by the Operators, taking into account the average half fare price of equivalent single Operator tickets products available in the Scheme Area and a reasonable premium for multi-Operator ticket products, considers that the price proposed by the Operators is reasonable then TfGM may approve a price for such ticket products which is more than half-fare and in relation to such ticket product references to the Applicable Concessionary Fare shall be construed accordingly.
- 6.8. Any approval given by TfGM under paragraphs 6.6 or 6.7 shall be in writing, may be subject to conditions and may be withdrawn by TfGM on giving 28 days written notice to those Operators who accept the relevant ticket.
- 6.9. References in this paragraph 6 to any ticket being available at half fare shall mean an amount which is half the relevant fare rounded down, in the case of single and return tickets, to the nearest penny and in the case of all other tickets to the nearest five pence.

7. **Entry of Operators to the Scheme**

- 7.1. Subject to paragraph 7.2 an Operator shall be admitted into the Scheme following at least 28 days prior notice in writing from the Operator to TfGM that it wishes to participate in the Scheme.
- 7.2. In accordance with sections 96(4) and (5) of the 1985 Act, TfGM may make admission to or continuation by an Operator in the Scheme conditional on the Operator agreeing appropriate modifications to the Arrangements where it appears to TfGM that the Operators current or proposed fares for any Eligible Service include a "special amenity element" as defined in section 96(6) of the 1985 Act.
- 7.3. If TfGM serves on the Operator a Participation Notice, the Operator shall participate in the Scheme in respect of the services specified from the date stated in and for the duration of such notice and the Operator may not give notice to withdraw from the Scheme whilst such notice remains in force.

8. **Removal or Withdrawal of Operators from the Scheme**

- 8.1. An Operator who is participating in the Scheme, in respect of any of its Scheme Services, other than pursuant to a Participation Notice, must give TfGM at least 42 days notice in writing of withdrawal from the Scheme in respect of all or any of such Scheme Services.
- 8.2. The GMCA may terminate the Scheme by giving the Operator not less than 42 days notice in writing (or such longer notice period, if any, as may be prescribed by law).

9. **Objective for Reimbursement of Operators**

- 9.1. The objective of the Scheme in relation to reimbursement of Operators is to provide that such Operators both individually and collectively are no better and no worse off financially than they would be if they did not participate in the Scheme in accordance with the principles set out in the TCSR but the GMCA and TfGM shall not be liable for any failure to achieve such objective.
- 9.2. The Arrangements for the Operators of local rail and Metrolink services are determined by separate arrangements outside the Scheme. All references to the details of payments and the Arrangements in this Scheme relate only to the Operators of bus services.

10. **Payment Periods and Dates**

- 10.1. Subject to paragraphs 12.3 and 12.4, TfGM will make a payment to Operators to the not later than the day which is half-way between the first and last days of each Payment Period, equal to not less than 85% of the sum TfGM estimates to be due to the Operator in that Payment Period in accordance with the Scheme.
- 10.2. Subject to paragraphs 12.3 and 12.4, TfGM will make a further payment to Operators (not later than 6 months after the end of the relevant Payment Period), equal to the difference (if any) between:

- 10.2.1. the sum already paid to the Operator for the relevant Payment Period as set out in paragraph 10.1; and
 - 10.2.2. the actual amount calculated as due to the Operator for that relevant Payment Period.
- 10.3. If the amount paid under paragraph 10.1 above exceeds the amount calculated under paragraph 10.2 such that TfGM has made an over payment for the relevant Payment Period TfGM shall either:
- 10.3.1. deduct the level of such overpayment from the next or any subsequent payment; or
 - 10.3.2. if no such further payment is likely to become due or to be insufficient to recover such overpayment, demand such overpayment by notice in writing to the Operator who shall repay the same within 28 days of demand being made, or as otherwise may be agreed between TfGM and the Operator.

11. **Standard Method of Determining Passenger Journeys and Fare/Revenue Values for Reimbursement Arrangements**

- 11.1. Subject to paragraph 11.2, the standard method for assessing the total number of Journeys made by Eligible Persons under the Scheme is set out in Schedule 2. The standard method for assessing the fares and/or revenue value to be attributed to those Journeys is set out in Schedule 3. The standard method for calculating the reimbursement due to the Operator will be on the basis of the formula and parameters set out in Schedule 4. In calculating the reimbursement due to the Operator, TfGM will take into account any data supplied by the Operator if it can be shown that the data supplied is more accurate and is more likely to enable TfGM to meet its objective for reimbursement set out in paragraph 9.1.
- 11.2. For Journeys described in Table 1 paragraphs (i),(ii), (iii) and (viii) of Schedule 1 the methods set out in Schedules 2, 3 and 4 shall not apply and instead the relevant methods set out in the Arrangements determined under section 149 of the Transport Act 2000 and published by TfGM shall apply.
- 11.3. By agreement between the Operator and TfGM the standard method need not be applied in respect of calculating the reimbursement of that Operator if any one of the following conditions are satisfied:-
- 11.3.1. the vehicles normally used by the Operator in providing services on which concessions are available have 8 or less seats available for fare-paying passengers;
 - 11.3.2. the mileage run by vehicles is less than 150,000 miles per annum within the area covered by the Scheme during the times at which concessions are available; or
 - 11.3.3. except during the first 3 months of operation of the Scheme there has not expired a period of 3 months commencing with the date on which the Operator is admitted to participation in the Scheme in respect of a service or (if appropriate) becomes subject to the obligation imposed by a Participation Notice to provide concessions on a service.

- 11.4. In accordance with regulation 11 of TCSR TfGM reserves the right in calculating the reimbursement of an Operator to:
- 11.4.1. divide the area covered by the Scheme into a number of separate parts; and
 - 11.4.2. take into account the carrying capacity provided for passengers in different vehicles or classes of vehicles used by the Operator,
- and, in each case, calculate reimbursement in accordance with the standard method, but by reference to each separate area and/or class of vehicle, where TfGM considers this appropriate to ensure that it meets the objective as set out in paragraph 9.1 above.
12. **Data**
- 12.1. When an Operator is first admitted or becomes obliged to participate in the Scheme, it shall supply to TfGM within 7 days:
- 12.1.1. a list of Scheme Services to be operated by that Operator;
 - 12.1.2. all relevant fares and fare tables and ticket prices and a list of the ticket types valid for travel on such services; and
 - 12.1.3. the running boards/drivers duties applicable to such Scheme Services.
- to enable surveys to be scheduled and assessment of an Operator's entitlement to reimbursement.
- 12.2. The Operator shall inform TfGM of:
- 12.2.1. the introduction or cessation of any Scheme Services;
 - 12.2.2. changes to the times at which and routes on which Scheme Services operate;
 - 12.2.3. any circumstances leading to the temporary cessation or major disruptions to such services;
 - 12.2.4. any changes to the Operator's faretables or ticket products, any changes to multi-operator ticket products or the prices applicable thereto; and
 - 12.2.5. any changes to the running boards/drivers duties applicable to Scheme Services,
- within 7 days of such event occurring (or such earlier date as may be prescribed in legislation.)
- 12.3. An Operator shall provide data to TfGM in accordance with the provisions of Schedule 6 for the purpose of calculating concessionary reimbursement.
- 12.4. If the Operator fails to provide such information or data as is referred to above, or to allow such access for surveys as is required pursuant to Schedule 5, then TfGM may in its discretion either defer all or part of any payment otherwise due to the Operator until such omission is fully rectified or

reimburse the Operator on the basis of such estimated reimbursement as it considers appropriate in the absence of such data or survey information.

- 12.5. Where it becomes apparent to TfGM that any Scheme Service is or has been subject to material disruption, or has not been operated in accordance with the registered timetable, then TfGM may, after giving the Operator the opportunity to comment on the effects of the same on the Journeys being taken by Eligible Persons on such services, make such adjustments to the reimbursement due to such Operators as it considers necessary to reflect the effects of such disruption or non-operation.

13. **Recalculation of Reimbursement**

- 13.1. TfGM shall review the reimbursement calculations made in accordance with the Arrangements not less than once every financial year. Such review shall be concluded within 6 months of its commencement.

- 13.2. If following a review carried out in accordance with paragraph 13.1 it is determined by TfGM that the amount of reimbursement paid since the previous review should have been higher TfGM shall pay the difference to the Operator within 28 days of the date of recalculation, or as otherwise may be agreed between TfGM and the Operator.

- 13.3. If following the review it is determined by TfGM that the amount of reimbursement paid since the previous review should have been less, TfGM shall either:

- 13.3.1. deduct by equal instalments the amount of over reimbursement from the next three payments to be made under paragraph 10.1 above; and/or

- 13.3.2. if such next three payments are not or will not be sufficient to re-pay such over-reimbursement, demand such over-reimbursement from the Operator by notice in writing, and the Operator shall be obliged to make such repayment within 28 days of receiving such demand, or as otherwise may be agreed between TfGM and the Operator.

- 13.4. In the circumstances where participation in the Scheme by an Operator is by virtue of a Participation Notice then if, following the review of the reimbursement calculations in accordance with the provisions of paragraph 13.1 above, there is a dispute between an Operator and TfGM in respect of the level of reimbursement paid to that Operator then if such dispute relates to either:

- 13.4.1. the fares value to be attributed to Journeys by Eligible Persons;

- 13.4.2. the total number of Journeys made Eligible Persons; or

- 13.4.3. the number of additional Journeys generated in consequence of the availability on such services of such concessions,

then such dispute shall be the subject of the dispute resolution procedure set out in Schedule 7. The dispute resolution procedure shall not prejudice the Operator's statutory right of appeal to the Secretary of State.

13.5. Any changes proposed by TfGM to the underlying methodology which impact directly on the reimbursement calculations will be subject to the relevant statutory notice period.

14. **Survey Facilities**

14.1. The provisions of Schedule 5 shall apply in respect of surveys.

15. **Additional Costs**

15.1. An Operator shall be entitled to Additional Costs where:

15.1.1. the Operator has necessarily incurred costs additional to basic operating costs and attributable to an increase in the number or the capacity of the vehicles used in providing services on which concessions are available in order to meet the extra demand created by the availability of those concessions; and

15.1.2. those costs are such that they will not be met by reimbursement payments made in accordance with the standard method during the year in which the costs are incurred or during the 3 months immediately following the end of that year.

15.2. Reimbursement of Additional Costs will be calculated in accordance with Schedule 4.

16. **Other Requirements of the Scheme**

16.1. All Operators participating in the Scheme shall display on their vehicles any sign, supplied by TfGM, for the purpose of showing that concessions are available on those vehicles.

16.2. Operators shall not discriminate against Eligible Persons or any class of Eligible Persons in the provision of Scheme Services or associated services and facilities.

16.3. Operators of Scheme Services shall be entitled to be reimbursed in respect of Journeys made by persons holding Discounted Concessionary Tickets provided that they comply with the conditions in respect of such tickets set out in the Scheme published from time to time by TfGM and on the basis of such adjustments to the usual basis of reimbursement as are set out in Schedule 4 and/or as TfGM shall reasonably determine from time to time in order to take into account the additional generated travel attributable to such tickets.

17. **Contact for Communications**

17.1. All notices, data and other information required to be given to TfGM under the Scheme shall be provided to the following contact point (or such other contact point as may be nominated by TfGM to Operators in writing from time to time):

Position: Concessionary Travel and Operator Payments Manager

Address: Transport for Greater Manchester, 2 Piccadilly Place,
Manchester, M1 3BG

Email: operator.payments@tfgm.com

Tel: 0161 244 1115

Fax: 0161 244 1301

- 17.2. On first giving notice to be admitted to the Scheme or, if earlier, becoming obliged to participate in the Scheme, the Operator shall provide to TfGM details of the name, address, telephone number, email and fax number of its official contact for communications in relation to these arrangements, and shall by notice in writing inform TfGM of any changes to the same.
- 17.3. Any notice or communication sent to the last such address, e-mail address or fax number as is referred to above shall be deemed to be duly served on the recipient. If an Operator has failed to give notice in writing to TfGM of such an official contact, then TfGM may send any notice or other communication to any address set out in the most recent correspondence from the Operator concerned, which shall be deemed to be its address for service.

SCHEDULE 1

DEFINITIONS AND NATURE OF CONCESSIONS

DEFINITIONS

The following definitions shall apply to the Scheme and schedules set out within:

Additional Costs	shall have the meaning set out in paragraph 15.1 of the Scheme.
Applicable Concessionary Fare	shall have the meaning set out in paragraph 6.1 of the Scheme.
Appropriate District Authority	means the metropolitan borough council or city council in the Scheme Area, within the administrative boundary of which a person resides.
Bank Holiday	means any public holiday when the banks in England and Wales are not open for business.
Children	means a person aged between 5 and 10 years (inclusive).
Disabled Persons	means disabled persons (as defined in section 146 of the Transport Act 2000) who are resident in the Scheme Area.
Disabled Persons Qualifying for Free Travel	<p>means Disabled Persons who are Resident in the Scheme Area and who:</p> <ul style="list-style-type: none"> (a) are so blind as to be unable to perform any work for which sight is essential and who are so certified by the Appropriate District Authority; (b) are ex-Service personnel who are suffering from any disability or injury which severely impairs their ability to walk and who are so certified by the British Limbless Ex-Service Men's Association (BLESMA) or Appropriate District Authority; (c) are persons who are profoundly deaf and either without speech or without speech which can be readily understood by an untrained person and who are so certified by the Appropriate District Authority; (d) are persons who have a learning disability, that is, a state of arrested or incomplete development of mind which includes significant impairment of intelligence and social functioning (which started before adulthood and has had a lasting effect on development and who are so certified by the Appropriate District Authority; (e) are persons who are without the use of both arms, whether by reason of the absence of limbs or otherwise and who (if so required by TfGM) are so certified by a qualified medical practitioner; (f) are persons who are without speech and who are so certified by a qualified medical practitioner; and

	(g) are persons who, if they applied for the grant of a licence to drive a motor vehicle under Part III of the Road Traffic Act 1988, would have their applications refused pursuant to Section 92 of that Act (physical fitness) on the grounds of severe mental disorder otherwise than on the ground of persistent misuse of drugs or alcohol.
Discounted Concessionary Ticket	means any ticket product available to persons otherwise entitled to travel on payment of the Applicable Concessionary Fare, which entitles the holder to travel at a cost that is less than the Applicable Concessionary Fare.
Elderly Person	has the meaning given in section 146 of the Transport Act 2000.
Eligible Person	means all persons eligible for a concession in accordance with this Scheme, including but not limited to those persons set out in Schedule 1 Table 1.
Eligible Services	shall have the meaning given in section 94(4) of the 1985 Act.
Journey	means a trip between two points without change of vehicle or service.
Non-Concessionary Passenger	means a passenger who does not qualify for any concessions under this Scheme or under the concessions provided by virtue of section 145A of the Transport Act 2000.
Older Students	means all persons over 16 and under 19 years of age and Resident in the Scheme Area who are in full time education attending a non-advanced course in the Scheme Area either at a state education establishment or at an independent school or college.
Operator	means an operator providing transport services in the Scheme Area
Participation Notice	shall have the meaning as set out in section 97(2) of the 1985 Act.
Payment Period	means such periods for payment under the Scheme which are as set out in Schedule 8.
Pupils	means all persons who qualify for free travel to and from school or college under the provisions of the Education Act 1996.
Resident within the Scheme Area	means having one's only or principal residence within the Scheme Area.
Revenue Forgone	shall have the meaning set out in paragraph 2.1 of Schedule 4.
Scheme Services	means those services referred to in paragraph 4.1(b) of the Scheme.
Variance Voucher	means a voucher issued by a school or college to be used in conjunction with the pass or permit provided to people referred to in sections 1(v) and 1(vi).
Vicinity of Greater Manchester	means outside the Scheme Area but within a distance of 10 miles from the nearest point on the boundary of that Area, as delimited by the boundary

	points for bus services as set out in Schedule 9, section 2.
Women most affected by Pensions Act 2011 State Pension changes	means women born between 6 th October 1953 and 5 th November 1954, resident within the Scheme Area.
Young Adults	means all persons aged between 16 and 17 years old on 1 September 2019 and who are also a Resident within the Scheme Area (who will continue to be an Eligible Person until 31 st August following their 18 th birthday and/or as long as they continue to be a Resident within the Scheme Area).
Young Persons	means all persons aged between 11 and 15 years (inclusive, but a 16 year old will continue to be an Eligible Person until 31 st August following their 16 th birthday).

NATURE OF CONCESSIONS

Table 1: Bus Concessions

Class of Eligible Persons		Nature of Concession to be Provided On Scheme Services Provided by Bus
(i)	<u>Elderly Persons</u>	On production of a valid statutory travel concession permit issued by TfGM, the person named on the permit shall be carried on Scheme Services, provided that the actual time of boarding falls during Monday to Friday (except when the day is a Bank Holiday) between 23.00 and 24.00 hours for Journeys wholly within the Scheme Area and for Journeys between the Scheme Area and locations within the Vicinity of Greater Manchester (and such carriage shall be without charge).
(ii)	<u>Disabled Persons</u>	<p>On production of a valid statutory travel concession permit issued by TfGM, the person named on the permit shall be carried on Scheme Services provided that the actual time of boarding falls during the following hours:</p> <p>(a) Monday to Friday (except when the day is a Bank Holiday) 23.00 to 24.00 hours for journeys wholly within the Scheme Area and for Journeys between the Scheme Area and locations within the Vicinity of Greater Manchester and such carriage shall be without charge.</p> <p>(b) Monday to Friday (except when the day is a Bank Holiday) between 24.00 hours and 9.30 hours for journeys wholly within the Scheme Area and for Journeys between the Scheme Area and locations within the Vicinity of Greater Manchester and such carriage shall be:-</p> <ul style="list-style-type: none"> - either at the Applicable Concessionary Fare or - without further charge on production of a concessionary ticket issued by TfGM which is valid for the relevant Journey.

Class of Eligible Persons		Nature of Concession to be Provided On Scheme Services Provided by Bus
(iii)	<u>Disabled Persons Qualifying for Free Travel</u>	<p>On production of a valid statutory travel concession permit issued by TfGM to the person named on the permit shall be carried on services to which the scheme applies provided that the actual time of boarding falls during the following hours:-</p> <p>(a) Monday to Friday (except when the day is a Bank Holiday) 23.00 to 24.00 hours for journeys wholly within the Scheme Area and for Journeys between the Scheme Area and locations within the Vicinity of Greater Manchester and such carriage shall be without charge.</p> <p>(b) Monday to Friday (except when the day is a Bank Holiday) between 24.00 hours and 9.30 hours and such carriage shall be:-</p> <p>(i) without charge for journeys wholly within the Scheme Area; and</p> <p>(ii) at the Applicable Concessionary Fare in respect of those parts of the Journey as are outside the Scheme Area but within the Vicinity of Greater Manchester for journeys between places in the Vicinity of Greater Manchester and places in the Scheme Area.</p>
(iv)	<u>Children</u>	<p>Any Eligible Person shall be carried on Scheme Services on Journeys within the Scheme Area and such carriage shall be:-</p> <ul style="list-style-type: none"> - either at the Applicable Concessionary Fare or - without further charge on production of a concessionary ticket issued by TfGM which is valid for the relevant Journey.
(v)	<u>Young Persons</u>	<p>On production of a valid concessionary travel permit issued by TfGM, the person to whom the pass is issued shall be carried on Scheme Services on Journeys within the Scheme Area and such carriage shall be :-</p>

Class of Eligible Persons		Nature of Concession to be Provided On Scheme Services Provided by Bus
		<ul style="list-style-type: none"> - either at the Applicable Concessionary Fare or - without further charge on production of a concessionary ticket issued by TfGM which is valid for the relevant journey. <p>The requirement to produce a valid concessionary travel permit to qualify for this concession shall apply only from 16th May 2011 or such later date as TfGM shall notify the Operators in writing.</p> <p>Valid concessionary travel permits will be issued by TfGM only to those who are Resident in the Scheme Area or who are pupils at a school in the Scheme Area.</p>
(vi)	<u>Older Students</u>	<p>On production of a valid concessionary travel permit issued by TfGM, the person to whom the permit is issued shall be carried on such services between home and school or college only and at such times only as are specified on the concessionary pass and such carriage shall be:-</p> <ul style="list-style-type: none"> - either at the Applicable Concessionary Fare or - without further charge on production of a concessionary ticket issued by TfGM which is valid for the relevant Journey. <p>The times and the origin and destination specified on the travel permit may be varied by means of a Variance Voucher.</p>
(vii)	<u>Pupils</u>	<p>On production of a valid concessionary pass purchased for them from TfGM by the appropriate district authority, the person shall be carried without charge on Scheme Services on such journeys to and from school between such times as are specified on the concessionary pass. The times and origin and destination may be varied by means of a Variance Voucher.</p>
(viii)	<u>Women most affected by Pensions Act 2011 State Pension changes</u>	<p>On production of a valid concessionary travel permit issued by TfGM, the person named on the permit shall be carried on Scheme Services, within the Scheme Area, provided that the boarding falls during the following hours:-</p>

Class of Eligible Persons		Nature of Concession to be Provided On Scheme Services Provided by Bus
		<p>(a) Monday to Friday (except when the day is a Bank Holiday) 09.30 to 24.00 hours for journeys wholly within the Scheme Area and for journeys between the Scheme Area and locations within the Vicinity of Greater Manchester and such carriage shall be without charge</p> <p>(b) at all other times carriage shall be without charge</p>
(ix)	Young Adult	On production of a valid concessionary pass, the person named on the pass shall be carried on Scheme Services for Journeys within the Scheme Area and for Journeys between the Scheme Area and locations within the Vicinity of Greater Manchester (and such carriage shall be without charge).

Table 2: Local Rail and Metrolink Concessions

Class of Eligible Persons		Nature of Concession to be Provided On Scheme Services Provided by Local Rail and Metrolink
(i)	<u>Elderly Persons</u>	On production of a valid concessionary product purchased from TfGM, the person named on the permit shall be carried without charge on Scheme Services, provided that the actual time of boarding falls during the hours of 09.30 and 24.00. Monday to Friday (inclusive) or at any time on Saturday or Sunday or on a Bank Holiday.
(ii)	<u>Disabled Persons</u>	<p>On production of a statutory travel concession permit issued by TfGM, a person shall be carried Scheme Services:-</p> <p>a. at the Applicable Concessionary Fare for Journeys where the actual time of boarding falls before 9.30a.m. on a day between Monday and Friday (except when the day is a Bank Holiday); and</p> <p>b. at all other times carriage shall be without charge.</p>
(iii)	<u>Disabled Persons Qualifying for Free Travel</u>	On production of a valid statutory travel concession permit issued by TfGM, the

Class of Eligible Persons		Nature of Concession to be Provided On Scheme Services Provided by Local Rail and Metrolink
		person named on the permit shall be carried without charge on Scheme Services.
(iv)	<u>Older Students</u>	On production of a valid concessionary pass issued by TfGM the person to whom the pass is issued shall be carried on payment of the Applicable Concessionary Fare without further charge on such services between home and school or college only and at such times only as are specified on the concessionary pass. These times and the origin and destination specified on the pass may be varied by means of a Variance Voucher.
(v)	<u>Pupils</u>	On production of a valid concessionary pass purchased for them from TfGM by the appropriate district authority, eligible persons shall be carried without charge on Scheme Services on such Journeys to and from school between such times as are specified on the concessionary pass. The times and origin and destination may be varied by means of a Variance Voucher.
(vi)	<u>Women most affected by Pensions Act 2011 State Pension changes</u>	On production of a valid concessionary product purchased from TfGM the person named on the permit shall be carried without charge on Scheme Services, provided that the actual time of boarding falls during the hours of 09.30 and 24.00. Monday to Friday (inclusive) or at any time on Saturday or Sunday or on a Bank Holiday.

Table 3: Travel Vouchers

Class of Eligible Persons		Nature of Concession to be Provided
1 (a)	<p>Persons Resident in the Scheme Area who in the reasonable opinion of TfGM are unable to use ordinary buses and who:-</p> <p>i) are permanently unable to walk more than 100 metres or climb steps of more than 300mm and are in receipt of a 24 Hour Attendance Allowance, in receipt of the Disabled Living Allowance (Higher rate) Mobility Component, in receipt of the War Disablement Pensioners'</p>	Such persons may purchase travel vouchers at a discount from TfGM which may be used to pay for travel on Eligible Services and such other services as TfGM shall determine

Class of Eligible Persons	Nature of Concession to be Provided
<p>Mobility Supplement or are certified by a qualified medical practitioner as being permanently unable to walk more than 100 metres or climb steps of more than 300mm;</p> <p>ii) are registered as blind by the Appropriate District Authority;</p> <p>iii) are such other persons within the categories set out in sections (i) (ii) and (iii) of this Schedule as are determined by the GMCA from time to time;</p> <p>and in each case for the above who agree with TfGM that they will not be entitled for a period of 12 months to the concession specified in sections 1 and 2 of this Schedule 1 nor to the concessions specified in section 145 Transport Act 2000 (as amended).</p>	

SCHEDULE 2

Standard Method of Determining Passenger Journeys

1. Operation of the Standard Method

- 1.1. TfGM will determine its reimbursement payments to the Operator on the basis of the estimates it makes of the total number of passenger Journeys made by Eligible Persons using the designated concessionary pass on the Operator's Eligible Services.
- 1.2. For all Operators except those for which alternative arrangements are made by agreement with TfGM, the estimates of passenger Journeys are calculated using either survey and/or smart data, in accordance with the terms of this Scheme.
- 1.3. Survey data will ordinarily be collected by data collectors on a continuous basis throughout the year. However, where TfGM has reason to believe that carrying out surveys on a continuous basis throughout the year is inappropriate in relation to a particular Operator, survey data in respect of such Operator's Eligible Services shall be collected once in every financial year (or such other period as TfGM and the relevant Operator shall agree) on a periodic basis during a limited (usually one to two week) period.
- 1.4. The survey methodology requires that the Operator provides TfGM with full details of the Eligible Services on which concessionary passengers may use the designated concession, as specified in paragraph 12 of Scheme. The Operator is required to allow surveyors employed by TfGM or its agents access to all passengers using its Eligible Services, as specified in Schedule 5.
- 1.5. Smart data records the number of passenger Journeys when the designated concessionary pass is recorded on the electronic ticket machines located on the Operator's Eligible Services, where such data is thereafter collated, sent to and verified by TfGM.
- 1.6. Recording smart data is subject to the availability and working order of such electronic ticket machines, so there may be instances where the Operator may be required to manually record the number of passenger Journeys which would otherwise be recorded automatically. In doing so, the Operator will be required to notify TfGM of such instances alongside a justification as to why the smart data was not recorded automatically. Failure to do so may result in TfGM not being able to determine an accurate amount of reimbursement payments to the Operator in accordance with this Schedule.

2. Output from the Standard Method

- 2.1. TfGM will calculate for each Payment Period the total number of passenger Journeys made by Eligible Persons using the designated concession on the Operator's Eligible Services. This is the quantity of concessionary Journeys represented in the formulae set out in Schedule 4 by J_{conc} . The quantity of concessionary Journeys so calculated may be analysed into such separate categories as are deemed appropriate by TfGM for the purposes of determining the reimbursement payments to Operators.

3. **Estimates to be made in the absence of information from the Operator**
- 3.1. In the event that the Operator fails to provide sufficient information to enable TfGM to operate its survey procedures in accordance with Schedule 5, TfGM may at its discretion make such estimates as it thinks fit of the concessionary Journeys carried by the Operator, subject to correction if and when better information becomes available.

SCHEDULE 3

Standard Method of Determining Fares Values

1. Average Commercial Adult Fare

- 1.1. TfGM will determine its reimbursement payments to the Operator so as to satisfy the objectives set out paragraph 9.1 of the Scheme on the basis of the estimates it makes of the average commercial adult fare per Journey that would be paid by Eligible Persons using the concession on the Operator's Eligible Services. This quantity is represented in the formulae set out in Schedule 4 by F_{adult} .
- 1.2. The average commercial adult fare is related to the normal adult fare F_{normal} by the application of two discount factors, which represent the likelihood that in the absence of the concession Operators would modify the pricing and/or the mixture of ticket products relative to the current offer as follows:
- 1.2.1. the Ticket Discount Factor ("TDF") which reflects the likelihood that in the absence of the concession, a proportion of Journeys by Eligible Persons would be made using discounted ticket products offered by Operators such as daily fares and weekly fares, assuming the current mix and price of ticket products; and
- 1.2.2. the Commercial Discount Factor ("CDF") which reflects the extent to which in the absence of the concession, Operators would modify the mixture and pricing of ticket products relative to the current offer. This factor also reflects the extent to which, in the absence of the concession, Operators' share of concessionary Journeys would increase or decrease by reason of the availability/non-availability on their services, of discounted ticket products.
- 1.3. The average commercial adult fare F_{adult} for each category of fare payment would therefore be calculated from

$$F_{adult} = F_{normal} * TDF * CDF$$

where F_{normal} is calculated for Journeys made at the concessionary half single or return fare from TfGM's survey process described in Schedule 2 by reference to concessionary Journeys and the Operator's fare scales and for Journeys made using other concessionary products is the normal price of the equivalent adult product.

- 1.4. TfGM has determined to apply a combined TDF and CDF as detailed in Table 1 for Journeys by Disabled Persons, in Table 2 for Journeys by Children, Young Persons, Older Students and Pupils and in Table 3 for Journeys by Young Adults. At its discretion TfGM may modify these default values so as to be appropriate to its understanding of the circumstances of an individual Operator. The default values will be reviewed from time-to-time.
- 1.5. For the purposes of Table 1, in the absence of reliable information provided by an Operator, the value of the Operator's average fare expressed as a percentage of its average equivalent single fare for Journeys made by non-concessionary passengers will be determined from survey data.

Table 1 Default Discount Factors for Journeys by Disabled Persons

Operator's Average Fare as a % of its Average Equivalent Single Fare for non-concessionary Journeys (a)	Combined Discount Factor (%) (b)
91-100	5.0
81-90	10.0
71-80	15.0
<70	22.5

- 1.6. In Table 1, average fare means aggregate on-bus revenue received from non-concessionary passengers divided by the number of Journeys made by those passengers, and average equivalent single fare means the notional aggregate full single fares that would have been paid by those passengers divided by the number of Journeys made by them.

Table 2 Default Discount Factors for Journeys by Children, Young Persons, Older Students and Pupils

Method of fare payment (a)	Combined Discount Factor (%) (b)
Single or return concessionary fare	35.0
Operator concessionary carnet, day, week or longer period product	30.0
Multi-operator carnet, day, week or longer period product	30.0

- 1.7. The above CDFs in Table 2 reflect typical levels of discount being given to these categories of passengers by Operators in areas of the United Kingdom where authorities do not provide travel concessions.

Table 3 Default Discount Factors for Young Adults

Method of fare payment (a)	Combined Discount Factor (%) (b)
Single or return concessionary fare	40.00
Operator concessionary carnet, day, week or longer period product	40.00
Multi-operator carnet, day, week or longer period product	40.00

- 1.8. The above CDFs in Table 3 reflect typical levels of discount being given to Young Adults by Operators in the Scheme Area.
- 1.9. TfGM may alternatively determine appropriate values of TDF and CDF for the Operator from time to time. In calculating F_{adult} , TfGM will take into account evidence of current discount levels provided by the Operator as reflected in the average fare revenue per non-concessionary passenger Journey

calculated from the data specified in Schedule 6 or from survey data, as set out in Schedule 2.

- 1.10. Schedule 6 identifies the information that the Operator is obliged to provide to TfGM on revenues, ticket product sales and passenger journeys as specified in the TCSR. The Operator is also encouraged to provide additional information beyond this legal minimum as it may help TfGM arrive at a more timely and accurate calculation of its reimbursement payments.
- 1.11. Table 4 sets out the additional information that TfGM would encourage Operators to provide for each of the most significant generic ticket product types. Examples of generic ticket product types include adult single and return fares, off-peak day fares, off-peak week fares, peak day fares and peak week fares. Provision of this information will assist TfGM in making an informed judgement about the extent to which (if at all) in the absence of the concession, Eligible Persons would make use of these different ticket product types.

Table 4 Data Items for Each Generic Ticket Product Type

Data item	Description	Additional Comments
Tickets sold	Number of individual transactions by passengers purchasing tickets of the sort included in the generic ticket product type definition in the reporting period	For example, the number of day ticket products sold at each price.
Ticket revenues	Fare revenue earned by the Operator from sales of the generic ticket product to passengers	This should be the money spent by passengers, rather than money actually received by the Operator, after, for example, allowing for transaction costs, agency fees, etc.
Passenger Journeys	Estimated number of passenger journeys made using the ticket product type	It is recognised that for some ticket product types it will be necessary for the Operator to use assumptions in calculating this figure. Alternatively, the Operator may agree estimates with TfGM.

SCHEDULE 4

Standard Method of Determining Reimbursement

1. Calculation of Reimbursement Payments

- 1.1. TfGM will calculate reimbursement payments so as to satisfy the objectives set out in paragraph 9.1 of the Scheme.
- 1.2. Calculation of the reimbursement due to Operators will be made in accordance with the Payment Periods.
- 1.3. For each Payment Period and for each Operator, the calculation of reimbursement for Revenue Forgone will be as set out in paragraph 2 of this Schedule, and the calculation of reimbursement for Additional Costs will be as set out in paragraph 4 of this Schedule.

2. Reimbursement for Revenue Forgone

- 2.1. Reimbursement for Revenue Forgone is taken to mean TfGM's estimate of the revenue by way of fares that the Operator would have earned if the appropriate concession(s) did not exist.
- 2.2. The Revenue Forgone will be calculated using formulae in which the variables are as follows:
 - 2.2.1. for each category of Eligible Person, the total number of passenger Journeys made on the Operator's Eligible Services analysed between such categories of ticket type as may be appropriate for the circumstances of the Operator, as estimated by TfGM using the procedures described in Schedule 2. The quantity of concessionary Journeys is represented in the formulae below by J_{conc} ;
 - 2.2.2. for each category of Eligible Person, the estimated number of concessionary Journeys that would be made on the Operator's Eligible Services if the average commercial adult fare had to be paid rather than the concessionary fare. This quantity is estimated by TfGM using the reimbursement factor as calculated in the formula below, and is represented by J_{adult} ;
 - 2.2.3. for each category of Eligible Person, the value of concessionary fares that have been paid on the Operator's Eligible Services, analysed between such categories of ticket type as may be appropriate for the circumstances of the Operator. This quantity is represented in the formulae below by V_{conc} ;
 - 2.2.4. for each category of Eligible Person, the estimated value of fares that would have been paid on the Operator's Eligible Services if the average commercial adult fares had been paid rather than the concessionary fares. This quantity is estimated by TfGM applying the appropriate Combined Discount Factor to the full fare value (V_{full}) of the concessionary fares paid. This quantity is represented by V_{adult} ;
 - 2.2.5. for each category of Eligible Person, the estimated value of fares that would have been paid on the Operator's Eligible Services if the normal adult fares had been paid for the concessionary fare products actually

purchased. This quantity will be calculated by TfGM from the data provided by Operators in accordance with Schedule 6. This quantity is represented by V_{full} ;

- 2.2.6. the average commercial adult fare per Journey that Eligible Persons would pay on the Operator's Eligible Services in the absence of the concessionary scheme, as estimated by TfGM using the procedures described in Schedule 3. The average commercial adult fare is represented in the formulae below by F_{adult} and is calculated as:-

$$F_{adult} = V_{adult} / J_{conc}$$

- 2.2.7. the average concessionary fare per Journey that Eligible Persons have paid on the Operator's Eligible Services, as estimated by TfGM using the procedures described in Schedule 3. The average concessionary fare is represented in the formulae below by F_{conc} and is calculated as :-

$$F_{conc} = V_{conc} / J_{conc}$$

- 2.2.8. the reimbursement factor is the ratio of the estimated concessionary Journeys, J_{conc} that would be made and of the value of the average adult commercial fares that would have been paid by Eligible Persons on the Operator's Eligible Services for the Journeys made at the concessionary fare in the absence of the Scheme if the average commercial adult fare had been paid.

- 2.3. For a given Payment Period, the reimbursement due to the Operator for Revenue Forgone will be calculated using the formula:

$$\text{Revenue Forgone} = (V_{adult} * RF) - V_{conc}$$

- 2.4. The reimbursement factor will be calculated on the assumption that the relationship between Journeys and fares can be defined by the following demand model:

$$\text{Journeys} = k * \text{Exp}(b_t * \text{Fare})$$

in which b_t is the value in period t of a parameter related to elasticity assumptions, and k is an arbitrary scale factor. This form of model is used by the Department for Transport in its guidance on concessionary travel reimbursement. "Exp" represents the exponential constant e . For ease of notation, in this Schedule the expression "Exp(x)" should be taken to mean the exponential constant e raised to the power of x .

- 2.5. Given this demand model, the reimbursement factor, which represents the relationship between estimated Journeys and fares paid at the commercial adult fare, and the Journeys made and fares paid at a given concessionary fare F_{conc} can be calculated from:

$$\begin{aligned} \text{Reimbursement factor (RF)} &= k * (\text{Exp}(b_t * F_{adult})) / (k * \text{Exp}(b_t * F_{conc})) \\ &= \text{Exp}(b_t * (F_{adult} - F_{conc})) \end{aligned}$$

- 2.6. The parameter b_t is called here the Proportional Elasticity Constant, and is defined relative to a base value represented as b_0 which is the point fares elasticity at a fare of £1.00 at April 2006 prices.

Table 1 Base Values of Proportional Elasticity Constant and RPI

Category of Eligible Persons	Value of b_0
Disabled persons (section 1(ii) in Schedule 1), paying a fare	-0.280
Disabled persons (free travel) (section 1(iii) in Schedule 1)	-0.150
Children (section 1(iv) in Schedule 1) and Young persons (section 1(v) in Schedule 1), except where an Operator does not provide its own day or period products when separate elasticity values will be applied to peak and off peak journeys made where a single or return fare has been paid, when the values applied will be:-	-0.361
for journeys starting between the hours of 07.30-09.30 and 15.30-18.30 on Mondays to Fridays (excluding Bank Holidays); and	-0.220
for journeys at other times	-0.510
Older students (section 1(vi) in Schedule 1)	-0.220
Pupils (section 1(vii) in Schedule 1)	0
Young Adults (section 1(ix) in Schedule 1)	-0.220

- 2.7. In calculating the payments due to the Operator in a given Payment Period, the appropriate b_t value will be calculated from the following formula:

$$b_t = b_0 * RPI_0 / RPI_t$$

where RPI_0 and RPI_t are the values of the All Items Retail Price Index calculated by the Office of National Statistics for April 2006 and the period in question. The value for April 2006 is 196.5, and therefore for any given period, the appropriate b_t value will be $b_0 * 196.5 / RPI_t$.

- 2.8. TfGM intends to use a value for RPI_t which represents an estimated average value for the relevant financial year, calculated by uplifting the RPI value for the previous December by an assumed rate of increase for the new financial year. This is illustrated below:-

RPI value for December 2010 = 228.4

Assumed inflation for 2011/12 = 4%

Average value for 2011/12 (deemed to be at October 2011) =

$$228.4 * 1.04 * 10/12 \text{ months} = 235.9$$

- 2.9. The calculation of reimbursement for Revenue Forgone will make use of values of b_t and RF rounded to no more than 4 decimal places of precision.

- 2.10. Table 2 provides a practical illustration of the calculations for Revenue Forgone as applied to example data for Journeys and fares. It has no legal significance and is provided only to assist understanding of TfGM's calculation process.

Table 2 Illustration of Calculations of Reimbursement for Revenue Forgone

Assume that TfGM's estimate of Young Persons Journeys made using day or longer period fares on the Eligible Services of Operator X in period n is 120,000. Assume that the concessionary fares revenue paid (at 50% of the Operator's normal adult fares) was £150,000. This means that the value of V_{full} is £300,000 and the value of V_{adult} is thus :-

$$V_{adult} = V_{full} * (1 - \text{Combined Discount Factor (30\%)})$$

$$V_{adult} = £300,000 * 0.7 = £210,000$$

In order to calculate the value of the reimbursement factor, the values of the average commercial adult fare F_{adult} and the average concessionary fare F_{conc} need to be calculated, as follows :-

$$F_{adult} = V_{adult} / J_{conc}$$

$$F_{adult} = £210,000 / 120,000 = £1.75$$

$$F_{conc} = V_{conc} / J_{conc}$$

$$F_{conc} = £150,000 / 120,000 = £1.25$$

The Reimbursement factor is thus calculated as:

$$RF = \text{Exp} ((-0.361 * (196.5/235.9)) * (£1.75 - £1.25))$$

$$= \text{Exp} (-0.3007 * £0.50) = 0.8604$$

Consequently the Revenue Forgone payable to the Operator would be:

$$\text{Revenue Forgone} = (V_{adult} * RF) - V_{conc}$$

$$= (£210,000 * 0.8604) - £150,000 = \underline{£30,684.}$$

3. Reimbursement in Respect of Discounted Concessionary Tickets

- 3.1 Where an Operator, in accordance with the terms of the Scheme and subject to paragraph 3.3 of this Schedule, sells or accepts a Discounted Concessionary Ticket in respect of its Eligible Services, the reimbursement due to such Operator in respect of the Journey shall be calculated by application of the formula in accordance with paragraph 2 subject to the adjustments set out below.

- 3.2 TfGM will take account of the extent to which additional discounted

concessionary Journeys have been generated by reason of the fare being paid by the concessionary passengers being less than the applicable notified concessionary fare by making a reasonable adjustment as determined by TfGM from time to time to the formula to allow for the generation of such additional Journeys.

3.3 An Operator shall not in any event be entitled to any reimbursement in respect of any Discounted Concessionary Ticket unless:

3.3.1 the Operator obtains TfGM's prior written consent (such consent not to be unreasonably withheld) to the introduction of the relevant Discounted Concessionary Ticket or to any changes to the availability or price of such ticket (except where, in the case of a ticket entitling holders to travel on Eligible Services of more than one Operator, such consent has been obtained by some other person on behalf of all such Operators);

3.3.2 the Operator provides to TfGM as soon as practicable following such specified periods as TfGM may reasonably require, in respect of that type of Discounted Concessionary Ticket, details of the number of such Discounted Concessionary Tickets sold by or on behalf of the Operator and the price of such Discounted Concessionary Tickets and in the case of Discounted Concessionary Tickets which entitle the holders thereof to travel on the Eligible Services of more than one Operator, the Operator shall also provide full details of all monies received or receivable by it in respect of sales of such tickets during such periods; and

3.3.3 the Operator provides a sample of all Discounted Concessionary Tickets to TfGM on request (except where, in the case of a ticket entitling holders to travel on Eligible Services of more than one Operator, such sample has been provided by some other person on behalf of all such Operators).

4. Reimbursement for Additional Costs

4.1 TfGM will calculate the reimbursement for Additional Costs that it estimates the Operator is due from the following formula, which makes use of the reimbursement factor calculated according to paragraph 2 above:

$$\text{Reimbursement for Additional Costs} = J_{\text{conc}} * (1 - \text{RF}) * C_t$$

where C_t is the standard rate for additional costs per generated passenger calculated by TfGM for period t . It is based on a standard value of 9.0 pence determined by the decision maker to appeals submitted to the Secretary of State for Transport during 2006/07, and which has subsequently been uplifted annually by the percentage increase from the CPT cost index for Northern England to reflect Operator cost increases. It will be uplifted annually by an appropriate cost index. For 2011/12, the uplift will be 3.2% (to 11.64 pence), based upon the most recent CPT cost index for Northern England (12 months to 30 June 2010).

4.2 Table 3 provides a practical illustration of the calculations for Additional Costs as applied to example data for Journeys, fares and cost indices. It has no legal significance and is provided only to assist understanding of TfGM's calculation process.

Table 3 Illustration of Calculations of Reimbursement for Additional Costs

Assume that TfGM's estimate of the Young Persons Journeys made on the Eligible Services of Operator X in period is 120,000. Assume that TfGM has calculated the reimbursement factor for period n as 0.8604 (as illustrated in Table 2).

Assume that the base Additional Cost rate C0 for is £0.1128, and the base cost index increases by 3.2%.

The Additional Cost that TfGM calculates should be reimbursed to the Operator is therefore calculated as:

$$\begin{aligned}\text{Additional Cost} &= 120,000 * (1 - 0.8604) * 0.1128 * 1.032 \\ &= 16,752 * 0.1164 = \text{£}1,950.\end{aligned}$$

The reimbursement payment to the Operator for period will therefore include £1,950 for Additional Costs, which will be added to the amount due to be reimbursed for Revenue Forgone.

SCHEDULE 5

Survey Facilities

1. An Operator shall allow TfGM's officers, servants or agents to have access to (including the right to travel free of charge) the vehicles of the Operator on which concessions are available for the purpose of:-
 - (a) surveying or counting or estimating the number of passengers (whether generally or of any particular description) and the fares paid by those passengers; and
 - (b) obtaining information on other matters relating to the Journeys made by passengers who are eligible to receive concessions and necessary to the calculation by TfGM of reimbursement payments.
2. The survey data will be utilised by TfGM in calculating the reimbursement payable to the Operator.
3. Without prejudice to the generality of paragraph 1 above, the information to be obtained from passengers may include the following:-
 - (a) whether or not the passenger is a concessionary passenger;
 - (b) if the passenger is a concessionary passenger, what category of concessionary passenger he or she is;
 - (c) if the passenger is not a concessionary passenger, whether the passenger is an adult, a child or an elderly person;
 - (d) if the passenger has paid on-bus or is using a pre-paid ticket;
 - (e) if the passenger has paid on-bus, the fare paid and the type of ticket bought;
 - (f) if the passenger is using a pre-paid ticket, the type of ticket;
 - (g) the stage or stop at which the passenger boarded the bus and the stage or stop at which the passenger is to alight from the bus;
 - (h) permit or ticket fraud or mis-use on the relevant services; and
 - (i) such other information as TfGM may from time to time reasonably consider it necessary or desirable to obtain in order to enable TfGM to reimburse each Operator in accordance with the Scheme.
4. Each Operator is requested to procure that each driver of its vehicles will make available to any survey staff who requests the same, the total value of cash fares shown, on the relevant vehicle's electronic ticketing machine, to have been collected on any Journey surveyed by such surveyor.

SCHEDULE 6

Data Provision for the Determination of Passenger Journeys and the Calculation of Average Fares

1. Each Operator whose Eligible Services are surveyed on a continuous basis throughout the year shall provide to TfGM, within 7 days of the end of each calendar month, an accurate and complete statement in such form as TfGM shall from time to time reasonably require of the total revenue received by the relevant Operator from all on-bus sales of ticket products for its Eligible Services in respect of such period.
2. Each Operator whose Eligible Services are surveyed on a periodic basis, is requested to provide to TfGM within 7 days of the end of each calendar month, an accurate and complete statement (in such form as TfGM shall from time to time reasonably require) of the total revenue received by the relevant Operator from all on-bus sales of ticket products for its Eligible Services in respect of such calendar month and in the event that an Operator does not comply with this request such Operator will, no less than once in every period of 3 calendar months nominated by TfGM provide such a statement to TfGM in respect of such three month period.
3. In addition, subject to TfGM notifying the Operator of the period during which survey data is to be or has been collected pursuant to paragraph 1.3 of Schedule 2, each such Operator is requested to provide to TfGM, as soon as reasonably practicable following the end of such period, an accurate and complete statement (in such form as TfGM shall from time to time reasonably require) of the total revenue received by the relevant Operator from all on-bus sales of ticket products for its Eligible Services in respect of such period.
4. Each Operator shall deliver to TfGM in accordance with the requirements set out in paragraph 5 below, certificates of accuracy and completeness in respect of the information contained in the revenue returns referred to in paragraphs 1, 2 and 3 above signed by a person who is a "responsible person" for the purposes of regulation 16(4) of the TCSR which at the date hereof means a person who is a member of one or more of:-
 - (a) the Institute of Chartered Accountants of England and Wales;
 - (b) the Institute of Chartered Accountants of Scotland; or
 - (c) the Chartered Association of Certified Accountants.
5. Each Operator whose Eligible Services are surveyed on a continuous basis throughout the year shall deliver a certificate within 28 days of the end of each calendar quarter relating to the revenue returns for that quarter. Each Operator whose Eligible Services are surveyed on a periodic basis shall deliver a certificate within 28 days of being requested in writing by TfGM to deliver the same and such certificate shall relate to the revenue returns provided in respect of the period between the two most recent periodic surveys or such other period as TfGM shall reasonably require. In each case such certificates shall be provided in the form from time to time specified by TfGM.

6. Each Operator shall forthwith upon being required to do so by TfGM, provide TfGM with such evidence as TfGM may reasonably require to satisfy them that the person giving a certificate of accuracy and completeness is a “responsible person” within the meaning of regulation 16(4) of the Regulations.
7. In the event of any delay or failure on the part of any Operator to provide to TfGM any information to which TfGM is entitled pursuant to the Scheme TfGM shall be entitled to delay or withhold payment of reimbursement to the Operator concerned in accordance with the provisions of regulation 8 of the TCSR. In the event that an Operator fails to provide a certificate in respect of information which has been used to calculate a reimbursement payment that has been made to the Operator or the certificate indicates that the Operator was entitled to less than the reimbursement payment that has been made to the Operator then the Operator shall forthwith repay the amount of the reimbursement payment (in the case of a failure to provide a certificate) or the amount of the overpayment (in the case of a certificate indicating that the Operator is entitled to less than had been paid to it).

SCHEDULE 7

Dispute Resolution Procedure

1. In the event of any dispute arising in connection with any matter arising from paragraph 13 of the Scheme which cannot be resolved by agreement between the parties' representatives within 28 days of the dispute arising, the parties shall follow the procedure set out in this clause:
 - (a) either party shall give to the other written notice of the dispute, setting out its nature together with any relevant supporting documents ("Dispute Notice"). On service of the Dispute Notice, senior representatives of the parties (being heads of functions for each party) shall, within 14 days of the date of the Dispute Notice, meet in good faith to attempt to resolve the dispute; and
 - (b) in the event that the dispute cannot be resolved within 14 days of any meeting of the parties in accordance with paragraph 1(a) above, the dispute shall be referred to the directors of the parties who shall, within 14 days of a written request from either party to the other, meet in good faith in an attempt to resolve the dispute.
2. If the dispute is not resolved in accordance with paragraph 1, either TfGM or the Operator may (at such meeting or within 14 days of its conclusion) propose to the other in writing that the dispute be referred to an independent expert ("Independent Expert").
3. If the parties are unable to agree on an Independent Expert or if the Independent Expert agreed upon is unable or unwilling to act then any party may within 14 days from the date of the proposal to appoint an Independent Expert or within a further 14 days of notice to either party that he or she is unable or unwilling to act, apply to the President of the Law Society to appoint an Independent Expert.
4. If any matter is referred to the Independent Expert for determination in accordance with paragraph 2 above, then:
 - (a) the Independent Expert shall determine the matter, subject to the remaining provisions of this paragraph 4, on a basis that is fair and reasonable in all respects as between the Operator and TfGM and that takes into account all relevant factors and circumstances;
 - (b) the Independent Expert shall act as an expert and not as an arbitrator and its determination of the dispute shall be final and binding on the parties (save in the case of manifest error);
 - (c) TfGM and the Operator shall ensure that the Independent Expert has full access to all books, information and records in their possession or in the possession of their auditors and accountants that are relevant to the dispute and to his determination thereon; and
 - (d) the Independent Expert's fees shall be borne equally by the parties unless he shall decide that one party has acted unreasonably (in which case his fees shall be borne as he shall direct).

5. In the event that the parties are unable to agree to the arrangements for or appointment of the Independent Expert, the parties shall in good faith enter into a mediation in an attempt to settle the dispute and shall do so in accordance with the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure.
6. Either party may give written notice to the other ("ADR Notice"), which shall refer the dispute to mediation in accordance with paragraph 5. Unless otherwise agreed between the parties, the mediator will be nominated through the CEDR within 14 days of the date of the ADR Notice.
7. If there is any point on the logistical or practical arrangements of the mediation, other than the identity of the mediator, on which the parties cannot agree then within 14 days from the date of the ADR notice, the mediator will be asked to determine the point in dispute in accordance with the CEDR and in consultation with the parties.
8. Unless otherwise agreed in writing, the parties agree that any mediation will not start later than 28 days from the date of the ADR Notice.
9. The parties agree that mediation is a condition precedent and that the parties will be required to use all reasonable endeavours to resolve any Dispute by mediation, or other means as may be agreed, before court proceedings can be commenced.

SCHEDULE 8

Payment Periods

1. The Payment Periods under the Scheme shall be the calendar months or as otherwise may be notified to the Operators from time to time by TfGM in writing.
2. TfGM reserves the right, however, to change the Payment Periods with regard to individual Operators in appropriate circumstances, such revised periods will not be longer than a calendar month.

SCHEDULE 9

Part 1: Boundary Points of the Scheme Area

1. Orrell, Abbey Lakes Hotel
2. Billinge, Upholland Road, Makins Corner
3. Billinge, Wigan Road, Mount Pleasant Farm
4. North Ashton, Booths Brow Road, Brocstedes Avenue
5. North Ashton, Downall Green Road, Mill Farm
6. Bryn, Low Bank Road/M6
7. Ashton in Makerfield, Liverpool Road/M6
8. Haydock Park Racecourse
9. Golborne, East Lancs Road/Sandy Lane
10. Golborne Park Entrance
11. Lowton, Bulls Head
12. Winwick Lane, A579, railway bridge
13. Kenyon, Wilton Lane, Birchall's farm
14. East Lancs Road/Greyhound Hotel
15. Cadishead, Victory Road
16. Heatley Heath, Green Dragon public house
17. Bowdon, Dunham Road/ Bow Green Road
18. Hale, Ashley Road, Bollin Bridge
19. Ringway, Mill Lane
20. Styal, Hollin Lane
21. Handforth, Stanley Road/Wilmslow Road
22. Handforth, Stanley Road/A34
23. Woodford, Deanwater Hotel
24. Woodford, Walnut Tree Farm
25. Hazel Grove, Mill Lane, Fiveways
- 26.. High Lane, Alders Road
27. Strines, Post Office
28. Mellor, Moor End Road/Shiloh Road
29. Moorfield Arms, Shiloh Road
30. Chisworth, Brick Houses
31. Broadbottom, Cheshire Cheese
32. Woolley Bridge, Spread Eagle
33. Hollingworth, Millbrook
34. A 635 Holmfirth Rd, county boundary
35. Stanedge, A62, Great Western Hotel
36. A640, Huddersfield Rd, county boundary
37. A672, Windy Hill, Seventh Milestone
38. A58,Blackstone Edge, White House
39. Warland, Dean Head
40. Healey Ending, Market Street/Shawclough Road
41. Cheesden Bridge
42. Shuttleworth, Duckworth Arms
43. Stubbins, railway bridge
44. Holcombe, Helmshore Road, county boundary
45. Walves , Bury Rd
46. Turton, King William
47. Dimple, Moss Cottages
48. Belmont, Scout Rd
49. Rivington & Blackrod, High School
50. Horwich, Crown Hotel
51. Adlington, Pincroft Mill, A6
52. Chorley Road, Coppull, Mill Bridge
53. Standish, Preston Road, New Seven Stars

54. Shevington Moor, Boundary lane/Mossy Lea Road
55. Shevington Moor, Crow Orchard Road Four Lane Ends
56. Appley Bridge, Skull House Lane/Back Lane
57. Appleby Bridge, Mill Lane/Railway Hotel

Part 2: Boundary Points for the Vicinity of Greater Manchester– for purpose of paragraph 6.(c)(iii)

Hadfield
Glossop
Hayfield
Tideswell
Buxton
Macclesfield
Knutsford
Warrington
Prescot
Ormskirk
Leyland
Blackburn
Accrington
Rawtenstall
Bacup
Portsmouth
Todmorden
Hebden Bridge
Halifax
Huddersfield

SCHEDULE 10

Train and Metrolink boundary map

