

# RELEVANT LEGISLATION

## Scrutiny panel discussions



### Subsidised Bus Services

The 1985 Transport Act defines the role of Local Authorities in subsidising services. Section 63 of the act can be summarised as follows, although the full excerpt is included as Appendix A.

- To secure the provision of such public passenger transport services as the council considers appropriate to meet any public transport requirements which would not otherwise be met.
- In exercising functions relating to public passenger transport services, to have regard to the needs of elderly or disabled persons.

The 2008 Transport Act defines detailed parameters for the introduction of Voluntary Bus Partnerships, Quality Partnership Schemes and Quality Contracts as detailed in the report provided to the Scrutiny Panel meeting on 24 October 2012. To clarify a specific query through ticketing measures can be specified as part of Quality Partnership Schemes.

### Through Ticketing

Following recommendation from the Office of Fair Trading (OFT) a Block Exemption was approved in 2001 and extended in 2006 to cover public transport ticketing agreements in relation to the 1998 Competition Act. The legislation allows schemes to exist subject to a strict criteria which are designed to ensure competition is not distorted as a result of them. The Block Exemption specifies the following definitions which for the sake of the Scrutiny Panel discussions so far have all being covered under the heading 'Through ticketing':

**Multi-operator travelcards (MTCs)** which entitle ticket holders to make multiple journeys on a number of different operators' services across a number of different routes, provided those routes and services are not substantially the same - bus zonal tickets and travelcards, for example, are likely to be types of MTC.

- **through tickets (TTs)** which entitle ticket holders to make a particular journey using two or more services run by different operators where those operators do not compete with each other over a substantial part of the route covered by the ticket in question.
- **multi-operator individual tickets (MITs)** where two or more different operators provide services which can be used to make a particular journey and ticket holders can choose whichever service they use to make part or all of that journey.
- **short distance add-ons** which allow passengers to purchase an MTC as an extension to a ticket on an individual local route, and
- **long distance add-ons** which allow passengers to purchase a single-operator local service ticket, MTC or TT as an extension to a ticket on an individual long distance route.

The criteria the OFT may apply upon request is a competition test which gauges the impact of a proposed ticketing scheme on the local bus market.

## **Appendix A - Transport Act 1985 section 63**

*Functions of local councils with respect to passenger transport in areas other than passenger transport areas (1) In each non-metropolitan county of England and Wales it shall be the duty of the county council—*

*(a) to secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within the county which would not in their view be met apart from any action taken by them for that purpose ; and*

*(b) to formulate from time to time general policies as to the descriptions of services they propose to secure under paragraph (a) above.*

*(2) It shall be the duty of a regional or islands council in Scotland, in relation to any part of their area which is not a passenger transport area—*

*(a) to secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within their area which would not in their view be met apart from any action taken by them for that purpose; and*

*(b) to formulate from time to time general policies as to the descriptions of services they propose to secure under paragraph (a) above.*

*(3) In formulating policies under subsection (1)(b) or (2)(b) above with respect to the descriptions of services they propose to secure under subsection (1)(a) or (2)(a) above, a council shall have regard to any measures they are required or propose to take for meeting any transport requirements in exercise or performance of—*

*(a) any of their functions as a local education authority or (as the case may be) as an education authority ; or*

*(b) any of their social services or (as the case may be) social work functions.*

*(4) A non-metropolitan district council in England and Wales shall have power to secure the provision of such public passenger transport services as they consider it appropriate to secure to meet any public transport requirements within their area which would not in their view be met apart from any action taken by them for that purpose.*

*(5) For the purpose of securing the provision of any service under subsection (1)(a) or (2)(a) or (as the case may be) under subsection (4) above any council shall have power to enter into an agreement providing for service subsidies ; but their power to do so—*

*(a) shall be exercisable only where the service in question would not be provided without subsidy; and (b) is subject to sections 89 to 92 of this Act.*

*(6) A non-metropolitan county council in England and Wales or, in Scotland, a regional or islands council shall have power to take any measures that appear to them to be appropriate for the purpose of or in connection with promoting, so far as relates to their area—*

*(a) the availability of public passenger transport services other than subsidised services and the operation of such services, in conjunction with each other and with any available subsidised services, so as to meet any public transport requirements the council consider it appropriate to meet; or*

*(b) the convenience of the public (including persons who are elderly or disabled) in using all available public passenger transport services (whether subsidised or not).*

*(7) It shall be the duty of a county council or (as the case may be) of a regional or islands council, in exercising their power under subsection (6) above, so to conduct themselves as not to inhibit competition between persons providing or seeking to provide public passenger transport services in their area.*

*(8) It shall be the duty of any council, in exercising or performing any of their functions under the preceding provisions of this section, to have regard to the transport needs of members of the public who are elderly or disabled.*

*(9) References in subsection (6) above to subsidised services are references to services provided under an agreement providing for service subsidies entered into—*

*(a) by the council in question or by any other county or . district council or regional or islands council under this section; or*

*(b) by the Passenger Transport Executive for any passenger transport area under section 9A(4) of the 1968 Act.*

*(10) In this Act*

*(a) " public passenger transport services " means all those services on which members of the public rely for getting from place to place, when not relying on private facilities of their own, including school transport but not—*

*(i) services provided under permits under section 19 of this Act, other than services provided wholly or mainly to meet the needs of members of the public who are elderly or disabled ; or*

*(ii) excursions or tours ; and*

*(b) references, in relation to any Passenger Transport Executive, non-metropolitan county or district council or regional or islands council, to agreements providing for service subsidies are references to agreements under which any person undertakes to provide a public passenger transport service of any description on terms which include provision for the making of payments to that person by that Executive or council.*