

Department for Transport

Local Government Finance (England)

Special Grant Report (No. 130)

Report by the Secretary of State for Transport under Section 88B of the Local Government Finance Act 1988

Ordered by the House of Commons
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Special Grant Report on the grant to be paid towards the cost of implementing the new statutory minimum bus travel concession in England.

Laid before the House of Commons by the Secretary of State for Transport

Introduction

- 1 This Report is made by the Secretary of State for Transport (“the Secretary of State”) and laid before the House of Commons under section 88B(5) of the Local Government Finance Act 1988 (“the 1988 Act”) as substituted by paragraph 18 of Schedule 10 to the Local Government Finance Act 1992. It specifies a determination concerning concessionary travel special grants which the Secretary of State proposes to pay to certain local authorities in England.
- 2 This Report specifies the Secretary of State’s determination of the authorities to which the grants are to be paid, the purposes for which the grants are to be paid and the amount which it is proposed are paid to each of the authorities concerned. It also sets out an explanation of the main features of this determination. This Report concerns grants to be paid during the financial year 2010/11 only. It implements a new payment distribution scheme in substitution for the special grant allocations for 2010/11 that were set out in Annex A to Special Grant Report No. 129.
- 3 Before making this determination, the Secretary of State obtained the consent of the Treasury.

The Purpose

- 4 Pursuant to section 88B(3)(b) of the 1988 Act, the Secretary of State determines the following purpose for which special grants are to be paid:

To provide funding to Travel Concession Authorities (TCAs) in England (shire district councils, Passenger Transport Executives, unitary authorities and London authorities) towards the extra cost imposed by the change in the statutory minimum bus concession brought about by the Concessionary Bus Travel Act 2007. The new concession, which commenced on 1 April 2008, facilitates free off-peak travel on local buses anywhere in England for those of eligible age and eligible disabled people.
- 5 The purpose of the special grant is solely to cover the additional cost of the new concession. Funding for the pre-existing elements of the concession continues to be provided through Formula Grant.

Amounts Payable to Authorities

- 6 Pursuant to section 88B(3)(a) and (c) of the 1988 Act, for the financial year 2010/11 the Secretary of State determines that the authorities to which concessionary travel special grants are to be paid, and the amount of each grant, are those authorities listed in column 3 of Annex A and the corresponding amounts set out in column 5 of that Annex.
- 7 Reflecting responses received in a consultation exercise carried out in 2007 on the grant, payments will be made to Integrated Transport Authorities (on behalf of the Passenger Transport Executives) rather than metropolitan districts. There will also be a single payment to a nominated authority for all London authorities.
- 8 In addition, the Secretary of State also reserves the right, if there is agreement amongst all shire districts in a given county council area, to make a single aggregate payment to a county council, or a lead district council, in that county council area, in lieu of separate payments to individual districts.

Main features

- 9 Annex B contains an explanation of the main features of the determinations specified in this Report.

Conditions for the Payments of the Grants

- 10 Pursuant to section 88B(7) of the 1988 Act, the Secretary of State confirms that there will be no conditions imposed on the payment of the grants, or any instalment of the grants.

Signed by authority of the Secretary of State

*Sadiq Khan
Minister of State
The Department for Transport*

20 January 2010

The consent of the Treasury has been obtained to the making of this determination.

*Tony Cunningham
Dave Watts
Two of the Lords Commissioners
of Her Majesty's Treasury*

27 January 2010

Annex A - Proposed distribution

Concessionary Travel Special Grant Allocations 2010/11, £m

London and PTEs

Unique ID	Upper tier	Local Authority Name	Original 2010/11 Allocation (as per Special Grant Report 129)	New 2010/11 Special Grant Allocation	Difference
E5100	London	All London	58.32	28.09	-30.22
E6342	PTE	Greater Manchester	11.07	11.07	
E6343	PTE	Merseyside	6.86	8.01	1.15
E6344	PTE	South Yorkshire	5.41	5.41	
E6345	PTE	Tyne And Wear	5.65	5.67	0.02
E6346	PTE	West Midlands	12.99	12.99	
E6347	PTE	West Yorkshire	9.12	9.12	

Unitaries

Unique ID	Upper tier	Local Authority Name	Original 2010/11 Allocation (as per Special Grant Report 129)	New 2010/11 Special Grant Allocation	Difference
E0101	Unitary	Bath & North East Somerset	0.72	1.21	0.48
E0102	Unitary	Bristol	1.91	1.91	
E0103	Unitary	South Gloucestershire	0.65	0.26	-0.39
E0104	Unitary	North Somerset	0.56	0.73	0.16
E0201	Unitary	Luton	0.53	2.04	1.51
E0202	Unitary	Bedford	0.47	0.47	
E0203	Unitary	Central Bedfordshire	0.55	0.55	
E0301	Unitary	Bracknell Forest	0.26	0.26	
E0302	Unitary	West Berkshire	0.35	0.22	-0.13
E0303	Unitary	Reading	0.97	0.97	
E0304	Unitary	Slough	0.37	1.08	0.70
E0305	Unitary	Windsor and Maidenhead	0.34	0.34	
E0306	Unitary	Wokingham	0.22	0.22	
E0401	Unitary	Milton Keynes	0.78	0.78	
E0501	Unitary	Peterborough	0.75	1.47	0.72
E0601	Unitary	Halton	0.33	0.33	
E0602	Unitary	Warrington	0.69	1.19	0.51
E0603	Unitary	Cheshire East	1.01	1.01	
E0604	Unitary	Cheshire West and Chester	1.17	1.17	
E0701	Unitary	Hartlepool	0.35	0.35	
E0702	Unitary	Middlesbrough	0.60	0.60	
E0703	Unitary	Redcar and Cleveland	0.39	0.45	0.05
E0704	Unitary	Stockton-on-Tees	0.68	0.68	
E0801	Unitary	Cornwall	3.48	3.48	

Unique ID	Upper tier	Local Authority Name	Original 2010/11 Allocation (as per Special Grant Report 129)	New 2010/11 Special Grant Allocation	Difference
E1001	Unitary	Derby	0.98	3.85	2.87
E1101	Unitary	Plymouth	1.11	1.11	
E1102	Unitary	Torbay	1.03	1.62	0.58
E1201	Unitary	Poole	0.63	0.63	
E1202	Unitary	Bournemouth	1.18	1.25	0.07
E1301	Unitary	Darlington	0.51	1.35	0.85
E1302	Unitary	Durham	1.55	1.55	
E1401	Unitary	Brighton & Hove	1.80	1.80	
E1501	Unitary	Southend-on-Sea	0.65	0.26	-0.39
E1502	Unitary	Thurrock	0.48	0.22	-0.26
E1701	Unitary	Portsmouth	0.88	0.88	
E1702	Unitary	Southampton	1.11	1.11	
E1801	Unitary	Herefordshire	0.57	0.69	0.12
E2001	Unitary	East Riding of Yorkshire	0.88	0.88	0.01
E2002	Unitary	Kingston upon Hull	1.32	1.95	0.63
E2003	Unitary	North East Lincolnshire	0.63	0.63	
E2004	Unitary	North Lincolnshire	0.43	0.51	0.07
E2101	Unitary	Isle of Wight Council	0.89	1.78	0.88
E2201	Unitary	Medway	0.70	0.70	
E2301	Unitary	Blackburn with Darwen	0.52	0.52	
E2302	Unitary	Blackpool	1.44	2.32	0.88
E2401	Unitary	Leicester	1.62	2.35	0.73
E2402	Unitary	Rutland	0.08	0.08	
E2701	Unitary	York	1.17	1.52	0.35
E2901	Unitary	Northumberland	1.12	1.25	0.14
E3001	Unitary	Nottingham	2.06	4.37	2.31
E3201	Unitary	Telford and the Wrekin	0.54	0.54	
E3202	Unitary	Shropshire	0.93	0.93	
E3401	Unitary	Stoke-on-Trent	0.99	1.18	0.19
E3901	Unitary	Swindon	0.76	0.76	
E3902	Unitary	Wiltshire	1.19	1.19	
E4001	Unitary	Isles of Scilly	0.05	0.05	

Districts

Unique ID	Upper tier	Local Authority Name	Original 2010/11 Allocation (as per Special Grant Report 129)	New 2010/11 Special Grant Allocation	Difference
E0431	Buckinghamshire	Aylesbury Vale	0.38	0.38	
E0432	Buckinghamshire	Chiltern	0.17	0.17	
E0434	Buckinghamshire	South Bucks	0.17	0.17	
E0435	Buckinghamshire	Wycombe	0.38	0.38	
E0531	Cambridgeshire	Cambridge	0.68	1.99	1.31
E0532	Cambridgeshire	East Cambridgeshire	0.15	0.06	-0.08
E0533	Cambridgeshire	Fenland	0.23	0.23	
E0536	Cambridgeshire	South Cambridgeshire	0.19	0.08	-0.12
E0551	Cambridgeshire	Huntingdonshire	0.36	0.48	0.12
E0931	Cumbria	Allerdale	0.54	0.54	
E0932	Cumbria	Barrow-in-Furness	0.38	0.15	-0.23
E0933	Cumbria	Carlisle	0.52	0.54	0.03
E0934	Cumbria	Copeland	0.22	0.09	-0.13
E0935	Cumbria	Eden	0.36	0.22	-0.14
E0936	Cumbria	South Lakeland	0.90	0.93	0.03
E1031	Derbyshire	Amber Valley	0.31	0.33	0.02
E1032	Derbyshire	Bolsover	0.17	0.17	
E1033	Derbyshire	Chesterfield	0.44	2.27	1.84
E1035	Derbyshire	Derbyshire Dales	0.30	0.12	-0.18
E1036	Derbyshire	Erewash	0.29	0.79	0.50
E1037	Derbyshire	High Peak	0.28	0.28	
E1038	Derbyshire	North East Derbyshire	0.16	0.16	
E1039	Derbyshire	South Derbyshire	0.15	0.06	-0.09
E1131	Devon	East Devon	0.60	0.60	
E1132	Devon	Exeter	0.68	2.33	1.65
E1133	Devon	Mid Devon	0.19	0.08	-0.12
E1134	Devon	North Devon	0.70	0.34	-0.36
E1136	Devon	South Hams	0.42	0.18	-0.24
E1137	Devon	Teignbridge	0.52	0.52	
E1139	Devon	Torridge	0.26	0.11	-0.15
E1140	Devon	West Devon	0.20	0.10	-0.10
E1232	Dorset	Christchurch	0.22	0.22	
E1233	Dorset	East Dorset	0.19	0.09	-0.09
E1234	Dorset	North Dorset	0.19	0.08	-0.12
E1236	Dorset	Purbeck	0.23	0.11	-0.12
E1237	Dorset	West Dorset	0.48	0.29	-0.19
E1238	Dorset	Weymouth and Portland	0.49	0.49	
E1432	East Sussex	Eastbourne	0.51	0.99	0.48
E1433	East Sussex	Hastings	0.45	0.64	0.20
E1435	East Sussex	Lewes	0.23	0.09	-0.14
E1436	East Sussex	Rother	0.31	0.17	-0.14
E1437	East Sussex	Wealden	0.29	0.12	-0.17
E1531	Essex	Basildon	0.49	0.49	
E1532	Essex	Braintree	0.29	0.29	
E1533	Essex	Brentwood	0.17	0.17	
E1534	Essex	Castle Point	0.22	0.22	

Unique ID	Upper tier	Local Authority Name	Original 2010/11 Allocation (as per Special Grant Report 129)	New 2010/11 Special Grant Allocation	Difference
E1535	Essex	Chelmsford	0.43	0.76	0.33
E1536	Essex	Colchester	0.57	0.57	
E1537	Essex	Epping Forest	0.25	0.10	-0.15
E1538	Essex	Harlow	0.37	0.37	
E1539	Essex	Maldon	0.13	0.13	
E1540	Essex	Rochford	0.15	0.15	
E1542	Essex	Tendring	0.50	0.50	
E1544	Essex	Uttlesford	0.15	0.08	-0.07
E1631	Gloucestershire	Cheltenham	0.55	0.64	0.09
E1632	Gloucestershire	Cotswold	0.30	0.21	-0.09
E1633	Gloucestershire	Forest of Dean	0.18	0.18	
E1634	Gloucestershire	Gloucester	0.53	0.53	
E1635	Gloucestershire	Stroud	0.25	0.25	
E1636	Gloucestershire	Tewkesbury	0.14	0.14	
E1731	Hampshire	Basingstoke and Deane	0.36	0.38	0.02
E1732	Hampshire	East Hampshire	0.22	0.09	-0.12
E1733	Hampshire	Eastleigh	0.32	0.32	
E1734	Hampshire	Fareham	0.29	0.74	0.45
E1735	Hampshire	Gosport	0.20	0.20	
E1736	Hampshire	Hart	0.15	0.06	-0.09
E1737	Hampshire	Havant	0.34	0.34	
E1738	Hampshire	New Forest	0.52	0.52	
E1740	Hampshire	Rushmoor	0.30	0.39	0.09
E1742	Hampshire	Test Valley	0.24	0.25	0.02
E1743	Hampshire	Winchester	0.27	0.27	
E1931	Hertfordshire	Broxbourne	0.22	0.40	0.18
E1932	Hertfordshire	Dacorum	0.33	0.33	
E1933	Hertfordshire	East Hertfordshire	0.28	0.28	
E1934	Hertfordshire	Hertsmere	0.22	0.22	
E1935	Hertfordshire	North Hertfordshire	0.29	0.29	
E1936	Hertfordshire	St Albans	0.36	0.65	0.29
E1937	Hertfordshire	Stevenage	0.35	0.36	0.01
E1938	Hertfordshire	Three Rivers	0.13	0.13	
E1939	Hertfordshire	Watford	0.46	0.60	0.15
E1940	Hertfordshire	Welwyn Hatfield	0.27	0.27	
E2231	Kent	Ashford	0.37	0.17	-0.20
E2232	Kent	Canterbury	0.57	0.83	0.26
E2233	Kent	Dartford	0.42	0.42	
E2234	Kent	Dover	0.35	0.35	
E2236	Kent	Gravesham	0.29	0.45	0.16
E2237	Kent	Maidstone	0.47	0.47	
E2239	Kent	Sevenoaks	0.24	0.10	-0.15
E2240	Kent	Shepway	0.36	0.40	0.04
E2241	Kent	Swale	0.31	0.13	-0.19
E2242	Kent	Thanet	0.55	0.81	0.26
E2243	Kent	Tonbridge and Malling	0.26	0.11	-0.16
E2244	Kent	Tunbridge Wells	0.35	0.44	0.10
E2333	Lancashire	Burnley	0.35	0.49	0.15
E2334	Lancashire	Chorley	0.29	0.73	0.44

Unique ID	Upper tier	Local Authority Name	Original 2010/11 Allocation (as per Special Grant Report 129)	New 2010/11 Special Grant Allocation	Difference
E2335	Lancashire	Fylde	0.29	0.65	0.36
E2336	Lancashire	Hyndburn	0.34	0.34	
E2337	Lancashire	Lancaster	0.51	1.20	0.69
E2338	Lancashire	Pendle	0.28	0.11	-0.17
E2339	Lancashire	Preston	0.62	1.93	1.31
E2340	Lancashire	Ribble Valley	0.16	0.16	
E2341	Lancashire	Rossendale	0.22	0.22	
E2342	Lancashire	South Ribble	0.28	0.11	-0.17
E2343	Lancashire	West Lancashire	0.26	0.32	0.06
E2344	Lancashire	Wyre	0.34	0.45	0.11
E2431	Leicestershire	Blaby	0.19	0.32	0.13
E2432	Leicestershire	Charnwood	0.37	0.56	0.19
E2433	Leicestershire	Harborough	0.15	0.09	-0.07
E2434	Leicestershire	Hinckley and Bosworth	0.19	0.42	0.23
E2436	Leicestershire	Melton	0.11	0.11	
E2437	Leicestershire	North West Leicestershire	0.19	0.20	0.01
E2438	Leicestershire	Oadby and Wigston	0.18	0.29	0.11
E2531	Lincolnshire	Boston	0.20	0.23	0.03
E2532	Lincolnshire	East Lindsey	0.96	0.96	
E2533	Lincolnshire	Lincoln	0.57	0.77	0.20
E2534	Lincolnshire	North Kesteven	0.16	0.16	
E2535	Lincolnshire	South Holland	0.19	0.19	
E2536	Lincolnshire	South Kesteven	0.40	0.40	
E2537	Lincolnshire	West Lindsey	0.15	0.07	-0.08
E2631	Norfolk	Breckland	0.31	0.12	-0.19
E2632	Norfolk	Broadland	0.24	0.09	-0.14
E2633	Norfolk	Great Yarmouth	0.84	1.03	0.19
E2634	Norfolk	Kings Lynn and West Norfolk	0.53	0.53	
E2635	Norfolk	North Norfolk	0.51	0.25	-0.26
E2636	Norfolk	Norwich	0.94	2.35	1.41
E2637	Norfolk	South Norfolk	0.22	0.45	0.22
E2731	North Yorkshire	Craven	0.22	0.27	0.05
E2732	North Yorkshire	Hambleton	0.25	0.26	0.01
E2734	North Yorkshire	Richmondshire	0.19	0.19	
E2736	North Yorkshire	Scarborough	0.88	1.19	0.30
E2753	North Yorkshire	Harrogate	0.59	1.50	0.91
E2755	North Yorkshire	Ryedale	0.22	0.24	0.02
E2757	North Yorkshire	Selby	0.18	0.18	
E2831	Northamptonshire	Corby	0.17	0.28	0.11
E2832	Northamptonshire	Daventry	0.11	0.20	0.08
E2833	Northamptonshire	East Northamptonshire	0.14	0.26	0.12
E2834	Northamptonshire	Kettering	0.23	0.60	0.38
E2835	Northamptonshire	Northampton	0.71	0.71	
E2836	Northamptonshire	South Northamptonshire	0.14	0.07	-0.07
E2837	Northamptonshire	Wellingborough	0.19	0.35	0.16
E3031	Nottinghamshire	Ashfield	0.30	0.45	0.15
E3032	Nottinghamshire	Bassetlaw	0.30	0.30	
E3033	Nottinghamshire	Broxtowe	0.31	0.33	0.02
E3034	Nottinghamshire	Gedling	0.32	0.32	

Unique ID	Upper tier	Local Authority Name	Original 2010/11 Allocation (as per Special Grant Report 129)	New 2010/11 Special Grant Allocation	Difference
E3035	Nottinghamshire	Mansfield	0.40	0.69	0.29
E3036	Nottinghamshire	Newark and Sherwood	0.29	0.29	
E3038	Nottinghamshire	Rushcliffe	0.20	0.23	0.03
E3131	Oxfordshire	Cherwell	0.45	0.18	-0.27
E3132	Oxfordshire	Oxford	0.86	3.14	2.27
E3133	Oxfordshire	South Oxfordshire	0.33	0.18	-0.16
E3134	Oxfordshire	Vale of White Horse	0.27	0.49	0.22
E3135	Oxfordshire	West Oxfordshire	0.27	0.11	-0.16
E3331	Somerset	Mendip	0.33	0.33	
E3332	Somerset	Sedgemoor	0.39	0.39	
E3333	Somerset	Taunton Deane	0.41	0.41	
E3334	Somerset	South Somerset	0.40	0.40	
E3335	Somerset	West Somerset	0.30	0.12	-0.18
E3431	Staffordshire	Cannock Chase	0.35	0.35	
E3432	Staffordshire	East Staffordshire	0.35	0.43	0.09
E3433	Staffordshire	Lichfield	0.21	0.21	
E3434	Staffordshire	Newcastle-under-Lyme	0.30	0.37	0.06
E3435	Staffordshire	South Staffordshire	0.15	0.15	
E3436	Staffordshire	Stafford	0.36	0.55	0.18
E3437	Staffordshire	Staffordshire Moorlands	0.23	0.26	0.03
E3439	Staffordshire	Tamworth	0.34	0.34	
E3531	Suffolk	Babergh	0.23	0.09	-0.14
E3532	Suffolk	Forest Heath	0.18	0.10	-0.08
E3533	Suffolk	Ipswich	0.62	0.62	
E3534	Suffolk	Mid Suffolk	0.14	0.14	
E3535	Suffolk	St Edmundsbury	0.31	0.19	-0.12
E3536	Suffolk	Suffolk Coastal	0.32	0.13	-0.19
E3537	Suffolk	Waveney	0.44	0.58	0.14
E3631	Surrey	Elmbridge	0.30	0.12	-0.18
E3632	Surrey	Epsom and Ewell	0.20	0.09	-0.11
E3633	Surrey	Guildford	0.37	0.87	0.50
E3634	Surrey	Mole Valley	0.20	0.10	-0.10
E3635	Surrey	Reigate and Banstead	0.27	0.27	
E3636	Surrey	Runnymede	0.17	0.08	-0.09
E3637	Surrey	Spelthorne	0.26	0.10	-0.15
E3638	Surrey	Surrey Heath	0.21	0.49	0.28
E3639	Surrey	Tandridge	0.15	0.06	-0.09
E3640	Surrey	Waverley	0.28	0.28	
E3641	Surrey	Woking	0.27	0.34	0.08
E3731	Warwickshire	North Warwickshire	0.09	0.09	
E3732	Warwickshire	Nuneaton and Bedworth	0.36	0.36	
E3733	Warwickshire	Rugby	0.23	0.23	
E3734	Warwickshire	Stratford-on-Avon	0.36	0.47	0.11
E3735	Warwickshire	Warwick	0.42	0.42	
E3831	West Sussex	Adur	0.18	0.07	-0.11
E3832	West Sussex	Arun	0.42	0.62	0.20
E3833	West Sussex	Chichester	0.38	0.73	0.35
E3834	West Sussex	Crawley	0.34	0.34	
E3835	West Sussex	Horsham	0.26	0.52	0.25

Unique ID	Upper tier	Local Authority Name	Original 2010/11 Allocation (as per Special Grant Report 129)	New 2010/11 Special Grant Allocation	Difference
E3836	West Sussex	Mid Sussex	0.28	0.28	
E3837	West Sussex	Worthing	0.38	1.04	0.66
E1831	Worcestershire	Bromsgrove	0.18	0.27	0.09
E1835	Worcestershire	Redditch	0.24	0.24	
E1837	Worcestershire	Worcester	0.41	0.54	0.13
E1838	Worcestershire	Wychavon	0.28	0.33	0.05
E1839	Worcestershire	Wyre Forest	0.30	0.30	
E1851	Worcestershire	Malvern Hills	0.18	0.19	0.01

Annex B - Main Features of the Grants

Introduction

- 11 In the 2006 Budget, the Government announced that free off-peak local bus travel anywhere in England for people aged 60 and over and eligible disabled people, resident in England, would be in place from April 2008. This applies to travel from 9.30am to 11pm on weekdays, and all day at weekends and on bank holidays.
- 12 Under previous arrangements, such people (also known as “concessionaires”) were only eligible for statutory free off-peak travel within their own Travel Concession Authority (TCA) area, although authorities had the discretion to offer additional travel concessions above the statutory minimum. Under the new concession introduced in April 2008, eligible pass holders are now able to board any local bus in England and be entitled to free off-peak travel. This entitlement applies irrespective of which TCA issued their pass and where they wish to travel, as long as it is within England. Authorities retain the ability to offer additional travel concessions above the statutory minimum although these are only available within the issuing authority area, or as agreed with neighbouring authorities.
- 13 Outside London there are currently 263 TCAs that are responsible for concessionary travel for their eligible residents. In London the Freedom Pass scheme is administered by London Councils on behalf of the London authorities.

Drivers of additional costs for TCAs since April 2008

- 14 Bus operators must be reimbursed on a “no better or worse off” basis for participating in concessionary travel schemes. This applies to the statutory minimum concession and any discretionary enhancements an authority may offer. Reimbursement to bus operators is made up of: i) revenue foregone for a trip that would have been taken at a commercial fare in the absence of any scheme, and ii) any additional costs of new trips such as additional capacity and higher operating costs.
- 15 The additional burden faced by TCAs from the new concession, and the commensurate funding requirement on Central Government, is limited to the additional reimbursement to operators for journeys that would have been paid for in the absence of the new concession (plus any additional costs).
- 16 The Concessionary Bus Travel Act 2007 also changed the basis for reimbursement. Previously TCAs were obliged to reimburse operators for journeys made by their passholders. From April 2008 TCAs have to reimburse for all eligible passholders boarding buses in their area at off-peak times, irrespective of which TCA issued their pass. This has had an impact on the total number of trips a TCA must provide reimbursement for.

- 17 Such trips fall into three categories:
- Trips that would have previously been paid for by concessionary bus pass holders because they cross the boundary of the TCA in which they reside (some TCAs may have previously paid for such trips on a discretionary basis from its own resources);
 - Trips that would have previously been paid for by concessionary bus pass holders because their pass was issued by a different TCA to the one in which the trip takes place; and
 - Trips made by new concessionary bus pass holders that would previously have been paid for.
- 18 In London, the concessionary travel arrangements are different to the rest of England. The statutory minimum concession in London is set out in the Greater London Authority Act 1999. Under this legislation London Boroughs and the Common Council of the City of London were statutorily required to provide free off-peak bus travel on the London Bus Network for their residents across the Greater London area prior to April 2008.
- 19 Therefore the only increase in costs London faced as a result of the improved England-wide concession was for the cost of non-London residents now travelling free on the London bus network.

Additional funding available

- 20 A total of £223m is being made available for TCAs in England for 2010/11 to cover the additional costs of the statutory minimum concession. The equivalent figures for 2008/09 and 2009/10 were £212m and £217m respectively. The extra funding is not intended to cover any costs associated with the previous statutory concession of free off-peak bus travel within a local authority area. This will continue to be funded through the formula grant process. Given that the vast majority of bus travel is local, we would generally expect the costs of this travel to continue to form the majority of the funding required for the national bus concession.
- 21 The special grant funding is also not intended to cover any costs associated with discretionary concessions which authorities may decide to offer over and above the statutory minimum concession, such as travel before 9.30am, travel on other modes, or travel for other groups of concessionaires. These must continue to be funded directly by the authority at its own discretion. Government remains confident that local authorities receive sufficient funding in total to cover their existing statutory obligations.

Original Distribution

- 22 The original decision to use a special grant to fund the additional cost of the improved statutory minimum concession in the years 2008/09, 2009/10 and 2010/11 reflected both the views of local government and the challenges of deriving a formula distribution that would match the probable cost impact of the new concession in advance of its introduction.
- 23 The original distribution was based on a formula linked to variables that were anticipated to correlate to the drivers of extra cost. Factors which are likely to influence the extra costs faced by TCAs from the improved concession include:
- The number of concessionary bus pass holders within the TCA. This is related to the TCA's eligible population;
 - The extent to which the TCA 'attracts' eligible concessionaires from other TCAs to use its bus infrastructure. This could be related to the opportunities to use leisure or medical facilities within the TCA, the location of shopping centres and offices, the location of family and friends, and the extent to which a TCA acts as a transport hub for other onward journeys; and
 - The extent of the bus infrastructure within a TCA. A TCA with attractive work and shopping centres with limited bus services is likely to face lower extra costs than one with extensive services.
- 24 The variables used in the formula and their weightings were as follows:
- Eligible Population – 5.1%
 - Bus Patronage – 41%
 - Overnight Visitors (Domestic) – 15.4%
 - Retail Floor Space – 38.5%
- 25 The grant distribution was therefore expected to reflect the likely burden of cost and was designed to direct funding towards 'hotspot' areas such as coastal towns, urban centres and other authorities likely to experience an increase in concessionary bus journeys as a result of the new concession.

Review of Allocations

- 26 Following the first full year of the England-wide concession, the Department for Transport has carried out a review of the additional costs incurred by TCAs. This review has been based on data provided by local authorities to the Department for Communities and Local Government (CLG) on their Resource Outturn forms. Local authorities are required to report on these

forms the total amount that they have spent on concessionary travel. A comparison was made between the 2008/09 spending returns with those provided for the 2007/08 financial year (the year before the introduction of the national scheme) to establish the change in spend by each authority following the introduction of the national concession.

- 27 In analysing this data, the Department has sought to isolate as far as possible the impact of the changed concession on spending. This means taking into account other information that is available regarding changes between the two years where it is deemed sufficiently robust. This includes taking into account the existence of discretionary countywide and out-of-area free travel schemes prior to April 2008, which may have masked the full additional burden placed on some authorities, or significant changes in the terms of reimbursement.
- 28 It should be noted that the review only considered whether the additional costs of providing the extended concession have been met by the special grant funding. The review did not consider any costs associated with the pre-2008 statutory minimum bus concession or the funding that is provided for this via formula grant.
- 29 The conclusion from the analysis is that the additional special grant funding provided in 2008/09 was more than sufficient in total to meet the costs of the new concession. However, it is apparent that the distribution of the £212m of funding between authorities has given rise to some imbalances. Some authorities may have received insufficient funding to cover their additional costs whilst others may have received more grant than they required.

Consultation on Revised Allocations

- 30 The Government issued a consultation paper in November 2009 which exemplified a proposed revised distribution for the special grant funding for 2010/11 and sought views on whether this was preferable to the distribution for 2010/11 that was set out in Special Grant Report No. 129.
- 31 The method for calculating the revised distribution was as follows:
- Local authority spending returns provided to CLG in 2007/08 were compared with those provided in 2008/09;
 - The change in spend was then compared to the level of special grant funding provided, after allowing for any other information regarding changes between the two years e.g. the existence of discretionary countywide and out of area free travel schemes prior to April 2008, or significant changes in the terms of bus operator reimbursement;
 - Authorities were then categorised by whether they had a shortfall, surplus or the correct level of special grant funding;
 - Where authorities had experienced a shortfall of funding, their special grant allocations were increased accordingly;

- As the overall funding envelope of £223m remains unchanged, such adjustments were offset through reductions in the funding for authorities where it was estimated they had surplus grant funding in 2008/09.
 - In order to minimise disruption as far as possible only a proportion of the 'surplus' grant was removed from those authorities deemed to have received more grant than they actually required.
- 32 The Government has considered the responses to the consultation and has decided to proceed with a revised grant distribution for 2010/11. 57% of respondents to the consultation were either in favour or had no opinion of the proposed revised distribution. Outside of London, the proportion in favour or with no opinion of the revised distribution rose to 67%. Focussing specifically on those bodies that receive special grant funding and will therefore be affected by the proposals, only 22% of TCAs responded to the consultation to oppose the revised distribution.
- 33 Some amendments have been made to the distribution from the one consulted on as a result of additional evidence provided by TCAs as part of that consultation process. Amendments have been made to reflect corrections to the Resource Outturn data provided to the Department for Communities and Local Government and to isolate the impact of the changed concession on spending by adjusting for information provided by local authorities about the cost of discretionary concessions. For example, discretionary concessions that were offered in 2007/08 but were either withdrawn in 2008/09 or became part of the new statutory minimum bus concession in 2008/09 (e.g. countywide/ out of area travel) were deducted from the 2007/08 spending figures before they were compared to the 2008/09 spending figures to identify the amount of special grant funding required to meet the additional cost of the improved statutory minimum concession.
- 34 In the majority of cases, where adjustments have been made to authorities' special grant allocations as a result of the evidence provided in the consultation process, this has resulted in an upward adjustment to their special grant allocation. As the overall funding envelope of £223m remains unchanged, this has resulted in further reductions (above those set out in the consultation paper) to the allocations for authorities where it is estimated they are receiving more funding than is necessary. These authorities will still receive more than sufficient funding to meet the additional costs of the new statutory minimum concession in 2010/11.
- 35 The allocations already made for 2008/09 and 2009/10 are not being adjusted to recoup surplus grant funding received in those years. Therefore authorities that see a reduction in their grant as a result of the revised distribution in 2010/11 will have already benefited from two years of receiving more funding than was required.
- 36 The revised distribution is designed to provide a more equitable distribution of funding amongst local authorities, by better matching the distribution of costs that have actually been incurred during the first year of the national concession.



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