

Department for Transport

Local Government Finance (England)

Special Grant Report (No. 129)

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

Ordered by the House of Commons
to be printed on 19 February 2008

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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 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 such explanation as the Secretary of State considers desirable of the main features of this determination and specifies the conditions which the Secretary of State intends to impose on the payment of the grants. This Report concerns grants to be paid during 2008/9, 2009/10 and 2010/11.
- 3 Before making this determination and before specifying the conditions, 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 hereby 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 boroughs) towards the extra cost imposed by the change in the statutory minimum bus concession. The new concession, which starts on 1 April 2008, facilitates free off-peak travel on local buses anywhere in England for those aged 60 or over, and eligible disabled people.

Amounts Payable to Authorities

- 5 Pursuant to section 88B(3)(a) and (c) of the 1988 Act, the Secretary of State hereby 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 1 of Annex A and the corresponding amounts set out in column 2, 3 and 4 of that Annex for the years 2008/9, 2009/10 and 2010/11.

- 6 Reflecting responses received in the recent consultation exercise on the grant, payments will be made to Passenger Transport Executives rather than metropolitan districts. There will also be a single payment to a nominated authority for all London boroughs.
- 7 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

- 8 Annex B contains such explanation as the Secretary of State considers desirable of the main features of the determinations specified in this Report.

Conditions for the Payments of the Grants

- 9 Pursuant to section 88B(7) of the 1988 Act, the Secretary of State hereby 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

Rosie Winterton
Minister of State
The Department for Transport

14 February 2008

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

Frank Roy
Dave Watts
Two of the Lords Commissioners
of Her Majesty's Treasury

18 February 2008

Annex A - Proposed distribution

Concessionary Travel Special Grant Allocations 2008/9, 2009/10, 2010/11, £Ms

Department for Transport

			Total:	£212m	£217m	£223m
Code	Authority name	Authority Type	2008/09	2009/10	2010/11	
ALB	All London	ALB	55.440	56.748	58.317	
GM	Greater Manchester	PTE	10.519	10.768	11.065	
ME	Merseyside	PTE	6.519	6.673	6.857	
SY	South Yorkshire	PTE	5.144	5.266	5.411	
TW	Tyne And Wear	PTE	5.375	5.502	5.654	
WM	West Midlands	PTE	12.353	12.644	12.993	
WY	West Yorkshire	PTE	8.667	8.871	9.116	
R403	Isles of Scilly	UNI	0.051	0.053	0.054	
R601	Isle of Wight Council	UNI	0.848	0.868	0.892	
R602	Bath & North East Somerset	UNI	0.687	0.703	0.722	
R603	Bristol	UNI	1.820	1.863	1.915	
R604	South Gloucestershire	UNI	0.619	0.633	0.651	
R605	North Somerset	UNI	0.536	0.548	0.564	
R606	Hartlepool	UNI	0.333	0.341	0.350	
R607	Middlesbrough	UNI	0.566	0.580	0.596	
R608	Redcar and Cleveland	UNI	0.375	0.384	0.394	
R609	Stockton-on-Tees	UNI	0.649	0.664	0.682	
R610	East Riding of Yorkshire	UNI	0.833	0.852	0.876	
R611	Kingston upon Hull	UNI	1.255	1.284	1.320	
R612	North East Lincolnshire	UNI	0.603	0.618	0.635	
R613	North Lincolnshire	UNI	0.409	0.419	0.430	
R617	York	UNI	1.112	1.138	1.170	
R619	Luton	UNI	0.501	0.512	0.527	
R620	Milton Keynes	UNI	0.743	0.761	0.782	
R621	Derby	UNI	0.928	0.950	0.976	
R622	Bournemouth	UNI	1.126	1.153	1.185	
R623	Poole	UNI	0.596	0.610	0.627	
R624	Darlington	UNI	0.482	0.494	0.507	
R625	Brighton & Hove	UNI	1.715	1.756	1.804	
R626	Portsmouth	UNI	0.836	0.856	0.879	
R627	Southampton	UNI	1.059	1.084	1.114	
R628	Leicester	UNI	1.540	1.576	1.620	
R629	Rutland	UNI	0.074	0.076	0.078	
R630	Stoke-on-Trent	UNI	0.938	0.961	0.987	
R631	Swindon	UNI	0.721	0.738	0.759	
R642	Bracknell Forest	UNI	0.251	0.257	0.264	
R643	West Berkshire	UNI	0.334	0.342	0.352	
R644	Reading	UNI	0.926	0.948	0.974	
R645	Slough	UNI	0.356	0.364	0.374	
R646	Windsor and Maidenhead	UNI	0.321	0.329	0.338	

Code	Authority name	Authority Type	2008/09	2009/10	2010/11
R647	Wokingham	UNI	0.213	0.218	0.224
R649	Peterborough	UNI	0.717	0.734	0.754
R650	Halton	UNI	0.315	0.322	0.331
R651	Warrington	UNI	0.652	0.667	0.686
R652	Plymouth	UNI	1.060	1.085	1.115
R653	Torbay	UNI	0.982	1.005	1.033
R654	Southend-on-Sea	UNI	0.615	0.629	0.647
R655	Thurrock	UNI	0.452	0.463	0.476
R656	Herefordshire	UNI	0.543	0.555	0.571
R658	Medway	UNI	0.669	0.685	0.703
R659	Blackburn with Darwen	UNI	0.492	0.503	0.517
R660	Blackpool	UNI	1.368	1.401	1.439
R661	Nottingham	UNI	1.955	2.001	2.057
R662	Telford and the Wrekin	UNI	0.513	0.525	0.539
R7	Bedford	SD	0.450	0.460	0.473
R9	Mid Bedfordshire	SD	0.214	0.219	0.225
R10	South Bedfordshire	SD	0.310	0.317	0.326
R17	Aylesbury Vale	SD	0.358	0.367	0.377
R18	South Bucks	SD	0.165	0.169	0.174
R19	Chiltern	SD	0.165	0.169	0.174
R21	Wycombe	SD	0.363	0.372	0.382
R22	Cambridge	SD	0.645	0.660	0.679
R23	East Cambridgeshire	SD	0.142	0.146	0.150
R24	Fenland	SD	0.217	0.222	0.229
R27	South Cambridgeshire	SD	0.183	0.187	0.192
R28	Chester	SD	0.562	0.575	0.591
R29	Congleton	SD	0.200	0.205	0.211
R30	Crewe and Nantwich	SD	0.337	0.345	0.355
R31	Ellesmere Port and Neston	SD	0.257	0.263	0.270
R33	Macclesfield	SD	0.423	0.433	0.445
R34	Vale Royal	SD	0.296	0.303	0.311
R40	Caradon	SD	0.354	0.362	0.372
R41	Carrick	SD	0.528	0.541	0.556
R42	Kerrier	SD	0.403	0.413	0.424
R43	North Cornwall	SD	0.666	0.682	0.701
R44	Penwith	SD	0.539	0.552	0.567
R45	Restormel	SD	0.822	0.841	0.864
R46	Allerdale	SD	0.512	0.524	0.539
R47	Barrow-in-Furness	SD	0.365	0.373	0.384
R48	Carlisle	SD	0.492	0.504	0.518
R49	Copeland	SD	0.208	0.213	0.219
R50	Eden	SD	0.346	0.354	0.363
R51	South Lakeland	SD	0.855	0.875	0.900
R52	Amber Valley	SD	0.296	0.303	0.312
R53	Bolsover	SD	0.160	0.164	0.168
R54	Chesterfield	SD	0.416	0.426	0.438
R56	Erewash	SD	0.276	0.283	0.291
R57	High Peak	SD	0.263	0.269	0.277
R58	North East Derbyshire	SD	0.154	0.158	0.162
R59	South Derbyshire	SD	0.147	0.150	0.154
R60	Derbyshire Dales	SD	0.290	0.297	0.305

Code	Authority name	Authority Type	2008/09	2009/10	2010/11
R61	East Devon	SD	0.574	0.587	0.604
R62	Exeter	SD	0.647	0.663	0.681
R63	North Devon	SD	0.663	0.679	0.698
R65	South Hams	SD	0.403	0.413	0.424
R66	Teignbridge	SD	0.494	0.505	0.519
R67	Mid Devon	SD	0.184	0.188	0.193
R69	Torridge	SD	0.246	0.251	0.258
R70	West Devon	SD	0.189	0.194	0.199
R72	Christchurch	SD	0.209	0.214	0.220
R73	North Dorset	SD	0.184	0.188	0.193
R75	Purbeck	SD	0.214	0.219	0.225
R76	West Dorset	SD	0.455	0.466	0.479
R77	Weymouth and Portland	SD	0.469	0.480	0.493
R78	East Dorset	SD	0.178	0.182	0.187
R79	Chester-le-Street	SD	0.164	0.168	0.172
R81	Derwentside	SD	0.227	0.232	0.238
R82	Durham	SD	0.355	0.363	0.373
R83	Easington	SD	0.242	0.248	0.254
R84	Sedgefield	SD	0.207	0.212	0.218
R85	Teesdale	SD	0.077	0.079	0.081
R86	Wear Valley	SD	0.199	0.204	0.210
R88	Eastbourne	SD	0.482	0.493	0.507
R89	Hastings	SD	0.424	0.434	0.446
R91	Lewes	SD	0.214	0.219	0.225
R92	Rother	SD	0.297	0.304	0.313
R93	Wealden	SD	0.276	0.282	0.290
R94	Basildon	SD	0.463	0.473	0.487
R95	Braintree	SD	0.279	0.285	0.293
R96	Brentwood	SD	0.159	0.163	0.167
R97	Castle Point	SD	0.209	0.214	0.219
R98	Chelmsford	SD	0.413	0.423	0.435
R99	Colchester	SD	0.538	0.551	0.566
R100	Epping Forest	SD	0.235	0.241	0.247
R101	Harlow	SD	0.352	0.360	0.370
R102	Maldon	SD	0.122	0.125	0.128
R103	Rochford	SD	0.141	0.145	0.149
R105	Tendring	SD	0.477	0.488	0.501
R107	Uttlesford	SD	0.147	0.151	0.155
R108	Cheltenham	SD	0.525	0.537	0.552
R109	Cotswold	SD	0.284	0.290	0.298
R110	Forest of Dean	SD	0.169	0.173	0.178
R111	Gloucester	SD	0.506	0.518	0.532
R112	Stroud	SD	0.237	0.243	0.250
R113	Tewkesbury	SD	0.129	0.132	0.136
R114	Basingstoke and Deane	SD	0.342	0.350	0.360
R115	East Hampshire	SD	0.205	0.210	0.215
R116	Eastleigh	SD	0.305	0.312	0.320
R117	Fareham	SD	0.278	0.284	0.292
R118	Gosport	SD	0.194	0.199	0.205
R119	Hart	SD	0.142	0.145	0.149
R120	Havant	SD	0.327	0.335	0.344
R121	New Forest	SD	0.493	0.504	0.518

Code	Authority name	Authority Type	2008/09	2009/10	2010/11
R123	Rushmoor	SD	0.283	0.289	0.297
R125	Test Valley	SD	0.225	0.231	0.237
R126	Winchester	SD	0.256	0.262	0.269
R127	Bromsgrove	SD	0.170	0.174	0.179
R131	Redditch	SD	0.228	0.233	0.239
R133	Worcester	SD	0.388	0.397	0.408
R134	Wychavon	SD	0.269	0.275	0.283
R135	Wyre Forest	SD	0.289	0.295	0.304
R136	Broxbourne	SD	0.205	0.210	0.216
R137	Dacorum	SD	0.315	0.322	0.331
R138	East Hertfordshire	SD	0.262	0.268	0.276
R139	Hertsmere	SD	0.211	0.216	0.222
R140	North Hertfordshire	SD	0.279	0.285	0.293
R141	St Albans	SD	0.341	0.349	0.358
R142	Stevenage	SD	0.337	0.345	0.354
R143	Three Rivers	SD	0.124	0.127	0.131
R144	Watford	SD	0.433	0.443	0.456
R145	Welwyn Hatfield	SD	0.254	0.260	0.267
R157	Ashford	SD	0.348	0.356	0.366
R158	Canterbury	SD	0.546	0.559	0.575
R159	Dartford	SD	0.395	0.405	0.416
R160	Dover	SD	0.333	0.340	0.350
R162	Gravesham	SD	0.274	0.280	0.288
R163	Maidstone	SD	0.444	0.455	0.467
R165	Sevenoaks	SD	0.233	0.238	0.245
R166	Shepway	SD	0.346	0.354	0.364
R167	Swale	SD	0.298	0.305	0.314
R168	Thanet	SD	0.524	0.536	0.551
R169	Tonbridge and Malling	SD	0.251	0.257	0.264
R170	Tunbridge Wells	SD	0.329	0.336	0.346
R173	Burnley	SD	0.333	0.340	0.350
R174	Chorley	SD	0.275	0.282	0.289
R175	Fylde	SD	0.275	0.281	0.289
R176	Hyndburn	SD	0.327	0.335	0.344
R177	Lancaster	SD	0.487	0.498	0.512
R178	Pendle	SD	0.268	0.274	0.281
R179	Preston	SD	0.590	0.604	0.620
R180	Ribble Valley	SD	0.153	0.156	0.161
R181	Rossendale	SD	0.206	0.211	0.216
R182	South Ribble	SD	0.266	0.273	0.280
R183	West Lancashire	SD	0.247	0.253	0.260
R184	Wyre	SD	0.323	0.331	0.340
R185	Blaby	SD	0.178	0.183	0.188
R186	Charnwood	SD	0.354	0.362	0.372
R187	Harborough	SD	0.145	0.148	0.152
R188	Hinckley and Bosworth	SD	0.179	0.183	0.188
R190	Melton	SD	0.105	0.107	0.110
R191	North West Leicestershire	SD	0.176	0.181	0.186
R192	Oadby and Wigston	SD	0.170	0.175	0.179
R194	Boston	SD	0.188	0.192	0.197
R195	East Lindsey	SD	0.908	0.929	0.955
R196	Lincoln	SD	0.541	0.554	0.569

Code	Authority name	Authority Type	2008/09	2009/10	2010/11
R197	North Kesteven	SD	0.149	0.152	0.156
R198	South Holland	SD	0.177	0.181	0.186
R199	South Kesteven	SD	0.379	0.387	0.398
R200	West Lindsey	SD	0.143	0.146	0.150
R201	Breckland	SD	0.296	0.303	0.311
R202	Broadland	SD	0.225	0.230	0.237
R203	Great Yarmouth	SD	0.801	0.820	0.843
R204	North Norfolk	SD	0.486	0.498	0.511
R205	Norwich	SD	0.889	0.910	0.935
R206	South Norfolk	SD	0.212	0.217	0.223
R207	Kings Lynn and West Norfolk	SD	0.504	0.516	0.530
R208	Corby	SD	0.162	0.166	0.171
R209	Daventry	SD	0.109	0.111	0.115
R210	East Northamptonshire	SD	0.132	0.135	0.138
R211	Kettering	SD	0.217	0.222	0.228
R212	Northampton	SD	0.678	0.693	0.713
R213	South Northamptonshire	SD	0.129	0.132	0.136
R214	Wellingborough	SD	0.181	0.185	0.190
R215	Alnwick	SD	0.143	0.146	0.150
R216	Berwick-upon-Tweed	SD	0.249	0.255	0.262
R217	Blyth Valley	SD	0.205	0.210	0.215
R218	Castle Morpeth	SD	0.117	0.119	0.123
R219	Tynedale	SD	0.174	0.178	0.183
R220	Wansbeck	SD	0.175	0.180	0.185
R221	Craven	SD	0.213	0.218	0.224
R222	Hambleton	SD	0.237	0.243	0.250
R224	Richmondshire	SD	0.178	0.182	0.187
R226	Scarborough	SD	0.839	0.859	0.882
R229	Ashfield	SD	0.287	0.294	0.302
R230	Bassetlaw	SD	0.282	0.289	0.297
R231	Broxtowe	SD	0.297	0.304	0.312
R232	Gedling	SD	0.307	0.314	0.323
R233	Mansfield	SD	0.383	0.392	0.403
R234	Newark and Sherwood	SD	0.279	0.285	0.293
R236	Rushcliffe	SD	0.186	0.190	0.195
R237	Cherwell	SD	0.426	0.436	0.448
R238	Oxford	SD	0.821	0.840	0.863
R239	South Oxfordshire	SD	0.317	0.324	0.333
R240	Vale of White Horse	SD	0.261	0.267	0.275
R241	West Oxfordshire	SD	0.255	0.261	0.268
R242	Bridgnorth	SD	0.120	0.122	0.126
R243	North Shropshire	SD	0.134	0.138	0.141
R244	Oswestry	SD	0.116	0.119	0.123
R245	Shrewsbury and Atcham	SD	0.391	0.401	0.412
R246	South Shropshire	SD	0.126	0.129	0.132
R248	Mendip	SD	0.316	0.324	0.333
R249	Sedgemoor	SD	0.368	0.376	0.387
R250	Taunton Deane	SD	0.388	0.397	0.408
R251	West Somerset	SD	0.290	0.296	0.305
R252	South Somerset	SD	0.384	0.394	0.404
R253	Cannock Chase	SD	0.330	0.337	0.347
R254	East Staffordshire	SD	0.329	0.337	0.346

Code	Authority name	Authority Type	2008/09	2009/10	2010/11
R255	Lichfield	SD	0.204	0.209	0.215
R256	Newcastle-under-Lyme	SD	0.286	0.292	0.300
R257	South Staffordshire	SD	0.143	0.146	0.150
R258	Stafford	SD	0.343	0.351	0.361
R259	Staffordshire Moorlands	SD	0.221	0.227	0.233
R261	Tamworth	SD	0.320	0.328	0.337
R262	Babergh	SD	0.215	0.221	0.227
R263	Forest Heath	SD	0.173	0.177	0.182
R264	Ipswich	SD	0.594	0.608	0.625
R265	Mid Suffolk	SD	0.138	0.141	0.145
R266	St Edmundsbury	SD	0.293	0.300	0.308
R267	Suffolk Coastal	SD	0.306	0.313	0.322
R268	Waveney	SD	0.419	0.429	0.441
R269	Elmbridge	SD	0.283	0.290	0.298
R270	Epsom and Ewell	SD	0.194	0.199	0.204
R271	Guildford	SD	0.352	0.360	0.370
R272	Mole Valley	SD	0.187	0.191	0.196
R273	Reigate and Banstead	SD	0.260	0.266	0.274
R274	Runnymede	SD	0.162	0.166	0.171
R275	Spelthorne	SD	0.244	0.250	0.257
R276	Surrey Heath	SD	0.200	0.204	0.210
R277	Tandridge	SD	0.146	0.150	0.154
R278	Waverley	SD	0.262	0.269	0.276
R279	Woking	SD	0.254	0.260	0.267
R280	North Warwickshire	SD	0.082	0.084	0.087
R281	Nuneaton and Bedworth	SD	0.342	0.350	0.360
R282	Rugby	SD	0.215	0.220	0.226
R283	Stratford-on-Avon	SD	0.342	0.350	0.360
R284	Warwick	SD	0.397	0.406	0.417
R285	Adur	SD	0.167	0.171	0.175
R286	Arun	SD	0.403	0.413	0.424
R287	Chichester	SD	0.359	0.368	0.378
R288	Crawley	SD	0.326	0.334	0.343
R289	Horsham	SD	0.251	0.257	0.264
R290	Mid Sussex	SD	0.271	0.277	0.285
R291	Worthing	SD	0.357	0.365	0.375
R292	Kennet	SD	0.183	0.187	0.192
R293	North Wiltshire	SD	0.261	0.267	0.275
R294	Salisbury	SD	0.350	0.358	0.368
R296	West Wiltshire	SD	0.338	0.346	0.356
R614	Harrogate	SD	0.560	0.574	0.589
R615	Ryedale	SD	0.205	0.210	0.216
R616	Selby	SD	0.174	0.178	0.183
R648	Huntingdonshire	SD	0.343	0.351	0.361
R657	Malvern Hills	SD	0.176	0.180	0.185

Annex B - Main Features of the Grants

Introduction

- 10 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 will apply to travel from 9.30am to 11pm on weekdays, and all day at weekends and on bank holidays.
- 11 Under current arrangements, concessionaires are only eligible for statutory free off-peak travel within their own Travel Concession Authority (TCA) area, although authorities have the discretion to offer additional travel concessions above the statutory minimum. Under the new concession, from April 2008 eligible pass holders will be able to board any local bus in England and be entitled to free off-peak travel. This entitlement will apply irrespective of which TCA issued their pass and where they wish to travel, as long as it is within England. Authorities will retain the ability to offer additional travel concessions above the statutory minimum although these will only be available within the issuing authority area, or as agreed with neighbouring authorities.
- 12 Outside London there are currently 291 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 boroughs.

Drivers of additional costs for TCAs from April 2008

- 13 Bus operators must be reimbursed on a “no better or worse off” basis for participating in concessionary fares schemes. This applies to the existing statutory concession, the new concession from April 2008, 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.
- 14 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).
- 15 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 will have to reimburse for all eligible passholders boarding buses in their area in the off-peak, irrespective of which TCA issued their pass. This is likely to impact on the total number of trips a TCA must provide reimbursement for.

- 16 Such trips are likely to fall into three categories:
- o Trips that would have been paid for by concessionaires resident in a TCA that cross the TCA's boundary (a TCA may already be paying for these on a discretionary basis from its own resources);
 - o Trips by non-resident concessionaires that would have been paid for; and
 - o Trips made by new pass holders that would previously have been paid for.

Additional funding available

- 17 A total of £212m is being made available for TCAs in England for 2008/9 to cover the additional costs of the statutory minimum concession. The equivalent figures are £217m for 2009/10 and £223m for 2010/11. 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.
- 18 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.

Allocations

- 19 The decision to use a special grant reflects both the views of local government and the challenges of deriving a formula distribution that matches the probable cost impact of the new concession in advance of its introduction.
- 20 The Government issued a consultation paper in September 2007 exemplifying four options for distributing the new grant funding. These four distributions were based on available data sources that are likely to correlate to the drivers of extra cost. Factors which are likely to influence the extra costs faced by TCAs from the new concession include:
- o The number of passholders within the TCA. This is itself related to the TCA's population of eligible concessionaires;
 - o 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 infrastructure 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

- o The extent of the bus infrastructure within a TCA. A TCA with attractive work and shopping centres with limited bus services is obviously likely to face lower extra costs than one with extensive services.

- 21 The four distribution options offered reflected this analysis and distributed the new funding using between three and four variables. A proportion of the funding was allocated using each of the variables.
- 22 Over 200 local authorities responded to the consultation which closed on 23 November. The consultation responses suggested a favoured option which distributed the funding on the basis of eligible population, bus patronage, overnight visitors and retail floor space.
- 23 The allocations set out in Annex A are based on this option subject to two changes. The first was to change the proportions used to split the funding between the four data sources used. This change was to better reflect the likely burden of costs between different categories of authority. The second change was to the way bus patronage data (which is not available by district council) was allocated at the sub-county level. This was originally allocated on the basis of population however this approach was criticised by a number of consultees as not accurately reflecting the likely pattern of cost. The proposed distribution is now based on allocating bus patronage to districts by a combination of population and bus stop density (split 50:50).
- 24 The proposed grant distribution reflects the likely burden of cost and is 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.

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