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Concessionary Travel
Department for Transport
3/21 Great Minster House
76 Marsham Street
London, SW1P 4DR

10th November 2010

Dear Sir/Madam,

Reimbursement Arrangements for the Concessionary Bus Travel Scheme in England

TravelWatch NorthWest (TWNW) is an independent Community Interest Company representing users of all forms of public transport in North West England. We are pleased to respond to this consultation which we note follows on from the consultations in October 2009 on the administration of the National Concessionary Scheme and in December 2009 on the distribution of the Special Grant to “atypical” Travel Concession Authorities.

Background.

In our responses to both these earlier consultation we supported the suggestion that the new (in 2011) top tier Travel Concession Authorities (TCAs) should initially administer the scheme but left open an option for disbursements to be made at a later date at national level.

We note how that consultation was primarily of concern to TCAs as it discussed how they were to be funded¹ to be able to reimburse operators for their “revenue foregone”, but that the results of the current consultation will have a direct effect on operators (as well as TCAs and national government) because it discusses how the reimbursements they receive may be calculated.

Passengers could also be effected by higher fares or service reductions if reimbursements to operators do not fully cover their revenue foregone.

¹ TCAs currently receive an unhypothecated block grant calculated by formula based on the demographics of their areas. “Atypical” TCAs (e.g. where there are high levels of non originating concessionary passengers because there are major bus interchanges or in tourist areas) receive an additional Special Grant.

We did identify some administrative problems and issues on many of which this new consultation touches -

- *The high level of appeals by operators – whilst the reduced number of TCAs should partially redress this, only a transparently fair reimbursement formula will be able to fully do so. We also note with satisfaction that adjudicators hearing appeals are to be able to reduce reimbursements if they consider these to have been excessive, which should act as a brake on speculative referrals. We understand there is evidence of some overpayments having been made.*
- *Poor data availability – the roll out of smartcards could help here, and we are pleased to note the enhanced Bus Service Operator Grant (BSOG) given to operators who co-operate in this exercise.*
- *Calculating reimbursements on the basis of where passengers board their buses rather than where they reside – a National scheme could overcome this problem.*
- *Inconsistencies between TCA's disbursement levels – again, a National scheme could overcome this problem.*
- *Operators raising fares to maximise their reimbursements – operators who do so risk losing some of their commercial revenue from fare paying passengers choosing not to travel by bus.*

As ever we will be happy if asked to expand on our response either in writing or in person, and hope our observations prove both helpful and constructive

We have used the electronic response form provided to try to address the ten specific questions posed by this current consultation. This is attached.

Yours faithfully

John Moorhouse
Company Secretary

(Author of response Paul Fawcett MPhil. FCILT)