

Devon County Council Concessionary Travel Scheme

To be valid from 1 April 2011

1. Legal Background

1.1. The Devon County Council Concessionary Travel scheme (the Scheme) is published by Devon County Council under powers given to the County Council to act as a Travel Concession Authority under the Transport Act 1985 (the 1985 Act), the Transport Act 2000 (the 2000 Act), the Travel Concession Scheme Regulations 1986 (the 1986 regulations), the Travel Concessions (Eligibility) Act 2002 (the 2002 Act) and the Concessionary Bus Travel Act 2007 (the 2007 Act) and the associated Statutory Instruments listed in Schedule 1.

2. Scheme area

2.1. The Scheme will provide free travel on eligible local bus services to defined eligible persons within the County Council administrative boundary. It will also provide valid statutory travel permits to eligible residents of Devon to allow free travel throughout England during the statutory times

3. Relevant times

3.1. The statutory free travel concession will be provided to eligible persons at all times on Saturdays, Sundays and Public Holidays and on week days from 0930 to 2300.

3.2. The County Council will exercise its discretionary powers under the 1985 Act to extend the valid times on weekdays within the Scheme area so that valid passes can be used on eligible bus services where there is a service before 0930 but no further service until after 1100 and there will be no week day restriction after 2300.

3.3. The current pre 0930 exceptions are listed by route under Schedule 3; this list is subject to change with alterations to bus service registrations.

4. Eligible services

4.1. The free travel concession will be available on all local bus services as defined by the Travel Concessions (Eligible Services) (Amendment) Order 2009 operating within the Scheme area, i.e. registered local bus services. There may be some exceptions as determined from time to time by the County Council.

4.2. All operators of eligible services have a right of admission to the Scheme; the County Council has powers to oblige operators to enter the scheme.

4.3. All operators of eligible services will be reimbursed for their participation in the scheme in respect of the income foregone in accordance with the current arrangements for reimbursement (Schedule 8).

4.4. Under the terms of the 2000 Act and the 1986 regulations an operator may not withdraw from providing the free travel concession on any eligible services within the Scheme

area.

5. Eligible Persons

- 5.1. In respect of the statutory travel concessions under the 2000 Act, operators participating in the Scheme will be required to provide on their eligible services to any person with a valid statutory travel permit the travel concessions specified in Schedule 2.
- 5.2. The County Council will exercise its powers under the 1985 Act to provide a separate, supplementary travel permit to severely disabled persons who hold a statutory travel permit. Severely disabled persons who are only able to access public transport services with the assistance of a travelling companion may apply for a supplementary pass for use by a nominated companion when travelling with the severely disabled person using their statutory travel permit.
- 5.3. The supplementary travel permit will only be valid for journeys starting within the Scheme area.
- 5.4. The supplementary travel permit will be to a Devon County Council design for Devon wide travel and will not oblige other English Travel Concession Authorities or operators to provide any concession to the holder outwith the County Council boundary.

6. Statutory Travel permits

- 6.1. In order to obtain free travel within the Scheme area all eligible persons must hold a valid pass.
- 6.2. Eligible residents of Devon will be required to apply for and obtain a statutory travel permit as specified by the Concessionary Bus Travel (Permits) (England) Regulations 2008.
- 6.3. Eligible residents of other English TCA areas should contact their local council.
- 6.4. Eligible residents of Devon will be required to provide a completed application form, a passport sized photograph, proof of residence and proof of age or disability as specified in the County Council application booklet available from March 2011.
- 6.5. Operators will allow free travel only on production of a current valid travel permit.
- 6.6. Permit holders must give details of the journey required with a destination point to the driver of the service.
- 6.7. A ticket will be issued for each journey made which must be retained and shown on inspection.
- 6.8. If a permit is not shown or is not valid or is defaced or travel commences before the relevant time full fare may be charged by the driver and such fares shall not be refunded to the passenger.
- 6.9. A valid pass will be issued free of charge to eligible persons who are first time

applicants.

6.10. Damaged, lost or stolen passes will be replaced on application providing reasonable care was been taken with the original pass and no fraud or other misuse is involved.

6.11. The County Council reserves the right to charge the administration costs of replacement.

7. Reimbursement arrangements

7.1. These Travel Concession reimbursement arrangements (subsequently referred to as “the Arrangements”) are made under the provisions of the Transport Act 1985 (the 1985 Act) and the Transport Act 2000 (the 2000 Act as amended by the Concessionary Bus Travel Act 2007 (the 2007 Act) .

7.2. In accordance with “*Concessionary Travel for older and disabled people: guidance on reimbursing bus operators*” issued by the Department for Transport, these reimbursement arrangements are established (as far as applicable) in accordance with the principles set out in European Regulation No 1370/2007 and the Travel Concession Scheme Regulations 1986 and any subsequent applicable regulations and with the objective that bus operators should be no better or worse off as a result of the national statutory travel concession or the County Council’s discretionary concessions.

7.3. The Arrangements cover reimbursement arrangements for both the mandatory and discretionary concessions to be provided by operators as detailed in section 11.

7.4. Unless otherwise defined in the Arrangements, words or terms used in the Arrangements shall have the same meaning as given to such words or terms in the 2000 Act, and the 1986 Regulations.

8. Operative Date

8.1. The Arrangements shall come into operation in their entirety on 1st April 2011.

9. Principal Area

9.1. The Principal Area covered by the Arrangements is the County Council scheme area described in section 2.

10. Services to which the Arrangements Apply

10.1. The Arrangements shall apply to each journey beginning in the Principal Area by an eligible person as defined in schedule 2.

10.2. For the purpose of the Arrangements, “journey” means a trip between two points without a change of vehicle or service.

11. Eligible Persons and Nature of Concession

- 11.1. In respect of the mandatory travel concessions under the 2000 Act and the County Council discretionary concessions under the 1985 Act, operators participating in the Arrangements will be required, on their eligible services, to provide to any person with a valid statutory travel permit or a Devon wide supplementary travel pass for a companion the travel concessions specified in Schedule 2.
- 11.2. The County Council reserves the right to make variations to the Scheme provided that statutory notice periods of any such variations are published ahead of implementation in accordance with the relevant legislation or Department for Transport Guidance.

12. Payment Periods and Dates

- 12.1. The "payment periods" under the Arrangements are as set out in Schedule 9 or as notified to the operators by the County Council in writing from time to time.
- 12.2. Subject to the stipulation in section 14.5, the County Council will make a payment to operators not later than the 10th day of the month for each payment period, which is estimated to be equal to not less than 85% of the sum the County Council estimates to be due to the operator for that period.
- 12.3. Subject to the stipulation in section 14.5, the County Council will make a further payment to operators, not later than 3 months after the end of the relevant payment period, equal to the difference (if any) between:
- (a) The sum already paid to the operator for the relevant payment period as set out in Schedule 9 and,
 - (b) The actual amount calculated as due to the operator for that relevant payment period.
- 12.4. If the amount paid under paragraph 12.2 exceeds the amount calculated under paragraph 12.3 such that the County Council has made an overpayment for the relevant period, it shall either:
- (a) deduct the level of such overpayment from the next or any subsequent payment; or
 - (b) if no such further payment is likely to become due or to be insufficient to recover such overpayment, demand in writing such overpayment from the operator who shall repay the same within 14 days of the demand being made.

13. Standard Method of Determining Passenger Journeys, Fare Values and Reimbursement Arrangements

- 13.1. The standard method for assessing the total number of journeys made by eligible persons under the Arrangements is set out in Schedule 5. The standard method for assessing the fares value to be attributed to those journeys is set out in Schedule 6 and 7. The standard method for calculating the reimbursement due to the operator will be on the basis of the parameters set out in Schedule 8.

- 13.2. In calculating the reimbursement due to the operator, the County Council will take into account any data supplied by the operator if it can be shown that this is more accurate than the standard method and is more likely to enable the County Council to meet the objective that bus operators should be no better or worse off as a result of participation of the Scheme.
- 13.3. By agreement between the operator and the County Council the standard method need not be applied in respect of calculating the reimbursement of that operator if one or more of the following conditions are satisfied:
- (a) 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;
 - (b) deep rural, less than daily services
 - (c) except during the first 3 months of operation of the Arrangements, there has not expired a period of 3 months commencing with the date on which the operator commences participation in the Arrangements in respect of a service.
- 13.4. In order to ensure that the reimbursement paid to an operator accords with the general principle set out in the 1986 Regulations that operators both individually and collectively are no better and no worse off financially than they would be if they did not provide the travel concessions, the County Council reserves the right to apply the standard methodology for calculating reimbursement to any individual service where the County Council, acting reasonably, believes that the nature of that service or the fares charged on that service do or could distort the general application of the standard methodology as applied to the operator's other services.

14. Data

- 14.1. When an operator commences the operation of eligible services within the Principal Area, it shall supply to the County Council, together with the service registration:
- (a) all relevant fares and fare tables and a list of the ticket types valid for travel on such services; and
 - (b) the running boards/drivers' duties applicable to such eligible services;
- to enable surveys to be scheduled and assessment of entitlement to reimbursement.
- 14.2. The operator shall inform the County Council of the introduction or cessation of any eligible services, changes to the times and routes of eligible services operate and, within 7 days of such event occurring, any circumstances leading to the temporary cessation or major disruptions to such services.
- 14.3. The operator shall provide data to the County Council in accordance with the provisions of Schedule 8 for the purpose of calculating the average fare.
- 14.4. The operator shall provide data to the County Council in accordance with the provisions of Schedule 4 for the purpose of calculating the number of concessionary travel journeys.

14.5. 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 or to issue tickets that record each journey as specified in Schedule 4 then the County Council may at its discretion defer all or part of any payment otherwise due to the operator until such omission is fully rectified or may reimburse the operator on the basis of such estimated reimbursement as it considers appropriate.

14.6. Where it becomes apparent to the County Council that any eligible service is or has been subject to material disruption, or has not been operated in accordance with the registered timetable, then the County Council 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.

15. Recalculation of Reimbursement

15.1. After the end of each financial year the County Council shall review the reimbursement calculations made during the previous financial year in accordance with these arrangements. Such review shall be concluded within 3 months.

15.2. Following the review, if it is determined by the County Council that the amount of reimbursement paid during the previous financial year should have been higher, the County Council shall pay the difference to the operator within 3 months of the date of recalculation.

15.3. Following the review, if it is determined by the County Council that the amount of reimbursement paid during the previous financial year should have been less, the County Council shall either:

(a) deduct by equal instalments the amount of over-reimbursement from the next three payments to be made under paragraph 12 above; and/or

(b) if the next three payments are not sufficient to re-pay such over-reimbursement, demand in writing such over-reimbursement from the operator and the operator shall be obliged to make such repayment within 14 days of receiving such demand.

16. Survey Facilities

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

17. Additional Costs

17.1. An operator shall be entitled to claim additional reimbursement payments in accordance with regulation 5 of the 1986 Regulations where the operator demonstrates to the County Council:

(a) that the operator has necessarily incurred additional costs attributable to an increase in the number or the capacity of vehicles used in providing services in order to meet the extra demand created by the availability of concessions; and

(b) that 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.

17.2. Any operator claiming additional reimbursement payments pursuant to paragraph 17.1 above shall, in making such a claim, provide the County Council with sufficient supporting information to satisfy the criteria set out including, but not limited to:

(a) details of the additional number or capacity of vehicles used in providing eligible services as a result of concessions being available;

(b) information demonstrating that the additional capacity was required on those services, and is not spare capacity, and showing the extent to which the reason for requiring such additional capacity was due to the availability of concessionary travel;

(c) details of the cost of additional vehicles or additional capacity and details of how these have been utilised, less any benefit realised by the operator from disposal (or other use) of vehicles previously used to provide such services and any other benefits e.g. generated commercial patronage; and

(d) any other information that the operator believes is relevant to a claim for additional reimbursement payments arising from providing additional vehicles or capacity.

17.3. The County Council shall use all data provided by the operator in conjunction with any further information that the County Council may itself have (including, but not limited to survey data) to assess the additional costs incurred by the operator and assess the additional reimbursement payments to be made.

17.4. In accordance with regulation 5 of the 1986 Regulations, payment of additional reimbursement shall be paid within 3 months of the date of calculation by the County Council.

18. Contact for Communications

18.1. All notices, data and other information required by the County Council under the Arrangements shall be provided to the following contact point (or such other contact point as may be notified to operators by the County Council in writing):

Position:	Concessionary Bus Travel Administrator
Address:	Transport Co-ordination Service Room 18, Matford Offices County Hall, Topsham Road, Exeter EX2 4QW
E-mail:	cbtoperatorreturns@devon.gov.uk
Tel.:	01392 383688
Fax:	01392 382904

18.2. On commencing the provision of eligible services in the Principal Area, the operator shall provide to the County Council details of the name, address, email,

telephone and fax numbers of its official contact for communications in relation to these arrangements, and shall inform the County Council in writing of any changes.

- 18.3. Any notice or communication sent to the last such address, e-mail address or fax number referred to above shall be deemed to be duly served on the recipient. If an operator has failed to give notice in writing to the County Council of such an official contact, then the County Council 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 contact address.

Schedule 1 - Current Concessionary Bus Travel Legislation

Legislation current at 1st December 2010:

- European Regulation No 1370/2007 (Sets out the overarching rules for reimbursement of public service obligations. Concessionary travel schemes are considered to be public service obligations).
- Concessionary Bus Travel Act 2007
- Travel Concessions (Eligibility) Act 2002
- Transport Act 2000
- Transport Act 1985
- SI 2010/1179 - The Concessionary Bus Travel Act 2007 (Variation of Reimbursement and Other Administrative Arrangements) Order 2010
- SI 2010/459 -The Travel Concessions (Eligibility) (England) Order 2010
- SI 2009/575 -The Travel Concessions (Eligible Services) (Amendment) Order 2009
- SI 2008/417 - Concessionary Bus Travel (Permits) (England) Regulations 2008
- SI 2005/3224 -Travel Concessions (Extension of Entitlement) (England) Order 2005
- SI 1986/77 - Travel Concession Schemes Regulations 1986

Schedule 2 - Eligible Persons and Nature of Concessions

Under the 2000 Act (Section 5)

Class of Eligible Persons	Nature of Concession to be Provided (Bus only)
<p><u>Elderly Persons</u> (as defined in section 146 Transport Act 2000 as amended by SI 2010/459 The Travel Concessions (Eligibility) (England) Order 2010)</p> <p><u>Disabled Persons</u> (as defined in section 146 Transport Act 2000)</p>	<p>On production of a statutory travel concession permit (as defined in The Concessionary Bus Travel (Permits) (England) Regulations Statutory Instruments 2008 no 417) a person shall be carried without charge on services to which the Arrangements apply, provided that the actual time of boarding falls between the following hours:</p> <p>(a) Monday to Friday (except when the day is a Bank Holiday) 09.30 to 23.00</p> <p>(b) Saturdays, Sundays and bank holidays. All day until end of normal services</p>

Under the 1985 Act (Section 5)

Class of Eligible Persons	Nature of Concession to be Provided (Bus only)
<p><u>Elderly and Disabled Persons as defined above</u></p>	<p>On production of a statutory travel concession permit (as defined in The Concessionary Bus Travel (Permits) (England) Regulations Statutory Instruments 2008 no 417) a person shall be carried without charge on:</p> <p>week day services before 0930 provided that there is a service before 0930 but no further service until after 1100;</p> <p>on services after 2300 on weekdays</p>
<p><u>Devon Resident Statutory travel permit holders who are severely disabled and only able to access local bus services with the assistance of a travelling companion</u> (as determined by the County Council)</p>	<p>On production of a Devon supplementary travel pass one person travelling with the severely disabled statutory travel permit holder will be carried without charge on services and at the times to which these Arrangements apply.</p>

Schedule 3 – Concessionary Travel begins at 0930 on weekday mornings with the following exceptions (Section 4):

Service	Fare Stage	Time
20	SEATON Marine Place, Stop B	0900
49	WEMBURY Point	0928
51	JACOBSTOWE Church	0906
58	RIVERMEAD AVENUE	0900
72	OLD TORRINGTON ROAD	0908
85	MONKLEIGH	0900
87	BERE FERRERS Station Road	0915
91	TOTNES Coronation Rd opp TIC	0900
94	BRIXTON Post Office	0912
97	BUCKLAND MONACHORUM Turning Circle	0920
98	YELVERTON Roundabout	0920
112	BLACKAWTON Normandy Arms	0802
112	BLACKAWTON Normandy Arms	0830
118	LYDFORD Memorial	0901
118	BIDEFORD Quay	0925
118	BRENTOR Memorial	0918
155	SOUTH MOLTON Broad Street	0905
162	MALBOROUGH Post Office	0900
165	SOUTH DEVON STEINER SCHOOL	0901
173	EXETER Bus Station Stand 13	0818
178	NEWTON ABBOT Sherbourne Road B	0855
180	LEE MILL Westward Inn	0925
188	HALWILL Junction	0900
309	LYNMOUTH Lyndale Coach Park	0843
310	GOODLEIGH Longland Close	0900
315	NORTH TAWTON Square	0907
318	NORTH TAWTON Square	0910
322	ASHREIGNEY Church Green	0925
325	BARNSTAPLE Bus Stn Stand B	0900
359	EXETER Bus Station Stand 2	0845
360	EXETER Bus Station Stand 3	0835
361	HENNOCK Park Arms	0903
361	BRIDFORD Shelter	0928
372	BIDEFORD Quay	0910
380	AXMINSTER Railway Station	0900
380	OTTER NURSERIES Main Road	0915
382	THE BOWD INN	0906
387	SIDMOUTH Triangle Stop C	0905
398	COVE Bus Shelter	0901
510	LIFTON Lifton Hall Hotel	0857
510	CHERITON BISHOP Cross	0914
599	BRIDGERULE	0855
607	BARNFIELD School	0915
612	MOTHECOME Turning Circle	0927
630	HATHERLEIGH Moor View	0913

**Schedule 3 (cont) – Concessionary Travel begins at 0930 on weekday mornings
with the following exceptions (Section 4):**

Service	Fare Stage	Time
647	HATHERLEIGH Market Entrance	0905
648	IDDESLEIGH Green	0915
656	RIDDLECOMBE Shelter	0920
657	SOUTH MOLTON Square	0925
663	CHULMLEIGH Red Lion	0915
664	ASHREIGNEY Church Green	0915
669	SOUTH ZEAL Oxenham Arms	0915
670	CHERITON BISHOP Glebelands	0925
672	BUCKLAND HALL	0912
675	HOLCOMBE ROGUS Whitebrook Terrace	0905
677	ZEAL MONACHORUM Church	0912
678	WITHERIDGE Square	0910
679	BEECH HILL Cross	0910
681	FARWAY Church Green	0920
694	HONITON Dowell Street Car Park	0845
697	BURLESCOMBE Ayshford Arms	0920
855	HOWARDS CLOSE, Stoats Close	0905
856	SOUTH MOLTON Stop A	0915
863	BROADHEMBURY Square	0903
873	BRAYFORD Barnstaple Cross	0850
886	SHALDON School	0920
889	CORNWORTHY Homeleigh	0805
913	DARTINGTON Shidders Bridge	0816
55B	THORVERTON Bullens Close	0910
X53	NEWTON POPPLEFORD Memorial	0911
X53	SEATON Health Centre	0911
X9	HOLSWORTHY Church ARRIVE	0922

Schedule 4 - Standard Method of Determining Passenger Journeys (Section 13)

Ongoing validation of eligible journeys, reimbursement calculations and claims require the issue of a zero-value ticket to each concessionary passenger.

For the purposes of reimbursement the origin of each eligible journey must be recorded accurately for the correct identification of the Travel Concession Authority responsible for reimbursement.

There will also be a requirement for a record of each concessionary journey destination which, together with the record of journey origin, will allow the pattern and volume of concessionary business to be assessed.

All operators of eligible services are required to provide summary information by service and calendar month of the number of journeys made by statutory travel permit holders and supplementary Devon wide companion passes. This data is to be provided by the end of the following calendar month and to be based on the tickets issued to travel permit holders.

On-bus sample surveys will be required for checking the validation of pass use and ticket issue (Schedule 5).

Schedule 5 - Survey Facilities (Section 16)

1. An operator shall allow the County Council's officers or appointed agents to have free access to the operator's vehicles for the purpose of:-
 - (a) surveying, 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 travel concessions and necessary to the calculation of reimbursement payments by the County Council.
2. The survey data will be utilised by the County Council in calculating the reimbursement payable to the operator and/or validating the data supplied by the operator for the purpose of calculating reimbursement.
3. Without prejudice to the generality of 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) identification of permit or ticket fraud or mis-use on the relevant services; and
 - (i) such other information as the County Council may from time to time reasonably consider it necessary or desirable to obtain in order to enable the County Council to reimburse each operator in accordance with these Arrangements.

Schedule 6 - Standard Method of Determining Fares Values (Section 13)

Fare values will be determined by calculating the weighted average adult equivalent fare (AAEF) value for tickets sold on the operator's eligible services to adult full fare-paying passengers.

The calculation of the AAEF for each operator will be based on Department for Transport guidance and reimbursement tool as appropriate to the County Council area and each operator's network of eligible services.

The AAEF calculation will include single, return, day, carnet and weekly tickets (if available). Return tickets will be taken to represent two trips, day tickets to represent four trips, carnets as sold and weekly tickets to represent ten trips. The volume and value of weekly tickets relative to the other ticket types will be assessed before a determination of whether they will be included in the average adult fare equivalent.

At the end of each 3 month payment period operators are required to provide summary information by service of the number and value of tickets sold in each ticket type (Schedule 8).

The 3 month payment periods for a given financial year will be 1st April -30th June (Period 1), 1st July – 30th September (Period 2), 1st October – 31st December (Period 3) and 1st January – 31st March (Period 4)

To allow calculation of a monthly payment from the beginning of the Scheme in April 2011 as specified in section 12, operators are required to provide fare data for the period from January to March 2011.

Schedule 7 - Data Provision for Average Fare Calculation (Section 14)

Every operator claiming reimbursement under the Arrangements is required to submit to the County Council a statement containing the following:-

- i. Within 7 working days of the end of each 3-month payment period, the total number of passenger journeys made on eligible services, starting within the Scheme area, on which concessions are available.
- ii. Within 7 working days of the end of each 3-month period, the total amount of fares received by the operator from the passengers referred to in i above (whether received on or off- bus).
- iii. Within 7 working days of the end of each 3-month payment period, the total number of passenger journeys made on eligible services, starting within the Scheme area, by eligible persons in each of the concession categories set out in Schedule 3.
- iv. Within 7 working days of the end of each 3-month payment period, for each eligible service operated in the Scheme area, the total number and value of adult single tickets sold on the whole of each eligible service.
- v. Within 7 working days of the end of each 3-month payment period for each eligible service, the total number and value of adult return tickets sold on the whole of each eligible service.
- vi. Within 7 working days of the end of each 3-month payment period for each eligible service, the total number and value of adult day tickets sold on the whole of each eligible service.
- vii. Within 7 working days of the end of each 3-month payment period for each eligible service, the total number and value of adult carnet tickets sold on the whole of each eligible service. .
- viii. Within 7 working days of the end of each 3-month payment period for each eligible service, the total number and value of adult weekly tickets sold on the whole of each eligible service.

Schedule 8 – Standard Method of Determining Reimbursement (section 13)

The assessment of reimbursement due from the Scheme from 1 April 2011 will be based on the observed travel consumed by Devonwide pass-holders in the last year of the half-fare scheme in 2005/06, the two years of the Devonwide free-fare scheme (2006/07 and 2007/08), the three years of the National Scheme in Devon and the observed growth in pass-holders from the Devonwide half-fare scheme to the National scheme in Devon.

The following factors have been used to determine reimbursement:

1. The half-fare Devonwide pass uptake by eligible persons resident in the Principal Area in the financial year 2005/06 and the statutory travel permit uptake by eligible persons resident in the Principal Area in the financial year 2009/10.
2. The number of valid trips recorded on eligible services by Devonwide pass-holders in 2005/06 in the Devonwide eligible area and the number of valid trips recorded on eligible services by statutory travel permit holders in the Principal area in 2009/10.
3. The average half fare per trip in 2005/06 , the average adult commercial fare per trip in 2005/06 and the average adult commercial fare per trip in 2009/10.

The above factors have been used to calculate the generation of trips in the Principal Area from a half fare Devon county-wide scheme and from this suitable reimbursement factors for a given average adult equivalent fare within the Principal area based on observed changes has been calculated. The draft Guidance and reimbursement tool provided by the Department of Transport as part of its 'Consultation Paper: Reimbursement Arrangements for the Concessionary Bus Travel Scheme in England' September 2010 has been used for guidance.

The Reimbursement Factor (RF) and Marginal Operating Costs (MOC) applied to operators Average Adult Equivalent Fare (AAEF) were calculated using the Department for Transport's Reimbursement Tool as published. The guidance offered by the Department for Transport with the Reimbursement Tool indicated that predominantly rural authorities may wish to adopt a different methodology when calculating the Reimbursement Factor (RF) and Marginal Operating Costs (MOC) as the Reimbursement Tool was developed primarily for use within urban environments.

As a result, and following appeals determinations made by the Secretary of State for Transport, the Reimbursement Factor (RF) will be 49% of the weighted average adult fare for each valid trip made with a statutory travel concession permit starting within the Devon County Council area. Marginal Operating Costs (MOC) will attract a payment of 10p for each generated journey to cover the additional Marginal Operating Costs (MOC) of participation in the scheme. For this purpose 51% of trips recorded will be deemed to be generated by the existence of the scheme.

The actual number of journeys made in the Scheme area will be monitored so the amount of reimbursement paid to operators under the scheme can be monitored and reviewed on an annual basis to ensure that payments reflect the objective that operators should be no better or worse off as a result of the Scheme. The County Council commits itself, in partnership with

participating operators, to review the Scheme on an annual basis. Such reviews will have to anticipate statutory notifications and publication timescales.

Schedule 9 - Payment Periods

Subject to the continuing provision of data, payments in advance of reconciliation will be made each calendar month by the 10th day of the month for that month.

These payments will be estimated, based on a calculation of the revenue foregone by the operator on the eligible services operated and the expected annual income due.

These payments will be reconciled after each 3-month period against the actual number of journeys recorded on the operator's eligible services in the Scheme area and the average adult fare per trip on those eligible services, discounted by the calculated reimbursement factor, including additional payment per generated journey.

The 3 month payment periods for a given financial year will be 1st April -30th June (Period 1), 1st July – 30th September (Period 2), 1st October – 31st December (Period 3) and 1st January – 31st March (Period 4)

A final reconciliation will be made at the end of each financial year.