



Concessionary Travel  
Department for Transport  
3/11 Great Minster House  
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Date: 30 December 2009  
My ref: CG/AB/CC/kl  
Your ref:

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Dear Sir/Madam,

**CONSULTATION RESPONSE:  
LOCAL AUTHORITY SPECIAL GRANT FUNDING IN 2010/11 FOR  
THE NATIONAL BUS CONCESSION IN ENGLAND**

Thank you for the opportunity to comment on your proposals for changes to Special Grant Funding. I have chosen to reply to this consultation by letter as I consider that the questions specifically asked in your response template document do not enable me to address several important issues and concerns that Maidstone has concerning the distribution of grant payments.

Whilst the proposed changes to the distribution of the Special Grant are to be welcomed in principle they only address part of this Council's concerns about the funding arrangements for concessionary travel. It is our view that the grant arrangements should fully reflect the costs of the service overall. The changes proposed affect only one element of grant and will not remedy the fundamental problem that for many authorities, including Maidstone, the National Bus Pass arrangements are inadequately funded.

We would therefore urge you to address the distribution of all funding to support concessionary travel so that it more closely matches the cost of providing the scheme. It would be helpful to do this for the financial year 2010/11. While it may be the case that the overall funding levels are appropriate at a national or sub-regional level – at a District level this is certainly not the case. This has an adverse effect for Maidstone where the core funding allocation is insufficient and consequently the local tax payer

funds the difference. Any system which is not clearly related to the actual total overall cost of the concession is obviously flawed, unreasonable and not "fit for purpose".

If this rationalisation cannot be achieved for 2010/11 then there is a strong imperative to do so in advance of the transfer from Districts to higher tier authorities planned for April 2011. We are also aware of other potential changes to the scheme for example relating to age eligibility criteria; it would be helpful to have clarity in the core funding arrangements before these further changes to the scheme criteria are made.

It is also difficult to have any faith in the figures that presented for future allocation of Special Grant as you provide no detailed formula as to how the allocation has been calculated. Additionally there is also no apparent provision for dealing with unexpected cost increases and pressures in the coming 2010/11 financial year. In particular there is an absence of provision for circumstances where there is a successful operator appeal with consequent negative effects on the cost of the concession.

Finally we are concerned that announcements regarding funding should be made so late when our planning for the 2010/11 financial year is largely complete and that you are considering making further adjustments some time in 2010 once you have considered these responses. This undermines our ability to effectively plan our budgets and maintain our excellent record for use of resources and performance management. Such late decisions on funding are unacceptable. In your third question you have asked if quarterly returns can be provided on actual and forecast spending. Given the nature of the current system and the need to check and audit such information, actual figures are often not arrived at until some months after the end of the period concerned. Maidstone is content to provide information on the basis that there is a clear understanding and acknowledgement of the timeliness and robustness of this data given the comments above and a commitment from government that the actual costs are matched by grant funding.

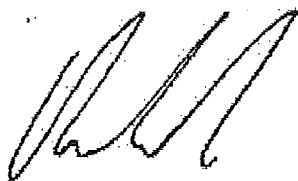
On the basis of experience over recent months there is concern that you may simply take such information and then decide to make arbitrary, unexplained changes to funding levels and continue to fail to meet the actual cost of the concession. The fact that there may be enough total funding in the overall system does not help an authority that does not receive enough. There is no mechanism that would permit such an authority to obtain funds from another that was over provided.

Your fourth question asks for information on the reimbursement arrangements entered into with bus operators. In current schemes some of

this information may be provided on a commercially sensitive basis to the scheme administrators and it is currently unclear whether this can be released into the public domain.

In summary I once more reiterate that individual aspects of funding the national bus pass should not be taken in isolation. It is essential that the overall cost of concessionary travel to an authority is clearly met by central Government. Any information that is collected to better inform the situation must be used to fairly address the overall funding situation and not to make unexplained changes at a late stage in the financial process.

Yours faithfully

A handwritten signature in black ink, appearing to be 'C Garland', written in a cursive style.

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