

To: District Leader & Chief Executives

County Hall
Maidstone
Kent ME14 1XQ
Fax: (01622) 694085
Tel: (01622) 694310
e-mail: paul.carter@kent.gov.uk

28 November 2008

Dear *ALL,*

Concessionary Travel Scheme 2009/10

Further to our discussion at Monday's Leaders' and Chief Executives' Meeting, and the various conversations that have taken place since, we are now able to confirm Kent County Council's position regarding funding in 2009/10.

Nine districts have agreed to the extension of the statutory scheme and this letter gives details of the arrangements that will apply to enable travel from 9:00. We are pleased to have your support, and that of your staff, in making this happen.

The County Council recognises that the travel concession authorities only wish to fund a statutory level scheme. This decision is understood and respected. However, the County wishes to see in place a discretion to enable travel between 0900 and 2300 hrs on normal weekdays, rather than 0930hrs. This does not apply in Medway's case where separate arrangements are already in place. The County Council will therefore contribute to the overall scheme fund the additional cost of this in each participating Kent TCA's area, over and above the cost of the statutory scheme that would they would otherwise incur.

Recognising difficulties in respect of companion travel where reciprocal arrangements between TCAs do not exist and to harmonise the conditions for companion passholders throughout Kent and Medway, the County Council will also cover the cost of companion journeys in Kent starting outside of the passholder's home district.

In the case of the discretionary time extensions and companion travel, the discretions will be extended to visitors making journeys starting in Kent and the cost of this will be included in Kent County Council's contribution. Kent County Council will also meet the costs of any additional capacity that operators have to provide as a direct result of these discretions.

To ensure that each TCA only bears the cost arising from the statutory scheme arising in its district, we propose the following mechanism:

- 1 The total scheme cost (including any additional capacity costs) arising in each TCA's district will be calculated in the normal way and will be used as the basis of operator reimbursement payments made by Kent County Council;
- 2 The total scheme cost will be reduced as follows and each Kent TCA will then pay the balance to the County Council:
 - a. To reflect the additional costs arising from the discretionary time extensions, a deduction equivalent to 4% of the total scheme cost will be made. This will be a fixed percentage deduction;
 - b. A deduction in respect of any agreed additional capacity costs arising as a result of allowing travel between 0900hrs and 0930hrs less any additional capacity costs that cease to arise and would otherwise form part of the cost of the statutory scheme;
 - c. A deduction in respect of companion travel likely to arise from passholders resident in neighbouring districts, calculated using a formula as follows and applied each quarter:

[Factor] x [Estimated average annual total scheme cost per pass/4] x [number of companion passes issued in neighbouring districts (including those outside Kent)].

The factor would depend on the relative attractiveness of each district in terms of their likelihood or otherwise to attract journeys but is likely to be between 0.01 and 0.1. This would be a matter of discussion and agreement with each TCA.

For your information, MCL has advised that, "on the basis of the evidence we have to date, the 4% figure in 2(a) above will include a considerable margin for each authority and is thus more than generous on the County Council's part". We are nevertheless willing to agree this value as a means of settling the current debate.

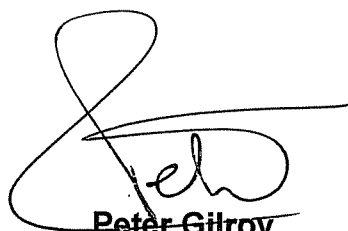
Please provide confirmation that these proposals give a resolution for the current year and the next 2 years and that your Council is prepared to underwrite its resultant share of the funding of the Scheme. We can confirm that the County Council is willing to meet its share on the above basis.

Yours sincerely,



Paul Carter
Leader of the Council

08-0719DH.doc



Peter Gilroy
Chief Executive