**London Concessionary Bus Scheme 2022-23 – Draft**

**LONDON COUNCILS**

**Travel Concession Reimbursement Arrangements for local bus services operated under London Service Permits**

**To be valid**

**From 1 April 2022**

London Councils is not changing the main principals of the scheme published

in Apr 2019. This was the last year fully covered by the reimbursement arrangements

under section 145A of the Transport 2000 Act

In April 2020 and April 2021, an addendum was added to the current scheme as response to Covid-19.

In Apr 2020, London Councils Transport and Environment Committee approved extraordinary and temporary contractual provisions in line with the Department for Transport guidance.

The arrangement was to continue to pay the bus operators the same reimbursement value as in the last quarter of pre-Covid 19. This arrangement remained in place for the period of Apr 20-Dec 20, while public restrictions and social distancing measures where required.

In January 2021, a second addendum was issued by London Councils to local bus services in response Covid-19 recovery. A new arrangement was agreed between London Councils and the bus operators to reflect the level of service the operators were offering to public at any given payment period compared with the service level offered at the payment period of pre-Covid 19.

The Reimbursement to LSP Operators continued to be made under the Schemes on a quarterly basis calculated on the actual number of journeys taken in the last quarter of pre-Covid 19 and adjusted for the service level. So, operators who continued to operate as normal during Covid-19 were paid 100% of the last normal quarter amount, while the operators with reduced service level were paid based on the estimated reduction

This arrangement carried to the 2021-22 financial year on the same agreed terms as in Jan 2021.

In October 2021 Department for Transport issued a new guidance on the Covid-19 recovery. (The guidance is uploaded in the same portal of London Councils website; https://www.londoncouncils.gov.uk/services/freedom-pass/information-bus-operators

London Councils will follow and apply the DFT guidance for the 2022-2023 Financial Year, which includes a phased reduction of the current arrangement of pre-Covid payments and level of offered services.

The below table shows the DFT monthly scale of reduction and London Councils quarterly scale reduction

|  |  |  |  |
| --- | --- | --- | --- |
|  | **DFT % scale down of LTA pre-Covid concessionary payment** | **Translated in line with London Councils quarterly payment** | **London Councils % scale down payment (average of three months)** |
| Apr-22 | 90% | Q1 | 88.33% |
| May-22 | 90% |
| Jun-22 | 85% |
| Jul-22 | 85% | Q2 | 81.67% |
| Aug-22 | 80% |
| Sep-22 | 80% |
| Oct-22 | 75% | Q3 | 73.33% |
| Nov-22 | 75% |
| Dec-22 | 70% |
| Jan-23 | 70% | Q4 | 66.67% |
| Feb-23 | 65% |
| Mar-23 | 65% |

Further to the phased quarterly reduction, London Councils will continue to apply the service level offered on each of the quarterly period in comparison with the pre-covid service level. The proportion applied to the pre-Covid 19 reimbursement will be the lowest of the two; current service level and DFT scale (figures highlighted in yellow)

However, if the actual is higher than the amount resulting from the figures in yellow, the max reimbursement will be paid

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **DFT proportion of the scale down from Apr-22** | | | |  |
|  |  |  | **Q1** | **Q2** | **Q3** | **Q4** |  |
| **Bus Operator** | **Q1 applied %** | **Q2 applied %** | **88.33%** | **81.67%** | **73.33%** | **66.67%** |  |
| **Arriva Kent** | 85% | 91% | 88.33% | 81.67% | 73.33% | 66.67% | **If actual revenue is higher, than the actual revenue** |
| **Arriva the Shires** | 44% | 54% | 54.25% | 54.25% | 54.25% | 54.25% |
| **Carousel Buses** | 100% | 100% | 88.33% | 81.67% | 73.33% | 66.67% |
| **Hallmark** | 100% | 100% | 88.33% | 81.67% | 73.33% | 66.67% |
| **Metrobus** | 100% | 100% | 88.33% | 81.67% | 73.33% | 66.67% |
| **Metroline** | 100% | 100% | 88.33% | 81.67% | 73.33% | 66.67% |
| **Oxford Tube (Stagecoach)** | 86% | 86% | 86.23% | 81.67% | 73.33% | 66.67% |
| **Reading Buses** | 100% | 100% | 88.33% | 81.67% | 73.33% | 66.67% |
| **Reptons Coaches** | 100% | 100% | 88.33% | 81.67% | 73.33% | 66.67% |
| **Southdown PSV** | 97% | 99% | 88.33% | 81.67% | 73.33% | 66.67% |
| **Stagecoach south** | 100% | 100% | 88.33% | 81.67% | 73.33% | 66.67% |
| **Surrey County Councils** | 97% | 96% | 88.33% | 81.67% | 73.33% | 66.67% |
| **University Bus** | 77% | 82% | 81.59% | 81.59% | 73.33% | 66.67% |
| **Paid** | 88% | 88% | 81.23% | 76.36% | 69.64% | 64.27% |
| **Actuals** | 34% | 48% |  |  |  |  |  |

Below are the addendums issued in April 2021 and April 2020

**ADDENDUM 2 – RESPONSE TO COVID-19: ISSUED ON 1 April 2021**

1. **Purpose & Scope:**

In light of social distancing measures introduced by HM Government in response to the coronavirus / Covid-19 health pandemic in 2020 and 2021 and in line with Department for Transport guidance and restrictions on travel for older persons Freedom Pass holders during the morning peak on the TfL network being introduced from 15 June 2020, London Councils Transport and Environment Committee has (acting for and on behalf of itself and the 33 London local authorities) authorised extraordinary and temporary variations to the London Concessionary Bus Schemes 2020/21 and 2021/22 (“the Scheme(s)”) which operate as part of the London Concessionary Fares Scheme (otherwise known as the “Freedom Pass”), subject to reaching agreement with the London Service Permits Operators (LSP Operators) to these variations as provided in section 149(2)(a) of the Transport Act 2000.

*For the avoidance of doubt, the variations in this Addendum do not set any precedent for any future schemes and may be removed or varied to reflect new DfT Guidance and/or a decision of London Councils Transport and Environment Committee.*

1. **Variations & Conditions:**

The variations to the Schemes are, effective from 1 January 2021:

1. An extension to the hours of operation of the Schemes (currently 9.30am to 11pm) to allow travel 24 hours per day for disabled persons Freedom Pass holders;
2. A return to the statutory hours of operation (09:30 – 11:00pm) Monday-Friday, anytime on bank holidays and weekends for older persons Freedom Pass holders and ENCTS pass holders.
3. Reimbursement to LSP Operators will continue to be made under the Schemes on a quarterly basis calculated on the actual number of journeys taken between October to December 2019, rather than the actual number of journeys taken in the current quarter and adjusted for the level of service being offered in any given payment period by each operator. For example, if an operator provided journeys worth £10,000 in October to December 2019, but in a given payment period was only providing 50% of this level of service, a payment of £5,000 (50% of £10,000) would be made.

The variations to the Schemes to provide for reimbursement per (c) above are conditional upon:

###### (i) any journeys made within the additional hours of operation as provided at (a) above being included within the special payment arrangements at (c) above and no additional payments being made in respect of these journeys; and

###### (ii) the variations being time limited per C. below.

**London Concessionary Bus Scheme 2020-21 Addendum 1 – Response to Covid-19.**

In light of social distancing measures introduced by HM Government and in line with Department for Transport guidance, London Councils Transport and Environment Committee has approved extraordinary and temporary contractual provisions in respect of the London Concessionary Bus Schemes 2019/20 and 2020/21 (“the schemes”) which operate as part of the London Concessionary Fares Scheme (the “Freedom Pass”). The provisions will allow for:

* An extension to the hours of operation of the schemes (currently 9.30am to 11pm) to allow travel 24 hours per day;
* Monthly payments to be made to non-TfL bus operators based on the average monthly number of journeys taken in October 2019, November 19 and December 19, rather than the actual number of journeys taken

These contractual provisions will remain in place for the duration of HM Government’s social distancing measures and will remain under review (first review in mid-May 2020, or earlier if government guidance changes) and withdrawn or extended as appropriate.

A condition of the change to the Scheme will be that any journeys made within the additional hours of operation are covered by the special payment arrangements and that no addition payments will be made in respect of these journeys. This variation to the London Bus Concessionary Scheme is time limited and does not create a precedent for future schemes.

1. **Duration:**

These provisions will remain in place for the duration of HM Government’s social distancing measures which are due to end on 21 June 2021 (or earlier, or later, if government guidance changes) and will remain under review and may otherwise be withdrawn or extended as appropriate by agreement.

1. **Agreement**

These variations will only take effect with the agreement of the LSP Operators. However, failure to agree will result in a return to the general conditions of the scheme i.e. the prevailing conditions prior to the extraordinary conditions set out in Addendum 1 (above). Agreement can be effected by an authorised representative of an existing LSP Operator sending a confirmatory email to London Councils to Stephen Boon, chief contracts officer, [stephen.boon@londoncouncils.gov.uk](mailto:stephen.boon@londoncouncils.gov.uk) .