

THE WARWICKSHIRE CONCESSIONARY TRAVEL SCHEME
ARRANGEMENTS FOR REIMBURSEMENT
With effect from 1 April 2026 (final)

Preamble

These Arrangements for Reimbursement must be read in conjunction with the separate Scheme Definition and set out the terms for reimbursement which apply for the 12 months commencing on 1 April 2026 and relate to the above Concessionary Travel Scheme for which the responsible Travel Concession Authority is Warwickshire County Council.

These Arrangements for Reimbursement are designed to meet the requirements set down in the Transport Act 1985, the Transport Act 2000, the Concessionary Bus Travel Act 2007 and the associated Regulations in accordance with Guidance issued by the Department for Transport, together with the requirements of Public Service Obligations in Transport Regulations 2023.

Definitions

- 1 In these Arrangements for Reimbursement all definitions set out in the Scheme Definition shall apply herein:
 - i. "Additional Capacity Costs" mean those costs claimed by a Participating Operator, including a reasonable return on any additional capital deployed, of providing additional service capacity over and above the capacity that the Participating Operator would be reasonably expected to provide if there was no Scheme which are assessed by or on behalf of the Travel Concession Authority as being reasonable and which are not met by any payment in respect of Marginal Additional Costs;
 - ii. "Amenity Element" when used in connection with fares, means those fares that are rendered significantly high as a result of that element in relation to the general level of fares for comparable journeys in the Principal Area in accordance with section 96(6) of the 1985 Act;
 - iii. "Average Cash Fare" shall mean the average fare per journey paid by adult passengers buying single and return tickets where single tickets count for one journey and return tickets count for two journeys;
 - iv. "DfT Guidance" means the latest edition of any document and/or method statement (e.g. spreadsheet) which has been or is to be issued by the Department for Transport providing guidance on the calculation of Reimbursement.
 - v. "Discretionary Elements" of the Scheme means any provision(s) of the Scheme enabled by the 1985 Act but not required by the 2000

Act or the 2007 Act which allows individually or in combination
Passenger Journeys:

- a) To be made outside the statutory core time of 0930 hrs and 2300 hrs on weekdays other than public holidays;
 - b) To be made by companions;
 - c) On other than Eligible Services.
- vi. "ENCTS Pass" shall mean a pass issued in accordance with the Concessionary Bus Travel Act 2007.
- vii. "Eligible Person" shall mean any person who has a statutory entitlement to concessionary travel in accordance with relevant legislation and any guidance issued by the Secretary of State for Transport;
- viii. "Entitled Person" shall mean any person for whom a Travel Concession Authority has discretionary powers under the 1985 Act or other relevant legislation to provide concessionary travel;
- ix. "Financial Year" shall mean a twelve-month period starting on 1 April in one year and ending on 31 March in the following year;
- vi. "Generated Travel" is defined as those additional journeys made over and above the number that would have been made had there been no travel concessions and arising as a direct result of the entitlement to the travel concession provided by the Scheme;
- vii. "Gross Revenue Foregone" shall be the gross value of travel made under the terms of the Scheme calculated according to the number of Passenger Journeys made and Normal Fare that would have been paid in respect of those journeys before any adjustments in respect of Generated Travel;
- viii. "Marginal Additional Costs" mean the sum of those additional costs necessarily borne by the Participating Operator as a result of participation in the scheme and which arise directly from the travel that is generated by the Scheme, as defined in the DfT Guidance:
- a. Administration costs – the operation of systems to provide data and information in the form required by the Travel Concession Authority;
 - b. Marginal Operating Costs – the costs to an operator of carrying an additional passenger assuming a fixed level of service, for example additional fuel costs, engineering costs, driver hours, insurance premiums, information costs;
 - c. Marginal Capacity Costs – the cost to an operator of carrying additional passengers and allowing the capacity of bus services to increase, by using the existing bus fleet more intensively to provide that additional capacity through increased frequency.

- ix "Net Financial Effect" shall be as defined in UK Public Service Obligations in Transport Regulations 2023 and shall equate to Total Reimbursement as defined below;
- x "Net Revenue Foregone" shall be the value of Gross Revenue Foregone adjusted to take account of Generated Travel by application of a Reimbursement Factor;
- xi "Normal Fare" shall mean the average adult fare that would be paid in respect of the journeys that would be made if there were no travel concessions, taking account of those journeys that would be made using discounted tickets (returns, day tickets, weekly tickets, etc) if these are available;
- xii "Passenger Journey" shall mean the act of a person moving from one location to another;
- xiii "Payment Periods" shall be:
 - 1 April to 30 June
 - 1 July to 30 September
 - 1 October to 31 December
 - 1 January to 31 March
- xiv "Participating Operator" shall mean a transport operator providing Included Services in accordance with the terms set out in the Scheme Definition
- xv "Reimbursement Calculator" shall mean the tool of that name provided by the DfT on their website for the purpose of aiding TCAs in their estimation of the total reimbursement required by operators.
- xvi "Reimbursement Factor" is defined as the proportion of total journeys that are not deemed to be generated by the travel concessions and would continue to be made if there were no travel concessions;
- xvii "Reimbursement Payment" means the payment made to a Participating Operator for the Total Reimbursement due in respect of all Included Services he provides;
- xviii "Revenue Reimbursement" shall be the payment due to the Participating Operator in respect of the Net Revenue Foregone as a result of participation in the Scheme (for the avoidance of doubt this excludes any payment in respect of Additional Costs);
- xix "Standard Method" is the method of calculating Total Reimbursement that will be applied unless any Participating Operator can provide comprehensive evidence to demonstrate to the satisfaction of the Travel Concession Authority that the Standard Method will not lead to

the Participating Operator being reimbursed in accordance with the Regulations;

- xx “Statutory Elements” of the Scheme mean any provision(s) of the Scheme which allow holders of the ENCTS Pass to benefit from statutory minimum travel concession;
- xxi “Total Reimbursement” shall be the sum of Revenue Reimbursement, Marginal Additional Costs and Additional Capacity Costs;
- xxii “Travel Concession Authority” shall mean the authority responsible for this Scheme as named in the Preamble to this document and the term “Travel Concession Authority” shall also mean “Administering Authority” in the context of matters deriving from the Transport Act 1985;

Requirements of Participating Operators

2. Until notice to the contrary all dealings with the Travel Concession Authority should be carried out through the offices of the Travel Concession Authority or any other body (agent, consultant or contractor) they nominate, such nomination to be made in writing.
3. Participating Operators shall enable holders of valid ENCTS Passes to make Passenger Journeys free of charge in accordance with the Scheme Definition in respect of both the Statutory Elements and the Discretionary Elements of the Scheme.
4. Pursuant to the proper administration of the Scheme and to facilitate the process of reimbursement Participating Operators shall:
 - i. permit (including the right to travel free of charge) officers, servants, agents and/or contractors of the Travel Concession Authority or others rightfully acting on its behalf access at any time to the vehicles of the Participating Operator on which concessions are given for the purposes of:
 - a) surveying or counting or estimating the number of passengers (whether generally or of any particular description) and the fares paid by those passengers and/or;
 - b) obtaining information on other matters relating to the Passenger Journeys made by Eligible Persons and Entitled Persons which, in the opinion of the Travel Concession Authority is necessary for the calculation and/or verification of reimbursement payments and/or;
 - ii. provide at such times as the Travel Concession Authority may reasonably request information relevant to the calculation of reimbursement as may be specified and, in the form, specified in these Arrangements for Reimbursement or as otherwise requested at the time;
 - iii. cooperate with the Travel Concession Authority to establish and maintain an inventory of boarding stages that are within the principal area of the Scheme and/or its close vicinity and, if required, to assist in the process of allocating boarding stages to sub divisions of the principal area;
 - iv. As soon as possible and at least 7 days in advance of it taking effect, notify the Travel Concession Authority of any change or changes to fares on any Included service;
 - v. As soon as possible and in advance of it taking effect notify the Travel Concession Authority of any material change (additions, deletions and/or variations) to Included Services including details of any new or revised boarding stages;
 - vi. Provide reasonable assistance to the Travel Concession Authority in the operation and administration of the Scheme;
 - vii. Provide reasonable assistance and information to the Travel Concession Authority to enable the forward planning of budget requirements to properly fund the Scheme.

Should an operator be upgrading to new technology such as new ETMs or smartcard readers and find that they are having difficulty with programming or sending complete data within the required timescale, then they should contact the Scheme Administrator without delay.

5. The Travel Concession Authority shall ensure that any information obtained in accordance with paragraph 4 shall be used only for the purpose of administering the Scheme and shall be confidential to the Travel Concession Authority and/or its contractors and/or consultants employed to assist in the administration of the Scheme and/or any auditors acting on behalf of the Travel Concession Authority.

Operator Reimbursement

6. Participating Operators shall be compensated for the Net Financial Effect of carrying all Passenger Journeys made under the terms of the Statutory Elements and Discretionary Elements by holders of ENCTS Passes which commence from a boarding stage defined as being within the principal area of the Scheme. Participating Operators shall also be compensated for the Net Financial Effect of all Passenger Journeys made under the terms of local Discretionary Elements by holders of ENCTS Passes and which commence from a boarding stage defined as being within the principal area of the Scheme. The Net Financial Effect shall be calculated with regard to the Public Service Obligations in Transport Regulations 2023 and with the objective of achieving the “no better/no worse” position for Participating Operators as set out in the Travel Concession Schemes Regulations 1986 and/or any successor or additional Regulations.
7. Reimbursement payments will include provision for both Statutory and Discretionary Elements of the Scheme. It is not however intended to differentiate between these two elements. The Travel Concession Authority will provide sufficient funds to enable payment of the Total Reimbursement due to each Participating Operator.
8. The initial budget for Reimbursement in respect of a Financial Year will be determined in advance by estimating the Total Reimbursement requirement for the Financial Year. The method of estimation will take into account, where such information is available a range of factors in accordance with DfT Guidance using the actual or projected Total Reimbursement for the preceding year adjusted to take account of quantifiable changes in:
 - a) The inflationary impact of fares increases;
 - b) Demographic changes;
 - c) Trends in the take-up of ENCTS Passes

- d) The impact of service improvement projects, significant new registrations and service reductions;
 - e) The impact of parking and/or traffic reduction schemes;
 - f) Land-use changes (new developments, changed uses, new attractors, etc);
 - g) Growth trends in travel activity (relating to the general economy);
 - h) Other relevant factors including long-term elasticity changes.
9. Where no information is available in respect of any of the factors above, reasonable estimates will be used.
10. The TCA will be using the DfT's 2026/27 published guidance and associated calculator as the basis for estimating operator reimbursement and rates, including additional costs where relevant.
11. The latest published version of guidance and calculator can be found at <https://www.gov.uk/government/publications/guidance-on-reimbursing-bus-operators-for-concessionary-travel> and <https://www.gov.uk/government/publications/concessionary-bus-travel-reimbursement-calculator> respectively.
12. The TCA reserves the right to amend the scheme in line with any further DfT guidance released. The TCA will notify operators of any proposed changes with the correct notice period, as defined by the DfT.

Payment and Calculation of Reimbursement

13. Payments will be made to Participating Operators of existing services on the following basis:
- a) An amount equivalent to 95% of the latest estimate of Total Reimbursement due in respect of each month shall be paid to each Participating Operator by the 1st day of each month or the next working day if that day falls on a weekend or public holiday.
 - b) The cumulative balance of the Total Reimbursement due at the end of each Payment Period shall be calculated as set out below, using out-turn data for the period, and shall be paid to the Participating Operator by the last day of the following Payment Period or the previous working day if that day falls on a weekend or public holiday.
12. Participating Operators will be notified in advance of the amount of each payment made in accordance with 13(a) above and any subsequent variation to that amount.
13. Payments will be made to new operators and to existing operators in respect of new services on the following basis:

- a) An initial payment equal to 95% of the Total Reimbursement estimated to be due for the period from the commencement of operation up to and including the end of the month in which the payment is made shall be paid within 28 days of the receipt of operational data for at least 3 months from which the payment will be calculated; where this is likely to cause cash flow problems for an operator the Travel Concession Authority may make an earlier payment at their discretion provided data received for 2 months shows consistency in Passenger Journeys.
 - b) After the initial payment 95% of the estimated Total Reimbursement due in respect of each month shall be paid to the Participating Operator by the 1st day of each subsequent month or the previous working day if that day falls on a weekend or public holiday.
 - c) The cumulative balance of the Total Reimbursement due at the end of each Payment Period shall be calculated as set out below and will be paid to the Participating Operator by the last day of the following Payment Period or the previous working day if that day falls on a weekend or public holiday.
14. The Scheme reserves the right to reclaim any overpayments either by invoice or by deducting the overpaid amounts from future Reimbursement Payments. Such overpayments will be advised no later than 3 months after the end of the Financial Year to which the overpayment relates and deductions from future payments will normally be made no later than 6 months after the end of the Financial Year to which the overpayment relates.
15. Participating Operators incurring a very low level of Net Revenue Foregone over a Financial Year may request to be paid on the basis of a fixed level of Total Reimbursement which may be agreed between the Participating Operator and the Travel Concession Authority and kept under review.
16. Payments to any Participating Operators falling outside the statutory provisions will be based on an agreed formula with the objective of being no more and no less generous than the terms of reimbursement in respect of local services.

Balancing Payments

17. The balance of Total Reimbursement due at the end of a Payment Period shall be the difference between:
- a) The payments already made at that time in respect of the period commencing at the beginning of the respective Financial Year less any overpayments invoiced and/or deducted and;

- b) The Total Reimbursement due at that time on the basis of out-turn data in respect of the period commencing at the beginning of the respective Financial Year and calculated as set out below.
18. Participating Operators will be sent a reimbursement statement detailing each balancing payment reconciliation. This statement will show the following for the period from the start of the Financial Year to the end of the relevant Payment Period:
- a) The sum of the payments due to the Participating Operator;
 - b) The sum of the payments so far made to the Participating Operator;
 - c) The amount of any balancing payment or reclaim.
19. Payments will only be released to Participating Operators upon receipt of a properly completed claim together with the necessary out-turn data and information required in respect of the previous Payment Period. These claims and data returns must be submitted within 8 working days of the end of each Payment Period.

Reimbursement Claims and Data Returns

20. Data enabling the calculation of Revenue Foregone shall normally be provided by Participating Operators in electronic form extracted directly from electronic ticketing machines and those machines must be configured such that journeys made by Scheme passholders can be separately identified. Participating Operators expected to receive Total Reimbursement totalling £50,000 or more in respect of a Financial Year must provide data in this form.
21. Participating Operators expected to receive Total Reimbursement totalling less than £50,000 in respect of a Financial Year may provide an acceptable equivalent to electronic data, but only if electronic data is not available.
22. The precise specification of the required data shall normally be a matter of agreement between each Participating Operator and the Travel Concession Authority but the Travel Concession Authority reserves the right to reasonably specify the content, manner, form, and method by which such information has to be extracted and provided in cases where they consider it necessary to do so. The information normally required will be as follows:
- a. Details of each journey made by a scheme passholder (route/service identifier, journey number, driver identifier, boarding stage, time, etc)
 - b. The average fare paid by fare paying passengers purchasing tickets on bus for each route/service and for each data return period (or information to enable this to be calculated)

23. In special cases (for example small commercial operators or community transport operators), Participating Operators who are unable to provide data from electronic ticket machines or its equivalent may, subject to the prior agreement of the Travel Concession Authority, have their Revenue Foregone estimated by means of data from sample surveys (or other sources) on their services or services of a similar type in the same area. To facilitate the process of estimation they may be required to provide details of gross revenue.
24. The frequency of data returns shall be a matter to be determined between each Participating Operator and the Travel Concession Authority but such returns shall normally be monthly but shall be no less frequent than quarterly and shall be provided within 8 working days of the end of each period to which they relate. The Travel Concession Authority reserves the right to withhold payments of reimbursement in whole or in part in cases where Participating Operators do not submit data returns on time and/or in the required form.

Notice of Withdrawal from Scheme

25. In the event that a Participating Operator wishes to withdraw his participation in respect of the Discretionary Elements of the Scheme he must give at least 42 days notice in writing to the Travel Concession Authority.

Alternate Dispute Resolution (ADR)

26. The Participating Operator and the Travel Concession Authority shall attempt to resolve any dispute in connection with the application of these Arrangements for Reimbursement through negotiations between the parties. If the dispute is not so resolved, either party may request that the dispute is resolved through an agreed Alternative Dispute Resolution (ADR) procedure within 12 months of the year end to which these Arrangements for Reimbursement relate. The Travel Concession Authority's preferred procedure would be Mediation. For the avoidance of doubt for these Arrangements for Reimbursement the year end is defined as being 31 March 2026.
27. Unresolved disputes over which Alternative Dispute Resolution (ADR) may be sought shall be:
- a) Disputes over the application of the DfT Reimbursement Calculator in the calculation of the Reimbursement factor;
 - b) The determination by the Travel Concession Authority of a Count Adjustment Factor, the value of which a Participating Operator has reason to dispute;
 - c) Disputes over the amount of any payment awarded in response to a claim made by a Participating Operator for the reimbursement of Marginal Additional Costs;

- d) Disputes over the amount of any payment awarded in response to a claim made by a Participating Operator for the reimbursement of Additional Capacity Costs;

For the avoidance of doubt any matter referred to ADR must be supported by detailed evidence endorsed by appropriate technical advisors.

- 28. The matter of costs relating to the ADR procedure shall be dealt with as part of the process of ADR.
- 29. ADR shall be without prejudice to the rights of Participating Operators under Part V of the Travel Concession Schemes Regulations 1986 and/or Section 150(3) of the Transport Act 2000 (as amended) and/or any other relevant legislation and/or regulations and does not affect any other legal rights that the parties might have of resolving any dispute arising from these Arrangements for Reimbursement.