

POLICY NOTE TO

**THE NATIONAL BUS TRAVEL CONCESSION SCHEME FOR OLDER AND
DISABLED PERSONS (SCOTLAND) AMENDMENT ORDER 2013**

SSI 2013/114

1. The above instrument is made in exercise of powers conferred on the Scottish Ministers by sections 40(1), (3) and (4) and 52(4) of the Transport (Scotland) Act 2005 and is subject to affirmative resolution procedure.
2. Article 12 of the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Order 2006 (“the 2006 Order”), as amended by the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Amendment Order 2010 (SSI 2010/140), provides for the reimbursement of operators of eligible services for carrying passengers under the Scheme.
3. This instrument further amends the 2006 Order to prescribe the rate and capped level of funding for reimbursement in 2013-14 and 2014-15.

Policy Objectives

4. The National Concessionary Travel Scheme for Older and Disabled Persons provides an entitlement to free bus travel for people over 60 or meeting certain disability related criteria. This is believed to deliver social and health benefits by enabling people more easily to access services and visit friends and relatives. In line with EU rules relating to transport state aids, operators can be reimbursed for the costs of participating in such a scheme so as to leave them no better or no worse off from doing so.
5. The objective of this Order is to enable operators to continue to be reimbursed after the expiry of the current reimbursement provisions on 31 March 2013 by setting rates and capped levels of funding for the next two financial years.
6. The rates reflect the findings of economic research commissioned by the Scottish Government and negotiations with the Confederation of Passenger Transport. The funding levels are set on the basis of the new reimbursement rates and estimates of the numbers of journeys and levels of fare rises over the next two years.
7. In 2013/14, the rate will be 60% (of the adult single fare) and the funding level will be £187 million. In 2014-15, the rate and funding level will be 58.1% and £192 million. The corresponding figures for 2012/13 are 67% and £187 million.

Consultation

8. Negotiations have taken place with the Confederation of Passenger Transport (CPT), which represents approximately 80% of the bus industry in Scotland in terms of volume. There has been extensive discussion with CPT and their advisers of the economic research informing the negotiations, and their comments and information have been taken into account in the final research report, which is available on the Transport Scotland website. The

negotiations with CPT concluded in an agreement which provides for continuing discussions, including annual reviews and a formal review of the economic model within five years. The exchange of letters constituting the agreement has been published on the Transport Scotland website.

Impact Assessments

9. There are no equality impact issues. The National Concessionary Travel Scheme is targeted at older and disabled people, providing social and health benefits by enabling people more easily to access services and visit friends and relatives. From the perspective of users, this Order enables the Scheme to continue on its present terms for the next two years.

10. A Business Regulatory Impact Assessment has been completed and is attached. The impact of this policy on business is to confirm arrangements for reimbursement of bus operators under the National Concessionary Travel Scheme for the next two years at levels which leave them no better and no worse off, in line with the objective in article 12(1) of the 2006 Order.

Financial Effects

11. The scheme has capped levels of funding of £187 million in 2013/14 and £192 million in 2014/15. The figure for 2014/15 is £5 million above the £187 million originally planned in the 2011 Scottish Spending Review.

Date of implementation

12. The new rates will be effective from 1 April 2013.

Scottish Government
Transport Scotland

February 2013