EXPLANATORY MEMORANDUM TO

THE BUS SERVICE OPERATORS GRANT (ENGLAND) (AMENDMENT) REGULATIONS 2011

2011 No. 2448

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 The instrument will end the eligibility of long distance coach operators to claim Bus Service Operators Grant (BSOG) in return for offering half-price travel to persons of over 60 years or older and those to whom a statutory travel concession permit has been issued.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Context

4.1 The Bus Service Operators Grant (England) Regulations 2002 (as amended) describe eligible bus services for the purposes of section 154 of the Transport Act 2000. The regulations enable the Department to pay BSOG to operators of such eligible bus services.

4.2 Bus Service Operators Grant is paid on a recurring basis and therefore needs Parliamentary approval. To be able to do this, the Secretary of State relies on the powers conferred under section 154 of the Transport Act 2000 which relate to grants to operators of eligible bus services towards the cost of running those services.

4.3 The Bus Service Operators Grant (Amendment) (England) Regulations 2003 (SI 2003/1036) extended the categories of eligible bus services to include coach services over routes of 15 miles or more.

4.4 Eligible coach services must operate in accordance with a fixed timetable, be available for use by the public, and provide half-fare concessions to persons of 60 years or older and to persons to whom a current statutory travel concession permit has been issued.

5. Territorial Extent and Application

5.1 This instrument applies to England only. Responsibility for Bus Service Operators Grant is a devolved matter.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- **What is being done and why?**

7.1 Since 2003, long distance coach operators offering older and eligible disabled people half price coach travel in England have been eligible to claim BSOG.

7.2 Funding is calculated on a different basis to BSOG for local bus services, and ensures that coach operators are reimbursed for carrying half price concessionaires on a "no better and no worse off" basis (i.e. they receive funding equivalent to the amount they would have received had the half price concession not been in place).

7.3 In the Spending Review 2010, the Government announced that the current arrangements that enable long distance coach operators to claim BSOG in return for offering a half price concession to older and disabled people would end by October 2011. This instrument will give effect to that change.

- **Consolidation**

7.4 None.

8. Consultation outcome

8.1 There is no statutory requirement that a consultation be undertaken. Furthermore, a written public consultation on ending the coach concession was not feasible as Government announced the decision in the 2010 Spending Review.

9. Guidance

9.1 No guidance has been published in relation to this instrument.

10. Impact

10.1 There is no impact on business, charities or voluntary bodies.

10.2 The impact on the public sector is negligible. There is an annual cost of around £16.9m to concessionary travellers who will no longer receive concessionary coach travel.

10.3 An impact assessment is attached to this memorandum and will be published alongside the Explanatory Memorandum on www.legislation.gov.uk

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 There are no plans to review this 2010 Spending Review decision

13. Contact

Matt Sowter at the Department for Transport Tel: 0207 944 2288 or email: matt.sowter@dft.gsi.gov.uk can answer any queries regarding the instrument.