POLICY NOTE

THE NATIONAL BUS TRAVEL CONCESSION SCHEMES (MISCELLANEOUS AMENDMENTS) (SCOTLAND) ORDER 2022

SSI 2022/

Purpose of the instrument.

This instrument sets out the capped level of funding for the National Bus Travel Concession Scheme for Older and Disabled Persons and reimbursement rates for bus operators in both National Bus Travel Concession Schemes in 2022-23.

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), the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Amendment Order 2013 (SSI 2013/114), the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Amendment Order 2015 (SSI 2015/133), the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Amendment Order 2017 (SSI 2017/71), the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Amendment Order 2018 (SSI 2018/98), the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Amendment Order 2019 (SSI 2019/119) and the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Amendment Order 2020 (SSI 2020/104), provides for the reimbursement of operators of eligible services for carrying passengers under the National Bus Travel Concession Scheme for Older and Disabled Persons ("the ODPS").

3. Article 12 of the National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021 (SSI 2021/175) ("the 2021 Order"), as amended by the National Bus Travel Concession Scheme for Young Persons (Scotland) Amendment Order 2021 (SSI 2021/381) provides for the reimbursement of operators of eligible services for carrying passengers under the National Bus Travel Concession Scheme for Young Persons ("the YPS").

3. This instrument further amends the 2006 Order and the 2021 Order to prescribe the rates and, in the case of the 2006 Order, capped level of funding for reimbursement in 2022-23.

Policy Objectives

4. The ODPS provides an entitlement to free bus travel for people in Scotland age 60 and over or who meet certain disability-related criteria. In response to surveys, card holders tell us that the ODPS provides them with social and health benefits, including by enabling them to access services and visit friends and relatives more easily. In line with ODPS

objectives, operators can be reimbursed for the costs of carrying concessionary passengers provided they are left no better or no worse off through their participation in the ODPS.

5. The 2021 Order came into force in April 2021. In line with YPS objectives, operators can be reimbursed for the costs of carrying concessionary passengers provided they are left no better or no worse off through their participation in the YPS.

5. The objective of this Order is to enable operators to continue to be reimbursed for the ODPS and YPS after the expiry of the current reimbursement provisions on 31 March 2022 by setting the reimbursement rates for both schemes and the capped level of funding for the ODPS for the next financial year (1 April 2022 to 31 March 2023).

6. Due to the ongoing impact of Covid-19 on bus passenger numbers and the continuing uncertainty for the foreseeable future it has not been possible to undertake the usual analysis and forecasting that underpins the annual revision of the reimbursement rates and the cap for the ODPS. The funding cap and reimbursement rate for the ODPS for 2022-23 have therefore been retained from the previous year.

7. The Order specifies that in 2022-23 the reimbursement rate for the ODPS will be 55.9% (of the adult single fare) and the capped level of funding will be £226.1 million. These are the same as the corresponding figures for 2021-22. It is expected that claims in practice will be substantially less than the capped level because of the impact of Covid-19.

8. The reimbursement rates for the YPS have also been retained from 2021-22. In 2022-23 the reimbursement rate for the YPS will be 43.6% (of the adult single fare) for journeys made by under 16s and 81.2% for journeys made by 16- 21 year olds. As in 2021-22, a budget cap is not being set for the YPS in 2022-23.

Consultation

8. The reimbursement rates have been agreed with the Confederation of Passenger Transport (CPT), which represents approximately 80% of the bus industry in Scotland in terms of volume of journeys.

Impact Assessments

10. There are no equality impact issues in relation to renewing the economic parameters of the ODPS or YPS. The ODPS is targeted at older and disabled people. User feedback highlights social and health benefits of the ODPS, including by enabling people more easily to access services and visit friends and relatives. The YPS is targeted towards young people aged under 22. The YPS, which is due to become operational on 31 January 2022, seeks to embed sustainable travel behaviours from a young age and to open up opportunities for young people. This Order enables the ODPS and YPS to continue on their current terms for the next year.

11. A Business Regulatory Impact Assessment (BRIA) 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 Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) and National Bus Travel Concession Scheme for Young Persons

(Scotland) for the next year at levels which leave them no better and no worse off. This is in line with the objectives in article 12(1) of the 2006 Order and article 12(1) of the 2021 Order.

Financial Effects

12. The ODPS has capped levels of funding of £226.1 million in 2022-23. It is currently estimated that claims for 2022-23 will amount to £157 million. The YPS does not have a cap. As we have no data yet from the YPS the estimated cost of reimbursement for this scheme, as set out in the BRIA that accompanied the National Bus Travel Concession Scheme for Young Persons (Scotland) Amendment Order 2021 remains at around £130 million.

Date of implementation

13. The new rates will be effective from 1 April 2022.

Scottish Government
Transport Scotland

January 2022