

Transport Policy

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Dear Operator

Bus Service Operators Grant

I am writing to inform you of a change to the LCV (Low Carbon Vehicle) incentive payment rate in relation to the Bus Service Operators Grant (BSOG), effective from 1 April 2017.

We view the Low Carbon Vehicle (LCV) incentive as having been a great success that has catalysed the increase in use of LCV buses – there are now approaching 500 running in Scotland. Whilst in recent years we have been able to find funds to meet the additional 14.4 pence/km, that is no longer tenable. The current system for the incentive is unsustainable and we are currently reviewing it to ensure a more 'future-proofed' scheme that is weighted towards the lowest emitting buses.

We have taken the view that it would not be possible to implement significant changes in time for April 2017. Therefore in order for us to manage spend within the allocated budget it is necessary for us to make a rate change for 2017-18.

It has therefore been decided to make a change to the LCV incentive rate (which is currently 14.4 pence/km). The standard payment rate will be maintained at 14.4 pence/km which reflects the Government's commitment to supporting the overall bus network.

The LCV payment rate from 1 April 2017 will be 10.1 pence/km.

The BSOG guidance documents are being updated and will be available on the Transport Scotland website:

<http://www.transport.gov.scot/public-transport/bus/bus-services-operators-grant>

Please address any queries regarding the change to me, at the contact details at the top of this letter.

Yours sincerely

Pete Grant
Bus Policy Team Leader



