

George Mair
Confederation of Passenger Transport
Director Scotland
3 Walker Street
EDINBURGH
EH3 7LA

Your ref:

Our ref:

Date:
20 December 2017

Dear George

This letter concludes our discussions on the National Concessionary Travel Scheme reimbursement arrangements for the next financial year.

As agreed in the Transport Minister's letter of 10 December, these were based – as they have been since 2013 – on the economic model we developed together and agreed during 2012-13.

The reimbursement rate we propose is based on the model using up-to-date outturns and forecasts and is aimed at ensuring operators are fairly reimbursed for carrying passengers under the Scheme. On the basis of those agreed calculations, I propose that the reimbursement rate for the next year should be 56.8% in 2018-19.

Taking account of the forecasts for future growth in journey numbers and fares, we estimate a budget requirement for Transport Scotland of £202.1m in 2018-19. This requirement was taken into account in setting the total figure for Concessionary Fares which appears in the Scottish Government's draft budget for 2018-19, published on 14 December.


Next steps

The arrangements for 2018-19 now need to feature in secondary legislation for entry into force by 1 April 2018. We will provide you with a draft Statutory Instrument early in the new year.

Later next year, we will need to return to some of the areas of further work required to complete our review of the reimbursement model..

When we complete this exchange of letters, we might perhaps liaise on the timing of our respective media handling and the letters that we will send to all operators.

I should be grateful for confirmation that this letter reflects your understanding of our agreement.

Yours sincerely,


Tom Davy
Head of Bus & Local Transport Policy

