

WRITTEN SUBMISSION FROM THE CONFEDERATION OF PASSENGER TRANSPORT - UK –  
SCOTLAND

1. The Confederation of Passenger Transport (CPT) Scotland is the trade association for the bus, coach and light rail industries. Our members run over 90% of the registered bus network in Scotland.
2. CPT is grateful for the opportunity to provide comment to the Infrastructure & Capital Investment Committee on the Scottish Government's draft budget 2012-13 and Scottish Spending Review. Our main concerns revolve around the Bus Service Operators Grant (BSOG) and the National Concessionary Travel Scheme reimbursement to participating operators.
3. The Spending Review proposes significant cuts to funding for the BSOG. The budget for BSOG has been cut twice since the last agreement with the Scottish Government; initially from £66.5m to £60.8m and then from £60.8m to £53.8m. **This equates to a cut of almost 20% or £12.7m in cash terms.**
4. The budget for the National Concessionary Travel Scheme has been held at £187m throughout the spending review period. **Following the previous review of the concessionary reimbursement mechanism, operators suffered a £17m reduction in reimbursement.**
5. The guiding principle on which concessionary reimbursement is based stems from the 1985 Transport Act and is that the arrangement should have the objective of leaving the operator 'no better and no worse off' (NBNW) than they would be in the absence of the concessionary scheme. **Given the inevitability of operators having to off-set increasing costs by increasing fares in the period ahead, it is also very clear that the proposed budget figure of £187m is totally inadequate and will result in a further reduction in the reimbursement paid to operators.**
6. During the current financial year 2011-12, reimbursement to operators is projected to hit £186m, some £6m more than the agreed budget of £180m. **This has the effect of reducing the agreed reimbursement to operators leaving operators worse off as a result of participating in the scheme.**
7. The NCT scheme was supported by all political groups in Parliament on its introduction. However, public sector budgets are now under significant pressure and if the scheme cannot be sustained financially in its current form, we would suggest that the Scottish Government must consider options which can help sustain the scheme for the long-term, such as increasing the eligibility age or introducing a flat fare.
8. BSOG and concessionary reimbursement are essential to maintaining bus services across Scotland. Evidence collated by the Campaign for Better Transport, has indicated that cuts to this funding in England has resulted in a wave of cutbacks in services. If the Scottish Government's spending plans are not reviewed then we can expect bus services across Scotland to also face cuts. CPT hopes that the Scottish Government will not repeat the same errors made by the UK's Coalition Government in its spending review.
9. The Scottish bus industry has not been immune to the recession. It has strived to maintain mileage during these difficult times, with some 96% of mileage being maintained during 2010-11. Clearly further cuts to funding will compound this challenge and bring added pressure for further service cuts.
10. Service cuts have a huge impact across many government policy sectors:
  - Buses play a crucial role in tackling social exclusion.
  - Buses are essential for people on low income. It is the poorest households which make the greatest use of the bus network: 44% of which use the buses at least once a week.
  - A lack of transport can be a serious barrier to looking for work and accessing further education.
  - 44% of workless households across the UK do not have access to a car.
  - 11% of rail passengers travel to the station by bus.

- Bus provides access to labour markets vital for economic growth
11. Conversely, a quality bus network can bring marked improvements to the economy and environment. We would suggest that the Scottish draft budget be amended to, at the very least, maintain BSOG funding and concessionary reimbursement at current levels.
  12. Approximately 87% of all public transport journeys are taken on bus. Buses carry in excess of 430m passengers per annum. Yet, assuming current passenger numbers, by the end of the current National Concessionary Travel Scheme arrangements in 2013, Government spend per passenger for bus will be £0.50, whereas Government spend per passenger on rail will be £10.34.
  13. We believe a more equitable spread of funding per mode could deliver real improvements for the majority of Scotland's public transport passengers.