

# Final Business and Regulatory Impact Assessment

## Title of Proposal

**Extending Local Bus Registration and Bus Service Operators Grant (BSOG) to Demand Responsive Transport (DRT)**

## Purpose and intended effect

- **Background**

In accordance with s.6 of the Transport Act 1985 (“1985 Act”), local bus services are currently required to be registered with the Traffic Commissioner who oversees the regulatory regime to ensure that the service delivered matches the registration details. S.2 of the 1985 Act provides the definition of a local service, part of this definition is that they are available to the general public.

- **Objective**

It is proposed to extend the definition of a local bus service to include DRT services. Therefore to be included as a local service means that the DRT services would need to be available to the general public. The benefit of this change is that once registered these DRT services would fall within the regulatory regime operated by the Traffic Commissioner and would be monitored to ensure that services are delivered as per the registration. In making this change, these DRT services will also qualify for the Scotland-wide Concessionary Travel Scheme thereby improving accessibility and social inclusion for eligible passengers in remote areas and ensuring that all passengers receive a regular and reliable transport service.

- **Rationale for Government intervention**

The Scottish Government is committed to working with key stakeholders to improve bus services in Scotland. The key policy drivers are to link communities, people, places of business and employment and essential services through encouraging the maintenance and development of the bus network in Scotland and to support modal shift from cars to public transport where possible. The proposed changes will encourage more bus operators to provide DRT services in rural and urban areas of Scotland which will contribute to achieving the Government purpose of sustainable economic growth.

## Consultation

- **Within Government**

The SG has already discussed these proposals with the Traffic Commissioner (TC). The TC is keen to have such DRT services registered within the regulatory regime in order to enable her office to

monitor and ensure that services are delivered by operators do meet the service standards registered with the Commissioner.

Brian Juffs, formerly Senior Bus Development Adviser (SBDA) has also informed us that the DRT Forum confirmed that there were a number of DRT services already operating throughout the country, providing valuable and reliable services. These small operators and their passengers could benefit from being included in the regulatory regime.

- **Public Consultation**

A 3 month public consultation took place from 1 July 2011 until 30 September 2011. We received 31 replies to this written consultation.

The majority of the responses were largely in support of these proposals to DRT services that are available to the general public, with many comments welcoming the SG financial support that these changes would bring to such DRT services. It was recognised though, that this change in legislation will, initially, only affect a small number of services as the majority of DRT services are not available to the general public.

Informal consultation has also taken place with Brian Juffs, SBDA who lead the DRT Forum on 16 March 2010 entitled: - A More Cohesive Approach to the Provision of Community Transport/Demand Responsive Transport Services Across Scotland.

- **Business**

Following ongoing discussions with the Traffic Commissioner, and in tandem with feedback received from those organisations involved with the Scottish Government DRT Forum chaired by the Senior Bus Development Advisor (ATCO, COSLA, RTPs, Community Transport Association, Confederation of Passenger Transport, Strathclyde Partnership for Transport and PVS), it became evident that there was significant support for the outline proposal both to extend local bus registration and payments under the Bus Service Operators Grant (BSOG) to demand responsive transport; but that some form of public consultation would be required to identify any potential issues that might arise if that was then to be progressed through secondary legislation.

There are no businesses affected by these proposals so there has been no direct, face-to-face consultation with business. We have however consulted directly with all those organisations who will be affected and they have contributed to the development of these proposals.

**Options**

**Option 1.** To enable DRT services available to the general public to be registered as local services, thereby qualifying for the Scotland-wide concessionary travel scheme. Also extending the Bus Service Operators Grant to such DRT services.

**Option 2.** Do nothing.

- **Sectors and groups affected**

The recommended changes will enable DRT services which are available to the general public to be registered with the Traffic Commissioner as local bus services, thereby qualifying for concessionary travel funding. It is proposed that entitlement to BSOG funding be extended to those DRT services which are registered as local services and therefore available to the general public.

Those groups affected will include:-

Confederation of Passenger Transport (CPT),  
Community Transport Association (CTA),  
Regional Transport Partnerships (RTPs) mainly Strathclyde Partnership for Transport (SPT), and  
Local Authorities

- **Benefits**

**Option 1.** The measures proposed are designed to encourage the development of more DRT services helping to further improve access to services, facilities and social networks and so promote social inclusion. This is particularly relevant where fixed route bus services are not commercially viable.

**Option 2.** That there will be no additional strain on either the BSOG or Scotland-wide concessionary travel scheme budgets.

- **Costs**

**Option 1.** There will be no additional increase to either the BSOG or Scotland-wide concessionary travel scheme budgets for 2012/13. Though these proposed amendments will result in an additional strain on each budget. The current BSOG scheme is budget limited and the Scotland-wide concessionary travel scheme budget is capped.

**Option 2.** The BSOG budget for 2012/13 is limited £50m and the Scotland-wide concessionary travel scheme budget for 2011/12 is capped at £187m.

### **Scottish Firms Impact Test**

There are no businesses affected by these proposals so there has been no direct, face-to-face consultation with business. We have however consulted

directly with all those organisations who will be affected and these organisations have contributed to the development of our proposals.

- **Competition Assessment**

We have fully considered the questions posed in the Office of Fair Trading (OFT) competition assessment test and conclude that our preferred policy option is unlikely to hinder the number or range of businesses or the ability for operators to compete.

- **Test run of business forms**

There are no new forms being brought into force as a result of our proposals there no requirement to carry out a test run of business forms.

### **Legal Aid Impact Test**

Having considered the information provided in the BRIA, the Legal Aid Team has confirmed that the impact on the Fund will be minimal.

### **Enforcement, sanctions and monitoring**

The Office of the Traffic Commissioner (OTC) will enforce and monitor. The OTC ensures all applications for registered bus services are scrutinised upon receipt and additional information requested accordingly. In addition, the OTC acts on (public) complaints and/or performance reports submitted by VOSA Inspection Officers on Bus Operators and holds Public Inquiries into cases of non-compliance or poor performance which can result in a range of penalties such as fines, licences suspended or revoked.

### **Implementation and delivery plan**

All of the systems that apply to Option 1 are already in operation. There have been no serious objections raised in the 3 month consultation period, the draft legislation including any amendments, will now be laid in the Scottish Parliament in February 2012 with the legislation coming into force wef 1 April 2012. The consultation report will be published on the SG Website and all stakeholders will be e-mailed to confirm when the new legislation is in effect.

- **Post-implementation review**

A review will take place 6mths-9mths after the legislation goes 'live' through monitoring the impact on both the BSOG and Scotland-wide concessionary travel schemes budgets and in liaising with the OTC regarding the numbers of new DRT services operating in Scotland.

### **Summary and recommendation**

Option 1 is being recommended because the measures proposed are designed to encourage the development of more DRT services helping to further improve access to services, facilities and social networks and so promote social inclusion. This is particularly relevant where fixed route bus services are not commercially

viable. There will be no additional increase to either the BSOG or Scotland-wide concessionary travel scheme budgets in 2012/13.

- **Summary costs and benefits table**

Both Options 1 & 2 will operate within the same budgets as outlined below. However, Option 1 is designed to encourage the development of more DRT services helping to further improve access to services, facilities and social networks and so promote social inclusion.

Budgets 2012/13	£million
BSOG	50
Scotland-wide Concessionary Travel scheme	187
<b>Total</b>	<b>237</b>

#### **Declaration and publication**

I have read the impact assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs I am satisfied that business impact has been assessed with the support of businesses in Scotland.

**Signed:**

**Date:**

**Keith Brown, MSP**  
**Minister for Housing and Transport**

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