

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

Your ref:

Our ref:

Date:  
January 2019

*Dear George*

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

These were based, as they have been since 2013, on the economic model developed together and agreed during 2012-2013.

The reimbursement rate proposed 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 2019-2020 should be 56.5%.

Taking account of the forecasts for future growth in journey numbers and fares, we estimate a budget requirement for Transport Scotland of £213.65m in 2019-20. This requirement was taken into account in setting the total figure for Concessionary Fares which appears in the Scottish Government's draft budget for 2019-20, published on 12 December 2018.

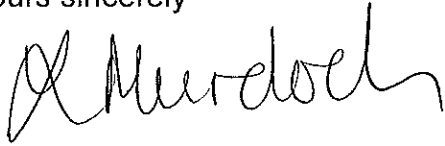
### **Next Steps**

The arrangements for 2019-20 will now need to feature in secondary legislation to come into force on 1 April 2019. We will provide you with a draft Scottish Statutory Instrument in the next few weeks.

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

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

Yours sincerely



Laura Murdoch  
Director  
Bus, Accessibility and Active Travel Directorate