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Edward Mountain MSP  
Convener  
Net Zero, Energy and Transport Committee  
The Scottish Parliament  
EDINBURGH  
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25 June 2025

Dear Convener,

Thank you for your letter of 12 June, in which you seek clarification on how the bus franchising model will be implemented and confirming when the Committee will receive a copy of the statutory guidance for bus franchising prior to its formal publication.

As I explained in Parliament, the draft statutory guidance is currently undergoing an internal review prior to final engagement with key parties on the franchising process, including the Competition and Markets Authority, and the Office of the Traffic Commissioner (OTC). Once that process is completed, it is my intention to share the draft guidance with the NZET Committee along with affected parties, including local transport authorities, regional transport partnerships, and operator representatives, prior to finalisation and formal publication.

Final timescales for publication will depend on the capacity of these stakeholders to consider and engage with the draft document. In the meantime, I would like to assure you that we have been engaging closely with local transport authorities, Strathclyde Partnership for Transport (SPT), on the development of the draft guidance.

Turning to your question on timescales for full implementation of a franchising framework, this will very much depend on the size and scale of a local transport authority's franchising proposals. Only SPT has provided an estimate of 5 to 7 years to develop a franchising framework to the point of implementation. However, as you are aware, SPT is also considering other options, as well as franchising for improving the local bus network as part of their draft Strathclyde Regional Bus Strategy. The public consultation to their strategy ended on 29 May, and SPT are reviewing the responses they have received before they publish the final version of the Regional Bus Strategy later this year.

In addition to the statutory guidance for bus franchising, officials from Transport Scotland published an [overview](#) of the bus powers in 2024, which provides information and links to useful resources that local transport authorities need to consider when exploring the various

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powers. Officials can also talk to local transport authorities on an individual basis, about the bus powers, including franchising. However, it will be for each local transport authority to decide what flexible tools within the 2001 Act, if any, they want to use to improve bus provision in their area.

While there were no financial or administrative burdens place on local transport authorities via the Public Service Vehicles (Registration of Local Services) (Local Services Franchises Transitional Provisions) (Scotland) Regulations 2025, I can confirm that the Scottish Government did published a [financial memorandum](#) along with the Transport (Scotland) Bill. A separate [Business Regulatory Impact Assessment \(BRIA\)](#) was published for our public consultation entitled “Implementing Part Three of the Transport (Scotland) Act 2019, and a [supplementary BRIA](#) was published for the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024.

Local transport authorities looking to use any of the bus powers, including partnership working, running their own services, or franchising will be required to undertake more detailed appraisals to determine which of the options they want to progress with. In a climate of increasing fiscal pressure, it is important that the business cases for improving bus services are made robustly and in an evidenced based way to support future decision making on funding.

I also want to stress that we are investing more than £2.6 billion in 2025-26 to support public transport and to make our transport system available, affordable, and accessible for all. In 2025-26, we are increasing funding for bus services and concessionary travel from £430 million in 2024-25 to almost £465 million.

I recognise that franchising is a valuable tool for local transport authorities to improve services in their area. However, it is also a significant intervention in the local bus market with the potential to have serious impacts on services both within the franchising area, as well as in neighbouring authorities. Due to these risks, I have no plans to modify the franchising process. This model provides for rigorous scrutiny of local transport authority franchising proposals to safeguard the protection of passengers and the wider bus network from potential damage of a poorly developed franchise.

I hope this helps to clarify the present position.

Yours sincerely,

**JIM FAIRLIE**

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