Title of Proposal
Seat belts on School Transport (Scotland) Bill.

Purpose and intended effect

Background

There is currently no legal obligation in Scotland for seat belts to be provided on dedicated home-to-school transport despite the well-established safety benefits they can bring in a road traffic accident.

In March 2014 Scottish Ministers announced the intention to legislate to make seat belts a requirement on all such transport. Following devolution of legislative competence on the issue via a Scotland Act Order in 2015, Gillian Martin MSP has introduced the above Bill in 2017, with support from the Scottish Government.

The new legal duty will require local authorities, independent school providers and grant-aided school providers (collectively termed “school authorities”) to ensure that the vehicles provided for dedicated home-to-school school transport have seat belts fitted. In practice, dedicated school transport is often supplied by way of buses or coaches which are contracted from private operators. Less commonly, it can be provided through vehicles owned by local authorities, grant-aided school providers or independent school providers.

The legal duty will apply to both such instances as well as all motor vehicles (including taxis and minibuses) used by school authorities to provide dedicated school transport.

The Bill does not cover registered bus services available to the fare-paying general public, which some school authorities pay for journeys for their pupils either by season tickets or individual journeys. Such measures would be beyond the legislative competence of the Scottish Parliament.

Local authority returns from 2017 showed there are 18 local authorities in Scotland already voluntarily stipulating the provision of seat belts as a requirement in all dedicated school bus contracts and a further six which required it on some contracts, such as services only for primary school pupils or for a particular type of vehicle. The Bill's objective is therefore to ensure such good practice becomes universal on dedicated school transport across the country as a matter of law. The grant-aided and independent school sectors report that their dedicated home-to-school transport is almost universally provided with seat belts already.

The new legal requirement is scheduled to come into force in 2018 for primary school transport and 2021 for secondary. This lead-in time is to give those affected, primarily local authorities and bus operators, time to adapt to the changes and obviate the need for any existing contracts to be broken.
**Objective**

The protection of Scotland’s children and young people is a top priority for the Scottish Government, whilst reducing the risks on the country’s roads also forms a key pillar of its efforts to keep people safe from harm. This is indicated from the following within the Scottish Government’s National Performance Framework:

- *Reduce deaths on Scotland’s roads* (National Indicator)
- *We live longer, healthier lives* (National Outcome)
- *Our children have the best start in life and are ready to succeed* (National Outcome)

*Scotland’s Road Safety Framework to 2020* sets out the Scottish Government’s strategic national policy on reducing the risks on Scotland’s roads, whilst comprehensive measures are taken to help keep pupils safe on the journey to school such as those outlined in Transport Scotland’s national guidance ‘A Guide to Improving School Transport Safety’.

**Rationale for Government intervention**

There can be no greater responsibility than the protection of Scotland’s young people. Although local authorities are free to stipulate seat belts as a condition within dedicated school transport contracts, the Scottish Government wants this practice to become universal given the associated safety benefits.

**Consultation**

**Within Government**

Discussions have been on-going with colleagues across the Scottish Government in development of the Bill, including, but not restricted to, the following Directorates:

- Directorate for Learning
- Directorate for Children and Families
- Transport Policy Directorate
- Directorate for Local Government and Communities
- Transport Scotland Trunk Road and Bus Operations
- Education Scotland

The Better Regulation team has assisted in planning and developing this Business and Regulatory Impact Assessment (BRIA).
Public Consultation

A three-month national public consultation by the Scottish Government ran from March to June 2016, with the analysis published on 26 August that year. It received 79 responses, with one from a bus operator – First Group UK – and a detailed response from the Confederation of Passenger Transport (CPT), a national body representing the bus industry.

The consultation also received responses from local authorities and representative bodies with a knowledge of delivery and contracting practices around dedicated school transport, such as:

- The Association of Transport Co-ordinating Officers (ATCO)
- The Convention of Scottish Local Authorities (COSLA)
- East Lothian Council
- Fife Council
- Falkirk Council
- South Ayrshire Council

In the main, consultation responses were focussed on the issue of ensuring children wear seat belts when they are fitted to vehicles, rather than the effect on business and industry. However, some themes were:

- Bus and coach companies may have to retrofit vehicles with seat belts
- The measures may have negative consequences on the number of firms which are able to bid into the market
- Existing double-decker buses may be unsuitable and so would need to be replaced

Working group

The Scottish Government set up the Seat Belts on School Transport Working Group in 2014 to take a partnership approach to policy development. This includes representatives of the bus industry and other stakeholders with detailed knowledge of dedicated school transport provision and contracting practices. Current members are:

- Transport Scotland road safety officials
- Scottish Government education officials
- Gillian Martin MSP
- CoSLA
- Society of Chief Officers of Transportation in Scotland
- ATCO
- Confederation of Passenger Transport (CPT)

1 Transport Scotland: Consultation on seat belt requirements for dedicated school transport - Analysis Report
Regional Transport Partnership representatives
Strathclyde Partnership for Transport (SPT)
Federation of Small Businesses (FSB)
Association of Directors of Education in Scotland
Traffic Commissioner for Scotland
National Parent Forum Scotland
Scottish Council for Independent Schools (SCIS)
Scottish Parent Teacher Council

This has met on numerous occasions and one of the issues for discussion has been the effect the new legal requirement will have on the bus industry in Scotland.

Direct Engagement

In addition to the working group consultations, one-to-one meetings were held with a number of organisations to gather feedback, including:

- SPT – a regional transport partnership which contracts dedicated school transport for a number of local authorities in the West of Scotland in order to achieve economies of scale and covered a high proportion of the vehicles used for dedicated school transport provision without seat belts.

- CPT – which represents the interests of bus operators in Scotland, although the membership tends to be the larger operators.

- FSB – which represents the interests of small businesses. FSB confirmed their membership contains very few bus operators, yet the organisation has a good understanding of the considerations of smaller businesses more generally.

- Local authorities – in-depth discussion took place with local authorities such as Fife and Aberdeenshire to discuss their specific practices and issues.

- Independent and grant-aided schools – correspondence was sent to all of Scotland’s grant-aided schools and independent schools not covered by SCIS (on the working group), with a number responding directly.

- Bus and coach modification centres – direct correspondence with Drew Wilson Coach Sales, Milligan’s Coach Travel, Ferrymill Motors, Bus Tech and Cogent Seating.

Focus Groups

Stakeholder engagement and consultation highlighted that the vast majority of dedicated school transport is provided by bus operators through contracts with local authorities. The size and composition of those businesses which undertake school transport contracts in Scotland varies considerably, from large national operators which also provide commercial public bus services, to smaller local companies which may only provide dedicated school transport.
It's not possible to list every bus and coach company in Scotland or the precise number which undertake dedicated school transport contracts, however there are over 200 bus and coach operators in Scotland currently in receipt of the Bus Service Operators Grants or members of the Concessionary Travel Scheme (and registered with the Traffic Commissioner).

Moreover, private sector influences such as levels of competition, market conditions and differing council contracting practices can vary considerably from area to area. This means that there will be geographical variations regarding the impact of the legislative requirement on business and industry. The bus industry and other stakeholders have raised that there are a range of options for a bus company which owns vehicles without seat belts yet wishes to bid for a dedicated school contract in future, including retrofitting seat belts to existing vehicles, re-organising their fleet to move those with seat belts or purchasing new vehicles. Bus companies report that they would look to recover financial outlays via increased contract charges. As the grant-aided and independent school sectors report that their dedicated home-to-school transport is almost universally provided with seat belts already, any impact on the bus and coach industry is overwhelmingly centred on companies undertaking council contracts.

Such varied provision means it is challenging to capture the overall impact on business and industry across Scotland. In order to gather proportionate feedback that is reflective of the situation nationally, an exercise was conducted to undertake two local sample focus groups of bus companies which bid for and undertake dedicated school transport contracts.

It was deemed that the best approach would be to focus on one local authority which had already voluntarily begun stipulating seat belts in dedicated school transport contracts and one which would have to make some transition after the legislative requirement. A rural and urban split was also seen as beneficial. Aberdeenshire Council and West Lothian Council were selected.

A range of bus operators, both larger and smaller companies with varying experience of dedicated school transport contracts, took part in both discussions, alongside local authority officers with in-depth knowledge of contracting practices.

Aberdeenshire bus operators (interviews on 15 September 2016)

- Stagecoach North Scotland
- Bain’s Coaches
- Central (Aberdeen)
- Reid’s of Rhynie.

Additionally, the following local area bus operators were contacted for feedback immediately after the interview:

- Allan and Black Coaches
- Victoria Coaches
West Lothian bus operators (interviews on 11 October 2016)

- E&M Horsburgh
- Prentice Westwood
- First Scotland East
- SD Travel
- WS Hamilton

**Options**

The three options considered are:

**Option 1** – Do not legislate for the requirement

**Option 2** – Enact the legislation in 2018 for all vehicles.


**Sectors and groups affected**

All of the options have impacts for the following sectors and groups:

- School children
- Bus and coach companies
- Local authorities
- Grant-aided and independent schools
- Vehicle garages, modification centres and bus manufacturers

**Option 1 – Do not legislate**

**Benefits**

This option would mean those school authorities which do not currently stipulate seat belts in their dedicated school transport contracts or have them fitted on the vehicles they own for such provision would not have to change their practices. It also means bus and coach operators whose vehicles do not have seat belts fitted and want to bid for such contracts in future would not have to make alterations to their fleet or practices due the new legal duty.

Consequently, if such companies had made changes to their fleet, in terms of retrofitting vehicles or purchasing new ones, this may have led to an increase in trade for bus garages and modification centres or bus and coach manufacturers that would not be realised.

Any benefit or dis-benefit is largely confined to local authority provision, given that the grant-aided and independent school sectors report that any dedicated school transport they provide is almost universally with vehicles fitted with seat belts.
The Scottish Government wishes to promote higher safety standards on dedicated school transport. Engagement with the bus industry, local government, parenting groups and other stakeholders has shown high levels of support for the principles of the policy, as did the public consultation. The ‘do nothing’ option therefore fails to deliver on these desires.

National guidance already outlines that seat belts can be added as a condition within dedicated school transport contracts as a matter of good practice. Stakeholder engagement has revealed an increasing number of local authorities implementing such measures, therefore this trend may continue towards wider coverage.

Costs

No financial costs to the bus industry or local authorities due to the legislative requirement as the market demand will not change, or for school authorities as they will not have to change provision. However, additional local authorities may choose to voluntarily require seat belts in contracts, as has happened in the past, which could lead to cost implications for themselves or bus operators.

Option 2 – Enact the legislation in 2018 for all vehicles

Benefits

This would mean that both primary and secondary school pupils would see the benefit of the policy from the same date. The above engagement has revealed that the biggest challenge in adapting to changes in contracts is insufficient notice of forthcoming new requirements. It has also highlighted that the majority of such transport which is not fitted with seat belts is used for secondary school transport (local authority returns via ATCO in 2014 revealed that 108 such vehicles were used for primary and 215 for secondary). Therefore the early notice in 2014 with a later commencement date for secondary school provision allows those affected, primarily bus companies and local authorities, time to adapt.

Bus operators and local authorities report that commencing the new legal requirement for all provision in 2018 would place them under significant strain to adapt and may lead to contracts having to be re-negotiated or broken, which can have significant cost implications.

Costs

Enacting the legal requirement at any date has financial implications. This is due to increases in contracting costs as bus operators who have to adapt their fleet to meet the new requirement seek to recoup any financial outlay through increased contract prices (detailed in the financial memorandum accompanying this Bill).

It has not been possible to specifically cost Option 2. The cost implications of Option 3 are detailed below and stakeholders report that pursuing option 2 would significantly increase this figure.
**Option 3**

**Benefits**

The policy intention will be realised, however there will be a three year period where the legal duty applies to dedicated school transport for primary school pupils yet not the provision for secondary pupils.

In terms of the impact on industry, this timescale allows bus companies more time to adapt their vehicle fleets and business models to the forthcoming changes, given that the transition for secondary school provision is greater than that for primary.

Consequently, there will be less impact on bus and coach companies as the market is given more time to adjust to the legislative changes. There will also be less strain on local authorities in terms of having to renegotiate or break contracts.

**Costs**

Detailed engagement with bus operators and trade bodies has highlighted that a company which incurs a cost due to the new seat belt requirement would look to recoup this by increasing their contract charges for dedicated school transport. The financial memorandum accompanying this Bill sets out the cost implications of option 3 in detail yet, in partnership with local government, the increase in contract costs has been estimated at £8.92m over the fourteen year period from 2018 to 2031 (inclusive).

**Scottish Firms Impact Test**

**Bus Industry**

By far the largest business sector affected by these proposals is commercial bus and coach companies. Given the large number of such operators in Scotland it is not feasible to list all firms affected or possibly affected. Likewise, the specific companies which bid for or undertake dedicated school transport contracts can change with any tendering round as operators enter the market and others leave.

Through the Seat Belts on School Transport Working Group and other direct engagement with stakeholders, it has been made clear that, as the majority of Scotland’s local authorities already stipulate seat belts as part of their school bus contracts, there are examples and precedents where the market has adapted to such a transition.

Comprehensive engagement with CPT and individual bus companies has highlighted that Scotland's bus and coach industry is highly diverse, ranging from companies which provide registered public services in various areas across the country and own a large number of vehicles, to smaller more specialist firms, owning just a small number of vehicles and only undertaking private contracts for specific provision. Different companies from across this broad spectrum provide dedicated school transport contracts and the focus group sessions were undertaken to provide a snapshot of how adding seat belts into such contracts impacts on the market locally and
how companies predict it will affect them when the new legal requirement comes into force.

Aberdeenshire Council has stipulated seat belts in its dedicated school contracts since 2010, whilst West Lothian currently makes them a requirement on contracts for primary provision but not secondary.

Feedback from companies at both interview sessions revealed there are a range of features stipulated within any given contract based on the local authority’s obligations, policies and practices. These include, but are not restricted to, the number of children to be transported, the number / length of routes, the specification of vehicles and on-board features such as CCTV and wifi. Therefore the contract is viewed and priced as a package, rather than a series of individual features which can be independently costed.

In West Lothian there was consensus amongst companies that there is no average amount or cost change when one stipulation within a contract is altered, such as adding seat belts. It was therefore deemed impossible to ascertain anything such as an average percentage of the overall cost as a consequence of a new seat belt requirement within a contract and the effect it would have on the company.

Feedback from bus companies in both sessions, which was reiterated by CPT and SPT in further engagement, is that the notice period given for forthcoming changes to contracts is more important than the actual specific new requirement. The bus industry is flexible and used to adapting to changes.

One operator in Aberdeenshire made clear that, in 2001 when UK legislation made seat belts a legal requirement on new buses and coaches (except those for urban use which include room for standing passengers) it was able to adapt without major challenge in terms of costs or impact on business.

Aberdeenshire Council reported that, when it decided to add seat belts as a contractual requirement from 2010, it did not experience a major increase in its contract costs. The local authority had envisaged cost increases to be significantly higher.

At focus group interviews the bus operators made clear that, as with any change to market requirements, the ability to adapt can depend on the business model and size of a company. Bigger, nationwide operators can move buses from their fleet in other parts of the country in order to meet new requirements locally. Whilst those with a modern fleet are more likely to have vehicles which are already fitted with seat belts.

Also, firms confirmed they may choose to cease bidding for dedicated school contracts as their business model changes and they move into other markets or opportunities. Larger operators may have vehicles which are also used as registered bus services for the fare-paying public throughout the day, whilst small companies may own vehicles which are solely used for the dedicated home-to-school run. It was also raised that smaller operators can sometimes be more successful at securing certain contracts, such as dedicated school transport services, as they have more
specialist vehicles which can meet specific contract requirements.

Bus operators in West Lothian stated that being unable to meet a future contract requirement would not be the only reason not to bid. In fact, dedicated school transport contracts may prove more, rather than less, attractive to bus operators in the future. This is due to a range of considerations such as fuel and vehicle prices, the changing levels of competition in an area or the price a local authority will pay for dedicated school transport provision.

Feedback from both focus groups was that prior notice of future contract requirements was the single-biggest factor in whether or not companies are able to adapt. Firms stated that local authorities often give notice of six-months to one-year pre-tender and they could adapt in this time. If the specification changes in the middle of a contract, problems can occur, which can have a significant impact on cost and the ability of the operator to adapt.

The commencement dates of 2018 for primary and 2021 for secondary were seen as being sensible and pragmatic in both focus group sessions, as well as during working group dialogue and direct engagement with stakeholders. Following working group discussions in 2014, the Scottish Government wrote to all local authority chief executives giving formal notice of the dates, ensuring widespread awareness, whilst articles were also placed in the trade press. This helped ensure those affected were cognisant of the future legal requirement whilst committing to contracts in the years leading up and the bus industry and other stakeholders report that this has been effective.

SPT, which oversees a high number of contracts for various local authorities in the West of Scotland, reports that it has begun undertaking the practice of adding seat belts as a requirement in recent years and it has not had a significant impact on cost. The West Lothian focus group also heard that companies were aware of these dates and that contracts for secondary school provision had been committed to which run beyond 2018. CPT has also made clear that it would be particularly challenging for the industry if the previously stated 2021 date for secondary provision was brought forward to 2018.

Stakeholders have highlighted that there are various ways bus companies which own vehicles without seat belts, yet wish to tender for dedicated school transport contracts, could meet the new requirement, including retrofitting seat belts to existing vehicles, re-organising their fleet to move those with seat belts on to such contracts or purchasing new vehicles.

Focus group attendees advised that they were aware of a company which undertakes retrofitting work on buses and coaches. In order to gauge what this may cost a bus company, contact was made with the firm which advised:

- £2,300 - Standard single deck with lap belts
- £2,500 - Standard single deck with 3 Point seat belts
- £4,200 - Double Decker with lap belts
- £4,500 - Double Decker with 3 Point seat belts
Subsequently, contact was made with another Scottish vehicle modification firm which undertakes such work which quoted £12,500 to retrofit a coach with 3 point seat belts.

No bus firm in either Aberdeenshire or West Lothian felt that the new legal requirement could solely put a company out of business. Feedback from stakeholders including bus companies has highlighted that, as bus drivers are used to driving a range of vehicles, often with seat belts, and the legislative requirement does not affect current procedures with the wearing of belts, it is very unlikely to have any new staff training consequences.

For the bus industry more widely, it should be noted that this is a sector with a high level of government funding in general. In 2015/16 (latest available figures) £301 million was allocated to the industry in Scotland by central or local government (not including dedicated school transport costs, figures on which are not collected nationally). This equates to 45% of the industry’s total revenue and is seen in schemes such as the concessionary travel reimbursement and Bus Service Operators Grant, which offers financial assistance to run services that might not otherwise be commercially viable, or supported services. Additionally, the Scottish Green Bus Fund and Bus Investment Fund have seen over £22 million in Scottish Government funding allocated to the industry since 2010.

Local Authorities

Given that bus operators which incur a cost due to the new seat belt requirement in a contract would look to recoup this via a price increase in their bid for future dedicated school transport contracts, that would fall to local authorities.

Although the vast majority of dedicated school transport is contracted, in some instance local authorities own the vehicles used. If such vehicles have to be adapted or replaced, a cost will be incurred. The £8.92m forecast in Option 3 above, produced in collaboration with local government, includes vehicles for all provision.

Grant-aided and Independent Schools

SCIS have advised via the working group that almost all independent school provision of such transport is delivered through vehicles which already have seat belts fitted. SCIS contacted its members and none presented any issue with meeting the future legal requirement.

Additionally, direct correspondence from the Scottish Government was sent to all 8 of Scotland’s grant-aided schools and to all independent schools not represented by the SCIS. None have reported any issues.

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Vehicle Garages, Modification Centres and Bus Manufacturers

Bus and coach garages and modification centres which specialise in retrofitting may secure an increase in trade as a result of the Bill. CPT confirmed the following companies (not necessarily a complete list) provide such services:

- *Drew Wilson Coach Sales*,
- *Milligan’s Coach Travel*,
- *Ferrymill Motors*,
- *Bus Tech*
- *Cogent Seating*

Likewise, manufacturers of buses and coaches or vehicle parts may see an increase in purchases if companies decide to replace vehicles in their fleet. This is not a large-scale industry in Scotland, yet Alexander Dennis Ltd is one such company.

Ultimately a decision by a bus company as to whether they tender for a dedicated school transport contract and any required changes to their fleet in order to achieve this, such as retrofitting vehicles or purchasing new ones, is a commercial one which takes a range of factors into account so it is not feasible to quantify any such increase in trade. It also cannot be assumed that operators making any such purchases would solely use Scottish companies.

**Competition Assessment**

During both focus group sessions and engagement with industry bodies, it has been highlighted that, whilst the bus industry will need to make some adjustment to meet the new legal requirement, it is a flexible industry and will be able to do so, particularly with the timeframes in Option 3. Given that 17 local authorities already voluntarily contracted for seat belts on all dedicated school transport provision in 2014, with six more doing so in some provision, there are examples of where the transition has taken place and stakeholders do not report a significant impact on competition.

In more remote areas where there are low levels of competition amongst bus companies, local authorities generally already stipulate seat belts in contracts. The 2014 council figures showed the vast majority of dedicated school transport without seat belts was in the West of Scotland: all of the vehicles used for primary school provision and 165 of vehicles used for secondary (77%) were contracted by SPT, which has high levels of competition.

During focus group sessions, bus companies could not think of examples where similar changes to school bus contracts had forced a business out of the market or limited the range of possible suppliers. There are various factors that contribute to a bus company’s ability to bid for any particular contract, school transport related or otherwise. While a mandatory stipulation to fit seat belts was thought to be one of these factors, operators did not think that it would be a sole reason for limiting their ability to compete. It was suggested that the legislation might have a positive effect on smaller operators in particular, as the requirement for seat belts would suit their more bespoke vehicles.
Test run of business forms

N/A – No new forms for businesses to complete.

Legal Aid Impact Test

The proposed legislation will have no impact on the legal aid fund. Details of the proposed Bill were sent to the Scottish Government team covering legal aid policy on 17 October 2016, who confirmed that the Bill will have no impact on the legal aid fund.

Enforcement, sanctions and monitoring

The Bill creates no new enforcement process or body and uses existing scrutiny and sanction mechanisms. School authorities have their own arrangements for monitoring whether dedicated school transport contractors are meeting agreed requirements and these can include remedial or punitive measures for failures. This Bill does not affect these practices. A self-reporting duty on school authorities to state compliance with the legal requirement will come into force. In practice, this will be on a forum such as a website, or in an annual report.

Implementation and delivery plan

Implementation of the proposals will be aided by guidance covering issues such as best practice and compliance, which will be issued ahead of the legal requirement coming into force. The timescale will remain as previously indicated, August 2018 for primary school children and August 2021 for secondary school children.

Post-implementation review

There are no formal plans to review the legislation at a specific point in the future. However, the Scottish Government will continue to liaise with the working group as associated guidance is issued and to monitor implementation, whilst school authorities will be compelled to publish annual compliance statements.

Summary and recommendation

Given the reasons and cost / benefit above, Option 3 is deemed the most appropriate to meet the policy intention whilst taking business and industry considerations into account.
### Summary costs and benefits table

<table>
<thead>
<tr>
<th>Option</th>
<th>Total benefit per annum:</th>
<th>Total cost per annum:</th>
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<tbody>
<tr>
<td></td>
<td>- economic, environmental, social</td>
<td>- economic, environmental, social, policy and administrative</td>
</tr>
<tr>
<td>1</td>
<td>School authorities and bus operators do not have to change practices due to legislative changes. All children and young people on dedicated school transport are not afforded the benefits associated with the new legal requirement.</td>
<td>There would be no impact on the industry due to legislative requirements, however local authorities may voluntarily stipulate seat belts in future contracts.</td>
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<tr>
<td>2</td>
<td>Secondary pupils would be afforded the same safety benefits as their primary counterparts from 2018. Those affected – primarily local authorities and bus companies – would have less time to adapt to the change. Contracts may need to be renegotiated or broken.</td>
<td>It has not been possible specifically cost Option 2. The cost implications would be significantly higher than Option 3 below.</td>
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<tr>
<td>3</td>
<td>Primary pupils afforded the benefits associated with the policy from 2018, secondary pupils from 2021. Local government and the bus industry are given more time to adapt to the changes and absorb financial implications.</td>
<td>Local government forecasts the costs in terms of increased contract costs to be £8.92m over the years 2018-2031.</td>
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Declaration and publication

This BRIA has been prepared by the Scottish Government to support Gillian Martin MSP, the member proposing the Seat belts on School Transport (Scotland) Bill.

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