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Net Zero, Energy and Transport Committee

Net Zero, Energy and Transport Committee report on Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2025 (draft)



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Net Zero, Energy and Transport Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Transport and the Cabinet Secretary for Net Zero and Energy, with the exception of matters relating to just transition; and on matters relating to land reform, natural resources and peatland, Scottish Land Commission, Crown Estate Scotland and Royal Botanic Garden within the responsibility of the Cabinet Secretary for Rural Affairs, Land Reform and Islands.



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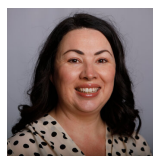
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Introduction

1. This report concerns the Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2025 (draft), laid before the Parliament by the Scottish Government on 27 January 2025. It is subject to the affirmative procedure – which means it cannot be made unless it has been approved by a resolution of the Parliament.
2. It is for the Net Zero, Energy and Transport Committee, as lead committee, to decide whether or not to recommend approval. On 28 January 2025, the Minister for Agriculture and Connectivity lodged Motion [S6M-16241](#), proposing the Committee recommends the draft Order be approved.

About the instrument

3. The Policy Note explains that the purpose of the Order is to set out the capped level of funding for the National Bus Travel Concession Scheme for Older and Disabled Persons ("The ODPS" for short) for the financial year 2025-2026. It also sets out reimbursement rates in 2025-2026 for both the National Bus Travel Concession Scheme for Older and Disabled Persons and the National Bus Travel Concession Scheme for Young Persons ("The YPS" for short).
4. Article 12 of [the National Bus Travel Concession Scheme for Older and Disabled Persons \(Scotland\) Order 2006](#) provides for the reimbursement of operators of eligible services for carrying passengers under the ODPS.
5. Article 12 of [the National Bus Travel Concession Scheme for Young Persons \(Scotland\) Order 2021](#) provides for the reimbursement of operators of eligible services for carrying passengers under the YPS.

Consideration by the DPLR Committee

6. The Delegated Powers and Law Reform (DPLR) Committee is required to consider every instrument laid before the Parliament and decide whether to draw it to the attention of the Parliament on any of the “reporting grounds” set out in Rule 10.3 of the Parliament’s standing orders.
7. The DPLR Committee considered this instrument at its meeting on 4 February 2025 and agreed that it did not need to be drawn to the Parliament’s attention on any of the reporting grounds.

[Read the DPLR Committee report - 4 February 2025.](#)

Consideration by the Net Zero, Energy and Transport Committee

8. At its meeting on 25 February 2025, the Net Zero, Energy and Transport Committee took evidence on the instrument from:

- Jim Fairlie, Minister for Agriculture and Connectivity, Scottish Government;
- Carole Stewart, Head of Bus Strategy and Funding Policy, Transport Scotland;
- Gary McIntyre, Economist - Bus, Active Travel & Low Carbon Economics, Transport Scotland; and
- Bettina Sizeland, Director of Bus, Accessibility and Active Travel, Transport Scotland.

9. The evidence taken at the meeting can be read in full in the Official Report, which is available here:

[Read the Official Report - 25 February 2025](#)

10. During the writing of this report, the Minister wrote to the Convener to follow up on several points raised during the meeting. The letter is available here:

[Letter from the Minister to the Convener.](#)

11. In his opening remarks the Minister explained that the Order would give effect to an agreement which has been reached between the Scottish Government and the Confederation of Passenger Transport (CPT), who represent Scottish bus operators. The Order sets both the reimbursement rate and capped level of funding for the ODPS and the reimbursement rate for the YPS for the 2025-26 financial year.

Proposed reimbursement rates and capped level of funding

12. In his opening statement, The Minister said that journey numbers and patterns are not stable enough to set a budget cap for the YPS for 2025-26. He said the proposed reimbursement rate for the YPS for 2025-26 is:

- 47.9 per cent of the adult single fare, for five to 15 year olds, an increase of 4.3 percent.
- 72.4 per cent of the adult single fare, for 16 to 21-year-olds, , a decrease of 8.8 percent.

13. The Minister said the proposed reimbursement rate for the ODPS in 2025-26 is 52.9% of the adult single fare, amended from 55% in the 2024-25 financial year. He also confirmed the proposed capped level of funding is set at £215.1 million, an £11.6 million increase from the 2024-25 financial year.

14. The Committee sought clarification on whether CPT had accepted the proposed rates and about its role in developing the proposed price cap for the ODPS.

15. An official from Transport Scotland said that the CPT did not negotiate a specific reimbursement rate but that there had been discussions about the inputs and parameters of the model used to calculate the proposed reimbursement rate. Officials also stated that CPT accepted the modelling output. On what role CPT had played in developing the proposed price cap for the ODPS, an official from Transport Scotland said that:
- ” The budget cap for the ODPS for next year is based on predicted fare increases and forecasts of journey numbers and is a mutually agreed forecast of a reasonable budget cap for the year ahead, as agreed by Transport Scotland and the CPT. ¹

Reimbursement model and fare rises

16. The Committee noted that the rates are a percentage of an adult single fare and will be fixed at that for the next year. The Committee also noted that fare prices have increased significantly over recent years. The Committee asked what impact any in-year fare rises would have on the funding received by bus operators.
17. An official from Transport Scotland, said:
- ” ... the rates for the following year take into account the forecast fare rises that we expect to see in 2025-26. We are looking not at fares today, but at what we expect fares to be throughout the course of next year. A fare increase of 5 per cent is built into the model, and that figure is based on feedback from a sample of industry operators. We expect fares to rise, and the rates are adjusted to account for that. ²
18. The Committee then asked if there was not an incentive under current arrangements for bus companies to raise fares and receive higher reimbursements. An official said:
- ” Everything else being equal in the reimbursement model, which is predicated on the objective of operators being no better or no worse off, a higher average single fare will lead to a lower reimbursement rate rather than a higher reimbursement rate. There comes a point at which, if fares increase too much beyond the costs, the reimbursement rate will come down and operators will receive less per journey against a more expensive journey. It balances itself out to an extent in the model. ³
19. Several members expressed an interest in pilots of a £2 bus fare cap being considered by Transport Scotland being piloted in their areas. The Minister responded by saying he was not able to share any further details on the bus fare cap pilot at this stage.

Behaviour change and modal shift

20. The Committee asked about the impact the schemes were having on passenger numbers, raising concerns that, despite the schemes, overall passenger numbers on buses had been declining.
21. The Minister said more trips were being made, particularly by those using the YPS. He said he hoped that the scheme would create 'habitual behaviour' amongst young

people who would continue to use buses after turning 22. The Committee asked if there was any Transport Scotland data to bear this out yet. The Minister said they do not yet have that data, which is difficult data to gather, but that they were actively looking into this issue.

Access to bus services

22. The Committee raised concerns that many people who have bus passes are not able to use them because of cuts to or a lack of services in their areas. They particularly referenced cuts to bus services in deprived areas and a lack of services in rural areas. The Committee asked whether a joined up approach was being taken with regards to the availability of services and whether the reduction in the Network Support Grant - a discretionary grant available to bus operators to support the costs of running services - was contributing to the reduction of rural services.
23. The Minister said the loss of routes is 'incredibly frustrating' but that those decisions are made by Local Authorities and bus operators. He agreed that if bus services were not available then the schemes could not help people. He said he was 'actively looking at the ability to make better provision in areas where the bus services are not as good as they should be'.⁴
24. Speaking on the Network Support Grant an official from Transport Scotland said that it is not the only grant available to support rural services as Local Authorities also receive block grants to support services. However, they also noted that there has been a reduction in subsidised bus routes.

Ferries

25. The Committee asked if now was a good time to consider concessionary travel on ferries to address challenges that island communities face in accessing the schemes. The Committee asked whether further consideration of this issue was needed given that for many living in island communities, ferries are their main form of public transport.
26. The Minister responded that putting money into concessionary travel on ferries would involve taking it out of bus travel. He said that, while this is an area he would like to do more on going forward, he felt there was a reasonable balance at the moment.

Concern of fraud relating to the schemes

27. The Committee discussed concerns that there may be fraud around the schemes, with, for example, tickets being issued for longer journeys than passengers had stated. The Committee asked what was being done to monitor potential fraud and if Transport Scotland could explain how members of the public should report suspected fraud.
28. The Minister said that they take a zero-tolerance approach to fraud around the schemes. An official said that Transport Scotland run a free 24-hour hotline where people can make complaints about fraud and the Minister said they would advertise the hotline more.

Anti-social behaviour

29. The Committee raised the issue of antisocial behaviour on buses and asked the Minister for an update on progress on ways of restricting people's access to the schemes in response to antisocial behaviour. He said that:

” ... antisocial behaviour happens not because of bus passes, but because of people behaving antisocially. As for removing cards themselves, we are still exploring the legal means of suspending access to concessionary travel for perpetrators of persistent antisocial behaviour of any age, not just the under-22s. I keep re-emphasising that, because what really bothered me about this debate was that it started to demonise under-22s using the concessionary scheme. It was giving young people a brand that they did not deserve; after all, the vast majority are perfectly well behaved. ⁵

Conclusion

30. Following the conclusion of evidence taking, the Minister moved motion [S6M-16241](#):

That the Net Zero, Energy and Transport Committee recommends that the Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2025 (draft) be approved.

31. After a short debate, the motion was agreed to.

Recommendation

32. Accordingly, the Net Zero, Energy and Transport Committee recommends to the Parliament that the draft Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2025 be approved.

Net Zero, Energy and Transport Committee

Net Zero, Energy and Transport Committee report on Bus Travel Concession Schemes (Miscellaneous Amendment)
(Scotland) Order 2025 (draft), 4th Report, 2025 (Session 6)

- 1 Net Zero, Energy and Transport Committee, [Official Report](#), 25 February 2025, Col 8
- 2 Net Zero, Energy and Transport Committee, [Official Report](#), 25 February 2025, Col 6
- 3 Net Zero, Energy and Transport Committee, [Official Report](#), 25 February 2025, Col 10
- 4 Net Zero, Energy and Transport Committee, [Official Report](#), 25 February 2025, Col 15
- 5 Net Zero, Energy and Transport Committee, [Official Report](#), 25 February 2025, Col 18

