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Net Zero, Energy and Transport Committee

Net Zero, Energy and Transport Committee report on the National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) (No. 2) Order 2026 (draft)

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Contents

Introduction	1
About the instrument	2
Consideration by the DPLR Committee	3
Consideration by the Net Zero, Energy and Transport Committee	3
Conclusion	6

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 Climate Action 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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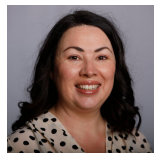
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Introduction

1. The National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) (No. 2) Order 2026 was laid before the Parliament on 15 January 2026. It is subject to the affirmative procedure, and the Net Zero, Energy and Transport Committee has been designated as lead committee in consideration of the Order, and must report on it by 23 February 2026.
2. It is for the Net Zero, Energy and Transport Committee, as lead committee, to decide whether or not to recommend approval. On 15 January 2025, the Minister for Agriculture and Connectivity lodged Motion [S6M-20454](#), proposing that the Committee recommend the draft Order be approved.

About the instrument

3. Transport Scotland operates two national concessionary travel schemes under the provisions of the Transport (Scotland) Act 2005. These are:
 - The Scheme for older and disabled people (the ODPS): Launched in April 2006, this scheme offers free travel on registered local bus services and scheduled coach services within Scotland to Scottish residents aged 60+ or to disabled residents of any age. The detailed provisions of this scheme are set out in the National Bus Travel Concession Scheme for Older and Disabled Persons (Eligible Persons and Eligible Services) (Scotland) Order 2006 and the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Order 2006, as amended.
 - The Scheme for young people (the YPS): Launched in January 2022, this scheme offers free travel on registered local bus services and scheduled coach services within Scotland for Scottish residents aged five to 21 years (children aged 0-4 already travel on buses for free). This scheme operates under the provisions of the National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021, as amended.
4. As part of these schemes, bus operators are paid a proportion of the full adult fare for each concessionary traveller carried, known as the reimbursement rate. The total amount payable to operators taking part in both schemes is subject to an annual cap, with no further payments made to any bus operator if the cap is reached. Financial year 2026-27 will be the first year that the young persons' scheme is subject to a payment cap.
5. The instrument sets the capped level of funding for the ODPS and for the YPS for the financial year 2026-27. It also sets out reimbursement rates for bus operators for both schemes in 2026-27.
6. The Order specifies that in 2026-27 the reimbursement rate for the ODPS will be 53% of the adult single fare. This has been amended from the 2024-25 figure of 52.9%. The capped level of funding for 2026-27 has been set at £248.2 million. The capped level of funding takes account of anticipated spend on the scheme in 2026-27 based on latest data.
7. The Order specifies that in 2026-27 the reimbursement rate for the YPS will be 48.1% (of the adult single fare) for journeys made by those aged 5 to 15 years old and 72.5% (of the adult single fare) for journeys made by those aged 16 to 21 years old. These have been amended from the 2025-26 rates of 47.9% (of the adult single fare) for journeys made by those aged 5 to 15 years old and 72.4% (of the adult single fare) for journeys made by those aged 16 to 21 years old.
8. The policy note says patronage and cardholders for the YPS have “shown signs of stabilising, allowing for a cap to be applied in line with the legislation underpinning the scheme for the first time”. The capped level of funding in 2026-27 has been set at £220.6 million, which takes account of anticipated spend on the scheme in 2026-27 based on the latest data.

Consideration by the DPLR Committee

9. 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.
10. The DPLR Committee considered the instrument on 27 January 2026 and reported on it in its [12th Report, 2026](#). The DPLR Committee made no recommendations in relation to the instrument.

Consideration by the Net Zero, Energy and Transport Committee

11. At its meeting on 17 February, the Net Zero, Energy and Transport Committee took evidence on the National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) (No2) Order 2026 and the National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2026, hearing from:
 - Jim Fairlie, Minister for Agriculture and Connectivity
 - Kelly Minio Paluello, Solicitor, Scottish Government;
 - Carole Stewart, Head of Bus Strategy and Funding Policy Unit;
 - Gary McIntyre, Economist - Bus, Active Travel & Low Carbon Economics; and Jenn Ruddick, Team Leader - Concessionary Travel, Transport Scotland
12. The evidence taken at the meeting can be read in full in the Official Report, which is available here:

[Read the Official Report - 17 February 2026](#)
13. In his opening remarks, the Minister outlined the purpose of the instrument as set out above.
14. The Committee queried the difference between the combined scheme reimbursement total of around £468.6 million and the higher budget line of £472.8 million for concessionary travel, a gap of approximately £4 million. In response, a Scottish Government official explained that the additional funding relates to “the operational costs of running the scheme—not the actual reimbursement of operators, but the operational costs of administering the scheme itself.”ⁱ
15. The Official said that these costs cover “the staff who are involved in running the scheme, the concessionary travel products and the back-office systems that relate to paying operators.”ⁱⁱ The Official said that the funding is provided to Transport Scotland for administering the scheme, rather than being paid to operators. However, the official also said that they did “not know whether those costs total £4 million”ⁱⁱⁱ, explaining that there is “additional money in the budget to allow for those

ⁱ Net Zero, Energy and Transport Committee, Official Report, 17 February 2026, Col: 39

expenses, on top of the money that goes to operators.”^{iv}

16. During the discussion, the Committee, noting that no breakdown of the £4 million administrative spend had been provided or whether it represents the full cost of administration, asked the Scottish Government to follow up by providing a more detailed breakdown of these costs, along with comparative figures from previous years, to provide additional context.
17. Members explored whether the scale of public investment in concessionary travel, amounting to around £472.8 million, or approximately half of the Scottish bus industry’s income, could be used more strategically to support wider transport policy objectives. The Committee questioned how the schemes could deliver greater value, including whether the investment could be linked to conditionality on bus operators, improvements in local and regional bus services, progress towards car-kilometre reduction targets, or wider measures to encourage modal shift.
18. The Minister emphasised that the purpose of the SSI before the Committee was limited to ensuring the continuation of the concessionary travel schemes through the setting of reimbursement rates and funding caps, and that there was broad agreement on the value of the schemes themselves. He said they supported access to education, employment and social participation, particularly for young people, and helped embed sustainable travel habits. While acknowledging that the overall level of expenditure was significant, the Minister stated that any broader review of value for money, conditionality or integration with wider transport policy would be a matter for the next Parliament, in line with the commitments made in the Fair Fares Review.
19. In response to further questioning on whether the schemes represented a substantial benefit to the bus industry, the Minister reiterated that the reimbursement model is designed to ensure operators are “no better and no worse off”, with reimbursement rates adjusted accordingly. He said that the primary beneficiaries of the schemes are passengers rather than operators, noting that, were the schemes to be withdrawn, the impact would fall most heavily on users who would still need to travel but would have to pay fares themselves.
20. Officials acknowledged that there may be scope in future to better align concessionary travel with wider transport policy tools, including the use of existing legislative powers, support for rural services and closer integration with car use reduction policies at a regional level. However, they said that such considerations would fall outside the scope of the instrument and would be more appropriately considered in the next parliamentary session.
21. The Committee also asked about the pilot scheme extending free bus travel to people seeking asylum who are not otherwise eligible for concessionary travel. The Minister confirmed that the pilot is currently budgeted at £2 million per year and runs until the end of March 2026. When asked if the scheme would be extended, the Minister said that it would be a decision for the Cabinet to make. Officials also

ii Net Zero, Energy and Transport Committee, Official Report, 17 February 2026, Col: 39

iii Net Zero, Energy and Transport Committee, Official Report, 17 February 2026, Col: 39

iv Net Zero, Energy and Transport Committee, Official Report, 17 February 2026, Col: 39

clarified that people seeking asylum who are already eligible for concessionary travel on age or disability grounds are included within the overall scheme figures, while the pilot funding relates to those outside those categories.

22. The Committee asked about the potential future scope of the YPS, and whether consideration could be given, in future, to extending eligibility beyond the age of 22 for those who remain in education or training, in order to build on habit-forming travel behaviours. The Minister said his personal view was that the scheme had been a significant success. But any decisions on expansion would fall to the next Government.
23. Finally, the Committee asked whether there was any evidence that concessionary travel for young people had reduced the demand for school transport. The Minister said there was anecdotal evidence of this.

Conclusion

24. Following the conclusion of evidence taking, the Minister moved motion [S6M-20454](#) in his name -

That the Net Zero, Energy and Transport Committee recommends that the National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) (No. 2) Order 2026 [draft] be approved.

25. There being no further contributions from Members, the motion was agreed to without division.

Recommendation

The Net Zero, Energy and Transport Committee recommends to the Parliament that the National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) (No. 2) Order 2026 [draft] be approved.

