



Transport Committee
Wednesday 2 September 2026
3rd Meeting, 2026 (Session 7)

Buses

Introduction

Buses are Scotland's most popular form of public transport, carrying 334 million passengers in 2024-25 – almost four times as many people as travelled with ScotRail. Although it is worth noting that both bus passenger numbers and service provision have experienced a decades long decline.

As part of efforts to tackle, and even reverse, this decline, the Scottish Parliament has considered and approved three significant transport acts since 1999. These established and then updated systems for local/regional bus partnership working and regulation and set the framework for the creation of national concessionary fares schemes. However, these regulatory systems remain largely unused, with buses continuing to operate under the privatised and deregulated system established by the UK Government in the mid-1980s. Under this system, bus operators decide on routes, timetables, and fares on a purely commercial basis – even a publicly owned operator like Lothian Buses.

The role of local authorities, and in certain areas Regional Transport Partnerships, is limited to supporting socially necessary bus services that cannot be provided on a commercial basis. Typically, such support is awarded as a subsidy for operating a service specified by that authority following a competitive tendering exercise.

National Bus Policy

Buses are an important element of Scottish Government transport, climate, and infrastructure policy, featuring in several major policy documents, including:

- the [second National Transport Strategy](#), which identifies increased bus use as a policy priority, with a particular emphasis on the importance of buses to people living in deprived communities.
- the [Climate Change Plan 2026-2040](#) identifies actions aimed at getting people to make trips by bus rather than car (a change often referred to as “modal shift”) as a priority for investment.
- the [second Strategic Transport Projects Review](#) recommends the development of a network of bus lanes and other bus priority measures, plus enhanced bus services, with the aim of facilitating both modal shift and increased accessibility for those living in deprived communities or without access to a car.

Bus regulation and legislation

As mentioned above, Scottish bus services largely operate under a system established by the Transport Act 1985, in which operators decide on routes, fares, and timetables. The only requirement is that services are registered with the Scottish Traffic Commissioner, and that route/timetable changes can only be made after the Commissioner has been notified.

The Transport (Scotland) Act 2019 allows for the creation of formal Bus Service Improvement Partnerships and Local Service Franchising, both of which are briefly described below:

- **Bus service improvement partnerships:** A formal partnership between local transport authorities and bus operators, committing each to improving bus facilities and service levels.
- **Local Service Franchising:** A system allowing a local transport authority to specify bus routes, timetables, and services standards within a designated area. These are then subject to a competitive tendering exercise.

It is worth noting that these Scottish partnership and franchising powers are evolutions of existing bus provisions established under the Transport (Scotland) Act 2001 – Bus Quality Partnerships and Bus Quality Contracts. Very few formal Quality Partnerships were established, largely due to the administrative burden on authorities and operators – who typically chose to pursue voluntary partnership arrangements. The Quality Contract provisions were never used, again due to the high administrative burden, significant costs associated with the development of any contract scheme and its ongoing implementation, plus the possibility of legal challenge from incumbent bus operators.

To date, Strathclyde Partnership for Transport (the Regional Transport Partnership for the Greater Glasgow area) has led the way in developing initial proposals for the creation of a franchising scheme, as set out in [the Strathclyde Regional Bus Strategy](#).

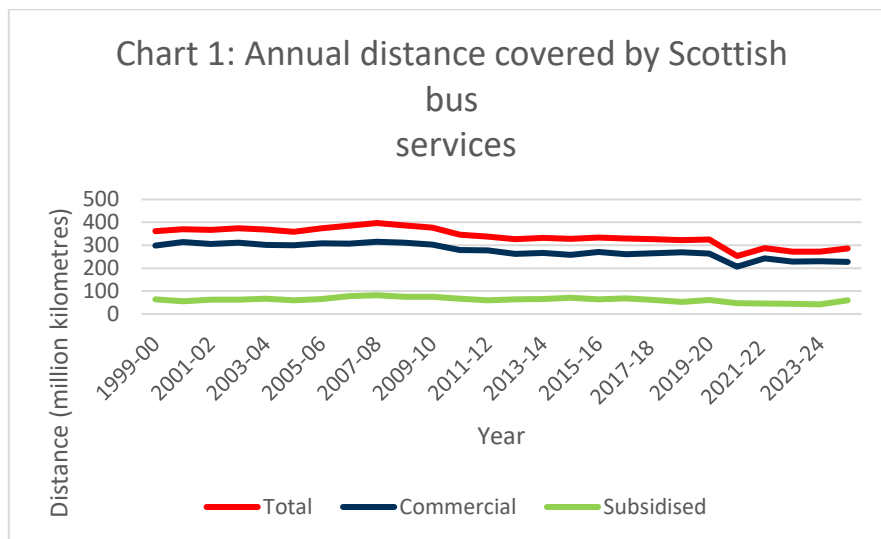
Provisions in the Transport (Scotland) Act 2019 allowing Scottish Councils to establish municipal bus companies came into force on 24 June 2022. Authorities including Highland Council and Scottish Borders Council now directly operate services within their areas, typically following the withdrawal of commercially operated services.

Trends in bus service provision and patronage

Charts 1 and 2 below shows that the distance operated by local bus services in Scotland have been on a downward trend over the lifetime of the Scottish Parliament, as has the number of trips made by fare paying passengers.

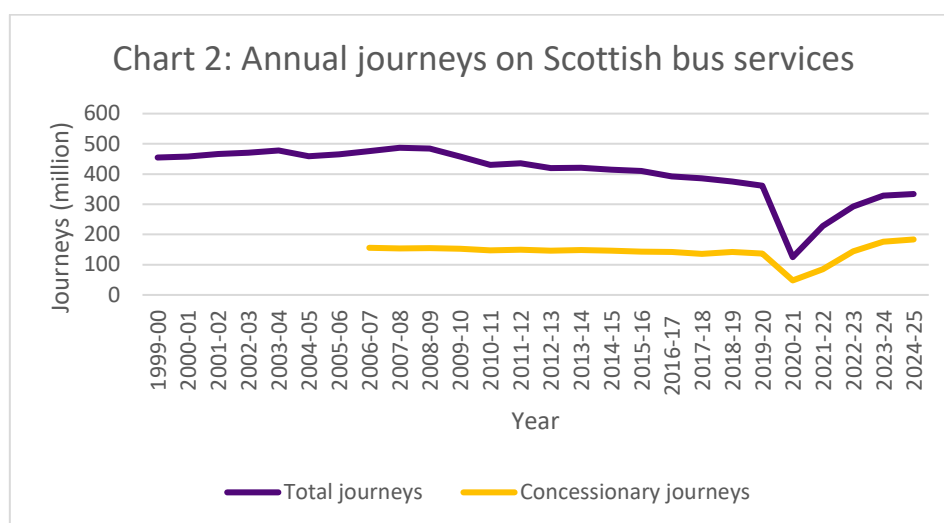
Chart 1 below shows that bus mileage has declined by 27% between 1999-2000 and 2024-2025, although this masks the fact that the distance covered by supported

(subsidised) services had actually increased by 7% over the same period (subject to annual variation).



The number of passengers has been in long-term decline, falling by 27% between 1999-00 and 2024-25. The number of concessionary journeys also fell between 2006-07 and 2019-20 (the last year unaffected by the covid pandemic), declining from 156 million to 137.5 million trips over this period. By 2024-25, two years after the introduction of the young persons' scheme, there were 184 million concessionary trips made in Scotland – an increase of 28 million trips (18%) on the previous high in 2006-07.

Despite this increase, the introduction of the young persons' scheme has not noticeably slowed the continuing long-term decline in Scottish bus patronage. During 2019-20 (the last full pre-covid year) 361 million bus trips were made, which had fallen to 334 million trips in 2024-25, a reduction of 7.5%.

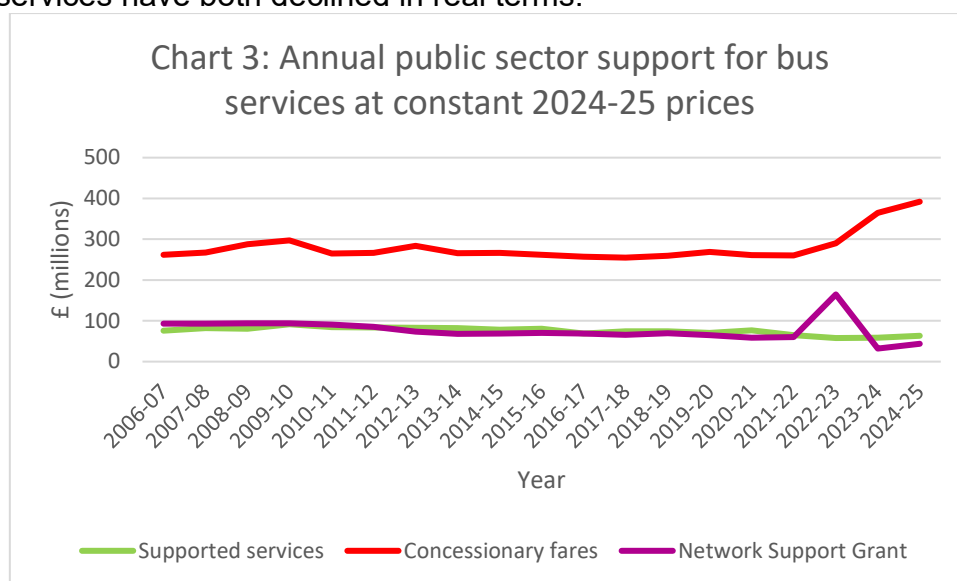


Bus industry income

The bus industry has four key sources of revenue, with public sector support accounting for more than 55% of total annual income in 2024-25:

1. **Fare income:** Passenger fare income during 2024-25 amounted to £391 million, accounting for 43% of bus operator income that year.
2. **Concessionary fares:** The Scottish Government operates two national concessionary fares schemes for Scottish residents. The first was launched on 1 April 2006 and provides free travel on local bus and scheduled coach services for disabled people and those aged 60+. The second began on 31 January 2022 and provides free local bus and scheduled coach travel for those aged under 22. Concessionary fare reimbursement of £392 million was paid to bus operators in 2024-25, 43% of total bus operator income for that year.
3. **Network Support Grant:** A revenue subsidy for commercial and certain community bus services, paid at a rate of 14.4 pence per kilometre operated. £44 million of Network Support Grant was paid to bus operators in 2024-25, approximately 5% of total bus industry income.
4. **Supported bus services:** Local authorities have a discretionary power to subsidise socially necessary bus services that cannot be provided on a commercial basis. Such subsidy can normally only be awarded after a competitive tendering exercise has been undertaken. Local authority support amounted to £63 million in 2024-25, accounted for 7% of bus operator income.

Chart 3 below shows that, in real terms, Scottish Government support for concessionary fares remained broadly stable from 2006-07 until the introduction of the young person's scheme in 2022, with total expenditure increasing by 51% in real terms between 2021-22 and 2024-25. By contrast, the amounts allocated to Network Support Grant (previously Bus Service Operators Grant) and local authority support for bus services have both declined in real terms.



Concessionary travel

Transport Scotland operates two national concessionary travel schemes, under the provisions of the Transport (Scotland) Act 2005. These are:

1. **Scheme for older and disabled people:** 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.
2. **Scheme for young people:** 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).

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 each scheme is also subject to an annual cap, with no further payments made to any bus operator if the scheme cap is reached. 2026-27 is the first year that the young persons' scheme has been subject to a payment cap. To date, the payment cap has rarely been reached. Both schemes work on the basis that an operator should be left no better, or worse, off from participating in the scheme than if they had not done so.

The reimbursement rate for the national concessionary travel scheme for older and disabled people for 2026-27 is 53% of the full adult single fare for the journey being taken, with the annual payment cap set at £248.2 million.

The reimbursement rates for the young persons' concessionary fares scheme are 48.1% of the full adult single fare for journeys taken by people aged 5 to 15 and 72.5% for those aged 16 to 21. The annual payment cap is set at £220.6 million.

£2 bus fare cap

Transport Scotland is currently [running a year-long pilot of a £2 bus fare cap](#) for single trips within the Shetland, Orkney, Western Isles, Highland, Moray, and Argyll and Bute Council areas. The pilot has a budget of £10 million. The [2026 SNP manifesto](#) included a commitment to extend this cap across Scotland by the end of this parliamentary session.

Prior to the 2026 Scottish General Election, [the First Minister stated](#) "Within the first one hundred days, we will extend the £2 bus fare cap to Glasgow, Ayrshire, Dunbartonshire, Renfrewshire, Lanarkshire and Inverclyde", a goal that was reconfirmed by the Cabinet Secretary for Economy, Tourism and Transport during [a debate on Bus Fares](#) on 17 June 2026. It is currently unclear when the £2 fare cap will take effect in these areas, or the cost implications of its extension regionally, or nationally.

Transport Scotland officials have advised SPICe that initial cost estimates for a national £2 bus fare cap are in the region of £200 million per year at current prices. Bus operators and, bus user groups have questioned how the fare capping scheme would operate in practice, and whether it would offer value for money. They have also questioned whether fare reduction is an effective means of increasing bus patronage and encouraging modal shift from car travel.

Key issues raised in written evidence

The Committee has received written evidence from the three witnesses appearing at this meeting. Significant issues raised in this evidence are summarised below:

Edinburgh Bus Users Group (EBUG): EBUG highlight trends in bus use described above. They go on to describe the effectiveness of bus priority measures and contactless payment in reducing journey times, while highlighting that their effectiveness in Edinburgh has been significantly eroded by the growth in traffic and increased congestion. To combat this EBUG stress the importance of continued investment in bus priority measures, largely through the Bus Infrastructure Fund, and argue that transport authorities should focus on roadside furniture, parking policies, land use policies, controlling roadworks, as well as bus priority measures. They go on to mention the importance of high-quality bus stops, and the role of bus mounted cameras for enforcing bus lane restrictions.

Get Glasgow Moving: Get Glasgow Moving, a public transport campaign group working in the Glasgow/Strathclyde area, support the development of bus franchising as part of an integrated transport system where buses, trains, subway and active travel are planned and coordinated as one network, with travel possible using a single ticket, subject to a daily/weekly price cap. In written evidence they ask that the process for authorising bus franchises be streamlined, possibly through the proposed “better buses legislation”, to speed the delivery of bus franchising where it is supported by local transport authorities.

Get Glasgow Moving argue that, under the current deregulated bus system, the proposed £2 bus fare cap will not deliver improved bus services or create new bus routes and may well prove financially unsustainable in the medium to long term. They go on to highlight the significant costs associated with the development of bus franchising proposals, and the likely ongoing costs of supporting a franchised bus network and ask that the Scottish Government provide financial support for such proposals.

Transform Scotland: Transform Scotland, a national sustainable transport campaign group, argue that research shows lengthy bus journey times and service unreliability are major reasons why people choose not to travel by bus, and that these are largely the result of high traffic levels and the associated congestion. While they consider fare levels to be a significant factor in travel choice, they argue that Scottish Government action to support bus use should also focus on traffic reduction and the funding and development of bus priority measures.

Transform Scotland also highlight that bus passengers are not concerned with arguments over bus regulation, or public/private ownership, rather they wish to see transport authorities deliver a coherent and comprehensive network of bus services – which can be delivered by private operators under a franchised system, as happens in London,

Transform consider that the Scottish Government should pay particular attention to any analysis of the pilot £2 bus fare cap, as its impact is likely to vary considerably across urban and rural Scotland, potentially delivering little benefit to residents in urban areas with a high density of frequent bus services provided at relatively low cost – even if this comes at considerable cost to the taxpayer.

Transform end by arguing that a focus on buses as an aspect of a coherent transport policy will deliver a “virtuous circle” where “...traffic reduction and bus priority make buses faster and more reliable; effective public governance translates those improvements into a coherent and attractive network; more people choose buses instead of cars; and reduced car dependence further reduces congestion.”

Alan Rehfishch, Senior Researcher (Transport and Planning), SPICe

Date: 27/08/2026

Note: Committee briefing papers are provided by SPICe for the use of Scottish Parliament committees and clerking staff. They provide focused information or respond to specific questions or areas of interest to committees and are not intended to offer comprehensive coverage of a subject area.

The Scottish Parliament, Edinburgh, EH99 1SP www.parliament.scot