

# Net Zero, Energy and Transport Committee 7th Meeting, 2021 (session 6), Tuesday, 28 September 2021

## Subordinate Legislation - The National Bus Travel Concession Scheme for Young Persons (Scotland) Amendment Order 2021: evidence session with Graeme Dey MSP, Minister for Transport

### Note by the Clerk

#### Overview of instrument

1. The following Scottish Statutory Instrument (SSI), subject to affirmative procedure, is being considered at today's meeting:  
  
[The National Bus Travel Concession Scheme for Young Persons \(Scotland\) Amendment Order 2021](#)
2. This instrument amends the National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021 No.175, which provides Scottish Ministers with powers to create and operate a statutory National Concessionary Travel Scheme for Young Persons aged 18 and under (Young Persons Scheme).
3. The amendments raise the upper age limit for eligibility for the Young Persons Scheme and establishes separate reimbursement rates for journeys made by under 16 year olds and journeys made by 16-21 year olds.
4. The Minister for Transport has lodged motion **S6M-00962** (as set out in the agenda) that the Committee should recommend the approval of these regulations.
5. The instrument, if approved, will come into force on 12 November 2021.

#### Purpose of the instrument

6. The Transport (Scotland) Act 2005 enables Scottish Ministers to make national travel concession schemes. The instrument extends entitlement to free bus travel to young people aged 19 – 21 years under a National Concessionary Travel Scheme for children and young people.

7. The Policy Note provides further detail on the instrument and is attached at **Annexe A**.

### Delegated Powers and Law Reform Committee consideration

8. The Delegated Powers and Law Reform Committee considered this instrument at its [meeting on 31 August 2021](#) and determined that it did not need to draw the attention of Parliament to the instrument on any grounds within its remit. [Read the official report for the meeting on 31 August 2021](#).

### Procedure

9. The affirmative procedure means that an instrument cannot be made and come into force unless the Parliament has voted to approve it (rule 10.6.1 of standing orders).
10. Affirmative instruments are first looked at by the DPLR Committee before being considered by the lead committee (usually the committee which examined the Bill for the Act that the SSI is made under or whose remit is most aligned).
11. It is usual practice for the lead committee to take evidence from the relevant Scottish Minister in advance of considering the instrument. The committee can ask the minister and any officials questions about the SSI.
12. During its formal consideration, a member of the Scottish Government proposes, by motion, that the lead committee recommend that the instrument or draft instrument be approved.
13. The lead committee must report its recommendation to Parliament within 40 days of the SSI being laid. If the committee agrees the SSI should be approved, the whole of the Parliament then gets a chance to vote on it in the Chamber. If the lead committee decides the SSI should not be approved, the Parliamentary Bureau decides whether MSPs should vote on it in the Chamber.

### For decision

14. The Committee must decide whether to agree the motion, and then must report to Parliament accordingly by 8 October 2021.

## POLICY NOTE

# The National Bus Travel Concession Scheme for Young Persons (Scotland) Amendment Order 2021

## SSI 2021/draft

The above instrument was made in exercise of the powers conferred by section 40(1), (3), (4), (7) and 52(4) of the Transport (Scotland) Act 2005. The instrument is subject to the affirmative procedure.

**This instrument amends the National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021 No.175 to extend the eligibility provisions of the Order to include 19-21 year olds.**

**It also amends the reimbursement terms for bus operators carrying concessionary passengers under the Young Persons Scheme, establishing a rate of 43.6% of the adult single fare for journeys made by under 16s and 81.2% for journeys made by 16-21 year olds.**

## Policy Objectives

### What the instrument does

This instrument amends the National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021 No.175 (the Order) that provides the Scottish Ministers with powers to create and operate a statutory National Concessionary Travel Scheme for Young Persons aged 18 and under (Young Persons Scheme).

The amendments raise the upper age limit for eligibility for the Young Persons Scheme to age 21 and under, and establishes separate reimbursement rates for journeys made by under 16 year olds and journeys made by 16-21 year olds.

The provisions of this instrument will come into force on 12 November 2021. The new Young Persons scheme will not become operational on this date, but Ministers will be able to formally admit operators to the scheme under the revised terms of the Order and put in place the necessary administrative arrangements to bring it into operation by the proposed start date of 31 January 2022.

The Young Persons Scheme has an objective of ensuring that bus operators are no better or worse off as a result of their participation in the scheme. Transport

Scotland estimates there will be an additional 30.5 million journeys made under the scheme by extending eligibility to 19-21 year olds. This changes the balance between child fares, which are typically charged for under 16s travelling on commercial buses in Scotland, and full adult fares.

In order to allow for more accurate reimbursement for bus operators for journeys undertaken by all eligible young people under the terms of the Young Persons Scheme, the amendment Order provides for separate reimbursement rates from its coming into force date until the end of the 2021-22 financial year of 43.6% of the adult single fare for journeys made by under 16s and 81.2% of the adult single fare for journeys made by 16-21 year olds. This replaces the single reimbursement rate of 60.3% of the adult single fare that is currently provided for in the Order. The Business and Regulatory Impact Assessment (BRIA) provides further information on the rate setting process.

## Why is it required

The Young Persons Scheme was designed to encourage Scotland's younger generations to use low-emission and lower carbon public transport with a view to embedding that behaviour from a young age, to tackle the climate emergency and to improve air quality in towns and cities by reducing the number of car journeys. In addition to the core transport and environmental aims, potential further benefits of the scheme are the promotion of social inclusion (by improving access to education, healthcare, training and employment etc.) and reduction in child poverty.

The scheme is expected to open up social, education, employment and leisure opportunities, reduce household outgoings to aid children, particularly those living in poverty and to embed positive sustainable travel behaviours.

Allowing an additional 160,000 19-21 year olds to access the scheme will further extend the scope and scale of the scheme and aid the delivery of the Scottish Government's National Transport Strategy (NTS).

Published in February 2020, the NTS seeks to reduce inequalities and advance equality of opportunity and outcome, take climate action to make travel choices that minimise the long-term impacts on our climate, develop a transport system that will help deliver sustainable and inclusive economic growth and which will be safe and enable a healthy, active and fit nation.

## Consultation

### Public consultation

A public consultation on the proposals to establish the Young Persons Scheme was undertaken in late 2020. The consultation attracted over 3,000 responses. Over 90% of respondents to the public consultation felt that extending free bus travel to people aged 18 and under would contribute towards improving opportunities and

reducing inequalities for children and young people. There were also a number of calls to extend the Young Persons Scheme by increasing the upper age limit. Given the overwhelming public support the original consultation generated it would not have been proportionate to run another public consultation on the proposition to increase the age limit by three years. However, a targeted public consultation exercise was carried out with island communities as a follow up to the original consultation and an Island Communities Impact Assessment will be published shortly.

## Key delivery partners

Negotiations have taken place with the Confederation of Passenger Transport (CPT), which represents over 90% of bus operators in Scotland in terms of numbers of journeys, to agree the reimbursement rates. Discussions have also been held regarding potential impacts on the bus industry of extending the scope of the Young Persons Scheme.

The Improvement Service (IS) is the national improvement organisation for Local Government in Scotland. Its members include the Convention of Scottish Local Authorities (COSLA), the Society of Local Authority Chief Executives (Solace) and Scotland's 32 local authorities, and it is the accountable body for the National Entitlement Card Scheme. The IS is responsible for the management and operation of an online card application portal, [getyournec.scot](http://getyournec.scot).

The National Entitlement Card Programme Office (NECPO) – as part of Dundee City Council – supports the National Entitlement Card (NEC) scheme's management and delivery through a Service Level Agreement between the IS and Dundee City Council, including procuring core components necessary for Scheme delivery: a national card management system, card production and fulfilment services, and smartcard supplies. The IS, Young Scot and NECPO are also members of the Joint Delivery Board overseeing the development of the Young Persons Scheme.

Engagement with NECPO and IS is ongoing as the administrative arrangements for the Young Persons Scheme are designed and implemented.

Local Authorities and in some cases regional transport partnerships are responsible for the application and cardholder management process for the NEC, and also operate and tender school bus transport and socially necessary services. In addition to local authority responses to the public consultation, a working group has been established to engage local transport authorities.

Transport Scotland are also engaging with COSLA and ATCO (the Association of Transport Co-ordinating Officers) regarding wider impacts of the introduction of the Young Persons Scheme on Local Authorities, in respect of obligations relating to school transport and supported bus services.

## Other Transport Modes

Engagement with the operators of tram and subway services has been carried out during the development of the policy. Work in partnership with these operators and Transport Scotland Rail Directorate is ongoing to understand the impacts that extending the free bus travel scheme may have on other transport modes.

## Themes arising from consultation activity

Consultation activity on the original Order identified climate change and health and wellbeing benefits, but also identified concerns from bus operators and local authorities that the scheme be properly funded.

These funding concerns were reiterated following the announcement of the extension of the Young Persons Scheme and taken into account in agreeing separate reimbursement rates for those aged under 16 and those aged 16 and over, following negotiations with CPT.

The uncertainties around demand for the Young Persons Scheme also remain, and will be addressed by active monitoring once the scheme is operational.

## Impact Assessments

A number of impact assessments have been completed relating to the policies contained within the instrument. They are listed below along with a summary of issues identified and mitigations taken.

A Business and Regulatory Impact Assessment (BRIA) on the National Bus Travel Concession Scheme for Young Persons (Scotland) Amendment Order 2021 has been completed. The findings of the BRIA are summarised in the Financial Effects section below.

An Islands Communities Impact Assessment is being carried out. This considers the potential effects of the proposed National Bus Travel Concession Scheme for Young Persons on people from island communities which may be significantly different from their effect on other communities (including other island communities) in Scotland.

An Equalities Impact Assessment (EQIA) has been completed. It found that, overall, free bus travel for people aged 19-21 will advance equality of opportunities for young people with protected characteristics. It did not identify any risks, or mitigations that were not identified by the EQIA that was undertaken prior to the laying of the Order.

A Strategic Environmental Assessment (SEA) screening exercise was undertaken and submitted to the consultation authorities. In the light of their comments, it was determined that an SEA would not be required as the proposal would not have significant environmental effects. The screening determination has been published on the SEA Gateway website.

A Child Rights and Wellbeing Impact Assessment (CRWIA) screening assessment was undertaken. It concluded a full CRWIA was not required.

An assessment under the Fairer Scotland Duty has been completed and the results published on the Transport Scotland website. It found that, overall, this policy is expected to have a positive impact on reducing socio-economic disadvantage and inequalities of outcome.

A Data Protection Impact Assessment (DPIA) on the policy has been completed. It did not identify any new issues in relation to the processing of data under the Young Persons Scheme.

## Financial Effects

As noted above a Business and Regulatory Impact Assessment (BRIA) has been completed. The impact of this policy on business is set out below.

The extension to the Young Persons Scheme may increase burdens for Local Authorities. If the level of reimbursement is too low, bus operators may seek additional funding from Local Authorities for local bus service contracts as revenue will drop due to the reimbursement rate being reduced.

The reimbursement rates for the Young Persons Scheme, agreed with the CPT, from 12 November 2021 until the end of financial year 2021-22 will be **43.6% of the adult single fare for journeys made by under 16s and 81.2% of the adult single fare for journeys made by 16-21 year olds**. Transport Scotland estimates there will be 30.5 million additional journeys per year under the Young Persons Scheme at an estimated additional annual reimbursement cost of around £54.4 million, as a result of the extension to include 19-21 year old, in the first full year of operation.

Transport Scotland estimates the total annual journey numbers for all under 22 year olds who will be eligible for free travel when the scheme launches will be in the region of 88 million, with an estimated total annual cost of around £130 million.

Actual usage will be closely monitored to refine the reimbursement model and identify any significant adverse impacts on operators' finances.

A budget cap has not been set for the new Young Persons Scheme in 2021-22. This reflects considerable uncertainties over likely usage which make it difficult to provide an accurate estimate, and the risk that too low a cap, in conjunction with the potential continuing impacts of the Covid-19 pandemic on patronage, could threaten the viability of bus services in the first year of the scheme.

It is estimated that the extension of the Young Persons Scheme is likely to lead to around £785,000 additional implementation costs and around £500,000 annual business as usual costs combined across Transport Scotland, NECPO, IS and Young Scot.

Scottish Government

*Transport Scotland – Bus, Accessibility and Active Travel Directorate*

*23 August 2021*