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Dear Convener,

Scottish Budget 2025-26

In advance of Committee scrutiny of the Scottish Government budget for 2025-26 we are writing to update you on key issues affecting the bus and coach sector in Scotland, and how these relate to the Scottish Government's four key priorities.

Growing our Economy

As recent research commissioned by CPT has demonstrated¹, local bus services deliver a breadth of economic benefits to Scotland, including bus users spending over £3bn in local economies. Benefits such as increased connectivity (£815m) and reduced car usage (£55m) can also be economically quantified.

The research also demonstrates that every £1 investment in bus services and bus priority can secure economic benefits equal to £4.55.

We continue to press for a return of dedicated funding, in the form of the **Bus Partnership Fund**, or similar, to support bus priority measures and improve journey times and reliability, in order that these economic and social benefits are maximised. A strong, reliable bus network can drive economic growth. The recently published 'Trends in Scottish Bus Patronage'² also confirms that 20m fewer bus journeys are made annually due to the impact of congestion.

Ensuring high quality and sustainable public services

Network Support Grant (the only direct financial support bus operators receive from Government) is currently claimed by more than 300 bus operators, including commercial, community and local transport authorities across Scotland. The rate per km has not increased since 2012, a real terms cut of 38%). As operator costs continue to increase, including the recently

¹ <https://www.cpt-uk.org/media/couiy5y/240902-economic-impact-of-bus-final.pdf>

² <https://www.cpt-uk.org/media/b3rgvsvx/trends-in-bus-use-in-scotland-final-20240904.pdf>



announced rise in employer National Insurance contributions, NSG will be less able to fulfil its aim of keeping the network more extensive.

Eradicating child poverty

The universal **Young Persons' Free Bus Travel Scheme** is intended to both encourage sustainable travel behaviours and tackle issues related to transport poverty. As the scheme is still in its infancy it is CPT's position that no upper budget cap should be applied to the scheme (nor to the Older and Disabled Person's Scheme which continues to recover from the pandemic) in the future National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2025.

Tackling the climate emergency

Bus operators in Scotland continue to decarbonise their fleet, with zero emissions vehicles now a common sight across the country. The final round of Scottish Government **ScotZEB2** funding announced earlier in 2024 will see even more entering service in the coming months and years. In the absence of further Scottish Government funding for vehicles operators will continue to invest in zero emissions technology, however there is a concern that smaller and rural businesses may be left behind, particularly in the coach sector.

These businesses need reassurance that the infrastructure (for example depots and charging points across their routes) to support zero emissions will be available and affordable, and this must be of equal or greater priority to similar infrastructure for private vehicles.

The recent Climate Emergency Action Group report 'Stepping Up to Delivery'³ suggests that a whole of Government approach will be required to achieve the target of reduced emissions from transport and reducing car usage. Ensuring a suitable infrastructure for zero emissions buses and coaches is just one example of this.

We are happy to provide further information on any of the above to inform Committee consideration of the Budget Bill and Concessions Scheme Order.

Best wishes,

Sara Collier
Senior Public Affairs Manager
CPT Scotland

³ <https://cerg.scot/wp-content/uploads/2024/10/CERG-Report-Oct-2024-FINAL-updated-281024.pdf>