

Net Zero, Energy and Transport Committee
Tuesday 25 February 2025
8th Meeting, 2025 (Session 6)

Note by the Clerk on the National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2025 (draft)

Overview

1. At this meeting, the Committee will take evidence from the Minister for Agriculture and Connectivity and officials on the National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2025 (draft) before debating a motion in the name of the Minister inviting the Committee to recommend approval of the instrument.
2. This is a draft Scottish Statutory Instrument (SSI), which requires approval by resolution of the Parliament before it can become law. More information about the instrument is summarised below:

Title of instrument: [National Bus Travel Concession Schemes \(Miscellaneous Amendment\) \(Scotland\) Order 2025](#)

Laid under: Sections 40(1), (3) and (4) and 52(4) of the [Transport \(Scotland\) Act 2005](#)

Laid on: 27 January 2025

Procedure: Affirmative

Lead committee to report by: 16 March 2025

Commencement: 1 April 2025

Procedure

3. Under the affirmative procedure, an instrument must be laid in draft and cannot be made (or come into force) unless it is approved by resolution of the Parliament.
4. Once laid, the instrument is referred to:
 - the Delegated Powers and Law Reform (DPLR) Committee, for scrutiny on various technical grounds, and
 - a lead committee, whose remit includes the subject-matter of the instrument, for scrutiny on policy grounds.

5. The lead committee, taking account of any recommendations made by the DPLR Committee (or any other committee), must report within 40 days of the instrument being laid.
6. The normal practice is to have two agenda items when an affirmative instrument is considered by the lead committee:
 - an evidence session with the Minister and officials, followed by
 - a formal debate on a motion, lodged by the Minister, inviting the lead committee to recommend approval of the instrument.
7. Only MSPs may participate in the debate, which may not last for more than 90 minutes. If there is a division on the motion, only committee members may vote. If the motion is agreed to, it is for the Chamber to decide, at a later date, whether to approve the instrument.

Delegated Powers and Law Reform Committee consideration

8. The DPLR Committee considered the instrument on 4 January and reported on it in its [10th Report, 2025](#). The DPLR Committee made no recommendations in relation to the instrument.

Purpose of the instrument

9. The purpose of this instrument is to set out the capped level of funding for the National Bus Travel Concession Scheme for Older and Disabled Persons (ODPS) for the financial year 2025-2026. It also sets out reimbursement rates for 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 (YPS).
10. Article 12 of [the National Bus Travel Concession Scheme for Older and Disabled Persons \(Scotland\) Order 2006](#), as amended, provides for the reimbursement of operators of eligible services for carrying passengers under the National Bus Travel Concession Scheme for the ODPS.
11. Article 12 of [the National Bus Travel Concession Scheme for Young Persons \(Scotland\) Order 2021](#), as amended, provides for the reimbursement of operators of eligible services for carrying passengers under the National Bus Travel Concession Scheme for the YPS.
12. This instrument further amends the 2006 Order and the 2021 Order to prescribe the rates and, in the case of the 2006 Order, capped level of funding for reimbursement in 2025-26.
13. The ODPS provides an entitlement to free bus travel for people in Scotland who are aged 60 and over, or who meet certain disability-related criteria. Under article 12(1) of the 2006 Order the Scottish Ministers have the objective of ensuring that operators are left financially no better and no worse off by their participation in the scheme.

14. The YPS provides an entitlement to free bus travel for people in Scotland who are aged 21 and under. Under article 12(1) of the 2021 Order the Scottish Ministers have the objective of ensuring that operators are left financially no better and no worse off by their participation in the scheme.
15. The Order specifies that in 2025-26 the reimbursement rate for the ODPS will be 52.9% (of the adult single fare). This has been amended from the 2024-25 figure of 55%. Accordingly, the capped level of funding for 2025 -26 has been set at £215.1 million. The policy note states that the capped level of funding takes account of anticipated spend on the scheme in 2025-26 based on latest data.
16. The Order also specifies that in 2025-26 the reimbursement rate for the YPS will be 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. These have been amended from the 2024-25 rates of 43.6% and 81.2% respectively. A budget cap is not being set for the YPS in 2025-26. According to the policy note, the continued growth of the YPS with increasing monthly journey numbers means it is difficult to provide a sufficiently accurate estimate on which a budgetary cap could be based.
17. The Policy Note accompanying the instrument is included in Annexe A. It includes a summary of consultation undertaken on the instrument, impact assessments carried out, and the anticipated financial effects.

Report

18. The Convener will invite the Committee to delegate to him authority for considering and approving a draft report prepared by the clerks after the meeting. In relation to any report finalised in this way, Committee Members may ask to see the draft and comment on it before the Convener authorises it for publication.

Clerks to the Committee
February 2025

Annexe A: Scottish Government Policy Note

POLICY NOTE

THE NATIONAL BUS TRAVEL CONCESSION SCHEMES (MISCELLANEOUS AMENDMENT) (SCOTLAND) ORDER 2025

SSI 2025/XXX

The above instrument is made in exercise of powers conferred on the Scottish Ministers by sections 40(1), (3) and (4) and 52(4) of the Transport (Scotland) Act 2005 and is subject to affirmative resolution procedure.

Policy Objectives

1. Article 12 of the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Order 2006 (S.S.I. 2006/107) (“the 2006 Order”), as amended by SSI 2010/140, SSI 2013/114, SSI 2015/133, SSI 2017/71, SSI 2018/98, SSI 2019/119, SSI 2020/104, SSI. 2021/175, SSI 2022/115, SSI 2023/108 and SSI 2024/107 provides for the reimbursement of operators of eligible services for carrying passengers under the National Bus Travel Concession Scheme for Older and Disabled Persons (“the ODPS”).
2. Article 12 of the National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021 (SSI 2021/175) (“the 2021 Order”), as amended by the SSI 2021/381, SSI 2022/115, SSI 2023/108 and SSI 2024/107 provides for the reimbursement of operators of eligible services for carrying passengers under the National Bus Travel Concession Scheme for Young Persons (“the YPS”).
3. This instrument further amends the 2006 Order and the 2021 Order to prescribe the rates and, in the case of the 2006 Order, capped level of funding for reimbursement in 2025-26.
4. The ODPS provides an entitlement to free bus travel for people in Scotland who are aged 60 and over, or who meet certain disability-related criteria. In response to surveys, card holders tell us that the ODPS provides them with social and health benefits, including by enabling them to access services and visit friends and relatives more easily. Under 12(1) of the Order the Scottish Ministers have the objective of ensuring that operators are left financially no better and no worse off by their participation in the scheme. Accordingly, article 12 sets the rates at which operators who participate in the scheme will be reimbursed.
5. The YPS provides an entitlement to free bus travel for people in Scotland who are aged 21 and under, an evaluation published in December 2023 has shown that the YPS is helping to improve access to education, leisure, and work, while enabling young people to travel sustainably early in their lives. Under 12(1) of the Order the Scottish Ministers have the objective of ensuring that operators are left financially no better and no worse off by their participation in the scheme. Accordingly, article 12 sets the rates at which operators who participate in the scheme will be reimbursed.

6. The objective of this Order is to enable operators to continue to be reimbursed for the ODPS and YPS after the expiry of the current reimbursement provisions on 31 March 2025 by setting the reimbursement rates for both schemes and the capped level of funding for the ODPS for the next financial year (1 April 2025 to 31 March 2026).
7. The Order specifies that in 2025-26 the reimbursement rate for the ODPS will be 52.9% (of the adult single fare). This has been amended from the 2024-25 figure of 55%. Accordingly, the capped level of funding for 2025 -26 has been set at £215.1 million. The capped level of funding takes account of anticipated spend on the scheme in 2025- 26 based on latest data.
8. The Order specifies that in 2025-26 the reimbursement rate for the YPS will be 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. These have been amended from the 2024-25 rates of 43.6% (of the adult single fare) for journeys made by those aged 5 to 15 years old and 81.2% (of the adult single fare) for journeys made by those aged 16 to 21 years old. A budget cap is not being set for the YPS in 2025-26. Continued growth of the YPS with increasing monthly journey numbers means it is difficult to provide a sufficiently accurate estimate on which a budgetary cap could be based.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

9. In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2025 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

10. This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

11. The reimbursement rates have been agreed with the Confederation of Passenger Transport (CPT), which represents approximately 90% of Scotland's bus services.

Impact Assessments

12. There are no equality impact issues in relation to renewing the economic parameters of the ODPS or YPS. The ODPS is targeted at older and disabled people. User feedback highlights social and health benefits of the ODPS, including by enabling people more easily to access services and visit friends and relatives. The YPS is targeted towards young people aged under 22. The YPS, which became operational on 31 January 2022, seeks to embed sustainable travel behaviours from a young age and to open up opportunities for young people. This Order enables the ODPS and YPS to continue on the terms detailed above for the next financial year.

13. A Business Regulatory Impact Assessment (BRIA) has been completed and is attached. The impact of this policy on business is to confirm arrangements for reimbursement of bus operators under the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) and National Bus Travel Concession Scheme for Young Persons (Scotland) for the next year at levels which have the objective of leaving them financially no better and no worse off as a result of participation in the Scheme. This is in line with the objectives in article 12(1) of the 2006 Order and article 12(1) of the 2021 Order.

Financial Effects

14. The ODPS has capped levels of funding of £215.1 million in 2025-26, which is an increase of £11.6 million from the 2024-25 budget cap of £203.5 million.
15. The YPS does not have a cap. Continued growth of the YPS with increasing monthly journey numbers means it is difficult to provide a sufficiently accurate estimate on which a budgetary cap could be based.

Date of Implementation

16. The new rates will be effective from 1 April 2025.

Scottish Government
Transport Scotland January 2025

Annexe B: Business and Regulatory Impact Assessment

The purpose of this Order (“the 2025 Amendment Order”) is to enable the National Concessionary Travel Scheme (NCTS) comprising the ODPS and YPS to continue into 2025-26 by setting out the reimbursement terms for bus operators carrying concessionary passengers.

The rate of reimbursement for the ODPS will be amended from 55.0% to 52.9% (of the adult single fare) in 2025-26. Total payments for the ODPS will be capped at £215.1 million (an increase of £11.6 million from 2024-25) in 2025-26. It is important to note that the budget cap is set based on the anticipated spend on the scheme in 2025-26 using latest industry data. This provides assurance that the cap is set at a realistic level while also protecting public funds.

The reimbursement rates for the YPS will be amended to 47.9% (of the adult single fare) for journeys made by 5 – 15 year olds, and 72.4% for journeys made by 16 - 21 year olds in 2025-26. There has been no budget cap applied to the YPS since the scheme commenced in January 2022 due to the uncertainty over journey patterns and forecast uptake. This position will be continued in 2025-26 as journey numbers and patterns have yet to stabilise to allow an accurate cap to be determined. This will be reviewed as part of agreeing rates with industry for 2026-27.

Transport Scotland ran a procurement exercise in Spring 2023 to appoint independent consultants to review the approach to setting reimbursement rates for the NCTS. Consultants, Systra, were appointed in June 2023, and undertook a programme of stakeholder engagement with the bus industry to understand their views on concessionary travel reimbursement, alongside a review of the latest available data and evidence and then development of new reimbursement models for the ODPS and YPS. These models help to demonstrate that the reimbursement rates are based on the best available evidence and that operators are being reimbursed fairly whilst considering the latest available evidence on industry costs, passenger demand and travel behaviours.

A short-life working group was established in early 2024 and met throughout the year, chaired by Transport Scotland, in order to assess and reach agreement on the new models for both ODPS and YPS.

Rationale for Government Intervention

The schemes provide an entitlement to free bus travel for people resident in Scotland who are aged 60 or over or who meet certain disability related criteria or who are aged between 5 and 21 inclusive.

Concessionary travel enables eligible individuals to travel anywhere in Scotland on buses for free at the point of use. The ODPS and YPS are underpinned by an objective, set out in the legislation that bus operators should be financially “no better and no worse off” through their participation.

Transport Scotland therefore reimburses operators for journeys made under the scheme, with the total level of reimbursement provided to compensate operators for two elements:

- a. **Revenue foregone:** revenue operators would have received from concessionary passengers who would otherwise have travelled and paid for a journey (full fare or discounted) in the absence of the scheme; and
- b. **Net additional costs:** costs incurred as a consequence of providing free travel, particularly for journeys that would not have been made without the scheme's existence, i.e. journeys generated by the scheme.

By enabling people to more easily access services and leisure facilities and interact with others, ODPS card holders advise it delivers social and health benefits through reduced social isolation, greater independence and improved physical and mental wellbeing from increased activity. A recent evaluation has shown that the YPS is helping to improve access to education, leisure, and work, while enabling young people to travel sustainably early in their lives.

The NCTS contributes to the Scottish Government's four priorities: To eradicate child poverty; To grow Scotland's economy; Tackling climate emergency by investment in green energy and infrastructure; To improve Scotland's public services as an investment in Scotland's future health, equality and prosperity.

Concessionary travel aligns with the Scottish Government's National Transport Strategy for the next 20 years, published in February 2020. This 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

Within Government

We have consulted colleagues in Transport Scotland (TS) who administer the schemes and who are in regular contact with bus operators. Transport Analytical Services colleagues supported engagement and negotiations with the industry and provided forecasts used to set the reimbursements terms. Finance colleagues have been consulted about budgets for reimbursement and administrative costs of the schemes.

Public Consultation

The proposal amends the reimbursement terms for bus operators participating in the NCTS in 2025-26. It makes no changes to who is eligible for the schemes or what benefits the schemes confer. The potential for changes in reimbursement rates to have a wider impact on bus companies and their commercial services has been taken into account in setting reimbursement rates aimed at leaving bus operators financially "no better and no worse off".

Business

The proposal has been subject to significant engagement and consultation with industry through CPT and has been formally agreed with CPT on behalf of industry. A short-life working group was established in early 2024 and met throughout the year, chaired by Transport Scotland, in order to assess and reach agreement on the new models for both ODPS and YPS.

Overall, reimbursement is equal to revenues foregone plus net additional costs. Operators participating in the concessionary travel schemes receive a percentage of the equivalent adult single fare for each journey made through the schemes. This is known as the reimbursement rate, and it is set at a level to leave operators no better and no worse off in accounting for the two components of reimbursement outlined above.

Calculation of the reimbursement rate is reliant on understanding what would happen in the scheme's absence, i.e. concessionary passengers paying commercial fares - a hypothetical situation known as the 'counterfactual'.

Revenues foregone are determined by the estimated number of journeys made by passholders even if the scheme did not exist (non-generated journeys) and the average commercial fare those passholders would have paid. Neither of these values can be observed directly, meaning both need to be estimated.

Estimating the number of journeys that would have taken place in the absence of the concession is achieved by applying an adjustment factor – known as the 'reimbursement factor' - to the total number of observed concessionary journeys. The reimbursement factor is informed by empirical evidence on the sensitivity of the desire to travel by bus to fare changes, i.e price elasticity of demand.

The fares that operators would have received from concessionary passengers are calculated using the equivalent adult single fare for observed concessionary journeys, reduced by a 'discount factor' to account for concessionary passengers' expected use of multi-journey/discounted products (daily, weekly, season tickets).

Additional costs from generated journeys (i.e. those concessionary journeys that are only made because of the existence of the schemes) are estimated by multiplying the number of generated journeys by a fixed marginal operating cost per generated journey, which is updated to account for changes in bus operating costs over time.

The reimbursement rate is then calculated by dividing the total value of reimbursement (revenue foregone + additional costs) by the total value of concessionary journeys at the average full single fare.

Reimbursement for concessionary travel is calculated in a comprehensive model making use of a number of components:

Parameters – demand elasticities (the sensitivity of demand to fare changes), discount factors accounting for fare paying passengers utilising discounted products (e.g. daily, weekly, season tickets), and additional

costs;

Variables – data showing observed concessionary journeys made and information on commercial fares.

All eligible bus operators in Scotland participating in the Schemes will be informed about the proposed reimbursement terms for 2025-26 when the legislation is laid.

Options

Option 1 – Set reimbursement rates for both schemes, and the cap for the ODPS for 2025-26 at the same level as 2024-25.

This option would not enable the objective set out in legislation of bus operators being financially “no better or no worse off” due to their participation in the NCTS to be met and would not enable the latest data and modelling to be used and will not demonstrate that the reimbursement rates are based on the best available evidence and that operators are being reimbursed fairly whilst considering the latest available evidence on industry costs, passenger demand and travel behaviours.

The option also does not support the agreement of industry on the use of new modelling and the amended rates for 2025-26.

The retention of the 2024-25 ODPS budget cap will also not enable the forecast costs of the scheme based on industry data for levels of journey demand and expected fares increased in 2025-26 to be accounted for.

Benefit: Eligible people under the schemes will continue to benefit from free bus travel as this option would extend the duration of the rates set for the schemes for a further year.

Cost: Up to a maximum of £203.5 million cap for the ODPS and an estimated indicative figure of around £200 million in claims for the YPS in 2025-6.

Option 2 – Amend reimbursement terms for the ODPS and YPS based on the new models for 2025-26

A new model has now been developed for ODPS which considers the latest available evidence on industry costs, passenger demand and travel behaviours. Due to the impact of Covid-19 on bus passenger numbers over the past few years it was necessary to review the analysis and forecasting that underpins the annual revision of the reimbursement rate and the cap. TS and CPT are content that this revised model more closely meets the aim of leaving bus operators financially “no better or worse off” compared to rolling over the same terms as 2024-25. The revised model also takes into account the latest available evidence on operating

costs and fare levels from the market. Amending the ODPS rates and cap ensures the rates more closely meets the aim of leaving bus operators financially “no better and no worse off” and amending the cap from £203.5 million to £215.1 million which takes into account patronage and fares forecasts for 2025-26 and reduces the risk to the public purse.

Using the new modelling for YPS in 2025-26, now that further data has been gathered as is set out for ODPS, gives a reimbursement rate for YPS 5-15 year olds of 47.9%, an increase of 4.3 percentage points from the existing rate (43.6%) that has been in place since January 2022. This reflects the latest available data on travel behaviours and additional journey generation collected through the YPS evaluations, which suggests that the number of new journeys generated by the YPS for 5-15 year olds is lower than was anticipated prior to the scheme’s introduction. This leads to a higher reimbursement rate.

Using the new model results in a reimbursement rate for YPS 16-21 year olds of 72.4%, a decrease of 8.8 percentage points from the existing rate (81.2%) that has been in place since January 2022. This change also considers the latest available data on travel behaviours collected through the YPS. Additionally, a new approach has been taken to calculate the discount factor for 16-21 year olds making use of actual scheme data, which suggests that 16-21 year olds would be making greater use of season ticket products than previously expected. This has led to a reduction in the reimbursement rate.

There has been no budget cap applied to the YPS since the scheme commenced in January 2022 due to the uncertainty over journey patterns and forecast uptake. This position will be continued in 2025-26 as journey numbers and patterns have yet to stabilise to allow an accurate cap to be determined. This will be reviewed as part of agreeing rates with industry for 2026-27.

Benefit: The newly developed model, designed in collaboration with the bus industry, through CPT, is intended to better reflect the Scottish Government objective of ensuring the bus industry is on the whole financially “no better or no worse off” as a result of the NCTS being in effect. The rates set out above, which have been formally accepted by CPT, set out to meet that objective.

Cost: Up to a maximum of £215.1 million cap for the ODPS, and an estimated indicative claims figure of around £196 million in claims for the YPS in 2025-26.

Sectors and Groups Affected

The sector most affected by the changes in the 2025 Amendment Order are the bus industry and bus passengers (both concessionary and fare paying). Individual operator’s commercial circumstances differ, therefore some operators may seek to amend their operating models in light of the new rates. As the rates for ODPS and YPS 16-21 years – and therefore reimbursement that operators receive per journey – are reducing, operators will naturally receive less in 2025-26 with the new rates than they would have had the rates remained unchanged. However this is countered by the forecast increase in journey numbers and fares across the

schemes, which is estimated to increase total reimbursement payments for operators in 2025-26 relative to 2024-25. Following the COVID pandemic, older and disabled people were account patronage and fares forecasts for 2025-26 and reduces the risk to the public purse.

Using the new modelling for YPS in 2025-26, now that further data has been gathered as is set out for ODPS, gives a reimbursement rate for YPS 5-15 year olds of 47.9%, an increase of 4.3 percentage points from the existing rate (43.6%) that has been in place since January 2022. This reflects the latest available data on travel behaviours and additional journey generation collected through the YPS evaluations, which suggests that the number of new journeys generated by the YPS for 5-15 year olds is lower than was anticipated prior to the scheme's introduction. This leads to a higher reimbursement rate.

Using the new model results in a reimbursement rate for YPS 16-21 year olds of 72.4%, a decrease of 8.8 percentage points from the existing rate (81.2%) that has been in place since January 2022. This change also considers the latest available data on travel behaviours collected through the YPS. Additionally, a new approach has been taken to calculate the discount factor for 16-21 year olds making use of actual scheme data, which suggests that 16-21 year olds would be making greater use of season ticket products than previously expected. This has led to a reduction in the reimbursement rate.

There has been no budget cap applied to the YPS since the scheme commenced in January 2022 due to the uncertainty over journey patterns and forecast uptake. This position will be continued in 2025-26 as journey numbers and patterns have yet to stabilise to allow an accurate cap to be determined. This will be reviewed as part of agreeing rates with industry for 2026-27.

Benefit: The newly developed model, designed in collaboration with the bus industry, through CPT, is intended to better reflect the Scottish Government objective of ensuring the bus industry is on the whole financially “no better or no worse off” as a result of the NCTS being in effect. The rates set out above, which have been formally accepted by CPT, set out to meet that objective.

Cost: Up to a maximum of £215.1 million cap for the ODPS, and an estimated indicative claims figure of around £196 million in claims for the YPS in 2025-26.

Sectors and Groups Affected

The sector most affected by the changes in the 2025 Amendment Order are the bus industry and bus passengers (both concessionary and fare paying). Individual operator's commercial circumstances differ, therefore some operators may seek to amend their operating models in light of the new rates. As the rates for ODPS and YPS 16-21 years – and therefore reimbursement that operators receive per journey – are reducing, operators will naturally receive less in 2025-26 with the new rates than they would have had the rates remained unchanged. However this is countered by the forecast increase in journey numbers and fares across the schemes, which is estimated to increase total reimbursement payments for

operators in 2025-26 relative to 2024-25. Following the COVID pandemic, older and disabled people were slow to return to public transport, however since December 2023, the number of journeys taking place through the ODPS has increased by 6.1%. The YPS continues to be a successful intervention with an 11.1% increase in cardholders and a 7.2% increase in journeys from December 2023.

Benefits

The scheme is intended to leave bus operators financially no better and no worse off as a result of their participation in it. The schemes are well established and are being delivered well across Scotland. The reimbursement of operators follows requirements set out in the legislation and robust processes are in place for verification and compliance.

Costs

	2025-26	
Option 1	Up to a maximum of £203.5 million for the ODPS, an estimated indicative figure of around £200 million in claims for the YPS.	<p>This option would not enable the objective set out in legislation of bus operators being financially “no better or no worse off” due to their participation in the NCTS to be met.</p> <p>Does not c</p> <p>The option also does not support the agreement of industry on the use of new modelling and the amended rates for 2025-26.</p> <p>The retention of the 2024-25 ODPS budget cap will also not enable the forecast costs of the scheme based on industry data for levels of journey demand and expected fares increased in 2025-26 to be accounted for.</p>
Option 2	Up to £215.1 million for the ODPS, and an estimated indicative claims figure of around £196 million in claims for	<p>More likely to leave bus operators “no better and no worse off” through their participation in the ODPS scheme.</p> <p>This option enables the objective set out in legislation of bus operators being financially “no better or no worse off” due to their participation in the NCTS to be met</p> <p>Makes use of the latest data and modelling and demonstrates that the reimbursement rates are based on the best available evidence and that operators are being reimbursed fairly whilst considering the latest</p>

	the YPS.	<p>available evidence on industry costs, passenger demand and travel behaviours.</p> <p>Supports the agreement of industry on the use of new modelling and the amended rates for 2025-26.</p> <p>Enables the budget cap for the ODPS to reflect forecast costs of the scheme based on industry data for levels of journey demand and expected fares increased in 2025-26 to be accounted for.</p>
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Scottish Firms Impact Test

TS has regular contact with participating bus operators since the outset of the ODPS in 2006 and consideration of potential impacts on the bus industry is a key part of any discussions and agreement with industry. Therefore the Scottish Firms Impact Test was not carried out. This would have been impractical given the agreement reached following the work of the short-life working group during 2024 with CPT, the trade industry body. CPT acts on behalf of their member operators, in Scotland, and information has been shared with all participant operators.

Competition Assessment

The Scottish Government does not consider that the proposed changes in the 2025 Amendment Order will have any impact on competition. It is not considered likely that the proposals will directly or indirectly limit the range of suppliers, limit the ability of suppliers to compete, or reduce suppliers' incentives to compete vigorously. Furthermore, given the local nature of services being supplied by the bus industry, there will be no impact on competition within the UK or elsewhere.

Test Run of Business Forms

No changes will be made to forms as a result of the 2025 Amendment Order.

Legal Aid Impact Test

Legal Aid does not apply to these regulations.

Enforcement, Sanctions and Monitoring

Transport Scotland is responsible for the administration of the scheme and compliance with the requirements as detailed within the 2006 and 2021 Orders (as amended).

Implementation and Delivery Plan

The 2025 Order is subject to affirmative resolution procedure and therefore will require to be approved by the Scottish Parliament. The 2025 Order will detail the capped level of funding for the ODPS, namely £215.1 million in 2025-26, and provide for a reimbursement rate of 52.9% for the ODPS, and reimbursement rates of 47.9% for journeys made by under 16 year olds and 72.4% for journeys made by 16- 21 year olds in the YPS in 2025-26. The amendment will be effective from 1 April 2025.

Post-implementation Review

The operation of both schemes will be kept under review and discussions will take place with CPT and key stakeholders to ensure any future reimbursement rate can be agreed with industry representatives to sustain the benefits of the schemes.

Summary and Recommendation

In summary, the preferred option 2 using the newly developed models, designed in collaboration with the bus industry, through CPT, is intended to better reflect the Scottish Government objective of ensuring the bus industry is on the whole no better or no worse off as a result of the NCTS being in effect, reflects the latest industry data and provides value for the public purse.

Declaration and publication

I have read the Business and Regulatory Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed: Jim Fairlie

Date: 24 January 2025

**Jim Fairlie
Minister for Agriculture and Connectivity**

Annexe C: Child Rights and Wellbeing Impact Assessment

1.1.1 Brief Summary

Type of proposal:

- Scottish Statutory Instrument

Name the proposal, and describe its overall aims and intended purpose.

The National Concessionary Travel Schemes (NCTS) provide an entitlement for free bus travel in Scotland for persons who are aged 60 and over, aged 21 or under or who meet certain disability-related criteria. Bus operators are financially reimbursed for journeys made under the NCTS. Reimbursement rates are calculated annually based on a percentage of the adult single fare for each journey made under the schemes.

Amendment of both the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Order 2006 and National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021 is required in order to put into effect the reimbursement arrangements for bus operators in the financial year from 1 April 2025.

The National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) Order 2025 sets the rates at which operators who participate in the scheme will be reimbursed in 2025-26.

The original National Bus Travel Concession Scheme for Young Persons (Scotland) Amendments Order 2021 (SSI 2021/381) came into force on 12 November 2021. It extended the scope of the Young Person's Free Bus Travel Scheme to include all young people resident in Scotland aged 21 and under and amended the scheme reimbursement terms accordingly.

The Order sets out the revised reimbursement rate for bus operators participating in the NCTS National Concessionary Travel schemes for the financial year 2025/2026.

Start date of proposal's development: 1 July 2024

Start date of CRWIA process: 16 December 2024

1.1.2 With reference given to the requirements of the UNCRC (Incorporation) (Scotland) Act 2024, which aspects of the proposal are relevant to/impact upon children's rights?

Amendment of the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Order 2006 is not relevant/does not impact upon children's rights Amendment of the National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021 enables continued delivery of the Young Person's Free Bus Travel Scheme in 2025-26. A full CRWIA was undertaken prior to the Scheme becoming operational in January 2022. These are provided here.

child-rights-and-wellbeing-impact-assessment-crwia-concessionary-bus-travel-for-people-under-age-19.pdf - <https://www.transport.gov.scot/media/49000/child->

[rights-and-wellbeing-impact-assessment-crwia-concessionary-bus-travel-for-people-under-age-19.pdf](#)

concessionary-travel-under-22s-child-rights-and-wellbeing-impact-assessment-screening-crwia.pdf -

<https://www.transport.gov.scot/media/50273/concessionary-travel-under-22s-child-rights-and-wellbeing-impact-assessment-screening-crwia.pdf>

Amendment of the Order will not impact children and young people who are eligible for Free Bus Travel. Therefore, there are no anticipated direct or indirect impacts as a result of the proposal.

1.1.3 Please provide a summary of the evidence gathered which will be used to inform your decision-making and the content of the proposal Evidence from:

- existing research/reports/policy expertise

Not applicable

- consultation/feedback from stakeholders

Not applicable

- consultation/feedback directly from children and young people

Not applicable

1.1.4 Further to the evidence described at '3' have you identified any 'gaps' in evidence which may prevent determination of impact? If yes, please provide an explanation of how they will be addressed

Not applicable

1.1.5 Analysis of Evidence

Not applicable

1.1.6 What changes (if any) have been made to the proposal as a result of this assessment?

Not applicable

Conclusion

1.1.7 As a result of the evidence gathered and analysed against all UNCRC requirements, what is the potential overall impact of this proposal on children's rights?

No impact

1.1.8 If a negative impact has been identified please describe it below. Is there a risk this could potentially amount to an incompatibility?

Not applicable

Mitigation Record

Issue or risk identified and relevant UNCRC requirement

Action Taken/ To Be Taken

Date action to be taken or was taken

1.1.9 As a result of the evidence gathered and analysed against all wellbeing indicators, will the proposal contribute to the wellbeing of children and young people in Scotland? (Guidance Section 2.3.2, pages 20-22).

Safe:	Not Applicable
Healthy:	Not Applicable
Achieving:	Not Applicable
Nurtured:	Not Applicable
Active:	Not Applicable
Respected:	Not Applicable
Responsible:	Not Applicable
Included:	Not Applicable

1.1.10 How will you communicate to children and young people the impact that the proposal will have on their rights?

The CRWIA will be published on the legislation.gov.uk website alongside the SSI so those wishing to access it can do so. The CRWIA has been written in so far as possible in accessible language so those reading it can understand its content and the no impact outcome of the assessment.

1.2 Post Assessment Review and sign-off

1.2.1 Planning for the review of impact on children's rights and wellbeing

If new information comes to light throughout implementation, this will be assessed for potential impact on children and young people. However, this is not anticipated due to the nature of the proposal.