POLICY NOTE

THE NATIONAL BUS TRAVEL CONCESSION SCHEMES (MISCELLANEOUS AMENDMENT) (SCOTLAND) (NO. 2) ORDER 2026

SSI 2026/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.

Summary Box

This instrument sets out the capped level of funding for the National Bus Travel Concession Scheme for Older and Disabled Persons and the National Bus Travel Concession Scheme for Young Persons in respect of the financial year 2026-27. It also sets out reimbursement rates for bus operators in respect of 2026-27 for both schemes.

Policy Objectives

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") 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").

Article 12 of the National Bus Travel Concession Scheme for Young Persons (Scotland) Order 2021 (SSI 2021/175) ("the 2021 Order") provides for the reimbursement of operators of eligible services for carrying passengers under the National Bus Travel Concession Scheme for Young Persons ("the YPS").

The National Bus Travel Concession Schemes (Miscellaneous Amendment) (Scotland) (No. 2) Order 2026 ("the Order") further amends the 2006 Order and the 2021 Order to prescribe the rates and capped level of funding for reimbursement in 2026-27.

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 article 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.

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.

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 2026 by setting the reimbursement rates and capped level of funding for both schemes for the next financial year (1 April 2026 to 31 March 2027).

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%. Accordingly, 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.

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. Patronage and card holders for the YPS have shown signs of stabilising, allowing for a cap to be applied in line with the legislation underpinning the scheme for this 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 latest data.

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

The Scottish Ministers have made the following statement regarding children's rights. 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) (No. 2) Order 2026 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

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

Consultation

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

Impact Assessments

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.

A Business Regulatory Impact Assessment (BRIA) and a Child Rights and Wellbeing Impact Assessment (CRWIA) have been completed and is attached.

Financial Effects
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.

The capped level of funding for ODPS 2026-27 has been set at £248.2 million, an increase of £33.1 million from 2025-26. Patronage and card holders for the YPS have shown signs of stabilising, allowing for a cap to be applied in line with the legislation underpinning the scheme for this first time. The capped level of funding in 2026-27 has been set at £220.6 million. These capped levels of funding take account of anticipated spend on the schemes in 2026-27 based on latest data.

Scottish Government
Bus, Concessionary and Active Travel Directorate
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