POLICY NOTE

THE PUBLIC SERVICE VEHICLES (REGISTRATION OF LOCAL SERVICES) (LOCAL SERVICES FRANCHISES TRANSITIONAL PROVISIONS) (SCOTLAND) REGULATIONS 2025

SSI 2025/137

The above instrument was made in exercise of the powers conferred by section 13T (1) and (3) of the Transport (Scotland) Act 2001 ("the 2001 Act"). This instrument is subject to the negative procedure.

Purpose of Instrument:
These regulations make provision about the registration, variation or revocation of registrations of local bus services during the transitional period from the current bus market into, and out of, a franchising framework made by a local transport authority under the Transport (Scotland) Act 2001 ("the 2001 Act"). The purpose of this instrument is to minimise the potential disruption of services and ensure that passengers have a continuity of service should operators seek to vary or cancel local services before a franchising framework can come into operation.

Policy Objectives
The purpose of the Transport (Scotland) Act 2019 ("the 2019 Act") is to provide local transport authorities with access to a range of flexible tools that they can use to revitalise their local bus networks according to their own needs. The 2019 Act amends the Transport (Scotland) Act 2001 ("the 2001 Act"), building on, and in some cases replacing, existing powers that were available to local transport authorities under that Act. In particular, the 2019 Act replaces the quality contracts model provided in the 2001 Act with the local services franchises model.

The local services franchises model involves a local transport authority putting in place an overarching franchising framework and then entering into franchise agreements with bus operators in respect of the local services within the area of the framework. The framework will set out the services to be provided, the standards to be met, and any additional facilities that are to be provided in the area.

When a franchising framework is made, the local bus market will need to transition from a deregulated system (where bus operators determine which services to operate and register services with a traffic commissioner), to a system which provides for bus operators running local services under contract to a franchising authority.

The instrument provides a definition for a transitional period between the making of a franchising framework and before section 6 to 9 (registration of local services) of the Transport Act 1985 ("the 1985 Act) cease to have effect as a result of the franchising framework coming into operation in respect of a service included in it. It prescribes the notice

period during the transitional period as 112 days for variations and cancellations. This applies to bus services included in the franchising framework, and may have a different transitional period for different services within the framework, depending on when they come into operation. The current registration provisions will continue to apply to bus services excluded from a local transport authority's franchising framework.

This means, when a bus operator has applied to the traffic commissioner to vary or cancel a registered bus service which is included in the franchising framework and is not an exempt service the notification period following receipt by the traffic commissioner will be 112 days. This will provide the local transport authority with more time to make alternative arrangements to ensure services are retained for passengers in the event of operators reducing or withdrawing their services before a franchise framework comes into operation.

The instrument also specifies that a traffic commissioner must not accept an application to register, vary or cancel a service, other than an exempt service, received before sections 6 to 9 of the Transport Act 1985 cease to have effect in any franchising framework area as a result of it coming into operation. However, to assist with the transition out of a franchising framework, the instrument makes provision that allows for bus operators to register services with the traffic commissioner when a franchising scheme is in operation , though those services cannot operate until an area ceases to be part of a franchising framework.

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 Public Service Vehicles (Registration of Local Services) (Franchising Frameworks Transitional Provisions) (Scotland) Regulations 2025 are compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

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

Consultation

A public consultation on the implementation of the bus provisions contained in Part 3 of the 2019 Act took place between 14 July to 6 October 2021, in which a wide range of stakeholders were consulted, including local transport authorities, regional transport partnerships, the Convention of Scottish Local Authorities ("CoSLA"), trade unions, representatives of bus operators, the third sector, and bus user representatives. There were 42 organisations who responded to the consultation and commented on the information questions within the document.

Feedback from respondents to the public consultation focused specifically on the development and assessment of the franchising framework. The consultation did not ask specific questions about the transition process. However, we have been engaging separately

with stakeholders on this topic while preparing these regulations. The analysis report published in March 2022 is available on the Transport Scotland website[1] and contains a fuller analysis of the responses received about the franchising model.

We have had subsequent discussions with key stakeholders including the Association of Transport Coordinating Officers (ATCO), CoSLA, and the Confederation of Passenger Transport (CPT) to obtain views to inform the development of these regulations. Officials have also engaged with public sector organisations, including the Office of the Traffic Commissioner and the Competition and Markets Authority, on technical elements of these regulations.

Impact Assessments

The following impact assessments were conducted in relation to the implementation of the bus provisions contained in Part 3 of the 2019 Act:

- An Equalities Impact Assessment
- A partial Business and Regulatory Impact Assessment
- A Child Rights and Wellbeing Impact Assessment ("CRWIA")
- An Islands Screening Assessment
- A Fairer Scotland Duty Impact Assessment

As required by the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, a further CRWIA was carried out prior to laying these regulations and the associated statement of compatibility is published separately.

There are no significant equalities or rights impacts that require further consideration in relation to these regulations.

Financial Effects

As stated above, a partial Business and Regulatory Impact Assessment ("BRIA") was completed for the implementation of Part 3 of the 2019 Act. This concluded that the financial impacts of implementing the transitional provisions for local services franchises is likely to be minimal.

A BRIA has not been completed for this instrument as it has no financial effects on the Scottish Government, local government, or business.

Scottish Government
Transport Scotland

May 2025

[1] Implementing Part Three of the Transport (Scotland) Act 2019: Bus Services - Analysis of Consultation Responses | Transport Scotland