



**TRANSPORT  
SCOTLAND**  
CÒMHDHAIL ALBA

# **Under 26 Concessionary Fares Review**

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# Executive Summary

## Background

The National Transport Strategy (NTS2) sets out our vision for transport in Scotland over the next 20 years:

*We will have a sustainable, inclusive, safe and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors.*

The Strategy sets out our commitment to ensuring that everyone in Scotland will share in the benefits of a modern and accessible transport system. We recognise that in order to realise these ambitions our transport system must provide fair access to the services we need; be easy for all to use; and be affordable for all.

As part of our considerations on how we can deliver this commitment, and in response to the increasing affordability challenges faced by young people when using transport, this review has been commissioned to identify and explore options for extending concessionary travel across all public transport modes to those under the age of 26.

## Policy Context

NTS2 highlights that Transport is an enabler of poverty through the impacts it can have on income and household expenditure. We also know that public transport is a necessity to those on low incomes, yet, in many areas of high social deprivation, public transport availability can be limited or non-existent. Furthermore, the Strategy sets out that the combined challenges on the affordability and availability can be more acute for young people.

During the review process the Scottish Government made a commitment to introduce free bus travel to those under the age of 19, which is considered as the baseline within this report. It has since been extended to those under the age of 22, and commenced from 31 January 2022. Care should be taken in interpreting the results of the report in this context.

Since the original date of commission, the impacts of COVID-19 on young people have been considerable and for some nothing short of devastating. While the true impacts of the pandemic will not become clear for many years, [Scottish Government research](#) into COVID-19 and equality in Scotland found that the pandemic is adversely impacting young people's income and ability to afford housing and other essentials, such as public transport, and concluded that without significant intervention, a long COVID-19 recovery risks worsening economic generational inequality.

In addition, COVID-19 has led to unprecedented falls in demand for public transport. 50% of respondents to the [COVID-19 public attitudes survey](#) indicated they will avoid

public transport and use their car or other vehicle more than before. The future demand for public transport remains uncertain.

It is understood that in order to ensure our transport system plays its part in delivering a fully inclusive society, policy interventions are needed to address both the challenges of affordability and availability of transport. Any policy interventions will require additional budget in order to be implemented, at a time when there are significant pressures on budgets and exacerbated financial constraints.

In light of the unprecedented financial and capacity impacts of COVID-19 on the transport sector, and the continued uncertainty regarding the future of the pandemic on society, further work will be required to examine the future of public transport to fully assess the sustainability of any policy initiatives.

## Summary of Key Findings

The review looks at existing initiatives and considers what is working well, what is not working well and how the current offerings benefit those travelling across the transport network. Key findings from this analysis identified 4 key challenges faced by young people and families, with children, living in poverty:

- **Concessionary fares schemes only provide value where they are matched with available services:** through good and affordable public transport, people can gain access to jobs, education, and training, contributing to raising household income and preventing people from experiencing poverty. However, they also concluded that poor access to transport can also lock people into poverty by limiting access to these opportunities to increase income.
- **Concessionary fares schemes are not necessarily available to everyone who experiences cost as a barrier to transport:** there are loopholes in the current concessionary travel schemes. Those on low incomes and those with regular working patterns may be unable to benefit from existing discounted travel, such as discounted fares for young people only being available during off-peak times and therefore of no use for young people travelling to work or college. This can result in young people facing particularly high costs if they need to change between transport operators during their journeys.

In addition, the findings show that while extending entitlement to free travel would remove the barrier of cost to low income families and young people, the findings showed that barrier of availability of transport services would still limit access and use for low income families and young people.

- **Lack of, and limited, transport services can result in increasing journey costs:** A large number of people across Scotland need to take multiple buses (operated by multiple operators) to make one journey. This means purchasing multiple tickets, and therefore substantially increasing the cost of the journey.

A particular issue for rural areas is the lack of public transport, which acts as a barrier for young people accessing education, training and employment.

Longer commutes combined with more expensive fuel typically adds £30 to £40 per week to costs when compared to rural England.

- ***Current understanding on the impacts of COVID-19 show that the challenges on the affordability and availability of public transport are being exacerbated for our young people, and the long term implications of the pandemic for the sector and our young people is still unknown:*** affordability, availability and connectivity challenges in a post COVID-19 should not be downplayed, given the impact on the job market is likely to require job seekers to travel considerable distances for new opportunities. A more developed understanding of the impacts of the pandemic should enable future policy interventions which are considering concessionary fares to ensure they do not deepen existing inequalities or negatively affect the economy as it recovers.

The options appraisal that was undertaken in this review reinforced the points made above. This Multi-Criteria Analysis (MCA) was based on the Policy Appraisal Framework (PAF) within the Scottish Transport Appraisal Guidance (STAG), adopted as an alternative to cost-benefit analysis given the lack of information on monetary values at present. The key objectives of affordability, availability, and accessibility of public transport services for young people were identified from the evidence and data gathered for the review, and a range of options across different modes and different targeting were examined.

The key finding of the appraisal is that, whilst some options offer better value for money than others, it is difficult to recommend any intervention in value-for-money terms, as all options do not really address the core issues of both availability and affordability. The narrow options around SG benefits will benefit relatively few people, and are likely to have implementation difficulties to the extent that the resource cost of putting them in place is detrimental.

The exception to this is the provision of active travel benefits to those on lower incomes, young parents or who could otherwise not afford cycles. Whilst the numbers benefiting have an impact on the overall reach of the scheme the relative ease of implementation suggests that this is an area worth exploring further. Further analysis suggested that targeting active travel measures at younger age groups (e.g. free cycle pilots for children) would offer the greatest value for money.

Extending bus travel to all U26s scores marginally negatively, primarily due to costs. The impact of extending concessionary bus to those under 22 years-old was not considered as part of the initial analysis undertaken. However, work undertaken out with the scope of this review suggested that a more limited extension would score more favourably as the lower cost of providing concessions to those under 22 would shift the balance of cost and numbers reached by the scheme in a positive direction.

## Conclusion and Recommendation

Analysis of the current concessionary fares schemes shows that they are proven to support a reduction in some of the inequality challenges faced by certain groups of our society, and that by widening access to this support they could play a key role in

delivering the fully inclusive society we want. However, addressing the issues of affordability of public transport solely and in isolation from the issues of availability and connectivity, as well as future demand and the needs of certain groups in our society, will not provide the outcomes necessary to realise our ambitions.

The current concessionary fares schemes for young people is undergoing a transformation with the introduction of the under 22s free bus concessions, and the work being carried out to deliver this commitment provides useful analytical data on the uptake and usage of fare free public transport; particularly over the coming year, following an uncertain period for public transport.

Based on the evidence obtained and research carried out for this review, it is clear that there is a growing need for further support for young people, both in transport and more broadly. There is obvious merit in giving further consideration to whether the current concessionary fare offerings within Scotland best meet the needs of Scotland's young people, and whether more could be done to ensure public transport does not act as a barrier in ensuring young people are able to access education, work, training, and other opportunities across the country.

The options appraisal highlighted three possible interventions which scored well. The three could broadly be categorised as universal, targeted, and novel:

- The first, to offer universal **free travel across all modes, to all young people under the age of 26**, has obvious implementation challenges, not least with regards to affordability in today's financial climate.
- The second, to offer **free travel on all modes to young parents (under 26)**, offers a more targeted intervention, however with no similar precedent in place for such offerings and delivery mechanisms.
- The third option, to **provide access to a bicycle for all U26s**, through either grant funding of appropriate cycle hire, or free cycle hire, aligns with the health and wellbeing objectives of Scottish Government, as well as ensuring young people are able to benefit from the investments in active travel infrastructure made in recent years. Again there were significant deliverability factors. However the First 100 days free bike commitment was subsequently made as part of manifesto commitments, where a number of pilots are currently working well, with 988 bikes issued and ambitious plans to deliver considerably more.

It is therefore **recommended that the findings from this review be used to inform considerations on possible options for extending concessionary travel as part of the Fair Fares Review**. It is also **recommended that evidence and data from the under 22s free bus scheme be used to inform the take up and demand for fare-free public transport for young people**.

These considerations should be supported, and further informed, by identifying the wider policy actions required to support the delivery of NTS2, as well as wider Scottish Government ambitions and those set out in the NTS2 Delivery Plan.



## Introduction

The Scottish Government commissioned a review into the options for extending concessionary travel, across all public transport modes, to those under the age of 26. The review was commissioned in response to the affordability challenges young people face, identified through the development of the second National Transport Strategy (NTS2).

During the review process the Scottish Government made a commitment to introduce free bus travel for under 19s, which has since been widened to under 22s. Outputs from the review at this stage were used to inform the development of the under 22s initiative, and Transport Scotland continues to work with key delivery partners – including Young Scot, the Improvement Service and the National Entitlement Card Programme Office – to deliver this free bus scheme, which is due to come into operation on 31 January 2022.

The review has been undertaken during a period of time where there have been considerable changes to the policy landscape within which concessionary travel rests, as a result of COVID-19, EU Exit, and the Scottish Election. To take this into account, the review has been undertaken iteratively. It is also important to note that the costs within this review are subject to significant uncertainty as the long-term impacts of the pandemic on public transport demand are not yet known.

## Policy Context

We understand that transport is an essential requirement in enabling people to realise human rights, such as the right to education, the right to work, the right to take part in cultural and public life, the right to an adequate standard of living and the right to the highest attainable standard of physical and mental health.

A report into Transport and Travel in Scotland (2018) found that those on low incomes are more likely to use buses, while those on higher incomes are most likely to drive. 41% of people living in a household with less income than £10,000 use a bus at least once per week, compared to 15% of people living in a household with an annual income greater than £50,000. In addition, 41% of households with less than £10,000 have access to one or more cars. This rises to 96% for those with an annual household income of £50,000 or above.

The National Transport Strategy (published February 2020) sets out our vision for transport in Scotland over the next 20 years:

*We will have a sustainable, inclusive, safe and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors.*

The Strategy recognises that those on low incomes are excluded from maintaining social connections or accessing employment or training opportunities due to the affordability and availability of transport options. Public transport is a necessity to

those on low incomes, yet, in many areas of high social deprivation public transport options can be limited.

A [2018 Scottish Rural Action \(SRA\) report](#) exploring transport costs in rural areas found that transport fares in rural Scotland impacted 48% of young people from accessing employment, and 33% of young people from accessing education and training; this is partly due to the longer distances required to travel to access opportunities, resulting in higher costs and/or a greater number of interchanges or modes of travel.

However, the challenges on the availability of public transport are also ones faced by those living in more urban areas, where transport between low-income neighbourhoods and employment opportunities may be poor. This can be the case for those working outwith the “traditional” 9-5 working pattern, where public transport services might not be available.

NTS2 also recognises that the challenges of transport affordability and availability can be more acute for our young people. The Scottish Youth Parliament Campaign [All Aboard](#) found that one of the main reasons young people use the bus is affordability, stating that it provides a ‘cheap mode of transport’. A number of young people who were involved in this work suggested the cost of public transport should be reduced for young people, and for those in low income families. The report also found that a large number of young people advised they were relying on cars or walking rather than using public transport for a variety of reasons. Some live in rural areas where there is no public transport, or transport services do not run at the times at which they need to use them.

Since the review was initially commissioned, for many young people, the impact of COVID-19 on their education, work, and social lives has been considerable and for some nothing short of devastating. Evidence suggests that COVID-19 has exacerbated many pre-existing inequalities and has had a significant impact on living standards for many people across Scotland. Whilst the true impacts of the pandemic will not become clear for many years, initial projections undertaken by the [Resolution Foundation](#) indicate that child poverty levels could rise markedly as a result. We also know that the pandemic has had a [disproportionately negative impact](#) on young people (aged 16-24). Rises in unemployment and falls in employment levels have been larger for 16-24 year olds than for any other age group, with [young people more likely to be working in restriction-impacted sectors](#) such as retail, leisure, and entertainment. Analysis by the [Institute for Fiscal Studies](#) suggests that workers under 25 are two and a half times more likely than other age groups to work in a sector that is now shut down. The economic impacts of the pandemic will affect young people differently depending on pre-existing inequalities.

[Scottish Government research](#) into COVID-19 and equality in Scotland found that the pandemic is impacting young people’s income and ability to afford housing and other essentials, such as public transport, and concluded that without significant intervention, a long COVID-19 recovery risks worsening economic generational inequality.

The continued impact of the pandemic and outlook for young people remains uncertain; however, through delivery of NTS2, the Scottish Government is committed to ensuring our transport system will continue to meet the changing needs of our

young people, particularly by ensuring they have affordable and available transport services that enable them to access education, training, and employment.

It is understood that in order to ensure our transport system plays its part in delivering a fully inclusive society policy interventions are needed to address both the challenges of affordability and availability of transport. Any policy interventions will require additional budget in order to be implemented, at a time when there are significant pressures on budgets and exacerbated financial constraints. In light of the unprecedented financial and capacity impacts of COVID-19 on the transport sector and the continued uncertainty regarding the future of the pandemic on society, further work will be required to examine the future of public transport to fully assess the sustainability of any policy initiatives.

Furthermore, in December 2020, the Scottish Government published the update to the 2018-2023 Climate Change Plan. The Scottish Government remain committed to ending Scotland's contribution to climate change by 2045 in a just and fair way. Within the plan, we set out ambitious actions which are aligned with NTS2. There is a key focus on technological advances, but equally on measures to encourage modal-shift and significant societal changes.

## Scope of the Review

The review looks to identify the options available for extending concessionary travel across all public transport modes to those under the age of 26. Analysis has been undertaken of existing concessionary fares and discounts already available, exploring what is working well with a view to identifying options that build on best practice, as well as determining where further interventions are required.

This analysis has been supported by assessment of national and international comparators, including fare-free public travel as well as concessionary travel schemes.

Consideration has also been given to the rapidly changing policy landscape surrounding travel concessions, setting the context for the opportunities available but also the challenges around their implementation. A cost and benefits appraisal has also been undertaken to refine assessment.

## Approach to the Review

The appraisal undertaken as part of this review considers a number of options that look at extending concessionary travel to young people under 26. The appraisal method used is directly based on the Policy Appraisal Framework (PAF) set out in the Scottish Transport Appraisal Guidance (STAG), which is a form of Multi-Criteria Analysis. However, it should be noted that this review is not intended to provide the business case for initiation of any of the interventions.

To ensure the review reflects the circumstance and events which continue to shape day-to-day life, we have sought to include engagement and consultation findings within the review. These have been gathered from a number of sources, including

Scottish Youth Parliament and Young Scot, and span discussions both before and during COVID-19.

## The Current Position

### Previous Concessionary Travel Schemes for Under 26s

This section provides an overview of existing initiatives before the introduction of U22 concessionary fares and considers what is working well, what is not working well, and how the current offerings benefits those travelling across the transport network.

#### National Schemes

The Scotland-wide concessionary travel scheme for young people was introduced on 8 January 2007 and provides travel concessions via the Young Scot card. In Scotland the transport element of the Young Scot Card was available to all 16-18 year olds (you became eligible on your 16th birthday and stopped being eligible on your 19th birthday), plus 19-25 year olds who volunteered full-time.

Applications must be made for a National Entitlement Card in order to access the scheme, and holders receive a third off the price of an adult single on most bus journeys and a similar discount on single and return rail tickets.

Operators are reimbursed by Transport Scotland as part of the Scottish Concessionary Fare scheme. For rail travel Young Scot offers a season ticket discount of 50%, but the season ticket discount is not available for bus fares. Those who live on a Scottish island are entitled to four free journeys by ferry to or from the Scottish mainland each year (redeemable via voucher).

Students living in Colonsay, Orkney, Shetland, the Western Isles, Islay, Jura, Caithness, or North West Sutherland may be entitled to reduced air fares on certain routes. The Scottish Government Air Discount Scheme gives a discount of 40% on the air fare on certain routes.

This has now been replaced by the U22 Scheme.

#### Operator Schemes

Building on the national schemes, there are a number of concessionary fare and discount schemes available in Scotland. The table below provides an overview of all national and operator schemes currently available:

	<b>Under 5's</b>	<b>5-15</b>	<b>16-19 years old</b>	<b>Job seekers, Full time Volunteers under the age of 26 or 19 and over</b>
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				<b>in further education</b>
<b>Bus * due to be introduced from 31 January 2022 – Free Bus Travel for Under 22s</b>	Bus fares are a matter for individual operators who use their own commercial judgement as to the fare structure applied, taking into account the level of patronage, in order to provide a viable service. Operators generally already provide free bus transport for under 5's and discounted fares for those under 16 as part of their commercial operations.	<p>Bus fares are a matter for individual operators who use their own commercial judgement as to the fare structure applied, taking into account the level of patronage, in order to provide a viable service. Operators generally already provide free bus transport for under 5's and discounted fares for those under 16 as part of their commercial operations.</p> <p><b>Home to School Transport:</b> Although the distance varies between local authority areas, typically this extends to primary school pupils travelling more than 1 or 2 mile or secondary pupils travelling more than 2 or 3 miles. In addition, exemptions exist for those unable to walk to school due to their Special Educational Needs, because of a lack of a suitable route or for medical reasons This is delivered by Local Authorities who provide free Transport to and from school.</p> <p><b>Extended Rights to Free Home to School Transport:</b> in</p>	<p><b>Young Scot Card</b> - 1/3 off adult single bus fare on local and long distance journeys – due to be replaced by the new under 22s free bus scheme from 31 January 2022</p> <p><b>Free Bus Travel for Under 22s –</b> due to be introduced from 31 January 2022</p>	<p><b>Young Scot Card</b> - 1/3 off adult single bus fare on local and long distance journeys for full time volunteers under the age of 26.</p> <p><b>Learner Support:</b> For those aged 19 or over, on a further education course and facing financial hardship. The specific amount is dependent on circumstances.</p> <p><b>Job Seeker Support:</b></p> <p>For those with a Jobcentre Plus travel card, Stagecoach offer half price single and return tickets.</p> <p>In Glasgow, First Bus offer savings of up to 55% on an equivalent single journey for Jobcentre Plus travel card holders.</p>

		<p>extension to the Home to School Transport there is an additional element to free travel for children from low income families (that is those entitled to free school meals or whose parents receive the maximum working tax credit).</p>		
<b>Rail</b>	<p>All children under the age of 5 travel free on Scotland's Railways</p>	<p><b>Kids for A Quid:</b>  Travel at the weekend or any off-peak service. For every paying adult, up to 4 children can travel for just £1 return each. Available with most adult tickets and on season tickets and Flexipass.</p> <p><b>Family &amp; Friends Railcard:</b> 1/3 off rail fares for up to 4 adults and 60% off for up to 4 kids between 5 and 15 for travel across Britain. Cost £30 per year.</p> <p><b>HM Forces Railcard:</b> provides up to 1/3 off adult rail fares and 60% off kid's fares for members of the regular forces, their spouses and dependent children aged 16 or 17.</p> <p><b>Veterans Railcard:</b>  Provides the Railcard holder and their companion 1/3 off most rail fares and 60% off for up to four</p>	<p><b>Young Scot Card:</b>  1/3 off most adult single rail fares and most advance purchases. 50% off all weekly or monthly tickets.</p> <p><b>16 - 25 Rail card:</b>  16 - 25 years old or studying full time, 1/3 on train travel, discount applies to standard anytime, off-peak, standard advance and first class advance fares. Cost £30 a year.</p> <p><b>Disabled Persons Railcard:</b> For those with a disability that makes travelling by train difficult. 1/3 on rail travel for passenger and their companion. Cost £20 a year.</p>	<p><b>Young Scot Card:</b>  1/3 off most adult single rail fares and most advance purchases. 50% off all weekly or monthly tickets.</p> <p><b>16 - 25 Rail card:</b>  16 - 25 years old or studying full time, 1/3 on train travel, discount applies to standard anytime, off-peak, standard advance and first class advance fares. Cost £30 a year.</p> <p><b>Disabled Persons Railcard:</b> For those with a disability that makes travelling by train difficult. 1/3 on rail travel for passenger and their companion. Cost £20 a year.</p>



		<p>children aged 5-15 years</p> <p><b>Home to School Transport:</b> Although the distance varies between local authority areas, typically this extends to primary school pupils travelling more than 1 or 2 mile or secondary pupils travelling more than 2 or 3 miles. In addition, exemptions exist for those unable to walk to school due to their Special Educational Needs, because of a lack of a suitable route or for medical reasons. This is delivered by Local Authorities who provide free Transport to and from school.</p> <p><b>Extended Rights to Free Home to School Transport:</b> in extension to the Home to School Transport there is an additional element to free travel for children from low income families (that is those entitled to free school meals or whose parents receive the maximum working tax credit)</p>	<p><b>Two Together Railcard:</b> For any 2 named people aged 16+ who travel together. 1/3 on journeys, cost £30 a year.</p> <p><b>Highland Railcard:</b> age 16+ and live in Scottish Highlands, save 50% on train travel on selected routes. When it is used, up to 2 kids can travel for a flat fare of only £2 return each. Costs £15 a year.</p> <p><b>Under 25 Advance:</b> Those under the age of 25 with a Smartcard can save 10% on advance fares across a range of longer distance routes.</p> <p><b>Price Promise Scheme:</b> information on best value fares is made available to customers and refunds are issued where a cheaper alternative can be found.</p> <p><b>Job Seeker Allowance:</b></p>	<p><b>Two Together Railcard:</b> For any 2 named people aged 16+ who travel together. 1/3 on journeys, cost £30 a year.</p> <p><b>Highland Railcard -</b> age 16+ and live in Scottish Highlands, save 50% on train travel on selected routes. When it is used, up to 2 kids can travel for a flat fare of only £2 return each. Costs £15 a year.</p> <p><b>Under 25 Advance:</b> Those under the age of 25 with a Smartcard can save 10% on advance fares across a range of longer distance routes.</p> <p><b>Learner Support:</b> For those aged 19 or over, on a further education course and facing financial hardship. The specific amount is dependent on circumstances.</p>
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			<p>support job seekers in Scotland in getting back to work by offering up to 2 free tickets a month for travel and interviews; and a free monthly season ticket when the jobseeker secures work.</p> <p><b>HM Forces Railcard:</b> provides up to 1/3 off adult rail fares and 60% off kid's fares for members of the regular forces, their spouses and dependent children aged 16 or 17. Costs £21 a year.</p>	<p><b>Price Promise Scheme:</b> information on best value fares is made available to customers and refunds are issued where a cheaper alternative can be found.</p> <p><b>Job Seeker Allowance:</b> support job seekers in Scotland in getting back to work by offering up to 2 free tickets a month for travel and interviews; and a free monthly season ticket when the jobseeker secures work.</p>
<b>Ferries</b>	<p><b>CalMac Ferries:</b> under 5's travel free</p>	<p><b>CalMac Ferries:</b> 5 - 15 year olds travel for 50% of the full fare.</p> <p><b>NorthLink Ferries:</b> sponsorship programme for the local community, including 30% off all school groups plus free breakfast on their away journey and free cinema tickets on outbound and return sailings. Currently not accepting applications due to COVID-19.</p>	<p><b>Young Scot card:</b> For those aged 16-18 and live on a Scottish island they will receive 4 ferry vouchers which entitles them to 2 free return ferry journeys to mainland each year.</p>	<p><b>Learner Support:</b> For those aged 19 or over, on a further education course and facing financial hardship. The specific amount is dependent on circumstances.</p>

		<p><b>NorthLink Ferries - Kids Go Free:</b> additional support to both Islanders and Non-Islanders and open for travel all year round on direct from Lerwick to Aberdeen routes</p>		
<p><b>Active Travel</b></p>			<p><b>E-bike grant scheme:</b> makes funding available for discounted bikeshare projects and extended E-bike trials in communities across the country. These projects are open to all, including young people. In the first year of running, 19 public sector organisations and community groups across Scotland used the scheme. In 2020-21 £900,000 has been allocated to the E-bike Grant Fund</p> <p><b>Cycling UK's Wheelness:</b> gives free access to bikes for disadvantaged individuals in Inverness and works with participants and the local community to</p>	<p><b>E-bike grant scheme:</b> makes funding available for discounted bikeshare projects and extended E-bike trials in communities across the country. These projects are open to all, including young people. In the first year of running, 19 public sector organisations and community groups across Scotland used the scheme. In 2020-21 £900,000 has been allocated to the E-bike Grant Fund.</p> <p><b>Cycling UK's Wheelness:</b> gives free access to bikes for disadvantaged individuals in Inverness and works with participants and the local community to</p>

			explore the barriers people face to cycling for everyday transport. Over 100 people, including young people, have received bikes so far under the programme	explore the barriers people face to cycling for everyday transport. Over 100 people, including young people, have received bikes so far under the programme.
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**Table 1: Concessionary fare and discount schemes currently available across national and operator schemes.**

## Regional Schemes

Across Scotland’s regions there are a number of additional offerings:

**Dundee City Council:** has regularly offered a reduced fare of 20p to under 16s when they travel with an adult fare payer or concession ticket holder during school holidays. Launched with support from the Scottish Government’s Smarter Choices Smarter Places programme; the council; Xplore Dundee; Stagecoach; and Moffat and Williamson, it covers all journeys in the ABC Dundee ticket zone.

Annual bus season tickets for pupils that are entitled to free school transport are provided for 12 months and are valid on all (Xplore Dundee) bus services 24/7. Additionally, spare season tickets (leftover from the bulk purchase they procure annually) are distributed to low income families identified by Child & Family Services.

**Renfrewshire Council:** Smarter help for Renfrewshire's young job seekers (16-25): Renfrewshire Council, Transport Scotland, McGill’s, and Young Scot launched a smart ticketing pilot project to address transport issues faced by many young people in the area, particularly around travelling for work and study. This has been expanded to cover care leavers. Where a young person registered with the council's Invest in Renfrewshire programme is eligible for free travel, advisors can now load pre-paid tickets for McGill's local bus service onto their Young Scot National Entitlement Card.

Advisors at the council's Youth Employability Hub in Paisley will be able to load one, seven, or twenty-eight unlimited travel tickets, which eligible young people would

redeem by simply tapping their Young Scot National Entitlement Card on board a McGill's bus.

Staff at Youth Employability Hub provide support to young people registered with Invest in Renfrewshire. Working with an adviser, tickets are provided based on an individual's need and can be used for a wide variety of reasons. For example, bus tickets can be provided to attend interviews and training opportunities or to support young people until their first pay packet arrives. The project is part of Renfrewshire Council's £6 million Tackling Poverty Action Plan to end child poverty in Renfrewshire. The smart card scheme is one of several ways in which Renfrewshire Council's Youth Services Team are using the Young Scot's services to tackle inequality and improve services. This is the first in a series of smart travel initiatives happening in Renfrewshire in collaboration between Renfrewshire Council and Transport Scotland.

***Inverclyde Council:*** Enhanced free pupil transport for all schools by 1 mile less than statutory provision (this means 1 mile for primary and 2 miles for secondary). The council also recently introduced a free school meal waiver/grant for secondary school pupils in receipt of free school meals who live between one and two miles from school.

***East Ayrshire Council:*** Rather than simply applying the statutory minimum provision for school transport, an approach has been adopted with a minimum distance provision of 1½ miles for primary pupils, and 3 miles for secondary pupils, coupled with a subsidised transport service for secondary pupils travelling between 1½ and 3 miles. This allows parents the option to pay a fixed fee for travel, and depending on individual circumstances, a discount/exemption scheme is in place. This provides discounted travel for those in receipt of free school meals, and to families with more than one child requiring transport.

## What is Working Well and What is Not Working Well

Transport policy has long recognised that the market cannot make transport affordable for everyone and this has resulted in the current arrangements on concessionary travel initiatives that are available. In 2019, the Poverty Alliance and Oxfam found that concessionary travel is one of the most positive aspects of the transport system.

Concessionary fare schemes in Scotland are also shown to provide benefits to other groups in society, as evidenced by the 2017 Consultation regarding free bus travel for older and disabled people and Modern Apprentices. The consultation was carried out by Scottish Government, with a report published in 2018. In total, 2,947 responses were submitted. A substantial majority of responses came from individual members of the public. Respondents commented on the importance of the bus pass in counteracting isolation and loneliness, encouraging older people to get “out and about”, and promoting mobility and independence. They referred to associated benefits including sustaining both physical and mental health and allowing older

people to act as carers or to give their time as volunteers. Other points raised include the value people place on their bus pass, the degree to which they depend upon it, or the extent to which they have looked forward to receiving it.

The value of concessionary fares has continued to be recognised with the announcement of plans to extend free bus travel to all young people under the age of 19 (which has since been increased to those under 22) being well received. As part of this initiative Transport Scotland consulted on the plans with a total of 3075 responses received (97% of which were from individuals and 3% from organisations). The proposals received a positive response with 91% of respondents agreeing they would contribute towards objectives to increase opportunities and reduce inequalities for children and young people.

## **Key Finding I: concessionary fares schemes only provide value where they are matched with available services.**

A report in Transport and Poverty in Scotland (Poverty and Inequality Commission, 2019) recognised that while concessionary fares schemes can make a real difference to those on low incomes, their value depends on whether the services are available.

Inadequate and unreliable transport provision is understood to give rise to unexpected household outgoings for families and young people living in poverty, and can exacerbate already precarious circumstances (e.g. by incurring late pick-up fees for childcare, losing shifts at work, or being viewed as unreliable by an employer). Many participants involved with the Commission's work spoke of the absence, or lack, of public transport in their community, leading to the inability to make use of concessionary fare offers.

People on low incomes can face a 'poverty premium' where they have to pay more for food and other goods and services. Lack of available transport options can exacerbate this poverty premium where people cannot travel to cheaper shops or services. In 2019, the Poverty Alliance and Oxfam found that in some areas with high levels of poverty, there are no buses to major supermarkets. As a result people are often forced into shopping at more expensive shops that are easier to access by foot, something that represents the 'poverty premium' in action.

The Poverty and Inequality Commission concluded that through good and affordable public transport, people can gain access to jobs, education and training, contributing to raising household income and preventing people from experiencing poverty. However, they also concluded that poor access to transport can lock people into poverty by limiting access to these opportunities to increase income.

In addition, research carried out by the [Joseph Rowntree Foundation](#) in Glasgow found that existing bus services may be limiting rather than enabling a return to work for unemployed adults in some low-income areas where they don't connect to employment opportunities that match the skills, aspirations, or experience of individuals.

## **Key Finding 2: concessionary fares schemes are not necessarily available to everyone who experiences cost as a barrier to transport.**

NTS2 and the Scottish Government's [Every child, every chance: tackling child poverty delivery plan 2018-2022](#) recognise the joint challenges of the affordability and availability of transport and the impact these can have for families on low incomes. Both the transport strategy and the child poverty delivery plan also note that transport is an enabler of poverty through the impacts it can have on income and household expenditure.

The research commissioned by Transport Scotland on child poverty and transport showed for many participants transport costs are prohibitive. Transport costs influence how household budgets are allocated in families and in some cases increased the hardship and stress they face. Many parents and caregivers, especially those of larger families, described how not being able to afford transport led to children not being able to access essential services leading to increasing isolation and causing stress and other mental health impacts.

This research also found that families and young people on low incomes have difficulty in accessing discounts for bulk purchasing tickets (e.g. monthly passes) due to the high initial costs and as a result purchase a daily ticket at a higher premium despite being frequent users of services. Young people also described not being able to attend job interviews due to not having enough money to cover transport to the interview location.

The Poverty and Inequality Commission report highlighted that there are loopholes in the current concessionary travel schemes. Those on low incomes and those with regular working patterns may be unable to benefit from existing discounted travel, such as discounted fares for young people only being available during off-peak times and therefore of no use for young people travelling to work or college. This can result in young people facing particularly high costs if they need to change between transport operators during their journeys.

Additionally, the findings show that while extending entitlement to free travel would remove the barrier of cost to low income families and young people, the findings showed that barrier of availability of transport services would still limit access and use for low income families and young people.

However, it should be noted that the current concessionary travel schemes have been shown to reduce some of the inequality challenges faced by certain groups of our society, and that by widening access to this support these schemes could play a key role in delivery the fully inclusive society we want. In a study commissioned by Transport Scotland looking at [child poverty and transport](#), low income participants with travel card entitlements due to caring needs, disabilities, or health conditions highlighted the importance of these in reducing costs and enabling their basic participation in daily life. As many low income families and young people are entirely

reliant on public transport, travel card entitlements enable them to access essential services that they would otherwise have to forego. Participants also emphasised that without these concessionary travel entitlements, they would face additional pressures in managing household budgets.

While extending entitlement to free travel would remove the barrier of cost to low income families and young people, the findings showed that barrier of availability of transport services would still limit access and use for low income families and young people.

### **Key Finding 3: lack of, and limited, transport services can result in increasing journey costs.**

NTS2 recognises that a greater share of people in remote and rural, and accessible rural areas, can find accessing transport services less convenient. There are a number of urban and rural locations within Scotland where the current levels of public transport provision, including accessible transport, as well as connectivity issues, act as barriers to accessing healthcare, employment, education, or training opportunities.

A large number of people across Scotland need to take multiple buses (operated by multiple operators) to make one journey. This means purchasing multiple tickets, and therefore substantially increasing the cost of the journey. A particular issue for rural areas is the lack of public transport acting as a barrier for young people accessing education, training, and employment. Longer commutes combined with more expensive fuel typically add £30 to £40 per week to costs when compared to rural England. Transport can therefore be a real challenge for those on low incomes in rural areas, particularly when needing to access employment and essential services.

The joint challenges of high costs a lack of, or limited, public transport services, can have a disproportionate impact on young people where it can lead to inferior employment and education opportunities.

The Poverty Alliance and Oxfam (2019) found that poor connections and the expense of multiple tickets were common themes. Some participants in their research spoke of having to take multiple buses (operated by multiple companies) to make one journey. This means purchasing multiple tickets and therefore substantially increasing the cost of the journey.



## **Key Finding 4: Current understanding on the impacts of COVID-19 show that the challenges on the affordability, availability of public transport are being exacerbated for our young people, and the long term implications of the pandemic for the sector and our young people is still unknown.**

COVID-19 has led to unprecedented falls in demand for public transport. 50% of respondents to the [COVID-19 public attitudes survey](#) indicated they will avoid public transport and use their car or other vehicle more than before; the future demand for public transport remains uncertain.

Given the fall in demand, coupled with capacity restrictions due to physical distancing requirements, very significant additional Government funding has been required to keep the existing public transport network running for those who need it, as costs outstrip revenue. It is envisaged that additional financial support will be required even once physical distancing requirements are relaxed in order to maintain anything comparable to the pre-COVID-19 network, as those who can do so continue to avoid public transport due to ongoing public health concerns or changed habits. The cost of any additional free public transport concessions has to be weighed against the costs of keeping a viable network operating.

We also know that a particular issue for young people is the lack of public transport, which in turn can act as barrier when accessing education, training and employment. This is an issue which is being exacerbated by COVID-19 as the increased fall in demand for public transport has made, and will continue to make, it more challenging for public transport operators to deliver viable services on a commercial basis. Evidence from stakeholder events and research publications has highlighted increasing support for consistency for service users and easy to understand pricing structures that do not disadvantage individuals.

Affordability, availability and connectivity challenges in a post COVID-19 should not be downplayed, given the impact on the job market is likely to require jobs seekers to travel considerable distances for new opportunities. Once more is understood about the impacts of the pandemic, future interventions considering concessionary fares need to ensure they do not deepen existing inequalities or negatively affect the economy as it recovers.

The Fair Fares Review will examine these issues in detail.

## **National and International Examples**

There have been a considerable number of fare-free or part fare-free public transport implementations, primarily across Europe and North America. Most of the implemented schemes were limited period campaigns, limited to specific services or certain user groups (elderly demographics, students, tourists, etc.) There are only a



few cases where a full-fledged scheme for fare-free transport covering all service users has been introduced and sustained for a long period. Unfortunately, thorough evaluation has been historically difficult owing to insufficient data or analysis from concessionary schemes. As a result, detailed evidence on fare-free schemes and their impacts is limited. A brief, high-level summary of some interventions – local and national – is detailed below.

### **Wales**

In Wales the My TravelPass card gives holders around a third off bus travel. This is offered by all Welsh bus operators to 16-18 year olds, whilst 29 operators extend the discount until the holder's 22nd birthday. My TravelPass is reimbursed by the Welsh Government, with a generation factor applied. This is not a fully fare-free system, but is a useful comparator.

### **Manchester**

Building on top of their existing system which offers a 'One Student' scheme for 16-26 with 25% off offered on buses, Manchester is currently operating a two-year pilot of 'Our Pass' for 16 to 18 year olds, offering free bus travel across all of Greater Manchester for a one off £10 administration fee. The pass provides free bus travel as well as discounts and free deals at certain retailers and sponsors.

### **Estonia**

As of 2019, buses are free of charge in 11 of Estonia's 15 counties. Following the 2008 financial crisis, ticket prices were too high for many local residents and Tallinn's city government began considering the idea of free transport. Congestion was also a serious issue. Registered residents are able to travel on Tallinn's buses, trams, trolley buses and trains for free. Residents simply pay two euros for a 'green card' which provides evidence of their tax paying status (the municipality gets a 1000 euros share of their income tax each year). Local residents have been enthusiastic about the scheme, with early polls delivering a 90% approval rating. Non-residents and tourists pay to use transport. Almost a year after the introduction of FFPT, public transport usage increased by 14%.

### **Luxembourg**

Luxembourg became the first country in the world to abolish fares nationwide – starting in late February 2020. There is no charge for using trains, trams and buses within Luxembourg (except first-class train carriages or cross-border travel). The move is expected to benefit the 602,000 residents and 175,000 cross-border workers alike, as well as around 1.2 million annual tourists. The introduction of fare removal, shortly before COVID-19 took hold in Europe, has resulted in limited impact analysis of the scheme.

Prior to 2020, the country had the highest number of passenger cars per inhabitant in the EU (including company cars registered there by non-resident cross-border workers). More than 60% of commuters used their cars to get to work, compared to just 19% who used public transport. However, cutting congestion and climate change were not the key drivers of the fare-free public transport initiative. The Minister for

Mobility and Public Works stated it is primarily a social measure, with the objective being to stop the deepening gap between rich and poor. Interestingly, public transport was already heavily subsidised – a two-hour ticket costing 2 euros and an all-day second class ticket 4 euros – with many people previously receiving free transport: under 20s, students under 30, people with a minimum guaranteed income.

**Dunkirk, France**

The French city of Dunkirk introduced fare-free buses in September 2018 for its 200,000 residents. Following the introduction, ridership increased, more than doubling on weekends and increasing by around 60 percent during the week. In a town where a large majority of residents (about two-thirds) typically depended on their cars to get around, half of the 2,000 passengers [surveyed by researchers](#) said they take the bus more or much more than before. Of those new users, 48 percent [say they regularly use it](#) instead of their cars. Some (approximately 5 percent of the total respondents) noted that they sold their car or decided against buying a second one because of the free buses.

## The Future

The following section sets out the evidenced challenges and opportunities pertaining to transport and concessionary fares for young people. These have been identified from a range of sources, including a review of existing policy and strategy documents, data analysis and stakeholder engagement.

### Challenges

- Accessibility, availability and reliability of public transport offerings;
- Affordability of public transport fares;
- Awareness of the current concessionary fare offerings;
- Emissions reductions and environmental concerns with regards to private car use;
- Safety of active travel and safety on public transport in light of COVID-19;
- Uncertainty over the likely uptake and operational financial implications given limited data on young people's travel patterns, the continuing impact of the pandemic and consumers response to changes in price.

### Opportunities

- Reducing inequalities by improving affordability of transport through enhanced subsidy or free fares for young people to support access to jobs, education, training;
- Promoting and increasing health and wellbeing through active travel initiatives;
- Taking action against climate change by encouraging modal change from private car ownership to public transport (targeting young people – often first-time car buyers);
- Delivering inclusive economic growth by growing demand and increasing passenger figures and enabling young people to access work, education and training through public transport services;
- Encouraging use of active travel infrastructure through active travel and more affordable access to bike initiatives.

## Availability, accessibility and reliability of public transport

A particular challenge in rural and remote areas is service levels, with stakeholders citing limited transport options and poor reliability of services which are in place. Feedback from respondents spoke of the absence of, or limitations to, public transport offerings in their community, leading to the inability to make use of concessionary travel offers. Reliability and punctuality (particularly of bus services) were common themes within the discussions. For participants in employment, late running buses often meant they were late for work which in turn led to a loss of wages.

During our engagement with young people, a number of people cited private car use was due to the unreliability of public transport.

## Affordability of public transport fares

Transport costs were identified as a key consideration for local authorities beyond crisis provision for tackling child poverty in the context of COVID-19 by [the Improvement Service](#). The child poverty priority groups have particularly high poverty rates, including lone parent households (41%); households where the mother is aged under 25 (53%); and minority ethnic households (43%).

## Awareness and complexity of concessionary fare offerings

Feedback from the Poverty Alliance events highlighted that some transport users were simply unaware of concessionary travel offers and programs. The time required to research the best prices and discounts is a luxury which many are unable to afford, particularly when travelling at short notice or in the event of an emergency (e.g. travel to hospital.) Researching fares also generally relies on internet connections, which are not always available. Research undertaken by the Poverty Alliance (see Annex B) during the COVID-19 period found that out of a group of 10 young people, only one young person was receiving discounted travel via a student bus pass and a young person's Railcard. However, as this young person often travelled before 10am they were not able to take advantage of their Railcard. None of the young people in the study were aware that they could use their Young Scot Card to get discounted travel.

## Safety and perceptions of safety on public transport in light of COVID 19

During the pandemic, public transport usage has been discouraged. The COVID-19 crisis in 2020 caused unprecedented economic shocks around the world, the UK,

and Scotland. It also caused people to dramatically and suddenly change their travel behaviour. It may be some time before we see a return to the numbers of 2019 using buses and trains – indeed, with an increase in home working, these numbers may not return. Young people highlighted concerns and anxieties around health on public transport over the past 10 months (linked to the pandemic) though they did caveat these as being short-term and expected to not be an issue in future years. With public messaging issued advising people to avoid public transport unless absolutely necessary, the rolling back of this narrative is likely to take some time.

## Safety of Active Travel

During engagement with Young Scot and the Scottish Youth Parliament, safety concerns were raised regarding active travel. Research from [Sustrans](#) evidenced that in Scotland twice as many men as women cycle once or twice a week for transport. Interventions to promote active travel and increased cycle infrastructure, along with affordable access to cycles for young people, could assist in addressing the gender balance longer term. Ensuring such intervention includes family friendly cycles (such as cargo bikes so that parents and carers can transport their children too) would be hugely beneficial to further addressing these issues.<sup>1</sup>

## Availability and funding of services

There is tension between funding more services and reducing or eliminating fares. This is echoed in the stakeholder feedback on affordability and availability being the two biggest challenges cited discussing public transport with young people. While reducing fares can in some circumstances increase total revenue, enabling additional investment or reducing subsidy requirements, eliminating fares altogether requires additional public funding or reductions in costs, most likely by reducing services or investment.

Rural areas in particular already claim to derive less benefit from travel concessions as they have fewer services on which to use them. Building free transport links between rural communities could bring forward the possibility of economic regeneration in the Highlands, the Scottish Borders, and rural Fife, where greater interconnectivity and public investment could instigate growth and begin to reverse the exodus of young people from small towns and villages.

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<sup>1</sup> Copenhagen has developed the brand of the bicycle and its relationship to the wider city. Marketing the bicycle and focusing on the normalisation of journeys for all groups of society has led to high proportions of children also cycling to and from school. The protected lanes in Copenhagen have also been designed and built to accommodate cargo bikes so that parents and carers can transport their children too. As of 2018, 26% of all families in Copenhagen own a cargo bike.

## Reducing Inequalities and Delivering Inclusive Economic Growth

Access to employment, training, education, leisure, cultural activities and other services has been long recognised as a key component in measuring the social inclusion of different groups within any country's population. This relates to the quality and quantity of transport available as well as the cost of travelling by different modes. The objective of 'social inclusion' is central to decisions relating to investments in sustaining and improving bus services and to extend (or create) the provision of safer pedestrian and cycle routes.

Whilst cost is one component to consider, the availability of transport is also critical. Stakeholder feedback has indicated that bus service provision can fall short of young people's needs, with, for example, limited options available for evening travel or attending events, particularly within rural areas. Bus journeys tend to be longer than the equivalent journey time by car. Facilitating some form of ownership of transportation modes (e.g. bikes) could further assist in giving independence to young people and supporting access to opportunities.

Under the Young Persons Guarantee, the Scottish Government have committed to ensuring that everyone aged between 16 and 24 has the opportunity of work, education or training. By providing concessionary (or free) transport for young people aged 19-26 this would assist in ensuring transport does not act as a barrier to these young people accessing these opportunities, and that young people can go on to access further opportunities in the years after without worrying about the prohibitive costs (at a time when wages are often lower at the start of their career).

## Taking Climate Action

Rapid action to reduce car use across society will only be fair and garner public support if it takes place in parallel with changes to our transport system to give service users decent, clean and affordable ways of travelling to work, education and services, by foot, bike or public transport. To meet our targets on climate change, it will be necessary to recognise the societal shifts and incentives that will be needed for people to be able to live without private car ownership.

Further work to consider interventions aimed at young people (a group who will be first-time car buyers) could promote considerable long-term shift to more sustainable travel by embedding the use of public transport, or active travel, in people's behaviours from an early age.

## Improving Our Health and Wellbeing

This year's Programme for Government committed to promoting lifelong health and wellbeing and to promoting equality and helping our young people fulfil their potential. Lockdowns have taught us about the importance of considering the quality

of the environment that people live in and creating the conditions that promote healthier lifestyles. There has been largescale and long-term investment in active travel infrastructure, access to bikes, and behaviour change schemes to promote walking, cycling and wheeling. We will also work with local government to rethink how we can build-in these quality of life and health-enhancing improvements for the communities we live in. To deliver on our health goals, climate goals, and economic goals it is important that access is equitable for all young people, not only those who can afford it. By making further investments in to these areas, we will also be ensuring that further pressures are lifted from the NHS as longer-term health and wellbeing will improve as a consequence.

## Options Appraisal

The options appraisal looks to compare policy options without assigning monetary values to their impacts. This approach has been adopted as an alternative to cost-benefit analysis given the lack of information on monetary values at present.

### Method

This Multi-Criteria Analysis (MCA) was based on the Policy Appraisal Framework (PAF) within the Scottish Transport Appraisal Guidance (STAG).

The baseline assumptions, to allow a clear comparison across different modes, are that there are no existing schemes in place for those under 26s, but that there were existing under 19s concessions as of January 2021. This enabled the analysis to inform the introduction of under 22s concessionary bus fares and [free bike pilots](#).

### Objective Setting

The key objectives of affordability, availability and accessibility of public transport services for young people were identified from the evidence and data gathered for the review. Any options proposed have been assessed against these key objectives.

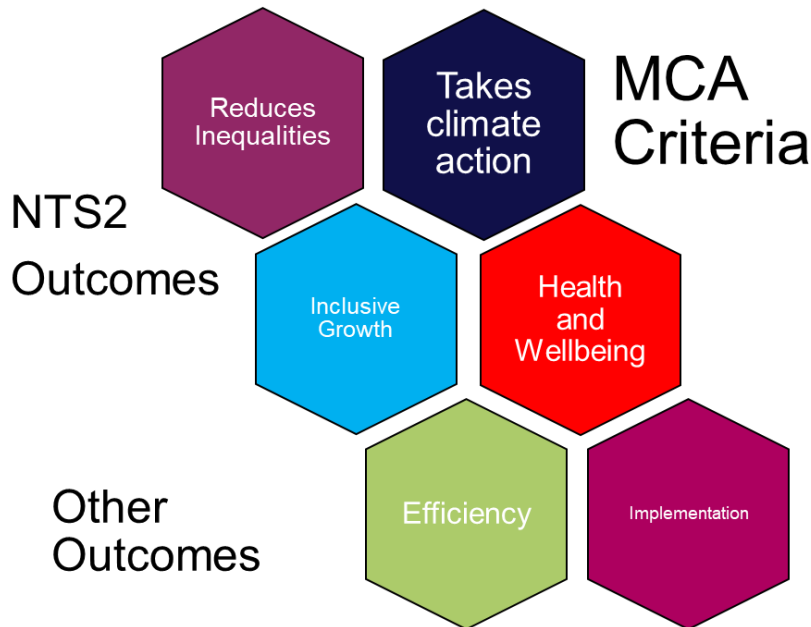
Safety was another key concern highlighted throughout stakeholder engagement, both pre-pandemic, during the development of the NTS, and during COVID-19 (particularly pertinent given the public messaging regarding avoiding public transport). This third criteria was not a direct objective to assess against, but instead was discussed more widely within each of the appraisal sessions.

### Assessment Criteria

Following on from the objective setting, and considering the problems and opportunities detailed above at a high level, the following section assesses a number of strategic, high level options making an initial assessment of the potential cost and impact across the NTS2 outcomes.



These options were assessed using Multi-Criteria analysis using the NTS2 priorities (and sub-criteria) as well as considering Efficiency & Alignment (cost of implementation and link to existing policies) and Technical & Implementation issues (legal, technical feasibility and public perception).



**Figure 1: Multi-Criteria analysis priorities and outcomes**

## Reduces Inequalities

- **Will provide fair access to services we need:** we have a duty to reduce inequalities and advance equality of opportunity and outcome, including the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. We will ensure that our disadvantaged communities and individuals have fair access to the transport services they need. The transport system will enable everyone to access a wide range of services and to realise their human rights. This is about the nature of those who benefit in terms of protected characteristics.
- **Will be easy to use for all:** people have different needs and capabilities. Our transport system will recognise these and work to ensure that everyone can use the system with as few barriers as possible. This includes affordability.
- **Will be affordable for all:** people have different incomes and our transport system will not exclude people from mobility by making it unaffordable. We will target actions to deliver the Strategy towards those needing most help, including those living in poverty. This about how well the intervention is targeted at those who need help.

## Takes climate action

- **Will help deliver our net-zero target:** the [Climate Change Act](#) passed by the [Scottish Parliament](#) includes an increased ambition to reduce greenhouse



gas emissions to 75% of 1990 levels by 2030, 90% by 2040 (i.e. the period covered by this National Transport Strategy) and net-zero emissions by 2045. Transport is currently the largest contributor to Scottish emissions and this will be tackled through a range of actions, including an ambition to phase out the need for new petrol and diesel cars and vans by 2032, changing people's travel behaviour and managing demand.

- **Will adapt to the effects of climate change:** in Scotland we are already experiencing the impacts of climate change and we will adapt our transport system to remain resilient and reduce the harmful effects on future generations.
- **Will enable greener, cleaner choices:** over the next 20 years, Scotland will see a continued transformation in transport where sustainable travel options are people's first choice if they need to travel. We will design our transport system so that walking, cycling and public and shared transport take precedence ahead of private car use.

## Inclusive Growth

- **Will get people and goods where they need to get to:** network and services will be integrated effectively with spatial and land use planning and economic development, and adapt to changing requirements of our citizens, businesses and visitors.
- **Will be reliable, efficient and high quality:** everyone needs to be confident about how long a journey will take, and that it will be a simple and comfortable experience. We will be able to plan our lives, to get to work on time, access education and training, and to deliver goods efficiently and keep businesses running smoothly.
- **Will use beneficial innovation:** will pioneer and use new products, services and technologies developed from high quality research to improve our transport system. We will secure opportunities and investment for innovation and growth of testing platforms and supply chains to help Scotland be at the forefront of world leading developments in sustainable mobility.

## Health and wellbeing

- **Will be safe and secure for all:** the prevention and reduction of incidents, on the transport system will continue to be a priority.
- **Will enable us to make healthy travel choices:** active modes will be a preferred method of travel and have a significant positive effect on individual health and wellbeing. This will reduce the social and economic impact of public health problems such as mental health, obesity, type-2 diabetes, and cardiovascular diseases.
- **Will help make our communities great places to live:** cleaner and greener places and networks will encourage walking, wheeling and cycling. This will deliver more social interaction, support local businesses and services and create vibrant communities.

In addition, two further criteria were assessed:

## Efficiency and alignment

This category looks at likely resource cost (how much time, effort and cost (unquantified) the intervention will be to administer), the alignment to existing provision, and the alignment to the wider SG vision (Programme for Government, Economic Strategy). It also considers the potential impact on the wider SG public sector reform agenda and the strategic tie up with regulation and policy.

## Implementation and risk

This category considers legal and technical feasibility or difficulty and the potential public perception of the interventions. It considers the likely time to implement and the risks to both implementation and continuing delivery.

## Strategic Options

The strategic options which were used for appraisal were looked at by mode and by targeted group.

For modes, the options considered were:

- All modes (all of the options below)
- Non-active modes only – the bus, rail and ferry options
- Bus only – the extension of the U19s free bus scheme to U26s
- Rail only – the provision of free rail travel for U26s
- Ferry only – the provision of up to one weekly free return (foot passenger) trips for U26 island residents<sup>2</sup>.
- Active modes only – the access to a cycle for all U26s through either the grant funding of an appropriate cycle / free cycle hire

With regards to people, the options considered looked at:

- All those U26 not already benefiting under the Do-Minimum
- Those U26 with income less than the top end of the basic tax rate (£25,158)
- Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)
- Those U26 in receipt of any (UK Government or Scottish Government) social security benefit

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<sup>2</sup> We did not consider intra-island trips that could be used more frequently due to a lack of data but this option for all island residents is picked up within the all modes analysis.

- Those U26 receiving a SG benefit (See Annex A)
- Young parents – those U26 (either parent) with children under 16

The results that follow below are presented as matrices that show the impact across both modes and people.

## The do-minimum, or baseline

The do-minimum (or baseline) for the purposes of this appraisal was taken to be the introduction of the under 19s free bus scheme in addition to current schemes (as discussed above). None of the options specifically deal with availability of services. For each option it is assumed that existing services expand as required to meet demand but no new services are introduced. As such availability of services was considered exogenously to the appraisal and is a crucial factor in interpreting the results.

## SG Social Security Benefits

For the purposes of this exercise an SG social security benefit was defined as: benefits relating to ill health or disability even if not yet transferred to Scotland and specific benefits relating to low income or circumstances. For example:

- Best Start Grant Pregnancy and Baby Payment – one off payment of up to £600 from 24 weeks in pregnancy up until a baby turns 6 months for families who get certain benefits.
- Best Start Grant Early Learning Payment – one off payment of £250 when a child is between two and three years and six months for families who get certain benefits.
- Best Start Grant School Age Payment – one off payment of £250 when a child would normally start primary one for families who get certain benefits.
- Best Start Foods – a pre-paid card from pregnancy up to when a child turns three for families on certain benefits to help buy healthy food.
- Carer's Allowance Supplement – an automatic payment made twice a year to people who get Carer's Allowance through the DWP on certain dates each year.
- Funeral Support Payment – money towards the costs of a funeral at a difficult time like this for people on certain benefits who are responsible for paying for a funeral.
- Job Start Payment – £250 for 16 to 24 year olds who have been on certain benefits for six months or more to help with the costs of starting a job.
- Young Carer Grant – an annual payment of more than £300 for people 16, 17 or 18 who care for people who get a disability benefit from the DWP for an average of 16 hours a week or more.

- Scottish Child Payment - new benefit will give eligible families on low incomes with children under 6 an extra £10 per week for each child. It is planned to be fully rolled out to children under the age of 16 by the end of 2022.

For further detail see Appendix C.

The table below provides an overview of the indicative costing of the options. **All options are currently unbudgeted.** Any policy interventions would require additional budget to be taken forward at a time when there are significant pressures on budgets and exacerbated financial constraints. **The cost of any additional free public transport concessions has to be considered alongside the alternative use of the funds, the availability of services and the costs of keeping a viable network operating.** A key point is that a concession is of no value if there are no and/or very limited public transport services to access.

Estimated annual Cost of options (£m)

Modes (column), People (Rows)	All modes	Non active modes only	Bus only	Rail only	Ferry only	Active modes only
All U26	330	300	140	140	30	30
Those U26 with income less than the top end of the basic tax rate (£25,158)	290	260	120	120	20	30
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	160	150	70	70	14	15
Those U26 in receipt of any (UKG or SG) social security benefit	40	40	17	17	4	4
Those U26 receiving a SG benefit	10	9	4	4	1	1
Young parents – Those U26 (either parent) with children under 16	12	11	5	5	1	1

**Table 2: indicative costings of options for concessionary fares across all modes.**

By way of explanation the table shows across the columns the variation in estimated costs as the choice of modes is changed and down the rows the impact of restricting the people benefiting from the scheme. For example, the estimated costs of a scheme that is for ferries only and only for those U26 paying the starter rate or no income tax is £14m.

The tables below details the options and appraisal of benefits and costs. The results are shown as a heatmap. A deeper blue represents a more positive score and a deeper red represents one that is more negative. The more usual red/green scheme has been avoided as it can be problematic for those with visual impairments.

Considering the performance of the options in terms of “benefits” only (the 4 NTS outcomes), the best performing options from the appraisal were the offering of free public transport across all modes to young parents . The next highest were fare-free public transport for all modes, to all those under 26, and bus only for all under 26. The options around extending to those on SG benefits also performed well (benefits relating to ill health or disability even if not yet transferred to Scotland and specific benefits relating to low income or circumstances) although less so for rail only.

	All modes	Non active modes only	Bus only	Rail only	Ferry only	Active modes only
All U26	31	18	29	1	10	12
Those U26 with income less than the top end of the basic tax rate (£25,158)	34	21	32	3	13	16
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	33	20	31	2	11	15
Those U26 in receipt of any (UKG or SG) social security benefit	23	10	21	-7	2	5
Those U26 receiving a SG benefit	23	11	22	-7	2	6
Young parents – Those U26 (either parent) with children under 16	30	17	26	-1	8	11

**Table 3: a heatmap of options and appraisal of benefits and costs. A deeper blue represents a more positive score and a deeper red represents one that is more negative.**

For example, the score for a scheme that is for ferries only and only for those U26 paying the starter rate or no income tax is 11.

However when taking into account the non-NTS criteria around efficiency and implementation, the position worsens. This is particularly the case for the option that requires certification of UKG security benefits as this presents significant technical issues.

	All modes	Non active modes only	Bus only	Rail only	Ferry only	Active modes only
All U26	28	10	30	-27	15	18
Those U26 with income less than the top end of the basic tax rate (£25,158)	2	-26	0	-63	-20	-17
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	3	-25	0	-62	-19	-14
Those U26 in receipt of any (UKG or SG) social security benefit	-39	-63	-41	-100	-58	-53
Those U26 receiving a SG benefit	22	4	25	-33	10	15
Young parents – Those U26 (either parent) with children under 16	57	39	57	3	45	49

**Table 4: a heatmap of options and appraisal of benefits and costs taking into account the non-NTS criteria around efficiency and implementation. A deeper blue represents a more positive score and a deeper red represents one that is more negative.**

For example, the score for a scheme that is for ferries only and only for those U26 paying the starter rate or no income tax is -19.

However, when taking into consideration costs, the numbers benefiting under each option and giving due consideration to deliverability to reflect some of the technical, legal and practical issues, the heatmap changes considerably (Annex B shows how the maps change with each addition).

Taking into consideration costs and numbers benefiting:

	All modes, Non active modes only	Bus only	Rail only	Ferry only	Active modes only	
All U26	-88	-93	-24	-73	1	2
Those U26 with income less than the top end of the basic tax rate (£25,158)	-87	-100	-42	-88	-28	-26
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	-28	-37	-14	-39	-12	-10
Those U26 in receipt of any (UKG or SG) social security benefit	-8	-10	-7	-13	-8	-7
Those U26 receiving a SG benefit	0	0	1	-1	0	0
Young parents – Those U26 (either parent) with children under 16	2	1	2	0	1	2

**Table 5: a heatmap of options and appraisal of benefits and costs taking into account the non-NTS criteria around efficiency and implementation, and costs. A deeper red represents one that is more negative.**

For example, the score for a scheme that is for ferries only and only for those U26 paying the starter rate or no income tax is -12.

This gives a more rounded appraisal of options which considers costs and benefits.

The key finding of the appraisal is that whilst some options offer better value for money than others, it is difficult to recommend any intervention in value for money terms as all options do not really address the core issues of both availability and affordability. The narrow options around SG benefits will benefit relatively few people and are likely to have implementation difficulties to the extent that the resource cost of putting them in place is detrimental.

The exception to this is the provision of active travel benefits to those on lower incomes, young parents or who could otherwise not afford cycles. Whilst the numbers benefiting have an impact on the overall reach of the scheme the relative ease of implementation suggests that this is an area worth exploring further. Further analysis suggested that targeting active travel measures at younger age groups (e.g. free cycle pilots for children) would offer the greatest value for money.

Extending bus travel to all U26s scores marginally negatively, primarily due to costs. The impact of extending concessionary bus to those U22 was not considered as part of the initial analysis undertaken. However, work undertaken out with the scope of this review suggested that a more limited extension would score more favourably as the lower cost of providing concessions to those under 22 would shift the balance of cost and numbers reached by the scheme in a positive direction. Transport Scotland estimate that the extension to the Young Persons Scheme will lead to approximately 30.5 million journeys being made by 19 to 21 year olds under the Scheme. This will increase the annual reimbursement costs by an estimated £54.4 million for a full year of operations. This compares favourably with the estimated £140m costs of extending to those U26. This additional targeting was also judged to have greater MCA benefits (in terms of reduced car availability/increased cost for those U22 compared with those U26).

Alongside the issues associated with the Fair Fares Review due to COVID-19 impact, the results of the appraisal mean that it is difficult to recommend any of the other options. Further detail is provided (Including sensitivity testing) in Appendix C.



## Conclusion

### Summary of Findings

The current concessionary fare offerings for young people in Scotland is shortly about to undergo considerable transformation with the introduction of the Under 22s free bus scheme. The delivery of this commitment has to be considered in the context of an ongoing global pandemic. However the real test will be in the take up and demand for the scheme, given the current uncertainty around public transport usage and capacity over the coming months and years in a post-COVID-19 society.

The work being carried out on the Under 22s free bus commitment provides a useful analytical research case to assess uptake and usage of fare-free public transport, particularly over the coming year following a period of low public transport usage. In-depth cost and benefit analysis of the scheme will be useful to determining the value of any future extensions of free bus (or other modes) for targeted age ranges or groups in society.

Based on the evidence obtained and research carried out for this review, it is clear that there is a growing need for further support for young people, both in transport and more broadly. There is obvious merit in giving further consideration to whether the current concessionary fare offerings within Scotland best meet the needs of Scotland's young people and whether more could be done to ensure public transport does not act as a barrier in ensuring young people are able to access education, work, training and other opportunities across the country.

Data on the impacts of COVID-19 within the Scottish labour market show that young people are among those who are being [hardest hit financially by the pandemic](#). Alignment between incentivising young people to use public transport and supporting climate change targets is clear. The Under 22s scheme will target a demographic who are likely to be first-time car purchasers and incentivise a switch to a more sustainable mode. There are also a number of key benefits from recent increased investment in active travel infrastructure.

The Young Person's Guarantee offers further policy alignment; for those young people continuing to remain in education and training over the coming years, it is vital that connections are in place for access to these opportunities. Alongside this, increasing options for alternative active travel interventions to access education, training and work would bring a great deal of benefits, particularly whilst anxieties around public transport and COVID-19 may remain for some time to come.

However, extending concessionary fares in isolation will not provide the silver bullet to the challenges faced by young people today across society. Maintaining and improving the availability of public transport services across the country and ensuring connections are in place for where young people need to go is also vital, but challenging. Additionally, coordinated work between colleagues working across transport, housing, employment, climate change and other key areas of government (local and national) will be critical to the decision-making process to ensure that the impacts of the COVID-19 pandemic do not go on to disproportionately impact on

young people's life chances. Ensuring that young people are part of this decision making process and related conversations will also be fundamental to the success of this, and the lifespan of any initiatives which come about as a result.

The uncertainty as transport demand reacts to additional restrictions and the subsequent long-term impacts is unprecedented. This uncertainty will remain for a period after the virus. Given the uncertainty there is a strong case for not making decisions in the short-term that will have long-term consequences before the full picture is known. Aside from the immediate impact of COVID-19, there are a number of systemic factors at play in the wider economy and society that make careful consideration of public transport essential. These relate to key themes around inclusive growth, climate change, and wellbeing, as well as ongoing changes in society that are being impacted and potentially accelerated by the current situation.

The options appraisal highlighted three possible interventions which scored well. The three could broadly be categorised as universal, targeted and novel:

- The first, to offer universal **free travel across all modes, to all young people under the age of 26**, has obvious implementation challenges, not least with regards to affordability in today's financial climate.
- The second, to offer **free travel on all modes to young parents (under 26)**, offers a more targeted intervention, however with no similar precedent in place for such offerings and delivery mechanisms.
- The third option, to **provide access to a bicycle for all U26s**, through either grant funding of appropriate cycle hire, or free cycle hire, aligns with the health and wellbeing objectives of Scottish Government, as well as ensuring young people are able to benefit from the investments in active travel infrastructure made in recent years. Again there were significant deliverability factors. However the First 100 days free bike commitment was subsequently made as part of manifesto commitments, where a number of pilots are currently working well, with 988 bikes issued and ambitious plans to deliver considerably more.

## Recommendation

**It is recommended that the findings from this review be used to inform considerations on possible options for extending concessionary travel as part of the Fair Fares Review. It is also recommended that evidence and data from the Under 22s free bus scheme be used to inform the take up and demand for fare free public transport for young people.**

These considerations should be supported, and further informed by identifying the wider policy actions required to support the delivery of NTS2 as well as wider Scottish Government ambitions and set out through the NTS2 Delivery Plan.

# Annex A – Links to National Performance Framework outcomes



**Figure 2: a map of the National Transport Strategy 2 outcomes across to National Performance Framework and then to the UN strategic development goals.**

As part of the development of the National Transport Strategy 2, the NTS2 outcomes were mapped across to the National Performance Framework and subsequently to the UN strategic development goals. See Figure 3. However, to keep things simple each NPF outcome was mapped to a single SDG only.

Work has been undertaken previously to map bus and ferries provision to the NPF. See below. The work has not yet been undertaken for Rail and Light Rail.

## Bus

Bus services make a wide ranging contribution to the National Outcomes, both directly – for example by contributing to fair work through employing people in well-paid jobs in the bus sector – and indirectly, by enabling access to learning opportunities that improve educational attainment.

Figure 3 provides a visualisation of where there is evidence to suggest that bus is contributing to, or has the potential to contribute to, the eleven National Outcomes.

Figure 3 - Contribution of bus to the National Outcomes

	Children & Young	Communities	Culture	Economy	Education	Environment	Fair Work & Business	Health	Human Rights	International	Poverty
Direct	N	Y	N	Y	N	Y	Y	Y	N	N	Y
Indirect	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y

 Denotes where bus makes a contribution

Figure 3 - Contribution of bus to the National Outcomes

The following sections explore the channels through which bus contributes to the National Outcomes highlighted above, and presents the supporting evidence for these links.

### Children and Young People

#### We grow up loved, safe and respected so we realise our full potential

Young people rely on bus services more than any other age group. Buses enable young people to safely and affordably access education, work, social and leisure opportunities.

The introduction of concessionary travel for Under-22s is expected to enable children and young people to access a greater variety of learning, social, and employment opportunities; and free up family resource for other essential spending which will alleviate financial pressure, in particular for families in relative poverty.

## Communities

### **We live in communities that are inclusive, empowered, resilient and safe**

The NPF vision for communities has a strong focus on transport as an essential public service for thriving communities, and ensuring that transport meets the needs of the most vulnerable. Bus is already making a strong contribution to this vision.

#### **Buses provide affordable, reliable and accessible travel for all**

- Bus is the most widely used form of public transport, accounting for 76% of Scotland's public transport journeys<sup>3</sup> in 2019/20 – a total of 366 million journeys. In comparison, rail accounted for 20% - or 96 million public transport journeys.
- Buses have allowed people to continue accessing essential services during the Covid-19 pandemic, such as shopping, attending care responsibilities, and accessing healthcare services – including for vaccinations.
- Of all bus journeys made in 2019/20, 38% were made under the National Concessionary Travel Scheme, allowing older and disabled people to travel safely and without worry of financial burden.

## Economy

### **We have a globally competitive, entrepreneurial, inclusive and sustainable economy**

Bus services contribute significantly to the NPF Economy outcome – they connect individuals to the labour market to access the most suitable and productive jobs; support inclusion by giving affordable access to travel for all individuals, regardless of socio-economic background; and can offer a more sustainable travel choice than private vehicles.

#### **Efficient bus networks provide access to the labour market and can enhance productivity**

- Bus services provide vital links to the labour market, allowing individuals to access the most suitable jobs. Bus is the most commonly used form of public transport for getting to work, accounting for 10% of commuter journeys in 2019 (rail: 5%).<sup>4</sup>

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<sup>3</sup> Scottish Transport Statistics 2020. Public transport relates to journeys made by bus, rail, ferry and light rail.

<sup>4</sup> TATIS 2019, Chapter 4



- A more efficient transport network that reduces costs associated with congestion and delays can help improve productivity by getting workers to their destination more quickly.
- A well-functioning bus network can also exploit agglomeration benefits from connecting a wider network of individuals to labour markets, allowing for workers to move to more productive jobs and facilitating knowledge exchange. Explorative research in Birmingham has found that a more efficient bus network that reduces journey times has the potential to increase the effective size of a city and unlock productivity gains.<sup>5</sup>

### **Buses provide affordable transport, which ensure access to economic opportunity for groups which are typically excluded**

- Individuals in lower-income households and more deprived areas rely more on bus services to get them to where they need to be.
- For example, individuals living in the 20% most deprived areas are more than twice as likely to use the bus every day than those living in the 4<sup>th</sup> deprivation quintile (13% vs 5%). This reflects the fact that car ownership, which has a high fixed capital cost, is much lower amongst more deprived households (48% of households in the most deprived areas do not have access to a car, compared to 13% of the least deprived households).<sup>6</sup>
- Buses are also used frequently by young people, who rely on affordable transport to access education, training and employment. In 2019, almost one fifth of people aged 16-19 used the bus every day.

### **Improvements to bus infrastructure and services can have far reaching social and economic benefits**

- A 2020 study estimated that investment in improving bus infrastructure and services across urban and rural areas is expected to deliver economic benefits equal to £4.48 for each £1 invested.<sup>7</sup> Approximately half of the benefits accrue to bus users and half to the wider community through decongestion, safety and clean air benefits, as well as wider economic and social benefits relating to access to employment, education and volunteering.

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<sup>5</sup> Open Data Institute Leeds & Productivity Insights Network, 2019

<sup>6</sup> TATIS 2019, Table 18

<sup>7</sup> Maximising the benefits of local bus services, KPMG, 2020



## Education

### We are well educated, skilled and able to contribute to society

Whilst the NPF vision for Education is mainly centred on the quality of the teaching system and the opportunities for lifelong learning, buses support this vision by connecting individuals with those opportunities.

### Buses connect people of all ages to learning opportunities across Scotland

- Bus services allow individuals to access a wider variety of schools, colleges and universities, opening up opportunities for education. These services are particularly important for younger adults, who are much less likely to have access to a private car.
- In 2020, over 30% of secondary school pupils travelled to school by bus.<sup>8</sup>
- Almost one fifth of adults in further/higher education use the bus every day or most days, compared to 9.1% of adults in full-time employment, and 13.9% of those unemployed and seeking work.
- A study of Modern Apprentices in Scotland found that, after cars, bus was the most common mode of transport to access work or training (around 12% of MAs).<sup>9</sup>

## Environment

### We value, enjoy, protect and enhance our environment

The NPF vision for the Environment has a direct focus on transport, which bus has a key role in contributing to. This includes a sustainable and efficient transport system, and discouraging reliance on cars.

### Increased bus use can reduce congestion and emissions

- Buses provide a more sustainable transport choice compared to private cars, which are frequently occupied by only 1 or 2 people.
- Encouraging modal shift from private vehicles to bus could reduce emissions per passenger kilometre, reduce congestion and the concentration of harmful emissions in urban areas. For example, analysis from the University of

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<sup>8</sup> Hands Up Scotland Survey 2020: [Hands Up Scotland Survey 2020: National Summary Report - Provisional release \(sustrans.org.uk\)](https://www.sustrans.org.uk/hands-up-scotland-survey-2020-national-summary-report-provisional-release)

<sup>9</sup> SDS Travel to Work Survey, 2018

Westminster has found that bus priority measures can deliver 75% fewer emissions per passenger km for bus than for car passengers.<sup>10</sup>

- Buses themselves are becoming greener, and the growing number of zero-emissions buses in the Scottish fleet, such as electric and hydrogen vehicles, makes bus an even more sustainable travel choice. Since 2020, the Scottish Government has committed over £50m to support bus operators introduce over 260 new ultra-low emission buses into the network.

## **Buses allow everyone the opportunity to enjoy Scotland's great outdoors**

- Bus services enable individuals to access nature and the great outdoors, without adding to vehicle congestion at beauty spots, particularly for those with no access to a car.
- The bus network is used widely by tourists to Scotland, with 28% of all tourists using a public bus or coach during their stay: 49% of long-haul visitors, and 43% of first-time visitors.<sup>11</sup>

## **Fair Work**

### **We have thriving and innovative businesses, with quality jobs and fair work for everyone**

The NPF vision for fair work is centred on providing good quality, rewarding work, and supporting a culture of research and innovation. The bus sector contributes directly to this vision as an employer, and Scotland is a major player in bus manufacturing and innovation.

### **The bus sector is an important employer in Scotland**

- The bus sector provides well-paid employment opportunities all across Scotland.
- Around 14,400 people were employed by local bus operators in Scotland in 2019/20, including drivers, conductors, engineers and administration staff.<sup>12</sup>
- Median full-time weekly earnings for Bus and Coach Drivers in the UK stood at £492 in 2018, which implies a median hourly rate of around £12 per hour – considerably above Scotland's Real Living Wage rate of £9.50 per hour, as estimated by the Poverty Alliance.<sup>13</sup>

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<sup>10</sup> Peter White, Impacts of bus priorities and busways on energy efficiency and emissions, University of Westminster, 2015

<sup>11</sup> Visit Scotland Visitor Survey 2016

<sup>12</sup> DfT Bus Statistics 2020

<sup>13</sup> DfT Bus Statistics 2020. Average hours worked per week for Bus and Coach Drivers was 40.7 in 2019.

## Scotland has world-class expertise in bus manufacturing and innovation

- Scotland has significant expertise in the bus manufacturing industry, with the UK's largest bus manufacturer located in Falkirk. In 2019, almost 1,000 new Alexander Dennis buses were registered in the UK.
- The bus manufacturing sector provides well-paid employment for skilled workers, with median earnings similar to the national average, and above the average in all manufacturing industries.<sup>14</sup>
- Scotland is leading innovation in autonomous buses, with the world's first autonomous bus fleet being developed and piloted in Scotland.

## Health

### We are healthy and active

While the NPF vision for health is mainly focused on the NHS and encouraging healthy behaviours, bus has a role to play through supporting improvements in physical and mental health, and improving the quality of the air we breathe.

### Bus use has benefits for physical and mental health

- Walking to and from the bus stop provides everyday physical activity, which users of other modes of transport may not benefit from, particularly car drivers and passengers.
- Traveling on the bus has been identified as an important experience for improving mental wellbeing and reducing loneliness, by connecting individuals with other people through interactions with drivers and other passengers.<sup>15</sup>
- Taking the bus has also found to be less mentally stressful than making the equivalent journey as the driver of a car.<sup>16</sup>
- Buses are essential for accessing healthcare appointments, particularly for those who do not drive.

### More bus use can benefit the health of everyone, regardless of whether they use the bus

- An efficient bus system can reduce reliance on private vehicles, resulting in less congestion and harmful pollutants, and improved air quality – particularly in urban centres.

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<sup>14</sup> ONS Annual Survey of Hours and Earnings 2019. Refers to SIC 29: Manufacture of motor vehicles, trailers and semi-trailers.

<sup>15</sup> New Economics Foundation, 2010

<sup>16</sup> Medical study conducted by Dr David Lewis, University of Sussex, 2010.

## **International**

### **We are open, connected and make a positive contribution to society**

The NPF vision for the International outcome relates to Scotland's role on the world stage, as a welcoming, respectful and thriving country. This includes the experience of visitors to Scotland, which the bus network supports by allowing visitors to explore all that Scotland has to offer.

### **Buses allow tourists to travel all across Scotland, supporting out visitor economy**

The bus network is used widely by tourists to Scotland, with 28% of all tourists using a public bus or coach during their stay in 2016: 49% of long-haul visitors, and 43% of first-time visitors.<sup>17</sup>

## **Poverty**

### **We tackle poverty by sharing opportunities, wealth and power more equally**

### **Bus services are vital for accessing employment and essential services**

- Bus services are a necessity for many individuals with lower incomes to access work and essential services, where the option of owning a private car is prohibitively expensive.
- Amongst employed adults, bus use is more frequent amongst younger people, those on lower incomes, and ethnic groups other than White Scottish and White British. For example, 24% of adults earning less than £15,000 per year travelled to work by bus compared to 8% of those earning between £30-40,000 per year.
- In comparison, car is most frequently used for travel to work amongst older people, those on higher incomes, and people living in the least deprived areas.

### **Bus has the potential to improve access to employment opportunities**

- Better bus networks can remove barriers to employment for residents living in low-income neighbourhoods.

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<sup>17</sup> Scotland Visitor Survey 2015 & 2016, Visit Scotland

- Research carried out by the Joseph Rowntree Foundation<sup>18</sup> in Glasgow found that existing bus services may be limiting rather than enabling a return to work for unemployed adults in some low-income areas, where they don't connect to employment opportunities that match the skills, aspirations or experience of individuals e.g. links to the city centre from Castlemilk are good, but often the type of work being sought is in peripheral locations, such as industrial estates, that are not connected directly or quickly by bus.

## Ferries

Last year, Audit Scotland recommended Transport Scotland undertake work to set out the intended benefits of subsidised ferry services, how these contribute to National Outcomes, and how these will be measured, monitored and reported. Work has been undertaken to set out some of ways that ferry services contribute to national outcomes, where a clear link can be identified by supporting evidence. This paper does not constitute a measurement framework, where additional analysis will need to be developed.

There are two publically tendered ferry networks: the Clyde & Hebridean Ferry Service, operated by CalMac, and the Northern Isles Ferry Service, run by Serco NorthLink. Additionally, four local authorities (Orkney, Shetland, Argyll & Bute and Highland) operate a number of local services, which receive Scottish Government funding. These services are provided to island and remote communities to enable access to work & education; leisure and reduce the journey times faces by geographically disadvantaged regions.

Scotland's ferry network has a wide ranging impact on National Outcomes: from connecting individuals to employment opportunities; supporting business and freight movements; facilitating access to essential public services and transporting tourists to/from the islands. **Figure 1**, below, denotes where ferry services have a demonstrable impact on National Outcomes (*including areas where ferry services may detract from National Outcomes, such as carbon emissions*).

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<sup>18</sup> 'Tackling transport-related barriers to work in Scotland', JRF, 2018

	Children & Young	Communities	Culture	Economy	Education	Environment	Fair Work & Business	Health	Human Rights	International	Poverty
Direct	N	Y	N	Y	N	Y	Y	Y	N	N	Y
Indirect	N	Y	N	Y	Y	Y	Y	Y	N	Y	Y

**Figure 1 - Contribution of Ferry Services to National Outcomes**

The sections below explore the link between the ferry services procured by Transport Scotland and National Outcomes, where evidence can be supported for these links. Note that this analysis takes a pre-COVID-19 view. Like other public services, COVID-19 may transform the future use of ferry services, with workers adapting to more remote working, more health appointments being conducted by phone and sailings capacities limited to accommodate public health measures (which have also impacted on sailing turnaround times). As it is unclear whether these constitute temporary or longer-term shifts in behaviour, assessing post-COVID-19 changes is beyond the scope of this paper.

## Communities

### We live in communities that are inclusive, empowered, resilient and safe

Many Scottish islands face limited transport options, and in many cases the only way on or off an island is by ferry. Lifeline ferry services therefore play a key role in linking communities to neighbouring islands and the mainland. The quality and affordability of ferry services are therefore vital in sustaining some of the most remote geographically dispersed communities in Europe.

Journeys to visit family and friends is often cited as the most common reason for ferry travel, demonstrating the role ferries play in connecting people. Since the introduction of Road Equivalent Tariff (RET), some 30% said that cheaper fares have enabled friends and family to visit more often. This has made it more affordable for children and the island diaspora to visit home; and return to assist in family business such as lambing season.

Island communities face a challenging demographic and are amongst some of the fastest ageing areas in Scotland. Although Scotland overall has seen a rise in the

working age population over the past decade, the trend amongst many councils with island communities has been one of decline<sup>19</sup>.

The ability to attract new migrants to these communities depends in part on regular, reliable and affordable ferry services. A recent evaluation found that the introduction of RET has contributed to the in-migration to the 2015 RET islands, boosting in-migration by around 10%. The regularity and sailing hours of ferry services are also tailored to meet the transport needs of local communities whether for health, education, employment or leisure.

## **Culture**

### **We are creative and our vibrant and diverse cultures are expressed and enjoyed widely**

A number of festivals and special events take place in Scotland's island communities each year. These attract large numbers of visitors and temporarily increase demand for ferry services. Some examples are: Mull Rally; Islay Show; Isle of Bute Jazz Festival; Bute Folk Festival; Bute Highland Games; Royal National Mod week; Heb Celt Festival<sup>20</sup>. Events such as these celebrate the unique culture and heritage of the islands. Visitor access to many of these events is supported by additional unscheduled ferry sailings.

## **Economy**

### **We have a globally competitive, entrepreneurial, inclusive and sustainable economy**

Ferries play a key role in connecting individuals to employment opportunities, allowing businesses to access key markets and transporting tourists to/from the islands. An evaluation of RET found that the policy has improved access to employment, training and business opportunities. A quarter of island residents are making more ferry trips as a result of the introduction of RET, with around a fifth of additional trips being made for employment purposes<sup>21</sup>.

Freight services in the Northern Isles are vital for meeting the transport needs for Orkney and Shetland's thriving seafood and aquaculture sector. Shetland's seafood industry is worth £320m a year to the local economy and is estimated to support around 1 in 5 jobs. Shetland's harbours typically land around 75% of Scottish mussels, and in 2017 produced around £30m of whitefish and a further £30m of pelagic fish. The Northern Isles Ferry Service transports a high volume of this time-sensitive freight to market for domestic consumption and via the land route for

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<sup>19</sup> This divergence between national and rural/island populations is projected to continue over the coming decades.

<sup>20</sup> [Contract for the Provision of Ferry Services – Calmac Ferries – July 2017](#)

<sup>21</sup> RET Evaluation of 2015 Islands (not yet published)



onward export to Europe. This typically includes the transport of wet fish, salmon, shell fish and mussels.

RET has likely increased the disposable income of island residents, who often face a higher cost of living than on the mainland. An evaluation found that 40% of residents noted increased spending since the policy was introduced, suggesting a portion of the savings on fares has been re-spent elsewhere, supporting local employment although this has also made it easier for individuals to spend on the mainland.

Interviews conducted during the 2015 RET Evaluation found that the policy had prompted investment opportunities associated with the increased number of tourists visiting the islands. Additionally, around 40% of the businesses interviewed noted that there had been a rise in turnover since RET was introduced. Although for some island businesses, particularly those close to the mainland, turnover has gone down, due to increased competition with mainland businesses.

Ferry services are crucial for transporting tourists to and from the Scottish islands. In the Northern Isles, around half of ferry passengers are visitors to the islands. In 2017, there were nearly 75,000 visitors to Shetland (excluding the tens of thousands visiting on cruise ships), contributing £23m to the local economy, with an average visitor spend in the region of £317.

Across Scotland tourism accounts for 1 in 12 jobs. Rural and island communities, particularly areas such as Argyll and Bute, rely more heavily on tourism than some of Scotland's other regions.

## Education

### **We are well educated, skilled and able to contribute to society**

Since a number of island communities, such as Cumbrae and Kerrera do not have a local secondary school, lifeline ferry services play a key role in ensuring access to education. Some communities with shorter crossings such as Cumbrae, Gigha, Iona, Kerrera, Lismore & Raasay, rely heavily on the ferry for commuting to places of work and education. In the absence of a road connection, these smaller islands depend on ferry services for access to key amenities on the mainland or neighbouring islands.

Sailing times and operating hours are generally tailored to reflect the travel needs of communities for work, education, health and leisure.

For some communities, such as Morvern and Ardnamurchan, the introduction of RET has improved access to, choice and affordability of education. It has also made it less expensive for students from the islands to travel home more regularly (*and less expensive for their families to visit them*)<sup>22</sup>. However, COVID-19 may prompt a

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<sup>22</sup> RET Evaluation of 2015 Islands (not yet published)

move to more online schooling in remote areas, with the Western Isles already offering an e-classroom to broaden the range of subjects available.

## Environment

### We value, enjoy, protect and enhance our environment

At present there are three lower emission ferries – battery powered hybrids - on the CHFS network, which provide around 35% battery propulsion: MV Hallaig - Sconser (Skye) to Raasay; MV Lochinvar – Tarbert (Kintyre) to Portavadie (Bute) and MV Catriona - Lochranza (Arran) to Portavadie (Bute). There are also two LNG hybrids, 801/802 dual fuel, currently under construction.

There is potential for all-electric ferries to be introduced on shorter routes with smaller vessels. However, for longer routes with larger and heavier vessels, alternatives will need to be explored. In addition to work on alternative fuels, CMAL are exploring design improvements to new vessels which can reduce fuel consumption.

While there has been an improvement in the operational carbon footprint of passenger vessels on the Northern Isles Ferry Services, emissions per passenger exceed that of alternatives such as taking the plane. One study found that a return journey to Orkney by ferry emits 160 kilos of CO2 equivalent, compared to 50 kilos by plane<sup>23</sup>.

## Fair Work

### We have thriving and innovative businesses, with quality jobs and fair work for everyone

CalMac regularly report on issues such as the Gender Pay Gap. There is a zero gender pay gap for each of CalMac's subsidiary companies<sup>24</sup>. Whilst CalMac have a higher proportion of female staff compared to the industry average, it is clear that an imbalance remains. This is particularly prominent within the top pay quartile, where only 10% of staff are female.

CalMac directly employs 1,750 staff directly. In 2015 it was estimated that a similar number of direct staff in turn supported in the region 6,000 jobs across Scotland as a whole. In some communities, such as Barra, CalMac is one of the main employers, accounting for over 10% of the local workforce<sup>25</sup>. In 2015, CalMac paid staff an average wage of nearly £30,000 – around 12% higher than the Scottish average.

Serco NorthLink Ferries achieved Investors in People Gold rating and employment of people from the local communities has increased by 18% since Serco began managing the service (2012).

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<sup>23</sup> [Based on equal split of passengers, cars and freight. For aviation assumes 70% occupancy](#)

<sup>24</sup> [Calmac Gender Pay Gap Report 2020](#)

<sup>25</sup> [The Economic and Social Impact of CalMac Ferries Ltd on Scotland 2015](#)

## Health

### We are healthy and active

Many islands rely on lifeline ferry services for access to health care. Health related journeys are the most prevalent form of non-leisure trips and in many communities (*Coll & Tiree, Jura, Luing, Easdale & Colonsay and Gigha, Iona, Kerrera, Lismore & Raasay*) are made by a substantial proportion of the population (c.50%)<sup>26</sup>.

RET has improved access to mainland based health facilities as well as to leisure opportunities and family & friends, likely improving health outcomes and wellbeing. However, the increased demand has in some cases put pressure on vehicle space capacity, which for some has meant missed health appointments.

Anecdotal evidence for some islands such as Arran note that the success of RET in attracting tourists has contributed to shortages of affordable housing. High levels of second home ownership and short term rents, is not only an issue for health, since it also impacts the sustainability of local schools and other public services, intensifying reliance on ferry services.

Regular and reliable ferry services is also an important factor in meeting the health needs of local communities to avoid missed medical appointments or the need to travel a day early. The Northern Isles Ferry Service plays an important role, particularly for Orkney residents, in enabling access to specialist hospital treatment on the mainland. The ageing population profile of many island communities is likely to intensify reliance on ferry services, both for access to mainland health facilities and in terms of the delivery of social care across the islands.

The ferry services offer the free carriage of bicycles supporting active travel to and from ferry ports. Also, a number of islands have outdoor activity centres and bike hire facilities available. The evaluation of RET for Arran reported that over 50% of summer visitors were partaking in one or more of hillwalking, walking and/or beaches and fishing<sup>27</sup>.

## International

### We are open, connected and make a positive contribution to society

Ferries play a key role in transporting visitors to and from the Scottish islands. Since tourism is an important sector for many island economies, employing a substantial proportion of the local workforce (*25% for Arran compared to 8% for Scotland*<sup>28</sup>), the transport of visitors is crucial in sustaining many island jobs.

RET is part of a package of measures which have increased the popularity of Scottish islands with international tourists. The increase in ferry carryings highlights

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<sup>26</sup> [Transport Scotland – Analysis of the Scottish Ferries Review Household Survey 2010](#)

<sup>27</sup> [Evaluation of the impact of Road Equivalent Tariff on Arran 2017](#)

<sup>28</sup> Business Register of Employment Statistics, 2018

clear growth in the tourism market. An evaluation found that RET has also contributed to an extension of the tourism season across most islands, with shoulder summer carryings growth generally exceeding peak summer growth on most routes<sup>29</sup>. As well as the direct benefits of tourism, it has also exposed international visitors to key Scottish products such as whisky, Harris tweed etc.

Despite the many positive impacts of island tourism, an evaluation of the impact of RET highlighted that increasing popularity can also have downside, with a number of rural and island communities reporting deteriorating road networks, the use of larger and heavier vehicles as well as capacity constraints for taking vehicles on the ferry.

## Poverty

### **We tackle poverty by sharing opportunities, wealth and power more equally**

The cost of living in island and rural communities is higher than the Scottish / UK mainland, giving rise to income inequality between the islands and Scotland as a whole. HIE research found that factors driving the additional household costs for island communities include: higher supermarket prices; longer commuting distances; delivery charges for goods imported from the mainland and the additional cost of trips to the mainland<sup>30</sup>.

As an example, postal costs in the Highlands & Islands are around 20% higher than South West Scotland and with households less likely to have access to home delivery from online retailers<sup>31</sup>.

This is supported by the Scottish Index of Multiple Deprivation (SIMD), which provides a relative measure of deprivation across domains. The islands overall are mid-ranking in terms of an overall measure of deprivation, but demonstrate high levels of deprivation in terms of geographical access to services. They are also mid ranking in terms of income, employment, education, skills & training.

While the islands and rural communities continue to face challenges, the introduction of RET<sup>32</sup> has made ferry travel more affordable and accessible by:

Reducing the cost of fares across all routes. Carryings and survey data suggest that RET has facilitated more islander journeys to be made, especially for vehicles, which had previously been frustrated by the cost of travel.

Facilitating more frequent islander visits to the mainland for shopping, where the cost of food is often considerably less. While this represents a loss of income for island businesses, this competition has improved availability of choice for many islanders.

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<sup>29</sup> RET Evaluation of 2015 Islands (not yet published)

<sup>30</sup> [A Minimum Standard for Remote Rural Scotland: A Policy Update 2016](#)

<sup>31</sup> [Scottish Government - Postal delivery pricing: econometric analysis 2020](#)

<sup>32</sup> Evidence from Evaluation of RET on 2015 Islands (report not yet published)

Increasing islander disposable income by saving a portion of spending previously spent on ferry fares. Since the policy's introduction in 2008, the cumulative subsidy transfer to ferry users has been estimated in the region of £25m.

## Annex B – Poverty Alliance: Transport and Child Poverty – Beyond the pandemic

Fiona McHardy and Dr Laura Robertson

The Poverty Alliance, June 2021



The full report can be found here: [Microsoft Word - Child Poverty and Transport Research - Final Report - May 2021 \(002\) \(povertyalliance.org\)](#)

## Annex C – Analysis and Methodology

Following a review of the evidence and data gathered, the objectives of affordability of public transport fares for young people and accessibility and availability of public transport services were highlighted as key. Any interventions proposed were to be assessed against these objectives. Safety was another key concern highlighted throughout stakeholder engagement, both pre-COVID-19 during the development of the NTS and during COVID-19 (particularly pertinent given the public messaging regarding avoiding public transport). This third criteria was not a direct objective to assess against but instead was discussed more widely within each of the appraisal sessions.

Following on from the objective setting, and considering the problems and opportunities detailed above at a high level, the following section assesses a number of strategic, high level options making an initial assessment of the potential cost and impact across the NTS2 outcomes:

- Does this help tackle Climate Change?
- Does this help tackle Inequalities?
- Does this help deliver Inclusive Economic Growth?
- Does this improve our Health and Wellbeing

In addition, two further criteria were assessed – (1) efficiency and policy alignment (administration issues and the link existing strategy, provision and policy) and (2) implementation and risk. Each of these objectives have 3 sub-criteria and the specific objectives from the evidence review are picked up within these – see discussion below.

The approach is directly based on the Policy Appraisal Framework (PAF) within Scottish Transport Appraisal Guidance (STAG) which is a form of Multi-Criteria Analysis. Multi-Criteria Analysis (MCA) refers to a set of techniques for comparing policy options without assigning monetary values to their impacts. MCAs are a good alternative to Cost-Benefit Analysis (used widely across the public sector) where there is insufficient information about monetary values or deriving these is impractical. Moreover, MCA offers a transparent means of presenting information even when some elements are monetisable that can provide a wider illustration of anticipated benefits. Previous examples of the use of MCA in Scotland include the Outline Business case for the Social Security Agency in Scotland .

The strategic options which were used for appraisal were looked at by mode and by targeted group.

For modes, the options considered are:

- M0: All modes (M2,M3,M4 and M5 below)
- M1: Non active modes only – the bus, rail and ferry options (M2,M3 and M4 below)



- M2: Bus only – the extension of the U19 scheme to U26s
- M3: Rail only – the provision of free rail travel for U26s
- M4: Ferry only – the provision of up to one weekly free return (foot passenger) trips for U26 island residents
- M5: Active modes – the access to a cycle for all u26s through either the grant funding of an appropriate cycle / free cycle hire

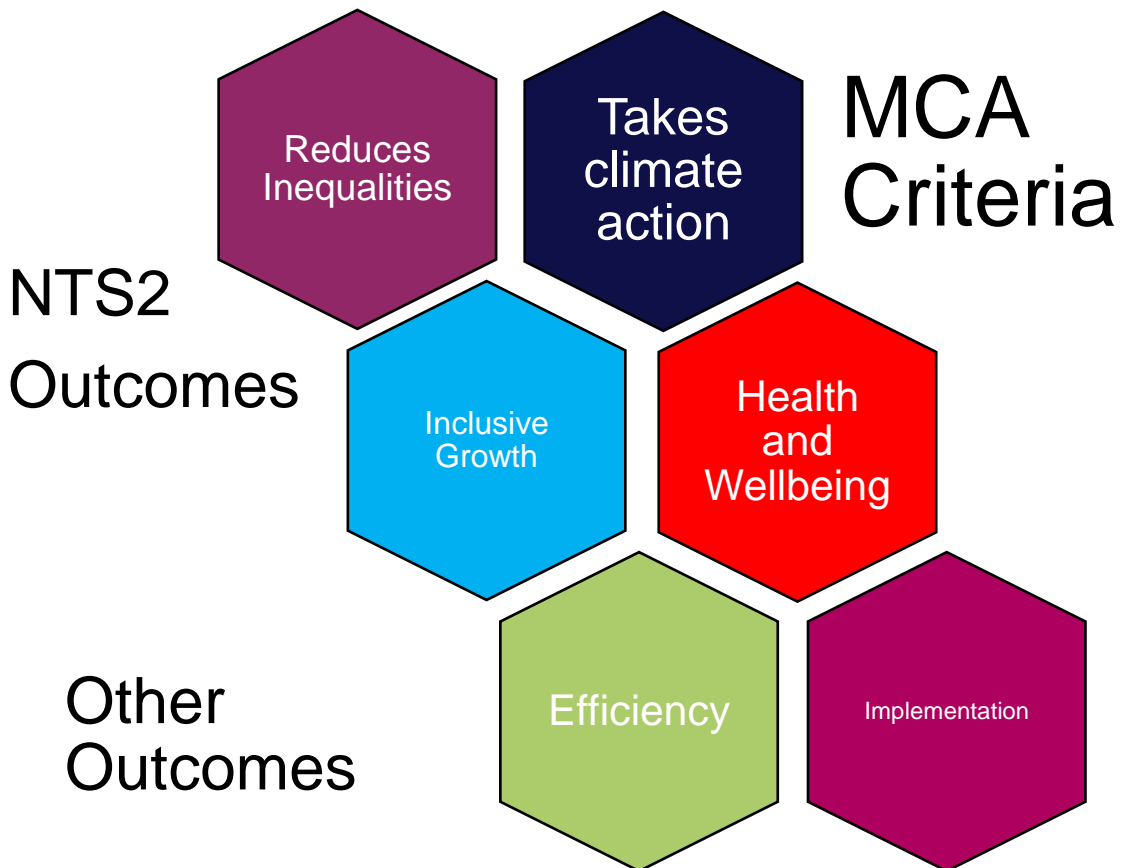
With regards to people, the options considered are:

- P0: All those U26 not already benefiting under the Do-Minimum
- P1: Those U26 with income less than the top end of the basic tax rate (£25,158)
- P2: Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)
- P3: Those U26 in receipt of any (UKG or SG) social security benefit
- P4: Those U26 receiving a SG benefit
- P5: Young parents – Those U26 (either parent) with children under 16

The do-minimum (or baseline) for the purposes of this appraisal was taken to be the introduction of the Under-19s free bus scheme in addition to current schemes (as discussed above). None of the options specifically deal with availability of services. For each option it is assumed that existing services expand as required to meet demand but no new services are introduced. As such availability of services was considered exogenously to the appraisal and is a crucial factor in interpreting the results.

## Setting the criteria

The criteria have been based on 4 NTS2 priorities (reduces inequalities, takes climate action, inclusive growth and health and wellbeing) and their sub-criteria “outcomes”.



The following sections provide detail on how the criteria have been used to assess options.

## Reduces Inequalities

- **Will provide fair access to services we need:** we have a duty to reduce inequalities and advance equality of opportunity and outcome, including the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. We will ensure that our disadvantaged communities and individuals have fair access to the transport services they need. The transport system will enable everyone to access a wide range of services and to realise their human rights. This is about the nature of those who benefit in terms of protected characteristics.
- **Will be easy to use for all:** people have different needs and capabilities. Our transport system will recognise these and work to ensure that everyone can use the system with as few barriers as possible. This includes affordability.
- **Will be affordable for all:** people have different incomes and our transport system will not exclude people from mobility by making it unaffordable. We will target actions to deliver the Strategy towards those needing most help, including those living in poverty. This about how well the intervention is targeted at those who need help.

## Takes climate action

- **Will help deliver our net-zero target:** the [Climate Change Act](#) passed by the [Scottish Parliament](#) includes an increased ambition to reduce greenhouse gas emissions to 75% of 1990 levels by 2030, 90% by 2040 (i.e. the period covered by this Strategy) and net-zero emissions by 2045. Transport is currently the largest contributor to Scottish emissions and this will be tackled through a range of actions including an ambition to phase out the need for new petrol and diesel cars and vans by 2032, changing people's travel behaviour and managing demand.
- **Will adapt to the effects of climate change:** in Scotland we are already experiencing the impacts of climate change and we will adapt our transport system to remain resilient and reduce the harmful effects on future generations.
- **Will enable greener, cleaner choices:** over the next 20 years, Scotland will see a continued transformation in transport where sustainable travel options are people's first choice if they need to travel. We will design our transport system so that walking, cycling and public and shared transport take precedence ahead of private car use.

## Inclusive Growth

- **Will get people and goods where they need to get to:** network and services will be integrated effectively with spatial and land use planning and economic development, and adapt to changing requirements of our citizens, businesses and visitors.
- **Will be reliable, efficient and high quality:** everyone needs to be confident about how long a journey will take, and that it will be a simple and comfortable experience. We will be able to plan our lives, to get to work on time, access education and training, and to deliver goods efficiently and keep businesses running smoothly.
- **Will use beneficial innovation:** will pioneer and use new products, services and technologies developed from high quality research to improve our transport system. We will secure opportunities and investment for innovation and growth of testing platforms and supply chains to help Scotland be at the forefront of world leading developments in sustainable mobility.

## Health and wellbeing

- **Will be safe and secure for all:** the prevention and reduction of incidents, on the transport system will continue to be a priority.
- **Will enable us to make healthy travel choices:** active modes will be a preferred method of travel and have a significant positive effect on individual health and wellbeing. This will reduce the social and economic impact of public health problems such as mental health, obesity, type-2 diabetes, and cardiovascular diseases.
- **Will help make our communities great places to live:** cleaner and greener places and networks will encourage walking, wheeling and cycling. This will

deliver more social interaction, support local businesses and services and create vibrant communities.

## **Efficiency and alignment**

This category looks at likely resource cost (how much time, effort and cost (unquantified) the intervention will be to administer), the alignment to existing provision and the alignment to the wider SG vision (Programme for Government, Economic Strategy). It also considers the potential impact on the wider SG public sector reform agenda and the strategic tie up with regulation and policy.

## **Implementation and risk**

This category considers legal and technical feasibility or difficulty and the potential public perception of the interventions. It considers the likely time to implement and the risks to both implementation and continuing delivery.

## **Results**

The options were assessed within a matrix comprising the mode and people options and combinations. Each of the sub criteria were scored relative score for MOP0 using a range of -100 to 100.

The results are presented as heat maps with stronger green representing scores close to 100 and stronger red representing closer to -100. The actual scoring, is more detailed but should be interpreted in a broad manner to take a view of the relative merits of the options across the different outcomes.

		M0:P0 All modes, All U26					M1:P0 Non active modes only					M2:P0 Bus only					M3:P0 Rail only					M4:P0 Ferry only					M5:P0 Active modes only				
M0:P0 All modes, All U26	Reducing	70	85	-50	35	31	45	60	-60	15	18	60	85	-30	38	29	-20	35	-80	-22	1	5	20	-70	-15	10	-5	10	-70	-22	12
	Climate Change	77	10	50	46		37	0	30	22		67	10	45	41		17	-30	10	-1		7	10	15	11		22	10	35	22	
	Inclusive Growth	10	5	30	15		10	15	20	15		10	5	20	12		5	0	5	3		5	5	10	7		5	5	15	8	
	Health & Wellbeing	80	-15	20	28		85	-35	10	20		70	-15	25	27		90	-35	10	22		90	15	5	37		-20	100	40	40	
	Efficiency	-63	70	43	-63		-38	45	8	-38		-53	80	43	-53		-23	15	-17	-23		-8	80	-32	-8		-13	80	18	-13	
Technical	-37	-38	38	-13	-57	-23	28	-18	-27	-38	33	-11	-77	-3	-3	-28	-27	-18	33	-4	-27	-28	43	-4							
M0:P1: All modes, Those U26 with income less than the top end of the basic tax rate (£25,158)	Reducing	70	85	10	55	34	45	60	0	35	21	60	85	30	58	32	-20	35	-20	-2	3	5	20	-10	5	13	-5	10	-10	-2	16
	Climate Change	72	10	55	46		32	0	35	22		62	10	50	41		12	-30	15	-1		2	10	20	11		17	10	40	22	
	Inclusive Growth	10	5	20	12		10	15	10	12		10	5	10	8		5	0	-5	0		5	5	0	3		5	5	5	5	
	Health & Wellbeing	75	-20	15	23		80	-40	5	15		65	-20	20	22		85	-40	5	17		85	10	0	32		-25	100	35	37	
	Efficiency	-100	-50	48	-100		-93	-75	13	-93		-100	-40	48	-100		-78	-100	-12	-78		-63	-40	-27	-63		-68	-40	23	-68	
Technical	-22	-100	28	-31	-42	-88	18	-38	-12	-100	23	-30	-62	-68	-13	-48	-12	-83	23	-24	-12	-93	33	-24							
M0:P2: All modes, Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	Reducing	60	65	60	62	33	35	40	50	42	20	50	65	30	65	31	-30	15	30	5	2	-5	0	40	12	11	-15	-10	40	5	15
	Climate Change	67	10	65	47		27	0	45	24		57	10	60	42		7	-30	25	1		-3	10	30	12		12	10	50	24	
	Inclusive Growth	10	5	10	8		10	15	0	8		10	5	0	5		5	0	-15	-3		5	5	-10	0		5	5	-5	2	
	Health & Wellbeing	65	-30	5	13		70	-50	-5	5		55	-30	10	12		75	-50	-5	7		75	0	-10	22		-35	100	25	30	
	Efficiency	-100	-50	53	-100		-93	-75	18	-93		-100	-40	53	-100		-78	-100	-7	-78		-63	-40	-22	-63		-68	-40	28	-68	
Technical	-2	-100	28	-25	-22	-88	18	-31	8	-100	23	-23	-42	-68	-13	-41	8	-83	23	-18	8	-93	33	-18							
M0:P3: All modes, Those U26 in receipt of any (UKG or SG) social security benefit	Reducing	40	55	20	38	23	15	30	10	18	10	30	55	40	42	21	-50	5	-10	-18	-7	-25	-10	0	-12	2	-35	-20	0	-18	5
	Climate Change	62	10	50	41		22	0	30	17		52	10	45	36		2	-30	10	-6		-8	10	15	6		7	10	35	17	
	Inclusive Growth	-5	0	-5	-3		-5	10	-15	-3		-5	0	-15	-7		-10	-5	-30	-15		-10	0	-25	-12		-10	0	-20	-10	
	Health & Wellbeing	70	-25	5	17		75	-45	-5	8		60	-25	10	15		80	-45	-5	10		80	5	-10	25		-30	100	25	32	
	Efficiency	-100	10	53	-100		-88	-15	18	-88		-100	20	53	-100		-73	-45	-7	-73		-58	20	-22	-58		-63	20	28	-63	
Technical	-37	-88	-58	-61	-57	-73	-68	-66	-27	-88	-63	-59	-77	-53	-98	-76	-27	-68	-63	-53	-27	-78	-53	-53							
M0:P4: All modes, Those U26 receiving a SG benefit	Reducing	30	90	50	57	23	5	65	40	37	11	20	90	70	60	22	-60	40	20	0	-7	-35	25	30	7	2	-45	15	30	0	6
	Climate Change	32	10	50	31		-8	0	30	7		22	10	45	26		-28	-30	10	-16		-38	10	15	-4		-23	10	35	7	
	Inclusive Growth	-5	0	-5	-3		-5	10	-15	-3		-5	0	-15	-7		-10	-5	-30	-15		-10	0	-25	-12		-10	0	-20	-10	
	Health & Wellbeing	65	-40	5	10		70	-60	-5	2		55	-40	10	8		75	-60	-5	3		75	-10	-10	18		-35	90	25	27	
	Efficiency	-63	50	63	-63		-38	25	28	-38		-53	60	63	-53		-23	-5	3	-23		-8	60	-12	-8		-13	60	38	-13	
Technical	33	-38	28	8	13	-23	18	3	43	-38	23	9	-7	-3	13	-8	43	-18	23	16	43	-28	33	16							
Mo:P5: All modes, Young parents – Those U26 (either parent) with children under 16	Reducing	55	100	98	84	30	30	75	88	64	17	45	100	100	82	26	-35	50	68	28	-1	-10	35	78	34	8	-20	25	78	28	11
	Climate Change	7	10	50	22		-33	0	30	-1		-3	10	45	17		-53	-30	10	-24		-63	10	15	-13		-48	10	35	-1	
	Inclusive Growth	-5	0	-5	-3		-5	10	-15	-3		-5	0	-15	-7		-10	-5	-30	-15		-10	0	-25	-12		-10	0	-20	-10	
	Health & Wellbeing	60	-20	5	15		65	-40	-5	7		50	-20	10	13		70	-40	-5	8		70	10	-10	23		-40	100	25	28	
	Efficiency	-28	90	100	-28		-3	65	68	-3		-18	100	100	-18		13	35	43	13		28	100	28	28		23	100	78	23	
Technical	33	7	-8	11	13	22	-18	6	43	7	-13	13	-7	42	-48	-4	43	27	-13	19	43	17	-3	19							
		C1	C2	C3	Cav	T	C1	C2	C3	Cav	T	C1	C2	C3	Cav	T	C1	C2	C3	Cav	T	C1	C2	C3	Cav	T	C1	C2	C3	Cav	T

Table 5: a matrix comprising the mode and people options and combinations for implementation and risks. This table is available in an Excel file allowing full access to the data. The overall score for each option is a simple average of the average scores for each sub-criteria.

The table below shows the average scores across the NTS criteria alone.

	All modes	Non active modes only	Bus only	Rail only	Ferry only	Active modes only
All U26	31	18	29	1	10	12
Those U26 with income less than the top end of the basic tax rate (£25,158)	34	21	32	3	13	16
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	33	20	31	2	11	15
Those U26 in receipt of any (UKG or SG) social security benefit	23	10	21	-7	2	5
Those U26 receiving a SG benefit	23	11	22	-7	2	6
Young parents – Those U26 (either parent) with children under 16	30	17	26	-1	8	11

And the table below shows the scores against the efficiency and implementation criteria.

	All modes	Non active modes only	Bus only	Rail only	Ferry only	Active modes only
All U26	-38	-28	-32	-25	-6	-8
Those U26 with income less than the top end of the basic tax rate (£25,158)	-66	-65	-65	-63	-43	-46
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	-62	-62	-62	-59	-40	-43
Those U26 in receipt of any (UKG or SG) social security benefit	-80	-77	-80	-74	-55	-58
Those U26 receiving a SG benefit	-28	-18	-22	-15	4	2
Young parents – Those U26 (either parent) with children under 16	-8	2	-3	4	23	21

To make an easier distinction between options, these scores are normalised (such that the largest score has a value of 100) and combined.



	All modes	Non active modes only	Bus only	Rail only	Ferry only	Active modes only
All U26	28	10	30	-27	15	18
Those U26 with income less than the top end of the basic tax rate (£25,158)	2	-26	0	-63	-20	-17
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	3	-25	0	-62	-19	-14
Those U26 in receipt of any (UKG or SG) social security benefit	-39	-63	-41	-100	-58	-53
Those U26 receiving a SG benefit	22	4	25	-33	10	15
Young parents – Those U26 (either parent) with children under 16	57	39	57	3	45	49

## Costing

The broad cost of each option is shown in the table below. This is the estimated annual steady state cost of providing the option and does not include any initial start-up costs.

Estimated annual Cost of option (£m)	All modes					
	Non active modes only		Bus only	Rail only	Ferry only	Active modes only
All U26	330	300	140	140	30	30
Those U26 with income less than the top end of the basic tax rate (£25,158)	290	260	120	120	20	30
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	160	150	70	70	14	15
Those U26 in receipt of any (UKG or SG) social security benefit	40	40	17	17	4	4
Those U26 receiving a SG benefit	10	9	4	4	1	1
Young parents – Those U26 (either parent) with children under 16	12	11	5	5	1	1

To combine the assessment of the benefits and costs of the options, the costs are normalised such that the most expensive option (MOP0) at £333m per year has a score of 100, these costs scores are subtracted from the option impact scores (and again normalised) to give an overall indication of the value for money of each option.

The cost estimates were undertaken at a high level using a different approach for each mode. For bus, estimates were made by extending the cost of current concessionary fare schemes to the U26 cohort based on population estimates from National Records of Scotland (NRS). The rail figures were calculated [using Scottish Household estimates of Rail use by age group](#) and applying the share of U26's (in combination with the NRS estimates) to rail farebox revenue. Ferry estimates were based on existing use patterns. In each case, the variations by group (P1:P5) were calculated using the proportions of U26s benefiting as detailed in the table below.

	All modes	Non active modes only	Bus only	Rail only	Ferry only	Active modes only
All U26	-69	-77	-10	-65	6	8
Those U26 with income less than the top end of the basic tax rate (£25,158)	-81	-100	-34	-94	-26	-23
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	-43	-66	-18	-78	-22	-17
Those U26 in receipt of any (UKG or SG) social security benefit	-48	-71	-44	-100	-56	-52
Those U26 receiving a SG benefit	18	1	22	-32	9	14
Young parents – Those U26 (either parent) with children under 16	51	34	52	1	42	46

The number of people benefiting from each variation of scheme is important and is shown in the table below as a proportion of all U26s.

All U26	100%
Those U26 with income less than the top end of the basic tax rate (£25,158)	87.1%
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	48.5%
Those U26 in receipt of any (UKG or SG) social security benefit	12.4%
Those U26 receiving a SG benefit	2.9%
Young parents – Those U26 (either parent) with children under 16	3.6%

As a final measure, the table above was weighted by the number of people estimated to benefit from the scheme.

	All modes	Non active modes only	Bus only	Rail only	Ferry only	Active modes only
All U26	-79	-89	-11	-75	7	10
Those U26 with income less than the top end of the basic tax rate (£25,158)	-81	-100	-34	-94	-26	-23
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	-24	-37	-10	-43	-12	-10
Those U26 in receipt of any (UKG or SG) social security benefit	-7	-10	-6	-14	-8	-7
Those U26 receiving a SG benefit	1	0	1	-1	0	0
Young parents – Those U26 (either parent) with children under 16	2	1	2	0	2	2

There is a further issue over the difficulties around implementation of some of the options. Giving greater weight in the scoring to technical, legal and practical issues around implementation results in a further worsening of the position.

	All modes	Non active modes only	Bus only	Rail only	Ferry only	Active modes only
All U26	-88	-93	-24	-73	1	2
Those U26 with income less than the top end of the basic tax rate (£25,158)	-87	-100	-42	-88	-28	-26
Those U26 paying the starter rate of income tax or no income tax (income up to £14,585)	-28	-37	-14	-39	-12	-10
Those U26 in receipt of any (UKG or SG) social security benefit	-8	-10	-7	-13	-8	-7
Those U26 receiving a SG benefit	0	0	1	-1	0	0
Young parents – Those U26 (either parent) with children under 16	2	1	2	0	1	2

The results show that the targeted options generally score higher but once the weighting by numbers impacted is taken into account, none of the options score positively. This gives perhaps the most realistic assessment of the options.

When combined with the failure of any concessionary fare type scheme to address availability, the results of the appraisal mean that it is difficult to recommend any of the options.. Although that clearly reduces the costs, the benefits are assessed as falling in proportion or to a greater extent as the reduced scale options are weaker at tackling inequalities.

There is strong evidence that availability of services is a key factor that is not addressed by increased subsidy of fares. Given the wider impact of Covid-19 on public transport at the moment, a strong recommendation from this analysis is to consider this in a wider context.

In terms of the specific options discussed here, the provision of an active travel subsidy could be worth considering. There are technical and implementation issues and an overall concern over safety but the option otherwise scores well. However, the more targeted options score significantly better in terms of value for money in reducing inequality (see Annex for detail). Of these targeting at Young Parents offers the best value and given existing provision is likely to be relatively cost-effective to implement. Restricting to bus travel has the highest score and whilst the active travel score is also high there are obvious issues around likely take-up and safety that make it less attractive.



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