

Agenda Item	14
Report No	ECI/49/2021

HIGHLAND COUNCIL

Committee: **Economy and Infrastructure**

Date: **2 December 2021**

Report Title: **Free Bus Travel for Persons Aged Under 22**

Report By: **Executive Chief Officer Infrastructure, Environment & Economy**

1 Purpose/Executive Summary

- 1.1 This report outlines the Scottish Government's free travel scheme for persons aged under 22, which comes into effect on 31 January 2022, and the implications of it for the Council. Financial and logistical implications for home to school travel are potentially significant and are a continuing topic of discussion between COSLA and the Scottish Government.

2 Recommendations

2.1 Members are asked to:

- i. note the introduction of the free travel scheme from 31 January 2022;
- ii. note that discussions between COSLA and Transport Scotland are ongoing and that no conclusions have yet been reached on the impact on the financial settlement between the Scottish Government and Councils;
- iii. agree that where pupils use public bus services to travel to and from school, the entitlement card under the national free travel scheme should be encouraged for free home to school travel, with effect from the commencement of the scheme;
- iv. agree that the Council's current policy be maintained of not incurring additional expenditure on contracts (or enhancements to contracts) specifically for transport of pupils to and from school who are not entitled under the Council's existing school transport policy;
- v. agree that charging for privilege places on school buses be discontinued after Easter 2022, but that charges for privilege places on taxis should continue; and

- vi. agree to continue to support COSLA in reaching a satisfactory financial settlement with the Scottish Government which does not adversely affect the Council as a result of the scheme.

3 Implications

- 3.1 **Resource** - Resource implications are difficult to quantify. Provided that operators accept the reimbursement rates as adequate, there should be no resource implications for general public transport. However, there are several possible implications for school transport, which are described below. The Scottish Government has not yet stated a position regarding funding implications for school transport but intends to review the consequences of the first 12 months of the scheme.
- 3.2 **Legal** - For pupils attending their catchment area school and living more than the statutory maximum walking distances from it, provision of transport, free of charge (or an alternative such as reimbursement of expenses) is a statutory duty. Section 51(1) of the Education (Scotland) Act 1980 requires Councils to "*make such arrangements as they consider necessary*" for this purpose. Where children travel to school on a public bus service and hold a free bus pass under the new scheme this can be used for home to school travel.
- 3.3 **Community (Equality, Poverty and Rural)** - By extending the availability of free bus travel, this provision will benefit young adults, and families with children. However, it will also accentuate the inequalities between areas with frequent bus services and those with few buses.
- 3.4 **Climate Change / Carbon Clever** - By encouraging more bus travel it is hoped that the scheme will contribute to modal shift away from car use.
- 3.5 **Risk** - There is a risk to the Council in that there may be increased demand for new bus services to be provided where they are not economically viable.
- 3.6 **Gaelic** - There are no Gaelic implications.

4 Background

- 4.1 On 5 May Committee homologated the Council's response to a Transport Scotland consultation on free bus travel for persons aged under 19, which the Scottish Parliament has since expanded to include persons up to age 22.
- 4.2 Transport Scotland has published an analysis of responses received to the consultation. A large majority of respondents supported the proposals. The Order making the scheme was passed on 24 March 2021 and amended on 28 October to define the reimbursement arrangements. Some respondents, including Highland Council, argued that ferry travel should be included in the scheme; in response to this, Transport Scotland has carried out an Islands Communities Impact Assessment. The outcome of this is not yet published.
- 4.3 As expected, the provision will include public bus services, but not closed school transport routes (i.e., those which are not available to the public) or excursions and tours. Free travel will be available from 31 January 2022.

- 4.4 Transport Scotland will reimburse operators at the rate of 43.6% of the adult single fare for persons aged under 16, and at 81.2% for those aged 16 or over. The difference in rates reflects the general provision currently of half fare travel for those under 16, and an expected higher level of traffic generation for those aged 16 or over.

5 Consequences for public transport

- 5.1 Operators will assess the financial implications for their commercial bus services, but it is hoped that growth in usage will offset any reduction from current fares revenue. Similarly, in most cases there should be little financial impact on tendered bus services, except for school transport which is considered below.
- 5.2 The data which we routinely receive on usage of our bus contracts does not distinguish between adult and child fares revenue, although this can be obtained where more detailed analysis of a route is required. There is no way of identifying the number of passengers aged 16 to 21, other than by on-bus surveys. (Use of the current 1/3 discount on single fares for age 16 to 18 is minimal, as existing returns or multi-journey tickets normally offer a better deal.)

6 Consequences for transport to school

- 6.1 Consequences for both entitled and non-entitled transport to school are much more significant. Those entitled pupils who travel on public routes will be able to use their free travel passes, which will yield some revenue to the contractors. This, however, depends on (a) the pupils or their parents applying for the pass and (b) passes being read on boarding. Where non-school bus services are limited, or where children do not normally use them, there may be little or no incentive to apply for a pass.
- 6.2 COSLA are involved in discussions with the Scottish Government on the financial implications for Councils. ATCO are working with COSLA to ensure all feedback from ATCO lead officers in all Scottish Councils is shared in terms of risks and opportunities. Following the first 12 months of the scheme's operation, Scottish Government will review the funding streams in terms of the U22s free travel reimbursement budget and the impact on Local Authorities' home to school transport budgets.
- 6.3 Negotiation with bus contractors will be required to agree an appropriate reduction to their contract prices, to balance the revenue gained through the new free scheme.
- 6.4 There is likely to be an increased demand for non-entitled bus travel to school, both for shorter journeys (below the entitled distances) and for out-of-catchment travel. For shorter journeys demand could exceed the capacity available, unless additional buses are provided. The Council has no obligation to fund travel below the entitled distances (except for Additional Support Needs or safety reasons, and such provision is already in place), and the revenue from two journeys per day does not make it economically viable to provide an extra bus. Similarly, pupils will be able to travel free to schools outwith their catchment area if a public bus service exists on the route, but the Council has no obligation to provide such services.
- 6.5 As the cost of providing additional buses is substantially more than the revenue which can be gained by child fares twice daily, it is recommended that the current policy is maintained of not incurring additional expenditure to cater for transport of non-entitled pupils.

- 6.6 The new free scheme will not apply to closed school contracts. The Council is therefore able to continue to charge for privilege places for non-entitled pupils on these routes. However, this is likely to cause complaints from parents because non-entitled children will be able to travel free on some routes but not on others.
- 6.7 Several school transport contractors still use vehicles (mostly coaches) which are still in a safe, serviceable condition but can no longer be used on fare-paying routes because they do not conform with the Public Service Vehicle Accessibility Regulations which came into full force in 2020 and apply to all vehicles of 23 seats or more. After a temporary exemption expires, this means that the Council can no longer charge for privilege places where such buses are used. (This is the case even though the revenue goes to the Council and not the operator). Specifying PSVAR-compliant coaches on school transport routes where they are not currently used is likely to increase the contract prices by significantly more than the fares revenue gained.
- 6.8 For reasons of equity between public and closed routes, and to enable older, but serviceable vehicles to continue to be used, it is recommended that the charging for privilege places on bus and minibus routes is discontinued after Easter 2022. There is a case to continue to charge for privilege places on taxi routes, as these are likely to provide a more personal service (even though privilege places are only offered where a spare seat is available on an existing route).

Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 11 November 2021

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