

Fiona Hyslop  
Cabinet Secretary for Transport  
St Andrews House  
Regent Road  
Edinburgh  
EH1 3DG

5<sup>th</sup> December 2024

Dear Cabinet Secretary,

Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament.

In September, following the publishing of the Programme for Government, your officials wrote to Consumer Scotland to outline the Scottish Government's plans for the transport sector and invited us to work with you on future transport strategy.

I am therefore pleased to write to you today to share with you our first report related to public transport, and which focuses on the future of concessionary fares (NCTS) for bus travel. I am aware that the 2024 Fair Fares Review reaffirmed the Scottish Government's intention to maintain existing eligibility to the NCTS for those groups who currently benefit. The review also recommended further policy development to consider better targeting of public funds to support access to public transport for those who need it most, including those in low incomes.

In this context, our report examines the current effectiveness of the NCTS in meeting its stated aims, the outcomes it is delivering for consumers, and the considerations crucial to future development of the NCTS in order to maximise the benefits of bus travel for consumers.

Our key findings are that:

- Concessionary fare schemes are very popular with those eligible, have clear financial benefits for those already reliant on bus use, and allow people to benefit from increased mobility.
- However, where overall bus services do not meet consumer need, particularly some rural areas of Scotland, the benefits of concessionary fares are more limited.

- The different aims of concessionary fares are largely achieved when the benefits reach different groups of people. Social inclusion is promoted when concessionary fares are available to consumers on lower incomes who already rely on public transport for mobility, while encouraging modal shift from car to bus has required that fare subsidies are made available a wider group of consumers, including those on higher incomes who own a car.
- From a public finance perspective, there is a trade-off between the level of discount offered through the fare subsidy, and the breadth of the eligible population. These are not straightforward choices.
- There are also public finance choices to be made between directing public funds towards fare subsidies or towards investing in improving the overall availability of public transport to make this more accessible and convenient for more consumers.
- There is currently a lack of evidence about the extent to which concessionary fares can meet specific aims, especially those related to modal shift. A stronger evidence base about the impact of the NCTS on the decisions and transport behaviours of consumers would be beneficial to help inform future policy developments in this area.

With these considerations in mind, we have also set out a number of principles that we recommend should be followed when strategic decisions about the future of the NCTS are being made, in order to ensure consumers are at the heart of decision-making. These are:

- The Scottish Government should be **clear about the aims** it wishes to pursue with the National Concessionary Transport Scheme, and target eligibility for the schemes in a manner consistent with these aims.
- Any **changes to concessionary fares should cause the least detriment possible** to the people who are most likely to face challenges in accessing public transport or mobility more broadly.
- The **potential impact that any changes to concessionary fares could have on modal shift goals and wider climate change mitigation should be considered** when making any decisions around the future targeting of the schemes.
- When considering the need for modal shift, the impact of concessionary fares should not be considered in isolation as the available evidence indicates that **levels of service and infrastructure provision also have significant impacts on consumer behaviour**.

- **Changes should be future-focused** with consideration given to how concessionary fares will fit in with a digital, integrated and sustainable transport system.

We hope that the report is of value to you in considering the future development of the NCTS. We have also shared this report with colleagues in Transport Scotland, and we would be pleased to meet with you to discuss it in more detail.

Kind regards,



Sam Ghibaldan