



**TRANSPORT  
SCOTLAND**  
CÒMHDHAIL ALBA

# **The National Bus Travel Concession Scheme for Young Persons**

## **Island Communities Impact Assessment**

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## Introduction

In February 2020, the Scottish Government gave a commitment to establish a national concessionary travel scheme for free bus travel for under 19s. In March 2021 the Scottish Parliament passed the [National Bus Travel Concession Scheme for Young Persons \(Scotland\) Order 2021](#) giving the Scottish Ministers the powers to establish a national concessionary travel scheme for free bus travel for residents of Scotland aged under 19 (the Young Persons Scheme).

On 8 March 2021 the Scottish Government announced that it would extend free bus travel under the new Young Persons Scheme to all young people resident in Scotland under the age of 22. [The National Bus Travel Concession Scheme for Young Persons \(Scotland\) Amendment Order 2021](#) came into force on 12 November 2021, ensuring that all young people aged under 22 would become eligible once the Young Persons Scheme comes into effect on 31 January 2022, potentially benefitting up to 930,000 people.

The purpose of the Young Persons Scheme is aligned with the Scottish Government's National Transport Strategy. This seeks to reduce inequalities and advance equality of opportunity and outcome, take climate action to make travel choices that minimise the long-term impacts on our climate, develop a transport system that will help deliver sustainable and inclusive economic growth and which will be safe and enable a healthy, active and fit nation. The Climate Change Plan Update has also identified the need to reduce private car vehicle miles travelled by 20 percent.

The Young Persons Scheme aims to support our green recovery by encouraging a greater, long term shift to more sustainable travel, embedding the use of public transport in people's behaviour from an early age. Young people have been disproportionately impacted as a result of the COVID-19 pandemic and free bus travel can open up opportunities, increase young people's independence and improve access to education, employment and leisure, particularly for low income families.

This policy supports the delivery of the following National Outcomes:-

- Children and Young People: We grow up loved, safe and respected so that we realise our full potential.
- Communities: We live in communities that are inclusive, empowered, resilient and safe.
- Poverty: We tackle poverty by sharing opportunities, wealth and power more equally.
- Environment: We value, enjoy, protect and enhance our environment.

## Duty

The [Islands \(Scotland\) Act 2018](#) places a duty on the Scottish Ministers and other relevant authorities, including a number of public authorities, to have regard to island communities in exercising their functions. For the Scottish Ministers, this includes the development of legislation. This duty is often referred to as 'island-proofing'.

Section 8 of the Act states that Scottish Ministers must prepare an Island Communities Impact Assessment (ICIA) in relation to a policy, strategy, or service, which, in the authority's opinion, is likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities) in the area in which the authority exercises its functions. These provisions came into force on 23 December 2020.

The 2018 Act lists the following areas that are relevant considerations for islands and islands communities:

- Depopulation
- Economic development
- Environmental protection
- Health and wellbeing
- Community empowerment
- Transport
- Digital connectivity
- Fuel poverty
- Land management
- Biodiversity

In December 2019, the Scottish Ministers published the first ever [National Islands Plan](#). The plan sets out 13 strategic objectives which are practical, common sense and seek to improve the quality of life for island communities. Fairness is a key value that underpins and reflects the Scottish Government's commitment to equality and human rights. The plan recognises that every member of society has a right to live with dignity and to enjoy high quality public services wherever they live.

## Engagement

We carried out a [public consultation](#) on the Young Persons Scheme between 26 October and 6 December 2020, attracting 3073 responses. Respondents were strongly in favour of the provision of free bus travel. However, a number raised concerns about its application to island communities.

Some respondents felt that young people living in island communities could be disadvantaged because they had to use ferries and not just road transport to access

opportunities. Some respondents considered that free ferry travel was essential to ensure parity between island dwelling young people and their mainland peers. Others said that inter-island ferry travel should be treated in the same way as bus travel is on the mainland. In addition, many respondents from rural mainland and island communities pointed out that free bus travel was of benefit only where there was sufficient provision of bus services. [Analysis of the consultation responses](#) has been published on the Transport Scotland website.

In light of the responses to this consultation and the Scottish Government's proposal to extend the Young Persons Scheme to also include all 19 to 21 year olds, we undertook to carry out this ICIA on the Young Persons Scheme before it comes into operation.

A further focused consultation with island communities was undertaken between 24 May and 21 June 2021. Islands representative groups, including Local Authorities, Community Councils, Development Trusts, Regional Transport Partnerships (RTPs) and other interested parties were contacted to be made aware of the consultation and encouraged to take part. The consultation sought to gather views on whether there are any other significantly different impacts on island communities.

The consultation received 151 responses from individuals and organisations in our island communities and has informed this Impact Assessment.

## Island specific consultation

The island specific [consultation](#) asked whether people thought that the provision of free bus travel to all young people aged under 22 would have an effect on island communities which is significantly different from the effect on other communities in Scotland, and if so, what measures the Scottish Government might consider to mitigate any adverse effects on island communities in relation to the provision of free bus travel for those aged under 22 specifically. Where approval has been given, all responses to this consultation will be published on the Scottish Government's Citizen Space website.

## Main issues raised in Island specific consultation

### Support for principles of the scheme

Most respondents were in favour of the proposed new Young Persons Scheme, many noting that it was likely to have positive impacts on young people in island communities. A point repeatedly made was that free bus travel is likely to increase opportunities for young people to travel as they will not have to worry about cost.

*“A positive effect on island communities because island communities are isolated compared to mainland Scotland and will give more opportunities for people under 22 for travelling to work, meeting socially, joining in with clubs/activities etc as sometimes families with low income can't afford extra costs of travel.”*

*“Bus travel is far more expensive in rural wide spread areas. Free bus travel will allow youngsters to have more interactions with other parts of the community.”*

*“Rothesay, the main town on Bute, is one of the most deprived areas in Scotland. I have heard parents saying that they can't afford the cost of the buses. This is an intolerable situation and that's without taking climate change into the equation. A mother with several children would rather drive them to school. It is imperative that free bus travel is given.”*

In addition, the proposed new scheme could improve flexibility in travel options for young people without having to rely on others for their transport needs. This, in turn, would prove beneficial in enabling them to take greater advantage of extracurricular and social activities, where these are available.

*“Given the geographic isolation of Rural and particularly of Rural Island Communities and distances to Educational Establishments is critical that Pupils, Students and Parents do not suffer further disconnect or financial, educational or social disadvantage. Consequently, it is vital that Young Persons in Scotland's Rural Areas & Islands are enabled by this Scheme.”*

*“Living on an island we have no transport options other than bus or car. Young people living in remote communities can struggle to afford bus fares for work, college/uni and for social activities. The distances involved mean that they cannot walk so unless they can drive (or have someone drive them) they are stuck. Free bus travel would enable greater access to employment, further education and other activities by removing cost as a barrier.”*

*“I believe it could as quite frequently people living on our island do not have cars and so cannot take their children to various activities without bus transport. If the children on the island could travel for free this makes the parent much more able to take them or if they are old enough for them to travel on their own. There is a big problem on our island with the number of parents who drive their children to school and thus create traffic problems on one of the most restricted road areas on the entire island during the school run times. Perhaps without the need to pay for bus transport parents may be incentivised to have their children travel by bus to and from school. Also, as some children live outside the town and would have to walk on roads with no*

*shoulders or pavements to visit friends or attend events being able to use the bus service for free would be helpful.”*

## Views on significant differences to other communities in Scotland

There were three main areas where respondents raised issues where they thought the policy would have an effect on island communities which is significantly different from the effect on other communities in Scotland. They are:

1. Lack of bus services in island communities
2. Potential loss of revenue for RTPs and/or Local Authorities
3. The Young Persons Scheme applying only to buses and not ferries or air travel

Further detail is provided on these below.

### I. Bus service provision

A point repeatedly made by respondents was that the provision of free bus travel for young people was likely to be of limited benefit in some island communities due to the levels of bus service provision, which in many cases are poor and sometimes non-existent.

*“Whilst I appreciate buses are often poorly used, the frequency of service and timings mean that many people are forced to use alternatives. Therefore to be on a parity with the mainland, Orkney would need a more user friendly service with buses at least into early evening. This would allow our young people to socialise and work.”*

*“I think the impact will be significantly less on the islands where there are no evening buses, no Sunday buses, and very limited coverage in rural areas. Large proportions of the young population do not live on a bus route.”*

*“Free bus travel will benefit all island under 22's however the provision for bus travel is very limited due to the restricted services which are provided. We do not get public transport as mainland communities enjoy and most timetables are geared to travel to and from school and to connect to the ferry. even in summer the service only connects to some and not all ferry arrivals / departures.”*

*“Lack of bus services mean they wouldn't be able to access this benefit as readily as their mainland peers.”*

Some respondents went further, arguing that the proposed Young Persons Scheme could further disadvantage young people on island communities, again due to the paucity of bus provision in some island communities.

*“It will further disadvantage young people living in island and remote and rural Scotland, who are already disadvantaged by having limited / no access to public transport services. This policy in its current form widens that disadvantage.”*

Comparison was made with mainland, mainly urban, bus networks.

*“Although well-meant and correct in principle, the offer of free bus travel will only increase the inequity between young people on the islands and those in urban areas. The scheme will mostly benefit those who already have access to the most frequent and lowest cost travel on mainland Scotland.”*

*“Scottish Islands Federation (SIF) supports the proposed free bus travel, and its long term aims concerning sustainable travel and access to opportunities but has real concerns that the proposal, in its current form, will be meaningless to many young people living in the islands and may, in fact, amplify the inequalities they already face surrounding access to opportunities, facilities and services and the cost of living which is already significantly higher than in the mainland.”*

## 2. Reimbursement costs to RTPs and Local Authorities

Some Local Authorities and RTPs identified a potential risk to their revenues where they run local bus services. Respondents pointed out that they are obliged to provide socially necessary services where these are deemed commercially unviable and provide reimbursement for these services at 100%. It is thought that an unintended consequence of including such services in the Young Persons Scheme, if the reimbursement rate is likely to be significantly lower than 100%, may leave the local authority or RTP in a position where they would lose money by providing such services.

*“if the reimbursement rate for operators is set too low or decreases over time this could result in pressure to reduce service levels which will negatively impact all islanders, including young people.”*

*“All public bus services are 100% subsidised because there are no commercially viable public bus service routes. All public bus services are contracted by ZetTrans and are financially underwritten by Shetland Islands Council... All are tendered on a minimum cost basis, meaning that any loss of fares income will directly impact on income that ZetTran’s secures from fares*



*on public bus services and in turn the financial contribution required from Shetland Islands Council. This would contravene one of the aims behind providing free bus travel as no local authority was to be worse off with its introduction.”*

*“negotiations between the Scottish Government/Transport Scotland and CPT are of limited value to Regional Transport Authorities or Local Authorities who have a duty to provide 100% subsidised island based public bus services where they would not otherwise be provided. It is not possible to avoid negatively impacting on ZetTrans and the Shetland Islands Council without providing a reimbursement rate of 100%”*

### **3. The scheme applying only to buses and not ferry or air travel**

Although most respondents to the consultation agreed that the Young Persons Scheme is likely to be beneficial, many pointed out the significant differences that island communities were likely to experience.

*“The principle of island proofing enshrined in the Islands (Scotland) Act 2018 is to remove disadvantage, not to reinforce it. It should not be a matter of geography or peripherality; it should be a matter of fairness, equitable access of opportunity and inclusiveness, irrespective of place of residence. One of the National Transport Strategy's priorities is to reduce inequalities and provide accessible and affordable transport for all. The National Islands Plan also highlights the high costs of ferry and air travel to and from and between islands*

*“Failure to do so would be patently discriminatory and fundamentally at odds with the aims of the Islands (Scotland) Act and the National Islands Plan which have principles of fairness and equality at their core.”*

It was observed that in order to take advantage of free bus travel to any part of Scotland, young people on islands may need to make at least part of their journey by ferry. Sixty-four percent of consultation respondents cited the need for ferry travel to access educational and social activities as a significant difference compared to mainland travel. With the exception of Skye, there is no direct road route to the mainland, where the vast majority of bus services are situated.

Ferry related responses fall into two broad categories: those calling for free ferry travel to the mainland to be included in the Young Persons Scheme and those looking for inter-Island ferry services (currently run by Local Authorities) to be included in the Young Persons Scheme.

Some of the comments relating to connectivity to the mainland included:-

*“Free bus travel to all young people aged under 22 would be welcomed. The effect will be significantly different from the effect on other communities in Scotland, as free bus travel enables young people to travel a great distance across Scotland for free. However, in Shetland, young people are limited by the barrier of the sea - both for inter-island travel and travel off-island. The process would need to be ‘island-proofed’ to deliver equality across Scotland, by means of an impact assessment. If free bus travel was able to include free ferry travel, this would provide equality with young people living on mainland Scotland.”*

*“We strongly believe this initiative fails to address the equivalent connectivity challenges for our Island young people but in fact reinforces the disadvantage to young people on our islands. There is no recognition that ferry travel for young islanders is the equivalent of bus travel on the mainland. Not by choice but by necessity the ferry crossing is an essential component of accessing the opportunities available to young mainland citizens. To many the cost of that journey is the barrier to access and leads to decisions not to participate or indeed to leave our Islands to fully enjoy what others freely enjoy as a right. Further loss of population will be created by this unfairness.”*

*“In general there are very restricted bus services on the islands and while free access to these services is much appreciated they do not allow the same level of opportunity to access facilities and services that free bus transport on the mainland offers... This can only be rectified by the inclusion of ferries in the free transport scheme.”*

In relation to inter-island ferry services consultation respondents repeatedly suggested that, the inter-island ferries, run by the relevant Local Authorities in Orkney, Shetland and the Western Isles, are analogous to the bus service on the mainland. Comments relating to this included:-

*“The provision of free bus travel to all young people aged under 22 in its current form will further disadvantage young people living on islands where there is no bus service and where the local ferry service effectively acts as a bus service to the nearest local town.”*

*“The young people on our island have an approximately 2 hour ferry journey to access the nearest town... to access services and opportunities there, such as health, wellbeing, sport and leisure, shopping, learning and employment – in other words everything that would be considered a basic right to be able to easily access. Our young people are already disadvantaged by this long journey time together with limited timetables that means a short day in the town and limited travel options. The cost of this ferry travel further disadvantages our young people, limits opportunities, and means difficult*

*decisions have to be made in terms of whether or not to travel. The fact that our young peoples' counterparts in more urban Scotland have multiple travel opportunities, and the prospect of being able to travel for free, means that our young people will be further disadvantaged by this policy with the introduction of free bus travel for young people."*

Some islands have no bus services and some respondents believed that the new scheme would have no beneficial effect for young people unless ferry travel is further subsidised.

*"The provision of free bus travel to all young people aged under 22 in its current form will further disadvantage young people living on islands where there is no bus service and where the local ferry service effectively acts as a bus service to the nearest local town."*

*"For young islanders the ferry services provide exactly the same function as bus services do for young people in communities that rely on overland public transport links."*

*"In this connection it is essential that any scheme to provide free bus transport to young people must be extended to include ferry services that provide the same purpose."*

Further, it is argued, a failure to address ferry costs could have indirect consequences, such as making island communities less attractive places to live for young people, with a correspondingly negative impact on the Gaelic language. The majority of Gaelic speakers live in island communities.

*"Failing to address ferry fare costs for young people will make Gaelic speaking islands less attractive compared to mainland areas. Thus, it affects the future viability of Gaelic speaking island communities. This will have a negative impact on the use of the Gaelic language not only in the affected islands but also in Scotland as a whole. Therefore, the current proposal will not fully meet the objectives of Transport Scotland, the National Gaelic Plan nor the National Islands Plan."*

In addition to ferry travel, some respondents pointed out that some island residents rely on air travel to get to and from larger islands and the mainland. Accordingly, inclusion of free air travel in the scheme should be considered for young island residents.

*"If free bus travel was extended to also cover the ferry/plane this would make a significant difference not only for our young people but for the wider community as well. The free travel would make island-life significantly more*

*affordable and so viable for the young families needed to ensure the long-term sustainability of our community.”*

## Scottish Government response to issues raised

The Scottish Government view is that not all of the issues raised by respondents to the island specific consultation relate only to islands. This applies particularly when considering bus service provision and the potential impact of reimbursement rates under the scheme on supported bus services.

### 1. Bus service provision

#### Issue

The Scottish Government recognises that **bus service provision** across Scotland is variable and is often lacking, particularly in island communities, although this is also an issue that affects rural mainland communities.

#### Planned mitigations

In order to address this, the Scottish Government will be implementing the bus regulatory provisions of the Transport (Scotland) Act 2019 through secondary legislation and guidance following the findings of a public [consultation](#) which was launched on 14 July 2021. This will provide local transport authorities with additional tools to seek to improve bus services, providing improved opportunities for local authorities and bus operators to pursue partnership working and franchising.

In addition, wider powers will be available to local authorities to run their own buses, which will sit alongside their existing ability to subsidise services. Most bus provision on island communities is local authority run or contracted, as many routes are deemed commercially unviable by bus operators.

### 2. Reimbursement costs to RTPs and Local Authorities

#### Issue

The Scottish Government also considers that **the reimbursement rates for the scheme and associated impacts on supported services** are not wholly an island specific issue, noting that many mainland services are also supported by their local transport authorities.

## Planned mitigations

The reimbursement rates for the National Concessionary Bus Travel Scheme for Older and Disabled Persons Scheme have been set using an agreed economic model since 2013-14. The model aims to deliver as far as possible average reimbursement that meets the statutory objective that bus operators should be no better or worse off as a result of the scheme. The reimbursement rate for the Older and Disabled Persons Scheme is set annually to take into account a number of factors affecting the bus industry. It is currently set at 55.9% of the adult single fare.

The new Young Persons Scheme has the same objective that bus operators should be no better or worse off as a result of the scheme. Reflecting a range of factors, including different travel patterns and that young people aged under 16 currently travel at significantly reduced fares on almost all services, the Young Persons Scheme will have two reimbursement rates, 81.2% of the adult single fare for 16 to 21 year olds and 43.6% of the adult single fare for under 16s. The rates have been agreed with the Confederation of Passenger Transport using the same basic model as is used for the Older and Disabled Persons Scheme.

We do not yet know what take up and usage of the scheme will be but we have committed to monitor the impact of the scheme to try to identify any adverse impacts on bus operators, and will be reviewing the scheme following the first full year of operation. We are also in discussion with the Convention of Scottish Local Authorities (COSLA) and the Association of Transport Co-ordinating Officers (ATCO) regarding the overall impact of the scheme on Local Authority budgets. While there may be additional costs arising from supported services, depending among other things on the extent to which free travel generates extra journeys, there may also be savings in other areas such as school transport provision.

As the Covid-19 pandemic and associated public health measures ease, we are working with bus operators, local transport authorities and other transport stakeholders to understand the longer term impacts and how best to support a recovery in bus services. As part of this work, we shall consider how to support the provision of services in local communities and to enable local authorities to look at different ways of delivering bus services in their areas and making use of the provisions in the Transport Act 2019 as they are commenced.

It is hoped that the new Young Persons Scheme will further encourage modal shift toward bus travel, increasing patronage on buses and making bus routes more viable in areas with poor provision.

## 3. The scheme applying only to buses and not ferry or air travel

### Issue

The other main issues raised in response to the island specific consultation related to **inclusion of ferry and air travel in the free bus scheme**.

### Potential mitigations

We have undertaken an initial analysis to set out indicative costs that might apply were the suggested mitigations put forward in response to the consultation to be adopted.

#### Free unlimited ferry travel

It should be noted that there is a lack of empirical evidence to accurately estimate the potential cost of any new scheme for unlimited free ferry travel. There is limited available data on which to draw and the costs would also depend on the reimbursement terms of any such scheme.

However, on pre-Covid patronage patterns, the provision of free ferry travel to the mainland to all island residents aged between 5 and 21 on the Clyde and Hebrides and Northern Isles routes could cost between £1.2 – £1.4 million annually (*foot passenger travel only*). Further, if free berths on overnight cabins to and from the Northern Isles were included (as they are under the current Concessionary Travel Scheme for Young Persons for 16-18 year olds), this figure would increase substantially, possibly by as much as £800,000 (*depending on the scale of any behavioural response*) per annum if trends from the existing concessionary schemes were followed.

#### Free local authority ferry travel

In relation to inter-island ferries which are the responsibility of the relevant local authorities, it is estimated, on pre-Covid patronage patterns, that the cost of including unlimited free passenger only travel for islanders aged under 22 would be between £280,000 and £330,000 (*depending on the scale of any behavioural response*) per year.

## Effect on Gaelic language

The Scottish Government recognises concerns expressed about the potential impacts on the Gaelic language and of making viable island life for the young families needed to ensure the long-term sustainability of these communities. Our aim is to put measures in place that will lead to an increase of people speaking, using and learning Gaelic in Scotland. These measures operate in a number of sectors such as education, arts, broadcasting and publishing and should be in place both in towns and cities and also in the more traditional highland and island communities.

In pursuit of this, the Scottish Government recognises that a number of Scottish public bodies can make an important contribution to the promotion of Gaelic and there are also a number of Gaelic bodies and organisations which are funded to undertake specific Gaelic activities. The Scottish Government also recognises the importance of wider social and economic measures in areas where Gaelic speakers may be a significant percentage of the population. In these areas, issues such as housing, employment, transport and connectivity all contribute to the wider Gaelic commitments.

## Air travel

Calls to include **air travel** within the new Young Persons Scheme would effectively increase the discount currently offered in the Air Discount Scheme (ADS) to 100%. Current patronage data for the ADS does not contain a breakdown by age group, making it difficult to estimate how many young people aged under 22 use the scheme. However, it is clear that, even on current patronage estimates, the provision of 100% discount to young people aged under 22 would have significant financial costs. In 2019-20 over 197,000 passenger flights were made under the ADS scheme at a cost of £10.9 million. In addition, the option of free flights to people in this age group would be likely to increase demand significantly.

## Extension of ferry vouchers offered under the non-statutory 16-18 year olds concessionary travel scheme

A further mitigation, which was not suggested in responses to the consultation, could be to extend the current provision of four free ferry vouchers under the current non-statutory Concessionary Travel Scheme for Young Persons.

Both the [Older and Disabled Persons' Scheme](#) and existing [16-18 year olds concessionary scheme](#) offer eligible National Entitlement Card-holding island residents four free single journeys a year between their islands and the mainland. Card holders are sent vouchers which can be exchanged for free travel and ferry



operators are reimbursed the full fare when the vouchers are used. On overnight Northlink services, the schemes also cover the cost of a berth in a cabin.

The existing 16-18 year old Scheme covers Orkney, Shetland, the Western Isles and islands in Argyll and Bute, North Ayrshire and Highland Council areas. The ferry voucher scheme is non-statutory and depends on agreements with ferry operators CalMac, Serco NorthLink, John O' Groats Ferries and Pentland Ferries.

The current ferry voucher scheme for young people aged between 16 and 18 would cost up to £212,000 annually for ferry travel alone (assuming maximum take up of the scheme) and up to £320,000 for free berths in a cabin on overnight Northern Isles services. This means that the overall cost of vouchers for 16 to 18 year olds will be up to £532,000 annually in a normal year.

Extending the current ferry provision for 16 to 18 year olds to include 19 to 21 year old island residents (i.e. those who would currently pay full fares on the ferry) is estimated to cost in total of around £380,000 per annum for ferry travel alone. Including cabins on the Northern Isles routes for all 16 to 21 year olds would increase annual costs by a further £580,000 to an estimated total of £960,000 per annum.

Transport Scotland estimates that to provide four free journeys for 5-21 year olds the estimated annual cost in terms of covering passenger fare revenue alone would be around £740,000 (*assuming maximum take-up of the scheme*). If overnight cabins on the Northern Isles routes for 5-21 year olds were included this would push up costs by an additional £1.63 million per year, making a total cost of around £2.37 million per year. However, it should be added that given capacity pressures during peak months the inclusion of cabin fares may generate additional impacts such as displacing paying customers onto other routes or some people choosing not to travel at all.

## Intended actions

The Scottish Government recognises the concerns raised by island communities relating to ferry and air travel and the importance of both of these modes in relation to young islanders accessing services and educational and social activities. Reducing barriers created by transport costs for young people is one really positive action we can take. This is evident when considering the very significant support we already provide for both ferry and air travel.

The roll out of Road Equivalent Tariff (RET) on Clyde and Hebrides ferry services, concluded in 2015, significantly reduced passenger and car fares for all. Work is ongoing to seek to introduce RET on Northern Isles ferry services. Furthermore, under 16 year olds already only pay half fare and under 5s travel free on ferries.

The Air Discount Scheme (ADS) was set up to fulfil the Scottish Government's commitment to deliver lower air fares for residents of Scotland's most peripheral communities travelling to and from Scotland's key population centres and/or between airports within the peripheral areas. It provides scheme members with a 50% discount on the core air fare on eligible services. In 2019-20 over 197,000 passenger flights were made under the scheme at a cost of £10.9 million.

Scheme membership is open to anyone whose permanent or main residence is in Shetland, Orkney, the Western Isles, Islay, Jura, Colonsay, Caithness and north-west Sutherland and to registered Third Sector organisations who have employees/volunteers that have their permanent/main residence in an eligible area.

The Scottish Government recognises that ferry and air travel are island specific issues, but does not agree that ferry or air travel should be included in the Young Persons Free Bus Scheme, which applies to bus travel only, and which has encouraging sustainable transport use at its heart.

It is also important to note the ways in which funding of bus, air and ferry travel differ and that this has implications in considering whether they should form part of the free bus travel scheme.

The National Concessionary Bus Travel Scheme is well established, having been in operation for well over a decade. Because the bus sector in Scotland is run predominantly on a commercial basis by private companies, the Scottish Government negotiates with operators' representatives to provide an appropriate rate of funding in return for their participation in the scheme, known as the reimbursement rate. Simply put, operators provide free travel to eligible cardholders and the Scottish Government pay them a percentage of the fare they might otherwise have charged aimed at leaving operators on average no better and no worse for participation in the scheme.

Conversely, the great majority of ferry services are in public hands and paid for by the public purse and would not readily fit into the current concessionary travel scheme or the new Young Persons Scheme, which are based on the administrative arrangements set out above.

As mentioned above, the Scottish Government has taken action to make ferry travel as cheap as possible for all travellers with the roll out of RET fares, which was completed on the Clyde and Hebrides ferry service (CHFS) network in October 2015. This has led to an estimated average fare reduction of 34% for passengers and 40% for car traffic and continues to save travellers around £25m a year.

The recently published RET evaluation found that overall, by 2018, RET had increased passenger and car carryings by 11.6% and 20.6% respectively across the CHFS network.

Although it is not a reason for excluding ferry travel from concessionary travel schemes, it is also true to say that there exist significant and sustained capacity issues on our ferries, especially in the summer months. Since 2007 the Scottish Government has invested more than £2 billion in the Clyde and Hebrides ferry services, Northern Isles Ferry Services and ferry infrastructure. This includes new routes, vessels and upgraded harbour infrastructure, as well as the roll out of significantly reduced fares for all through the RET scheme mentioned above.

Additionally, on 4 February 2021 the Scottish Government announced investment of £580 million in ports and vessels to support and improve Scotland's ferry services over the next five years, as part of our wider Infrastructure Investment Plan. The Scottish Government remains committed to working constructively with partners and key stakeholders to progress a sustainable and efficient fleet replacement programme.

Any provision of widespread free travel on ferries or air travel, which may have significant impacts on funding, patronage and availability of services should be considered in the broader context of island connectivity. To this end, the issues raised in response to this ICIA will feed into the considerations that will take place when undertaking the forthcoming Islands Connectivity Plan (ICP) and the recently announced Fair Fares Review.

The ICP will replace the current Ferries Plan. It will be developed within the policy context provided by the National Transport Strategy and National Islands Plan, which are themselves aligned to the Scottish Government's Purpose and National Outcomes.

We will engage with stakeholders to determine each island's needs for transport connectivity including potential further service or capacity enhancements or investment in vessels and ports. A key part of which will involve a strategic review of all ferry fares, including freight fares, on both the CHFS and Northern Isles ferry service (NIFS) networks in the light of the policy objectives set out in the National Transport Strategy and the National Islands Plan. Consultation and engagement will be central to the development of the Islands Connectivity Plan overall and of this review of fares policy in particular, and to the implementation of any agreed changes.

The Fair Fares Review aims to ensure a sustainable and integrated approach to public transport fares. It will look at the range of discounts and concessionary schemes which are available on all modes including bus, rail and ferry. The review will consider options against a background where the costs of car travel are declining

and public transport costs are increasing, exacerbating the impact on those living in poverty.

## Conclusion

As stated above, the aim of the proposed National Bus Travel Concession Scheme for Young Persons is to encourage a shift to more sustainable travel in young people, embedding the use of public transport in people's behaviour from an early age, in order to help tackle the climate emergency and to improve air quality in towns and cities by reducing the number of car journeys.

This impact assessment has considered the potential effects of the proposed Scheme on people from island communities which may be significantly different from their effect on other communities (including other island communities) in Scotland.

It does not clearly demonstrate that the effects of the proposed Scheme on children and young people from island communities is significantly different from the effect on children and young people in rural mainland communities. Where relevant, this position extends to include rural mainland communities in which Gaelic is used within the community or as part of the local authority's Gaelic Medium Education provision.

Public transport provision for island communities comes with distinct challenges and many respondents to the consultation have acknowledged that extension of free bus travel to young people across Scotland can play an important role for island communities in supporting social cohesion, access to public services, business and tourism and connecting with wider transport networks.

However, it is noted that provision of bus services on islands, as in many rural areas across Scotland, is variable. It is hoped that the new Young Persons Scheme will increase patronage on many of these routes, enhancing their viability. In addition, the powers that will be available when the bus provisions of the Transport (Scotland) Act 2019 come into force will allow local authorities to run their own services, enter into formal collaborative partnerships with bus operators and set up franchises in their areas. Additional measures in the Act to improve information for passengers so that bus travel is more accessible and attractive, together with other enhancements such as simplified multi-operator ticketing schemes, will also be coming into force.

We will also monitor the impact of the Young Persons Scheme on bus operators and other stakeholders and have committed to reviewing the scheme after the first full year of operation.

In our consultation, there were a significant number of comments calling for free ferry travel to be included in the new Scheme or provided separately. Many respondents made the analogy between bus and (particularly inter-island) ferry services. It is important to note that young people in different island communities will have different requirements to enable access to health, educational, social and employment

opportunities. These will also vary according to the availability of these services within the local authority area or on the mainland.

For reasons set out above it is not considered to be appropriate for the free bus travel scheme to incorporate free ferry travel. However, the issues raised in response to this ICIA will feed into the considerations that will take place when undertaking the forthcoming Islands Connectivity Plan (ICP) and the recently announced Fair Fares review.



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