REASONS FOR NOT PROVIDING INFORMATION

An exception applies

Part One

An exception under regulation 10(4)(b) manifestly unreasonable applies to all of the information you have requested in Part one.

As the exception is conditional we have applied the 'public interest test'. This means we have, in all the circumstances of this case, considered if the public interest in disclosing information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception. While we recognise that there may be some public interest in information about perceived youth crime due to free bus travel, this is outweighed by the public interest in ensuring the efficient and effective use of public resources by not incurring excessive costs when complying with information requests.

Part Two

An exception under regulations 10(4)(d) (material in course of completion, etc.) and 10(4)(e) (internal communications) of the EIRs applies to some of the information you have requested.

Regulation 10(4)(d) (material in course of completion, etc.) applies to some of the information requested. This exception is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception. Work on the development of the remaining regulations and guidance for bus franchising will be published later this year.

An exception under regulation 10(4)(e) of the EIRs (internal communication) applies to some of the information requested. This exception is also subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception.

Part Three

An exception under regulation 10(4)(e) (internal communications) and regulation 10(4)(d) (material in the course of the completion) applies to some of the information you have requested in Part three.

The exemption 10 (4)(e) is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception where appropriate, and releasing where the public interest lies in favour of disclosing the information.

An exception under regulation 10(4)(b) manifestly unreasonable applies to some of the information you have requested in Part three because it relates to the formulation and development of the Scottish Government's policy on free bus travel for people seeking asylum and is still in the course of completion.

This exemption is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exemption. We have found that, on balance, the public interest lies in favour of upholding the exemption. We recognise that there is a public interest in disclosing information as part of open, transparent and accountable government, and to inform public debate. However, there is a greater public interest in high quality policy and decision-making, and in the properly considered implementation and development of policies and decisions. This means that Ministers and officials need to be able to consider all available options and to debate those rigorously, to fully understand their possible implications. Their candour in doing so will be affected by their assessment of whether the discussions will be disclosed in the near future, when it may undermine or constrain the Government's view on that policy while it is still under discussion and development.

Part Four

An exception under regulation 11(2) of the EIRs (personal information) applies to some of the information requested because it is personal data of a third party and disclosing it would contravene the data protection principles in Article 5(1) of the General Data Protection Regulation and in section 34(1) of the Data Protection Act 2018. This exception is not subject to the 'public interest test', so we are not required to consider if the public interest in disclosing the information outweighs the public interest in applying the exception.

An exception under regulation 10(4)(e) of the EIRs applies to some of the information you have requested. Regulation 10(4)(e) of the Environmental Information (Scotland) Regulations 2004 (the EIRs) allows a Scottish public authority to withhold internal communications. The exception applies here

because the information requested is part of internal communication between departments and ministers.

This exception is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception. We recognise that there is a public interest in disclosing information as part of open, transparent and accountable government, and to inform public debate. However, there is a greater public interest in allowing a private space within which officials can provide free and frank advice and views to Ministers and other departments to ensure that policy work is informed and productive. The information withheld discusses policy which is in development and could be misinterpreted by the public and disclosure at this stage would inhibit our ability to work and engage with early policy in an unbiased and free manner. Disclosure of this type of information could lead to a reduction in the comprehensiveness and frankness of such advice and views in the future, which would not be in the public interest.

ANNEX B

EIR Document Release **202500452179 (part 2)**

I have enclosed a copy of some of the information you have requested. We believe your request "*putting buses under public control*" relates to bus franchising and local authority run services, which are bus powers available to all local transport authorities in Scotland via the Transport (Scotland) Act 2019.

Correspondence to and from the Net Zero, Energy and Transport Committee about the timescales and next steps for delivering the remaining legislation and guidance for bus franchising is available from the Scottish Parliament's website - Statutory guidance for bus franchising | Scottish Parliament Website. Under regulation 6(1)(b) of the EIRs, we do not have to give you information which is already publicly available and easily accessible to you in another form or format. If, however, you do not have internet access to obtain this information from the website(s) listed, then please contact me again and I will send you a paper copy.

While our aim is to provide information whenever possible, in this instance we are unable to provide some of the information you have requested because exceptions under regulations 10(4)(d) (material in course of completion, etc.) and 10(4)(e) (internal communications) of the EIRs applies to that information. The reasons for why the exceptions apply are explained in Annex A to this letter.

An exception under regulation 11(2) of the EIRs (personal information) also applies to this information request because the information requested contains personal data of a third party and disclosing it would contravene the data protection principles in Article 5(1) of the General Data Protection Regulation and in section 34(1) of the Data Protection Act 2018. This exception is not subject to the 'public interest test', so we are not required to consider if the public interest in disclosing the information outweighs the public interest in applying the exception. The personal data have therefore been redacted from the attached copy.

Note for Cab Sec Transport on Highland Council Bus Services – latest position January 2025

Background

1. Since June 2022, local transport authorities have the power to run their own bus services under section 34 of the Transport (Scotland) Act 2019 ("the 2019 Act"), removing a prohibition which previously applied to all but the islands authorities. This new power sits alongside their existing powers to subsidise local services. The 2019 Act provides authorities with the power to run their own services in any way they see fit within the wider context of their obligations. However, authorities need to have regard to all other obligations on them and satisfy themselves they are acting in compliance with competition law, subsidy control rules and local government finance and borrowing restrictions.

Highland Council Buses Operations

2. In October 2022, Highland Council announced a 2 year pilot programme whereby they would operate an in-house bus service using section 22 Community Bus Service permits, with a view to transitioning to an arm's length bus company using the 2019 Act powers at a future point if the pilot was seen to be successful. The Highland Council Buses operation commenced in January 2023, initially operating services in and around Inverness. They currently operate 18 services, with a further service recently announced following Stagecoach's withdrawal from Ness Castle, as well as a number of school transport bus routes.

3. In discussions with officials, Highland Council have been clear that although these services operate at a loss, the cost is less than that of subsidising the same services with commercial operators. At the time of commencing their in-house bus operations they were anticipating around £1.4 million a year savings vs subsidising services.

Purchase of D&E Coaches

4. On 22 January 2025, Highland Council announced that following a period of negotiation and due diligence, it intends to acquire the entire shareholding of D&E Coaches Limited. According to press coverage D&E Coaches is the largest private hire coach and minibus operator in the north. Along with private hire and event transport, the company provides school transport and public bus services under contract to the Council.

5. In their announcement, Highland Council stated:

   "Provision of home to school transport is a high-cost statutory function of the Council which has caused significant budget pressures in recent years. The acquisition of the company will enable the Council to accelerate provision of public transport services in the area, achieve operational cost efficiencies and reduce the risk of future contract cost increases."

6. The Council have also stated that it is their intention that the company will continue to be run on a business-as-usual basis. However, in the longer term it is likely that the Council may wish to transfer their existing in-house services to an arm's length company.

Email exchange between Ms Hyslop's Private Office and Officials
[Redacted- Regulation 11] on behalf of Minister for Agriculture and Connectivity To: Cabinet Secretary for Transport; [**Redacted- Regulation 11]** Cc: Minister for Agriculture and Connectivity; Chief Executive Transport Scotland; **[Redacted- Regulation 11]** **RE: BAAT - Bus Policy - Highland Council Bus Services - Short Note - Final version - 30 January 2025** Mon 03/02/2025 11:09 Hi [**Redacted- Regulation 11]** Mr Fairlie has noted and agrees with Ms Hyslop's comments. The Minister adds that it looks like something he would like to go and speak to Highland Council about, so that not all our focus is in Central Belt solutions right now. Thanks, **[Redacted- Regulation 11]** **[Redacted- Regulation 11]** **Private Secretary to the Minister for Agriculture and Connectivity – Jim Fairlie MSP** **The Scottish Government** St Andrew's House | Regent Road | Edinburgh | EH1 3DG
E: **MinisterforAC@gov.scot** [Redacted- Regulation 11] **From**:[Redacted- Regulation 11] **On Behalf Of** Cabinet Secretary for Transport **Sent:** 31 January 2025 11:47 **To: [Redacted- Regulation 11]** Cabinet Secretary for Transport **Cc:** Minister for Agriculture and Connectivity; Chief Executive Transport Scotland; **[Redacted- Regulation 11]** **Subject:** RE: BAAT - Bus Policy - Highland Council Bus Services - Short Note - Final version - 30 January 2025 Hi **[Redacted- Regulation 11],** Ms Hyslop has noted, and asks if this is an example of a Council owned and delivered service, would this be a good visit at some point with media etc? Appreciating this may be for Mr Fairlie to take forward.

Cab Sec asks if and when do they intend to switch to Transport Act 2019 powers rather than use 22 Orders and are there any issues?

Many thanks,

[Redacted- Regulation 11]

[Redacted- Regulation 11]
Deputy Private Secretary to Cabinet Secretary for Transport
[Redacted- Regulation 11]
The Scottish Government | St Andrew's House, Regent Road, EDINBURGH EH1 3DG

From: [Redacted- Regulation 11]
Sent: 30 January 2025 16:41
To: Cabinet Secretary for Transport
Cc: Minister for Agriculture and Connectivity; Chief Executive Transport Scotland **[Redacted- Regulation 11]**
Subject: BAAT - Bus Policy - Highland Council Bus Services - Short Note - Final version - 30 January 2025

Good afternoon, **[Redacted- Regulation 11],**

Further to your email of 28 January, please find attached a short note on what Highland Council is doing to improve bus patronage and its intention to operate an arm's length bus company.

The short note has been seen and cleared by [Redacted- Regulation 11], Director of Bus, Accessibility and Active Travel in Transport Scotland.

I hope this is helpful.

Kind regards

[Redacted- Regulation 11]

[Redacted- Regulation 11]
Bus Policy Manager | Bus, Accessibility & Active Travel Directorate | Transport Scotland
[Redacted- Regulation 11]

From: [Redacted- Regulation 11]
On Behalf Of Cabinet Secretary for Transport
Sent: 28 January 2025 09:47
To: [Redacted- Regulation 11]
Cc: Cabinet Secretary for Transport **[Redacted- Regulation 11]**
Subject: Highland Council bus services

Hi all,

Cab Sec has noted the story in the attached press cuts on Highland Council bus services and has asked for briefing on what the Council are doing re bus service and ownership. Grateful for any further advice on this please.

Many thanks,

[Redacted- Regulation 11]

[Redacted- Regulation 11]
Deputy Private Secretary to Cabinet Secretary for Transport
[Redacted- Regulation 11]
The Scottish Government | St Andrew's House, Regent Road, EDINBURGH EH1 3DG

Extract of Note on the UK Bus Services Bill

[Redacted- Regulation 11]

Bus, Accessibility & Active Travel
19 December 2024

Cabinet Secretary for Transport, Minister for Agriculture and Connectivity

Note on the UK Bus Services Bill

Overview:

The Bus Services (No.2) Bill was introduced in the House of Lords on 17 December 2024.

Topics covered:

1. The main topics covered by the Bill are:

Franchising schemes
The Bill is designed to simplify the process for local transport authorities (LTAs) who wish to pursue bus franchising. This includes removing requirement for non-mayoral authorities in England to gain consent from the Secretary of State prior to preparing an assessment of a proposed franchising scheme. Unlike the Scottish franchising model which includes a requirement for any franchising authority to obtain approval from an independent panel, no such safeguard exists in the English legislation and nothing is proposed under this legislation.

The Bill also makes some minor changes to the way that franchises are developed and operated to clarify the existing legislation and increase the flexibility for authorities undertaking franchising.

At the same time as laying the Bill, DfT published new guidance to support local authorities in streamlining the franchising process. The guidance will be further updated when the Bill receives Royal Assent and DfT have also confirmed that they are developing their capacity to work with LTAs who wish to pursue franchising.

Local Authority Bus Companies
The Bill removes a ban in England which prevented Local Authorities from forming bus companies. This is intended to increase the powers available to them and expand choice in how they can own, organise and improve their bus services, by giving all LTAs the freedom to set up a new bus company if they wish.

[Redacted- Regulation 11]
Bus, Accessibility & Active Travel: Transport Scotland

Bus Regulatory Policy Team (Transport Scotland) and ATCO Working Group Meeting
5 December 2024 – 15:00 – 16.30

Attendees
[Redacted- Regulation 11] ATCO Scotland Chair, Perth and Kinross Council
[Redacted- Regulation 11] Highland Council
[Redacted- Regulation 11] SPT
[Redacted- Regulation 11] Dundee City Council
[Redacted- Regulation 11] Aberdeenshire Council
[Redacted- Regulation 11] CoSLA

[Redacted- Regulation 11] TS
[Redacted- Regulation 11] TS

Apologies
[Redacted- Regulation 11] Fife Council
[Redacted- Regulation 11] Highland Council

Agenda
- Regulations in force: Franchising panel, Multi-operator travel cards, Service Standards appeals
- Remaining regulations and guidance for partnerships and franchising – revised timetable

Regulations in force: Franchising panel, Multi-operator travel cards, Service Standards appeals

- TS advised that three sets of regulations to implement the bus provisions of the Transport (Scotland) Act 2019 (“the 2019 Act”) had come into force since

the previous meeting on 3 October. These were: regulations covering the appointment and operation of approvals panels for franchising; regulations covering the definition of multi-operator travel cards in a Bus Services Improvement Partnership (BSIP); and a suite of regulations covering the appeals process for decisions made by the Traffic Commissioner in relation to a BSIP.

- TS discussed the regulations covering franchising approval panels which came into force on 1 November. TS noted that that these regulations received significant interest when considered by Parliament's Net Zero, Energy and Transport Committee (NZET Committee), which had concerns about the principle of a panel being used to approve a franchise.

- The NZET Committee voted to annul the regulations, which meant that they were voted on by Parliament as a whole. The vote was tied, but the regulations passed because the Presiding Officer, following convention, used his casting vote for the status quo, which was that the regulations should not be annulled. TS noted that many opposition MSPs spoke against the approval panels, and that all opposition MSPs who voted, voted to annul the regulations.

- TS noted that no-one who spoke said they were opposed to franchising, and very many said they were in supportive of it, but were opposed to the principle of the panel.

- TS noted that the consultation prior to the 2019 Act considered options for approving a franchise, and it was decided to use panels to de-politicise the franchising approvals process.
- TS noted that campaign groups see the panel as a barrier to franchising.

- TS will continue to work to deliver franchising as it is prescribed in the legislation, with panels included, but noted that Parliament could change the legislation in future.

- SPT noted that they has received a letter from the Scottish Parliament's Citizen Participation and Public Petition Committee on franchising. TS advised the group that a campaign group had submitted a petition to parliament which sought to accelerate franchising, remove the approvals panel, and to get the Scottish Government to support SPT with franchising. The Committee had considered the petition and agreed to keep it open and to write to a range of stakeholders, including SPT. TS noted that the Committee is likely to call Ministers to provide evidence on this issue, and may make further recommendations following consideration of the evidence sought.

Remaining regulations and guidance for partnerships and franchising – revised timetable

- TS advised that it is working on a final set of regulations for franchising, covering the process from transitioning into and out of a franchise, which includes extending the registration period for changes to bus services. TS

noted that the NZET Committee may use its consideration of the transitional regulations as an opportunity to revisit the issue of the approval panels.

- TS advised that the additional parliamentary scrutiny of the panel regulations has had a knock-on effect on the timetable. The transitional regulations have been delayed **[Redaction Regulation 10(4)(e) internal communications]** due to a combination of this delay and limited parliamentary capacity **[Redaction Regulation 10(4)(e) internal communications]**.

- TS advised that it plans to publish guidance on both franchising and partnerships in Spring 2025.

- TS advised that, as committed by the Minister during his evidence session, it will share the franchising guidance with the NZET Committee when it is complete.

- **Action:** TS agreed to share a table of the secondary legislation in place or upcoming with the group.

- TS advised that it may come back to the group with questions in relation to the transitional regulations, and will come back to the group regarding guidance.

Briefing for NZET Committee – Update on next steps and timescales

[Redacted- Regulation 11]
Bus, Accessibility, and Active Travel Directorate
Transport Scotland
14 November 2024

Minister for Agriculture and Connectivity

Priority and Purpose

1. **Routine**. The purpose of this paper is to provide an update on next steps to deliver the remaining regulations and statutory guidance to bring the bus franchising powers within the Transport (Scotland) Act 2019 ("the 2019 Act") into full effect. This submission also includes a draft letter to the Net Zero, Energy and Transport (NZET) Committee setting out our next steps and timescales for the remaining regulations and guidance.

Recommendation

2. Recommends that you note the contents of this submission and approve the draft letter to the NZET Committee.

Context and Issues

3. Following additional parliamentary scrutiny of the Scottish bus franchising model, the Local Services Franchises (Traffic Commissioner Notices and

Panels) (Scotland) Regulations 2024 (“the Panel Regulations”) came into force on 1 November. While the NZET Committee recommended that the regulations be annulled, citing concerns with the panel model set out in the 2019 Act, which were included in a public petition (PE2116/A) by Ellie Harrison on behalf of ‘Better Buses for Strathclyde’, this was not supported by parliamentary vote. We understand from Ms Harrison that the petition is expected to be considered by the Citizen Participation and Public Petitions Committee on 27 November 2024.

4. Officials are now progressing with the remaining regulations and guidance required to bring the franchising powers into full effect. This work includes delivering one further set of regulations on franchising which will establish the process for transitioning from a de-regulated market into a franchise and vice versa. These regulations are subject to negative procedure similar to the Panel Regulations, and while the subject is less likely to be contentious it may provide the NZET Committee a further opportunity to undertake post legislative scrutiny of the wider franchising model for Scotland. **[Redaction Regulation 10(4)(e) internal communications]**

Remaining work to bring franchising into full effect

5. Beyond the regulations as mentioned above, officials are developing statutory guidance on the franchising process for local transport authorities and a Memorandum of Understanding (MOU) on the costs arising to the Traffic Commissioner resulting from the panel approval process.

6. The scope of the guidance, which is being developed in consultation with ATCO, CoSLA, the Competition and Markets Authority (CMA), Traffic Commissioner’s Office and SPT will focus on the legal processes that a local transport authority must follow in developing and operating a franchise. We are engaging with stakeholders via our ATCO working group, and on a one-to-one basis to discuss the issues that may need to be included in the guidance. Furthermore, the document is technical in nature and aspects of it will need to be agreed with specific stakeholders, including the CMA for competition matters and Audit Scotland in relation to the audit process.

7. The feedback from our engagement with stakeholders so far has highlighted the need for clear direction for local transport authorities to follow particularly in relation to their preparation of a franchising framework. At the same time, all stakeholders acknowledge the document should not be too prescriptive and allow local transport authorities flexibility to explore approaches to address the specific needs of their area. Wider concerns raised during our stakeholder engagement includes the lack of capacity and skills at local authority level to undertake the franchising process, and the fiscal pressures associated in setting up and implementing a franchise, but these are beyond the scope of the guidance.

8. We are also developing an MOU in consultation with the Traffic Commissioner’s Office, Driver Vehicle Standards Agency (DVSA) and the Department for Transport (DfT). The establishment and operation of the panels is a new duty on

the Traffic Commissioner for Scotland, without an equivalent responsibility for their counterparts elsewhere in England and Wales.

9. The objective of the MOU is to set out the broad framework of the operation and funding of the independent panels convened by the Traffic Commissioner as part of the approval process. The costs associated with the panel approval process was set out in the BRIA which accompanied the Panel Regulations. The BRIA acknowledges that the costs to set up and operate a panel could range from £70,000 to £186,000 but this will vary depending on the number of panels that the Traffic Commissioner will need to convene. The Scottish Traffic Commissioner, and their administrative support (provided by DVSA), is not currently in receipt of any funding from Scottish Ministers. Although the Traffic Commissioner's office had initially expressed concern about the additional cost implications arising from this new duty, they have worked constructively with Transport Scotland in developing the new model on the expectation that any additional costs of convening the panels will be reimbursed by Scottish Ministers.

10. The publication of the statutory guidance is likely to be in early spring 2025, while the MOU is expected to be later in 2025 dependent on the agreement of the administrative processes.

Commitments made to NZET Committee

11. During Mr Fairlie's appearance at the NZET Committee on 29 October, he made several commitments, including an offer to provide the Committee with a copy of the statutory guidance and a copy of the MOU for their awareness.

12. We are therefore proposing to write to the NZET Committee **[Redaction Regulation 10(4)(e) internal communications]** setting out our next steps, timescales, and commitments in relation to the franchising powers.

Risks and Sensitivities

13. Although the Panel Regulations were passed by Parliament on 30 October, the debates during the NZET Committee session on 29 October, and the wider debate on Douglas Lumsden's motion (**S6M-15035** – That the Net Zero, Energy and Transport Committee recommends that the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024 (SSI 2024/229) be annulled) the following day highlighted concerns by many MSPs about the suitability of the franchising model in the 2019 Act. This concern may result in further parliamentary scrutiny when we lay the final set of regulations for franchising or publish the statutory guidance. Background information on the development of the franchising model can be found in **Annex B**.

[Redaction Regulation 10(4)(e) internal communications]

14. At the same time, we are receiving calls from MSPs, lobby groups, such as Get Glasgow Moving, and local transport authorities, including SPT, for financial support to assist in preparing their franchising proposals and set up costs.

Given the current financial position there is limited additional support available to local authorises, in particular, the Community Bus Fund did not proceed in 2024-25 due to affordability issues. Consideration of further funding would need to take account of the ongoing financial pressures and wider process relating to the 2025-26 budget.

[Redaction Regulation 10(4)(e) internal communications]

Quality Assurance

15. This submission has been reviewed by Alison Irvine, Chief Executive of Transport Scotland.

Conclusion and next Steps

16. You are asked to note the contents of this submission, **[Redaction Regulation 10(4)(e) internal communications]**

Cabinet Secretaries and Ministers Copy List	**For Action**	**For Information Portfolio interest**	**For Information Constituency interest**	**For Information General awareness**
Cabinet Secretary for Transport Minister for Parliamentary Business	«text»	X	«text»	X

Officials Copy List
Transport Scotland Ministerial Submissions List **[Redacted- Regulation 11]** PLU SSI Programme **[Redacted- Regulation 11]** Press Transport Scotland

ANNEX B (referring to briefing)

Background to the Local Services Franchises Model

- The previous Scottish franchising process (Quality Contract Scheme), which was introduced in 2001, required a local transport authority to make a case that franchising was necessary and to prove that market failure had taken place. The authority's franchising proposals would need to implement its relevant general policies and that the scheme would do so economically, efficiently, and effectively. Following consultation of the franchising proposals,

the authority was then required to seek approval of their scheme from Scottish Ministers. No Quality Contract Scheme was ever developed in Scotland, with the requirement to demonstrate market failure in particular seen as too restrictive.

- A public consultation was held in 2017 on proposals to improve bus services in Scotland. The consultation suggested that the approval of a franchising scheme could be carried out by an either independent panel, by Scottish Ministers or by another individual such as the Traffic Commissioner. A total of 315 responses were received, in which the majority of respondents expressed support for an approval process beyond the franchising authority itself. However, there was no clear preference on what form the approval process should take though most choose the Minister or a panel rather than an individual.

- A submission was sent to the then Minister for Transport, **[Redaction Regulation 10(4)(e) internal communications]** to determine what approach to take. The Minister expressed a preference for an independent panel "narrow in focus, therefore must consist of no more than 4 or 5 people".

- The independent panel was included in the new franchising model which was introduced at Stage 1 and remained throughout the Bill stages. The Transport (Scotland) Act 2019 received Royal Assent on 15th November 2019 and the provisions relevant to franchising were commenced on 4 December 2023.

- On 15 August, the clerk on behalf of the Citizen Participation and Public Petitions Committee wrote to Transport Scotland regarding Petition PE2116/A, which was submitted **[Redaction Regulation 10(4)(e) internal communications]** on behalf of 'Better Buses for Strathclyde' urging the Scottish Government to introduce without delay the regulations and statutory guidance required to give bus franchising full effect. However, the petition also called for the amendment of the Transport (Scotland) Act 2019 ("the 2019 Act") to remove the requirement for a panel and instead empower RTPs to have the final say, as well as calling on the Scottish Government to provide additional funding to help support RTPs to prepare their franchising frameworks and assist with initial set-up costs.

- Transport Scotland wrote to the Committee on 10 September, in which we set out the timescales for the regulations to be laid, including the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024 but also stressed that we have no plans to revisit the legislation. We understand that the Civic Participation and Public Petitions Committee are expecting to consider petition PE2116/A on 27 November 2024.

- The Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024 are subject to negative procedure and were laid on 5 September and were discussed by the Net Zero, Energy and Transport (NZET) Committee on 8th October and again on 29 October 2024.

- The NZET Committee raised concerns about the inclusion of the panel approval process in the Scottish Franchise model and were looking for Scottish Ministers to revisit the model and bring forward a system which does not include an approval panel. They noted SPT, the only Scottish authority to have publicly expressed a preference for franchising to date, are still developing their Regional Bus Strategy for consultation, and that this is a precursor to any decision as to whether to progress with franchising. The Committee suggested that Scottish Ministers would have sufficient time to make any required amendments to primary legislation to revise or remove the panel process before SPT or any other authority would be likely to submit a framework for approval.

- Following the NZET Committee's evidence session and subsequent debate on 29 October, the Committee recommended that the regulations be annulled. A parliamentary vote on the annulment was held on 30th October 2024. The result was 62 for, 62 against, with the Presiding Officer casting the deciding vote against the annulment of the regulations. As the proposed annulment was defeated, the regulations came into force on 1 November 2024.

Email exchange between Ms Hyslop's Private Office and Officials
From: [Redacted- Regulation 11] on behalf of Cabinet Secretary for Transport **To: [Redacted- Regulation 11]**; Minister for Agriculture and Connectivity Cc: Cabinet Secretary for Transport; Minister for Parliamentary Business 2024;Transport Scotland Ministerial Submissions List; [Redacted- Regulation 11] PLU SSI Programme Mailbox; **[Redacted- Regulation 11]** Press Transport Scotland **Subject:** RE: Transport Act 2019 - Bus Services - Franchising - Note to Minister - Petition PE2116 calling for the acceleration of the implementation of bus franchising - 25 November 2024 Mon 25/11/2024 14:46 Good afternoon, Ms Hyslop has noted for her interests. Thanks, **[Redacted- Regulation 11]** **[Redacted- Regulation 11**]| Deputy Private Secretary to Cabinet Secretary for Transport – Fiona Hyslop MSP | Scottish Government | **[Redacted- Regulation 11]**

Note to Ministers about a public petition PE2116

From: [Redacted- Regulation 11]
Sent: 25 November 2024 09:17
To: Minister for Agriculture and Connectivity
Cc: Cabinet Secretary for Transport; Minister for Parliamentary Business 2024 Transport Scotland Ministerial Submissions List **[Redacted- Regulation 11]** PLU SSI Programme Mailbox **[Redacted- Regulation 11**] Press Transport Scotland
Subject: Transport Act 2019 - Bus Services - Franchising - Note to Minister - Petition PE2116 calling for the acceleration of the implementation of bus franchising - 25 November 2024

Minister for Agriculture and Connectivity,

We understand that the petition (PE2116: Accelerate the implementation of bus franchising powers) lodged [Redacted- Regulation 11] on behalf of Better Buses for Strathclyde is expected to be considered by the Citizen Participation and Public Petitions Committee on Wednesday, 27 November 2024. This petition was discussed during Mr Fairlie's appearance at the NZET Committee on 29 October to give evidence on the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024, which subsequently came into force on 1 November following a parliamentary debate on 30 October in response to a motion (S6M-15035) lodged by Douglas Lumsden MSP to annul the regulations.

Since the Scottish Government responded to the petition on 10 September 2024, supplemental evidence has been provided by the petitioner to the Committee on 12 November in relation to the petition. In this she reiterates her calls for urgent action from the Scottish Government to: lay the remaining regulations for franchising and publish the guidance asap; introduce an amendment Bill to remove the panel process from the Transport (Scotland) Act 2019 thereby simplifying the Scottish legislation in line with England's Bus Services Act 2017; and support SPT to develop its franchising proposals "as a trailblazer for future possibilities". The petitioner also suggests that the Scottish Government should begin developing new legislation to further simplify the bus franchising powers as is currently happening in England to reduce the process from 7.5 years (it took for Greater Manchester to deliver their franchise scheme), to as little as two years.

Separately, Paul Sweeney MSP has also written to the Committee on 14 November urging them to keep this petition open and call interested parties in to give evidence. He suggests this should include representatives from SPT and representatives from regional transport authorities from other parts of the UK with established experience of introducing bus franchising, such as West Yorkshire and Greater Manchester. As this is the first time the Citizens Participation and Public Petitions Committee is reviewing the petition they may decide to keep the petition open and seek evidence, they may also choose to involve the NZET Committee, or they could close the petition. Whatever the decision, it may result in additional parliamentary scrutiny of the Scottish bus franchising model, particularly as we have one remaining set of regulations to lay in the new year on the transitional process (moving into and out of a franchise) and publishing statutory guidance on the franchising process.

Kind regards

[Redacted- Regulation 11]
[Redacted- Regulation 11]
Bus Policy Manager | Bus, Accessibility & Active Travel Directorate | Transport Scotland
[Redacted- Regulation 11]

Summary of key points from SPT call

Bus Regs team call with SPT - Monday 2nd Dec - Summary of key points

Thu 05/12/2024 14:03

All

I just wanted to give you an update on an informal call we had with SPT on Monday.

[Redacted- Regulation 11] and I dialled in for the regulations team and [Redacted- Regulation 11] took part for SPT.

From our side it was mainly to update them on the new timetable for the Act work following the franchising regulations coming into force. SPT advised that they've been reviewing the legislation to gain a better understanding of the requirements of the franchising process, and we agreed to share our draft guidance with them when further developed for comment. We also discussed the concerns raised in parliament about the franchising approval panel and SPT noted that they had raised concerns around the external approval process for franchising prior to the introduction of the 2019 Act.

SPT gave an update on where they are with the Regional Bus Strategy development. This is currently being finalised following their consultation on the draft earlier in the year, with operator engagement ongoing. It will comprise of an action plan, infrastructure delivery plan, and a 'bus reform route map'. They are looking to share it with their board in February, followed by another public consultation in spring with the final version being presented to the board for approval in the Autumn. SPT noted that there would likely be funding asks of the SG to support the implementation of the strategies recommendations. Mr Fairlie will be meeting with [Redacted- Regulation 11] Cllr Stephen Dornan on the 10th for a discussion on the strategy work.

We have a further meeting scheduled on 24th February, please let me know closer to the time if you'd like to take part.

Let me know if you have any questions.

Bus Regulatory Policy Team Leader | Bus, Accessibility and Active Travel Directorate | Transport Scotland

Extract of Briefing Note for Round Table Introductory Meeting with Minister for Agriculture and Connectivity and Confederation of Public Transport (CPT) and Bus Operators
10:00 – 11:30, 5 February 2025

Background Briefing

Transport (Scotland) Act 2019 Powers

- Through the Transport (Scotland) Act 2019 (the 2019 Act), Scottish Government have given local transport authorities powers on partnership working, franchising and to run their own bus services, which sit alongside their existing ability to subsidise services.

- The 2019 Act provides viable options for partnership working and franchising, replacing under-used powers in the Transport (Scotland) Act 2001.

- Our approach enables local transport authorities to determine what is best to address any transport challenges in their local areas.

- The Scottish Government wants all local transport authorities to be able to improve bus services within their areas to ensure that everyone has accessible public transport regardless of where they are in Scotland.

Local Service Franchises

- Franchising is a valuable tool for local transport authorities to improve services in their area. However, it is also a significant intervention in the local bus market with the potential to have serious impacts on services both within the franchising area, as well as, in neighbouring authorities.

- Due to the potential impacts of franchising, an independent panel approval process forms an important part of the Scottish franchising model. The model in the 2019 Act seeks to deliver greater scrutiny and transparency in the franchising process.

- In a climate of increasing fiscal pressure, it is important that the business cases for improving bus services are made robustly and in an evidenced based way to support future decision making on funding.

- The remaining regulations to bring the franchising powers into full effect will be laid in Parliament in Spring 2025.

Local Authority Run Services Specific Lines

- In 2022, the Scottish Government delivered powers to allow authorities to run their own buses, which sits alongside their existing ability to subsidise services.

- This means that local transport authorities now have the power to run their own bus services either directly or through an arm's length company.

- Should a local transport authority decide to run their own services, it will be for them to ensure that they comply with competition and subsidy control legislation.

Note of Meeting between the Minister for Agriculture and Connectivity and Strathclyde Partnership for Transport (SPT)
10 December 2024 at 13:45 pm – 14:15 pm

Extract

Attendees

Minister for Agriculture & Connectivity
Cllr Stephen Dornan, SPT
[Redacted- Regulation 11] SPT
Bettina Sizeland, TS
[Redacted- Regulation 11] TS

Key Points

The Minister was advised that SPT would not undertake full municipalisation, instead they would explore small scale 'municipal' operations (i.e. areas where there are no bus services operating and rural areas).

The discussion then turned to the approval panel process, in which SPT explained to the Minister that they did not support this aspect of the franchising model. However, as it is on the face of the Transport (Scotland) Act 2019, SPT are keen to understand how we ensure that the decision-making of the panel is not challengeable, and that it is completely impartial. TS explained that the regulations on the panel process sets out in detail the establishment and operation of the panels, as well as limiting what the panels must consider. **[Redaction Regulation 10(4)(d)].**

Extract from Bus futures update for meeting on 8/01/25

1. In the case of franchising, it can be a complex and resource-intensive task, with significant risks around funding of the set-up and preparatory tasks and potential legal challenge. Dependant on the scale of the proposals similar issues may also arise from the development of an arm's length local authority run bus service.

2. A number of LTAs are unlikely to be interested in using any of the 2019 Act powers, particularly the Islands authorities who have always been able to run their own services due to an exemption in the 1985 Act. Similarly in rural areas services are generally run/funded by LTAs therefore franchising and BSIPs would be of limited interest.

3. Options to adopt the Welsh model of national franchising would require changes to primary legislation and will be included as part of the assessment of the long list of options.

Extract from Transport Scotland Update - Funding Landscape and Policy Update for National Transport Visitor Management Working Group – 03 December 2024

Bus Regulations

- The Scottish Government has now delivered all the bus powers within the Transport (Scotland) Act 2019 to enable local transport authorities to consider all the powers available to them, including partnership working, franchising and local authority run services which sit alongside their ability to subsidise services.
- The further regulations and guidance required to give the Bus Services Improvement Partnerships and Franchising powers in the Transport (Scotland) Act 2019 full effect will be completed by Spring 2025.
- The bus provisions in the 2019 Act empower local transport authorities with the flexible tools they need to respond to their own transport challenges and we encourage all local transport authorities to consider the full range of tools available to them under the 2019 Act, to ensure that everyone has accessible public transport regardless of where they are in Scotland.

Email exchange between Officials and Highland Council

From: [Redacted- Regulation 11] (Passenger & School Transport**) [Redacted- Regulation 11]**
Sent: 11 February 2025 11:32
To: [Redacted- Regulation 11]
Subject: RE: Transport Act 2019 - Bus Services - Local authority run services - Next steps for Highland Council - 3 February 2025

[Redacted- Regulation 11]
We'll get a reply to you for Fiona Hyslop when agreed by our senior management.

[Redacted- Regulation 11]

From: [Redacted- Regulation 11]
Sent: 06 February 2025 14:43
To: [Redacted- Regulation 11] (Passenger & School Transport) [Redacted- Regulation 11]
Subject: RE: Transport Act 2019 - Bus Services - Local authority run services - Next steps for Highland Council - 3 February 2025

Thanks [**Redacted- Regulation 11]** for letting us know about your availability for this afternoon's ATCO meeting.

In relation to my email below, which asks about Highland Council's intention to use the Transport (Scotland) Act 2019 powers to either run local services in-house or via an arm's length company? Can you advise the position as we need to inform Scottish Ministers who have asking about the recent purchase of D&E Coaches Limited.

Many thanks for your help.

Kind regards

[Redacted- Regulation 11]

[Redacted- Regulation 11]
Bus Policy Manager | Bus, Accessibility & Active Travel Directorate | Transport Scotland
[Redacted- Regulation 11]

From: [Redacted- Regulation 11]
Sent: 03 February 2025 09:49
To: [Redacted- Regulation 11] (Passenger & School Transport) **[Redacted- Regulation 11]**

Cc: [Redacted- Regulation 11]
Subject: Transport Act 2019 - Bus Services - Local authority run services - Next steps for Highland Council - 3 February 2025

CAUTION: This email was sent from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Good morning, **[Redacted- Regulation 11]**

I hope you are well.

Following Highland Council' s announcement about the potential acquisition of D&E Coaches Limited, the Cabinet Secretary for Transport, Fiona Hyslop MSP is interested to know when the Council will utilise the powers in the Transport (Scotland) Act 2019 to either run local services in-house using a PSV licence or operate services via an arm's length company. Can you advise the Council's next steps in this matter?

Kind regards

[Redacted- Regulation 11]

[Redacted- Regulation 11]
Bus Policy Manager | Bus, Accessibility & Active Travel Directorate | Transport Scotland
[Redacted- Regulation 11]

Extract of a Meeting Note with the Office of the Traffic Commissioner
10 December 2024 09:30 am

Attendees

[Redacted- Regulation 11] OTC
[Redacted- Regulation 11] TS
[Redacted- Regulation 11] TS (note taker)

Agenda

- Transport (Scotland) Act 2019 – Progress & timetable update.
- Transitional regulations - Procedures for short notice applications, including feedback from relevant authorities.

Key Notes

- Following introductions TS provided a brief update on the parliamentary debate in relation to the Local Services Franchises (Traffic Commissioner

Notices and Panels) (Scotland) Regulations 2024, which came into force on 1 November 2024.

- The OTC were informed that Ministers had made a commitment to share the franchising guidance and the MOU with the Net Zero, Energy and Transport Committee for their awareness.
- There was a brief discussion about the development of the transitional regulations, in particular, short notices and whether they should be covered in guidance rather than secondary legislation.
- TS agreed to provide OTC early sight of the draft regulations for their consideration and feedback.

Meeting in Scottish Parliament – Meeting with Strathclyde Partnership for Transport (SPT)

Date and time of engagement	Tuesday, 10 December 2024, 13:45 – 14:15 pm
Where	Room T3.29, The Scottish Parliament, Edinburgh, EH99 1SP
Key message	The Minister asked to meet with Cllr Stephen Dornan, Chair of SPT and **[Redacted- Regulation 11],** Chief Executive of SPT to understand in more detail the development of SPTs Regional Bus Strategy and their next steps.
Why	This meeting follows the Minister's appearance at the NZET Committee on 29 October and subsequent Parliamentary Debate that took place on 30 October regarding a motion lodged by Donald Lumsden MSP to annul the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024 (SSI 2024/229). The regulations were passed following the parliamentary debate and came into force on 1 November 2024. During both debates there was a discussion about SPT's Regional Bus Strategy and their intention to progress with a franchise. Earlier in the year, SPT had consulted on five recommendations to deliver a clear vision on the future of bus services in the region. On 15 March, SPT's Partnership Board approved the recommendations set out in an Options development and appraisal stage paper, which included commencing work on franchising, as well as considering the establishment of a Bus Services Improvement Partnerships (BSIP) for the short to medium term, and developing a business case for small-scale local authority run bus company(ies) aimed at providing socially necessary services in parts of the region where private operators are currently limited.

	A six-week public consultation on these recommendations took place between 7 April and 13 May, in which SPT received approximately 3,022 responses (2,964 responses from individuals and 58 responses from organisations). The consultation report published on 9 August, noted that the vast majority of respondents ruled out 'business as usual' as an option to deliver the future bus network. A link to the full report can be found below: srbs-consultation-report-final.pdf (spt.co.uk)
Official support required	Bettina Sizeland, Director of Bus, Accessibility and Active Travel, TS – **[Redacted- Regulation 11]** **[Redacted- Regulation 11]**, Bus Policy Manager, TS – **[Redacted- Regulation 11]**
Media handling	N/A
Dress code	N/A
Greeting party and specific meeting point on arrival (if event is at a non-SG building)	Official support will report to the Minister's office prior to the meeting.
Specific entrance for ministerial car/parking arrangements	N/A

ANNEX B (referring to the briefing)

Strathclyde Regional Bus Strategy: Summary of Options Development and Appraisal Stage

1. In 2023, SPT published its Regional Transport Strategy (RTS) entitled "A call to Action: The Regional Transport Strategy for the West of Scotland (2030 to 2038), which sets out its vision, priorities, and objectives for a 'world class passenger focused public transport system'.

2. However, the RTS concluded that the strategy vision will not be achieved without improving the quality and integration of the bus network. The Strathclyde Regional Bus Strategy is being developed to consider:

    - The role of bus in delivering of the RTS
    - The spatial context of the bus network, and
    - The attributes and components required for a world class bus network for the region.

3. In early 2024, SPT completed an Options development and appraisal stage paper. The document reaffirmed several concerns SPT has in terms of performance, affordability, and overall sustainability of the current bus network in Strathclyde. The development of the Strathclyde regional bus strategy seeks to address these issues and aims to deliver a clear vision and strategy for the future of bus services in the region.

4. The document considers all the bus powers (local authority run services, Bus Services Improvement Partnerships (BSIPs), and bus franchising) within the Transport (Scotland) Act 2019 ("the 2019 Act").

5. SPT suggests that franchising provides the greatest certainty of making significant improvements to the network to achieve passenger growth, better accessibility for all, as well as delivering wider public policy outcomes. However, they also acknowledged that franchising is a lengthy and costly process. They suggest that the cost of carrying the franchising process to the point of implementation is estimated to cost circa £15 million and may take five to seven years to deliver. The implementation is likely to cost significantly more and will be investigated as the strategy develops. As such, they suggested that franchising is a long-term option which will require financial support from the Scottish Government to progress the later stages of the assessment process, and implementation.

ANNEX C (referring to the briefing)

Strathclyde Regional Bus Strategy: Summary of Consultation Report

1. SPT appraised several options to understand how well each one could help in delivering a better bus network, based on anticipated benefits, costs and any implementation issues. They developed a set of recommendations to guide the development and implementation of the regional bus strategy, as follows:

- Should SPT rule out business as usual as an option to deliver the future bus network.
- Should SPT rule out voluntary partnerships as an option to deliver the future bus network.
- Should SPT commence work on franchising, in line with requirements of the Transport (Scotland) Act 2019
- SPT should progress with a Bus Services Improvement Partnership (BSIP) to provide a firm basis for private and public sector commitments to arrest further passenger decline and improve the bus network over the medium term, and
- SPT will consider developing a business case for small-scale municipal bus company(ies) aimed at providing socially necessary bus services in parts of the region where private operators are currently very limited.

Should SPT commence work on franchising

2. 4. On the matter of SPT commencing work on franchising, the paper acknowledged that the majority of respondents supported this option as they noted the potential improvements that franchising can offer in quality of service, greater control and accountability, and allowing better integration of bus and other modes of transport. However, approximately 21% of organisations opposed franchising due to concerns around timescales (i.e. potential delays to the implementation, particularly as the franchising process takes too long to put in place for the benefits to be realised). There were also concerns around the cost of implementing a franchising scheme, with some stakeholders questioning the feasibility of funding a franchise due to existing fiscal challenges. Other concerns raised were on the impacts franchising would have on smaller operators who provide vital services, and the potential legal risks associated with franchising.

SPT will consider developing a business case for small-scale municipal bus company (ies)

3. SPT's recommendation to further investigate a business case for small-scale municipal bus company(ies) received the highest support from respondents. Many of the respondents noted the success in Edinburgh with (Lothian Buses) and the Highlands. There was a shared view that this option would improve service coverage, particularly in rural areas, which would "promote equality and ensure people's needs are met." However, some respondents opposed this recommendation (i.e. 21% of organisations and 8% of individuals) as they questioned the cost-effectiveness of this option, and the investment required to operate services. Funding and profitability were also concerns with one stakeholder calling for clarity on expected roles and responsibilities and raised concerns about the funding, expertise, and resources required to deliver this option.

McGill's challenging SPT's findings on franchising

4. During the consultation period, McGill's had publicly challenged the figures quoted in SPT's Options Development and Appraisal Stage document, noting that bus franchising could cost the public over £400 million. In late June, the company owners threatened legal action against the Scottish Government and SPT via local media amid their concerns 'over plans to nationalise bus firms.'

ANNEX E (referring to the briefing)

Potential questions, Issues, and Top lines

Transport (Scotland) Act 2019 bus powers

- **<u>The Scottish Government has now delivered all the bus powers within the Transport (Scotland) Act 2019 to enable local transport authorities to consider all the powers available to them, including partnership working, franchising and local authority run services which sit alongside their ability to subsidise services.</u>**
- Franchising is a valuable tool for local transport authorities to improve services in their area. However, it is also a significant intervention in the local bus market

with the potential to have serious impacts on services both within the franchising area as well as in neighbouring authorities.
- Due to the potential impacts of franchising, independent approval is an appropriate and important part of the franchising process.
- The model in the 2019 Act seeks to deliver greater scrutiny and transparency in the franchising process.
- During the passage of that Act, parliament agreed to the inclusion of the panel model, with detail on the operation of those panels set out in regulations, which came into force on 1 November 2024.
- Further regulations and guidance required to give the Bus Services Improvement Partnerships and Franchising powers in the Transport (Scotland) Act 2019 full effect will be completed by Spring 2025.

Submission to the NZET Committee Letter

[Redacted- Regulation 11]
Bus, Accessibility, and Active Travel Directorate
Transport Scotland
27 January 2025

Cabinet Secretary for Transport,
Minister for Agriculture and Connectivity

Priority and Purpose

17. **Routine**. The purpose of this paper is to provide an update to the Net Zero, Energy and Transport (NZET) Committee on the progress of the remaining regulations for the bus franchising powers contained in the Transport (Scotland) Act 2019 ("the 2019 Act"), and on the development of the statutory guidance to be used by local transport authorities. A draft response to the NZET Committee's letter of 15 January is included at **Annex B**

Recommendation

18. Recommends that you note the contents of this submission and approve the draft letter to the NZET Committee.

Context and Issues

19. Following your appearance at the NZET Committee in October and the subsequent parliamentary debate, the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024 ("the Panel Regulations") came into force on 1 November 2024. Although the NZET

Committee recommended that these regulations be annulled, citing concerns with the panel model set out in the 2019 Act, it was not supported by the parliamentary vote. Following this, a submission on the remaining regulations and guidance was sent to PO on 14 November 2024.

20. On 27 November, the Citizen Participation and Public Petitions (CPPP) Committee considered the petition (PE2116/A) lodged by [Redacted-Regulation 11] on behalf of 'Better Buses for Strathclyde'. The Committee heard views from Neil Bibby MSP, Patrick Harvie MSP, Mark Ruskell MSP, Graham Simpson MSP, and Paul Sweeney MSP, in which they called for changes to the franchising powers in the 2019 Act, as well as realigning the franchising model to the English version. The CPPP Committee agreed to keep petition PE2116/A open, and we understand that they have written to various individuals and organisations for their views about franchising and in particular, Scotland's franchising model.

21. Officials are currently preparing the final set of regulations relating to bus franchising, in particular, the transition from a deregulated market to a franchise and vice versa. These regulations are subject to negative procedure similar to the Panel Regulations, and while the subject is less likely to be contentious it may provide the NZET Committee a further opportunity to undertake post legislative scrutiny of the wider franchising model for Scotland. **[Redaction Regulation 10(4)(e) internal communications]**

Remaining work to bring franchising into full effect

[Redaction Regulation 10(4)(e) internal communications]

22. As noted in our previous submission the franchising guidance will be highly technical in nature and aspects of it will need to be agreed with specific stakeholders, including the Competition and Markets Authority (CMA) for competition matters and Audit Scotland in relation to the audit process.

23. **[Redaction Regulation 10(4)(e) internal communications]**

24. **[Redaction Regulation 10(4)(e) internal communications]**

25. During Mr Fairlie's Committee appearance on 29 October, he made several commitments, including an offer to provide the Committee with a copy of the statutory guidance and a copy of the MOU for their awareness. On 15 January, the convener of the NZET Committee has written seeking an update on timescales for the development of the statutory guidance and how they can scrutinize the document prior to its publication (see **Annex A**).

26. A draft response to the Committee's letter can be found in **Annex B** which sets out what we are delivering and the timescales for delivering those commitments.

Contribution to the Government's Four Priorities

27. The bus franchising powers contained within the 2019 Act, and once come into full effect will contribute to the following priorities: eradicating child poverty; building prosperity; improving public services; and protecting the planet.

Verity House Agreement Implications

28. There are no implications related to the Verity House Agreement.

Quality Assurance

29. This submission has been reviewed by **[Redacted- Regulation 11]**, Director of the Bus, Accessibility and Active Travel (BAAT) directorate of Transport Scotland.

Conclusion and next Steps

30. You are asked to note the contents of this submission, and approve the draft letter to the NZET Committee which can be found in Annex B.

Cabinet Secretaries and Ministers Copy List	**For Action**	**For Information Portfolio interest**	**For Information Constituency interest**	**For Information General awareness**
• Cabinet Secretary for Transport • Minister for Parliamentary Business	«text»	X	«text»	X

Officials Copy List
Transport Scotland Ministerial Submissions List **[Redacted- Regulation 11]** PLU SSI Programme **[Redacted- Regulation 11]** Press Transport Scotland

ANNEX A (referring to the submission)

The Scottish Parliament
Pàrlamaid na h-Alba

Net Zero, Energy and Transport Committee

Jim Fairlie
Minister for Agriculture and Connectivity
Scottish Government

15 January 2025

Dear Minister

Guidance Development for Bus Franchising

On 29 October 2024, the Committee considered the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024, where the issue of guidance to support the delivery of bus service franchises was raised.

This guidance was being developed to support local authorities and we were advised that the Scottish Government had been engaging with local transport authorities on draft guidance that was expected to be published in the new year.

At the meeting, you assured the Committee that you would "come back to the committee with the guidance as it develops" to allow the committee "to scrutinise the guidance before it goes into the traffic commissioner's remit".

The Committee would therefore appreciate an update regarding the timescales for the development of the guidance and how you intend to involve the Committee so it can be scrutinised prior to its introduction.

We would be grateful for a response by Friday 31 January.

Yours sincerely,

Edward Mountain MSP

Convener

Net Zero, Energy and Transport Committee

Contact: Net Zero, Energy and Transport Committee, The Scottish Parliament, Edinburgh, EH99 1SP. Email netzero@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

ANNEX B (Referring to the submission)

Proposed Response to NZET Committee Letter (This has already been published so not being released under Reg (6)(1))

[Redaction Regulation 6]

Yours sincerely

Email from South Lanarkshire Council to the Minister

From:	**[Redacted- Regulation 11]**
Sent:	27 November 2024 08:23
To:	Cabinet Secretary for Transport <CabSecfortransport@gov.scot>
Subject:	Letter from South Lanarkshire Council

Please find attached letter from Chief Executive of South Lanarkshire Council

[Redacted- Regulation 11]

PA to the Chief Executive
South Lanarkshire Council
Council O ices, Almada Street
HAMILTON ML3 0AA
Tel: **[Redacted- Regulation 11]**
Email: pach.exec@southlanarkshire.gov.uk Web: www.southlanarkshire.gov.uk

Letter from Paul Manning (South Lanarkshire Council) to Ms Hyslop

Dear Ms Hyslop

Abolition of Requirement for Panel Approval of Bus Franchising

At the South Lanarkshire Council meeting of 20 November 2024, a motion was approved that seeks action to achieve abolition of the requirement for panel approval of bus franchising. The agreed motion reads as follows:

"The Council notes that Strathclyde Partnership for Transport (SPT) has identified bus franchising as its preferred option for reform to advance the aims of its Strathclyde Regional Bus Strategy. The Council reiterates its support for reform of Strathclyde's bus market and welcomes progress made by SPT to date.

The Council notes that the Scottish Parliament chose not to annul a Scottish Statutory Instrument relating to the establishment of an unelected panel, appointed by the Traffic Commissioner, to decide on whether to approve bus franchising proposals. The Council further notes that this decision was made against the recommendation of the Scottish Parliament's Net Zero, Energy and Transport Committee.

The Council considers that the requirement for a democratically accountable public transport authority, such as SPT, to gain the approval of an unelected panel to progress bus franchising is fundamentally undemocratic, increasingly out of step with developments elsewhere in the UK and represents a weakness in the Transport Act (Scotland) 2019.

The Council therefore considers that this requirement should be abolished and that the Scottish Government should timeously establish an alternative, more democratic approach to the implementation of bus franchising.

Council supports similar calls from the Better Buses for Strathclyde campaign urging the Scottish Government to improve the process for implementing the bus franchising powers contained in the Transport (Scotland) Act 2019, additionally requesting the publication of, without delay, the regulations and statutory guidance required to give bus franchising powers full effect; and providing additional funding to help support Regional Transport Partnerships in preparing franchising frameworks and assisting them with initial set-up costs once frameworks are approved.

Floor 2, Council Offices, Almada Street, Hamilton ML3 0AA Telephone: 01698 454208
Text Phone: 01698 454039 Email: pach.exec@southlanarkshire.gov.uk

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Finally, Council asks the Chief Executive to write to the Scottish Government urging action to achieve this franchising as soon as possible."

Following debate and discussion, the Council has instructed me, as the Council's Chief Executive, to write to you to convey the Council's views as outlined above. Accordingly, I would ask that you consider the Council's concerns and note that I will share any response with all members of the council on receipt.

Yours sincerely

Letter from Mr Fairlie to Paul Manning (South Lanarkshire Council)

Minister for Agriculture and Connectivity
Ministear airson Àiteachas agus Comas-ceangail
Jim Fairlie MSP/BPA

0300 244 4000
scottish.ministers@gov.scot

Paul Manning
[Redacted- Regulation 11]

Our Reference: 202400442617
Your Reference: CS/CB

7 January 2025

Dear Mr Manning,

Thank you for your letter dated 25 November to Fiona Hyslop MSP, Cabinet Secretary for Transport, in which you refer to an agreed council motion seeking action to achieve the abolition of the requirement for panel approval of bus franchising. As Minister for Agriculture and Connectivity I am replying to your letter as I have responsibility to bus services.

Bus makes significant contributions to the First Ministers priorities: eradicating child poverty, growing the economy, tackling the climate emergency, and improving Scotland's public services.

I am therefore encouraged by South Lanarkshire Council's interest in improving bus services and support for bus franchising. By bringing forward the bus powers within the Transport (Scotland) Act 2019 ("the 2019 Act") we have provided Local Transport Authorities with an enhanced suite of flexible options to improve bus service according to their local needs. Our approach enables local transport authorities to determine what is best to address the transport challenges in their local areas.

Turning to the key points of your letter, I note the Council's agreed motion calling for the abolition of the approval panel process for bus franchising. As stated in your motion, the Scottish Parliament supported the regulations for the establishment and operation of the approval panels following a parliamentary debate on 30 October 2024. Following this consideration, the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024 then came into force on 1 November 2024.

I would like to note that the requirement for a panel to approve a local transport authority's franchise proposals is set out on the face to the 2019 Act and was previously agreed by the Scottish Parliament during the passage of that Act. The purpose of the regulations (see above) is to set out the procedural requirements in the establishment and operation of the approval panels, and provide the legal

certainty to local transport authorities in how their franchising proposals are considered by the franchising approval panel.

I would like to be clear that this government recognises that franchising is a valuable tool for local transport authorities to improve services in their area. However, it is also a significant intervention in the local bus market with the potential to have serious impacts on services both within the franchising area, as well as in neighbouring authorities. Due to these risks, independent approval is an appropriate and important part of the franchising process set out in the 2019 Act.

This is to ensure that a local transport authority's franchising proposals are carefully considered, based on evidence, and have complied with relevant procedural requirements. These safeguards are designed to protect passengers and the wider bus network from the potential damage of a poorly developed franchise. This process is fundamental to the current franchising model, if this were to be removed from the face of the 2019 Act, it would necessitate a review of the entire approach to franchising, which would be a lengthy process and require primary legislation. While I appreciate your members' concerns, at this point my key priority it to fully deliver the franchising powers within the existing legislation, ensuring that this tool is available for all LTAs, should they choose to use it, to improve services in their area.

My officials are progressing with the remaining set of regulations for transitioning into and out of franchise, as well as statutory guidance required to give both the Bus Services Improvement Partnerships and Franchising powers in the 2019 Act full effect and will be completed by Spring 2025. This will provide SPT and other local transport authorities the legal certainty required to explore and progress with their proposals to improve bus services in their area.

You may be interested to know that I recently met with SPT to understand the work they are undertaking in developing their bus strategy and look forward to discussing this further as it progresses.

Finally, I would like to reiterate my firm commitment to improving bus services as demonstrated by the budget announcement on 4 December, in which we will invest more than £2.6 billion in 2025-26 to support public transport and make the transport system available, affordable and accessible for all, including providing over 2 million people in Scotland with access to free bus travel.

I hope this helps to clarify the present position.

Yours sincerely,

JIM FAIRLIE

Email exchange between Ms Hyslop's Private Office and Transport Scotland	
From:	[Redacted- Regulation 11]
Sent: To:	[Redacted- Regulation 11] on behalf of Cabinet Secretary for Transport 27 November 2024 09:49
Subject:	TS Corporate Correspondence Support Team; Minister for Agriculture and Connectivity
Attachments:	FW: Letter from South Lanarkshire Council [Redacted- Regulation 11] Scan__20241126-155947_0450_001.pdf

TSS – MR please

MfAC PO – Are you content to take this forward as it's about bus franchising?

Kind regards,

[Redacted- Regulation 11]
|Assistant Private Secretary to Cabinet Secretary for Transport - Fiona Hyslop MSP | The Scottish Government | Web: www.gov.scot| Email: cabsecfortransport@gov.scot

ANNEX C

EIR Document Release **202500452179 (part 4)**

In response to part 4 of your request, I enclose a copy of some of the information you requested.

While our aim is to provide information whenever possible, in this instance we are unable to provide some of the information you have requested because exceptions under regulations 10(4)(e) (internal communications) and Regulation 11(2) Personal Data of the EIRs applies to that information.

This document contains information held within the scope of your request.

An exception under regulation 11(2) of the EIRs (personal information) applies to some of the information requested because it is personal data of a third party and disclosing it would contravene the data protection principles in Article 5(1) of the General Data Protection Regulation and in section 34(1) of the Data Protection Act 2018. This exception is not subject to the 'public interest test', so we are not required to consider if the public interest in disclosing the information outweighs the public interest in applying the exception.

An exception under Regulation 10(4)(e) internal communications of the EIRs applies to some of the information you have requested. Regulation 10(4)(e) internal communications of the Environmental Information (Scotland) Regulations 2004 (the EIRs) allows a Scottish public authority to withhold internal communications. The exception applies here because the information requested is part of internal communication between departments and ministers.

This exception is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception. We have found that, on balance, the public interest lies in favour of upholding the exception. We recognise that there is a public interest in disclosing information as part of open, transparent and accountable government, and to inform public debate. However, there is a greater public interest in allowing a private space within which officials can provide free and frank advice and views to Ministers and other departments to ensure that policy work is informed and productive. The information withheld discusses policy which is in development and could be misinterpreted by the public and disclosure at this stage would inhibit our ability to work and engage with early policy in an unbiased and free manner. Disclosure of this type of information could lead to a reduction in the comprehensiveness and frankness of such advice and views in the future, which would not be in the public interest.

Some of the information you have requested, is already released and is available publicly on the following link:
Transport Scotland and AECOM correspondence regarding Travel Demand Management Options Study: EIR release - gov.scot

EMAIL- To Fiona Hyslop from Transport Scotland Officials 18th November 2024

Po/Cabinet Secretary for Finance and Local Government, Minister for Public Finance, Cabinet Secretary for Net Zero and Energy, Minister for Climate Action Po / Cabinet Secretary for Transport This submission has been developed by transport and tax officials to give an overview of the Transport Demand Management (TDM) Research relevant to your portfolios which had been undertaken by AECOM with final draft report provided to Scottish Government in 2023. The research was undertaken to support the evidence base on interventions to deliver our climate change commitment of reducing car use by 20% by 2030 and includes consideration of 'demand management options' including pricing.
Attachments to above email TDM report- not included- as published- referred to as Annexes in the text

Submission- **Overview of the Demand Management Research Nov 15th 2024**

TS: Transport Strategy and Analysis
15 November 2024

Cabinet Secretary for Transport
Cabinet Secretary for Finance and Local Government

Copy: Cabinet Secretary for Net Zero and Energy
Minister for Public Finance
Minister for Climate Action

Overview of the Demand Management Research

Priority and Purpose

1. To inform you of the findings of research exploring car demand management options, commissioned to inform the Scottish Government's commitment to reduce car use by 20% by 2030. This paper is to inform your consideration of publication of this research The research summary is attached separately as Annex A (3 pages), high level summary of the options appraisal and modelled charging options at Annex B (2 tables) and the full report (39 pages) is attached as a separate document .

Recommendation

2. Officials recommend that you:

a) Note the findings of the AECOM research on demand management options.

Context

3. The research, funded by SG tax directorate and Transport Scotland, was commissioned as 'Further exploration of equitable options for demand management to discourage car use, including pricing' and was a commitment within the Draft Route Map for

reducing car use by 20% by 2030 published in 2022. It considered what fiscal measures might disincentivise unnecessary car use, including ‘pay per mile’ approaches, that may inform any future discussions with UKG on a Fuel Duty successor regime, which was an ask of the pre-Budget letter to the Chancellor.

4. The research appraised potential demand management options against criteria including (i) deliverability and impacts on emissions, (ii) the economy (including revenue-raising potential), and (iii) equalities, health & wellbeing. This was to ensure the final shortlisted options are aligned to broader Scottish Government objectives, including a Just Transition to Net-Zero.

5. The research undertook a literature review to draw on extensive range of demand management typologies to understand their potential impact on reducing vehicle use and other impacts within the Scottish context. The research acknowledged that Fuel Duty, if used correctly, could be an effective transport demand management tool. However, it also noted the issue of public acceptability of increasing the charge on electricity used to charge Electric Vehicles, which could have a negative climate impact by slowing the transition to cleaner vehicles. The major barrier of motoring taxes being reserved to UKG meant the taxation option was not shortlisted.

6. The report (See Annex A for Exec summary and full document attached separately shortlists four options which would support delivery of the 20% car KM reduction national target, as set out in the draft 20% car use reduction Route Map and ensure equitable outcomes for urban and rural populations: two geographically defined schemes (i.e. local or regional road user charging (RUC), either (i) cordon-based (a charge on entering a pre-defined area such as Dundee) or (ii) area-based, covering Glasgow, the upper Clyde Valley, Edinburgh, Aberdeen and Dundee (a charge for driving within an area, e.g. a congestion charge); and two (Scotland) nationwide pricing options (either (i) variable-rate according to location (i.e. drivers charged per km/mile driven also called Pay as You Drive), or (ii) flat-rate with a variable allowance for ‘free’ mileage (i.e. each household has *X* ‘free’ kms/miles per annum)).

7. The local or regional area-based (or ‘congestion/cordon’) charging were modelled based on different prices per day (at 2022 prices) up to and including the equivalent of the London congestion charge charges of £15 per day. On national pricing this included hypothetical options, for example, a 10p per km national charge (with a 5p per km discounted rate e.g. for those on low incomes). A summary of the appraisal of these options done under criteria of car km reduction, equity and revenue raising potential can be seen at Annex B with also more detail on the modelled charging options.

Findings

8. The research found that the policy option that would achieve the best results for reduced car usage is a national variable-rate ‘Pay as You Drive’ pricing system that charges motorists based on the distance they drive. This was modelled as including discounts for those living in rural areas and exemptions for those with disabilities. This could deliver a car KM reduction of up to 26% nationally (which would deliver an emissions reduction of approximately 0.69 MtCO2e). Up to £2.2 billion could accrue to SG. A national pricing system would incur operating costs estimated to be around 33% of revenue, and would require significant initial capital costs, including potentially the provision/installation of

‘tracking devices’ which would be in the order of £100 million. Smartphone app-based systems or a hybrid approach (use of MOT reporting) could be significantly cheaper. However, legislative competence constraints may mean that it is not possible to deliver a national scheme of the kind envisaged by the research within devolved powers.

9. In relation to local area-based RUC, if Edinburgh and Glasgow local authorities alone (which have committed to exploring RUC schemes) take these forward, this could result in car KM reductions of between 9-16% nationally. This could deliver an emissions reduction of approximately 0.25 MtCO2e) and revenues up to £1 billion for the two councils. If Aberdeen and Dundee were to join them the reduction could be in the order of 14-25% (which would deliver an emissions reduction of approximately 0.65 MtCO2e) with up to £1.3 Billion accrued to these four councils (depending on the level of the charges).

10. A ‘cordon’-based variation on this could be targeted at more congested urban zones, but would not deliver on the same scale as ‘area based’ schemes which the above estimates are based on. See Annex B for more details on impact on car km reduction, car emission reduction and revenue raised.

11. A recommendation of this independent report is that SG establish a Framework of Implementation for Demand Management measures in Scotland to ensure interoperability between different local schemes and/or local and national schemes. The report also recommends that SG set up the technical /back office to support local authorities and to facilitate interoperability. However, set up and running costs would be borne by SG which doesn’t currently have the powers to do so under existing (2001 Transport Act) local road user charging powers. Further consideration would therefore need to be given to whether further statutory powers would require to be given to Ministers to facilitate this approach.

Publication

Regulation 10(4)(e) internal communications

Motoring taxation reform

12. As the research relates to the cost of driving, a key inter-dependency is the position of the UK Government on the reform of Fuel Duty. The Chancellor in her Budget Statement continued the freeze to Fuel Duty alongside extending the 5p cut for another year, but VED will be increased from April 2025 for all vehicles including EVs, depending on their CO2 emissions. However, there was no announcement of wider much needed reform of transport taxation.

13. SG’s position is that reform of Fuel Duty on a four-nation basis is needed to replace declining revenues as the sector decarbonises, as set out in the letter to the Chancellor ahead of the UK Budget. This is borne out by both Treasury’s Net Zero Review (October 2021) and the UK Parliament’s own Transport Committee, which identified a looming £35 billion of lost revenues as Fuel Duty becomes obsolete. Reform would also offer the opportunity to consider how a successor regime can reduce unnecessary journeys. However, it is crucial this reform is on a collaborative four-nation basis to ensure it reflects the diverse needs of communities, such as those in Scotland’s rural and island areas.

Verity House Agreement Implications

Publishing the research will have implications for COSLA and local government, given two of the options explored consider local authority-led schemes. **Redacted Regulation 10(4)(e) Internal communications**

Financial Considerations

14. There are no financial considerations for publishing the research. The contents are not SG policy and therefore there are currently no cost or revenue considerations.

Redacted Regulation 10(4)(e) Internal communications

Redacted Regulation 10(4)(e) Internal communications

Quality Assurance

This submission has been approved by Fiona Brown, Interim Director of Transport Strategy & Analysis, Transport Scotland.

Conclusion and Next Steps

You are invited to:
14.1 Note the findings of the AECOM research on demand management options.
Redacted Regulation 10(4)(e) Internal communications

Regulation 11(2) Personal Data
Transport Strategy & Analysis

Cabinet Secretaries and Ministers Copy List	For Action	For Information Portfolio interest	For Information Constituency interest	For Information General awareness
Cabinet Secretary for Transport	X			
Cabinet Secretary for Finance and Local Government	X			
Minister for Public Finance		X		
Cabinet Secretary for Net Zero and Energy		X		
Minister for Climate Action		X		

Annex A (referring to email)

Travel Demand Management Options Study Executive Summary

As published Executive Summary | Transport Scotland

Email From Fiona Hyslop Private Office to TS Officials 26th November
This email is for the official record and confirms a Ministerial Decision. This email must be placed in the official record (eRDM) by your team in line with SG records management policy. Hi **Regulation 11(2) Personal Data**, Ms Hyslop would like to pursue option B as we move to completion of this work. Cab Sec comments there is clearly a public interest in us being able to release the research Many thanks,

Email from Ms Robison PO to TS Officials
This email is for the official record and confirms a Ministerial Decision. This email must be placed in the official record (eRDM) by your team in line with SG records management policy. Hi **Regulation 11(2) Personal Data** , Ms Robison is also content with option B. Thanks **Regulation 11(2) Personal Data**

Extract from submission to Cab Sec Transport
Demand Management Research The Transport Demand Management (TDM) research (not yet published but currently being finalised for publication **Redacted Regulation 10(4)(e) Internal communications** 16. shortlists four options which support delivery of the 20% car use reduction and ensure equitable outcomes for urban and rural populations: a. Two geographically defined schemes (i.e. local or regional road user charging (RUC)), either (i) cordon-based (e.g. a charge on entering a pre-defined area such as Dundee) or (ii) area-based schemes covering each of Glasgow conurbation (the upper Clyde Valley), Edinburgh, Aberdeen and Dundee (a charge for driving within an area, e.g. a congestion charge)

b. Two national (Scotland) pricing options, either: (i) variable-rate according to location (i.e. drivers charged per km/mile driven also called Pay as You Drive), or (ii) flat-rate with a variable allowance for 'free' mileage (i.e. each household has X 'free' kms/miles per annum)).

17. The local or regional area-based (or 'congestion/cordon') charging options were modelled based on different prices per day (at 2022 prices) up to and including the equivalent of the London congestion charge charges of £15 per day. National pricing options included hypothetical options, for example, a 10p per km national charge (with a 5p per km discounted rate e.g. for those on low incomes).

18. The research found that the policy option that would achieve the best results for reduced car usage is a national variable-rate 'Pay as You Drive' pricing system that charges motorists based on the distance they drive. This was modelled as including discounts for those living in rural areas and exemptions for those with disabilities. This could deliver a car KM reduction of up to 26% nationally (which would deliver an emissions reduction of approximately 0.69 MtCO2e). However, legislative competence constraints may mean that it is not possible to deliver a national scheme of the kind envisaged by the research within devolved powers.

Redacted Regulation 10(4)(e) Internal communications

In the context of delivering car use reduction, the most direct levers on the cost of buying or running a petrol or diesel car – Fuel Duty and Vehicle Excise Duty – are reserved. The research can inform any future discussions with UKG on a Fuel Duty successor regime, which was an ask in Scottish Government's Pre-Budget letter to the Chancellor. **Redacted Regulation 10(4)(e)**

Redacted Regulation 10(4)(e) Internal communications

Email from Ms Hyslop PO to TS Officials 5 Dec

Hi **Regulation 11(2) Personal Data**

Redacted Regulation 10(4)(e) Internal communications
– its independent research and does not have the Endorsement of TS and that the Scottoih Government is not in favour of nationally imposed car demand road pricing but does see the need for UK Gov to look at fuel duty and other motor tax replacement revenue raising in a 4 nation way supporting sustainable transport for the future and that must be made in clear in the covering paper of TS **Redacted Regulation 10(4)(e) Internal communications**

Extract of email from TS Officials to Ms Hyslop- 5th Dec 2024

Redacted Regulation 10(4)(e) Internal communications

1) research is independent research, that SG does not endorse the research in full and it does not reflect SG policy. SG is not in favour of nationally imposed car demand road pricing but does see the need for UK Gov to look at fuel duty and other motor tax replacement revenue raising in a 4 nation way supporting sustainable transport for the future (please see revised paper attached with new text highlighted yellow in sections 16-17).

Redacted Regulation 10(4)(e) Internal communications

Redacted Regulation 10(4)(e) Internal communications

Extract of email from Fiona Hyslop PO to TS officials 6th December

This email is for the official record and confirms a Ministerial Decision. This email must be placed in the official record (eRDM) by your team in line with SG records management policy.

Good morning,

Redacted Regulation 10(4)(e) Internal communications
this is independent research and does not contain the Scottish Government's position.

Councils are to make their own decisions on demand management and the Scottish Government will focus on engagement with the UK Government to ensure any planned replacements for fuel duty etc can be developed across the 4 nations to ensure it can work to support carbon reduction transmissions and sustainable travel options/

Thanks,

Extract from RTP Chairs meeting briefing 4th December

- The TDM research was commissioned by the Scottish Government to explore fair and progressive options to reduce car use.
- The research was undertaken by an independent firm, AECOM, and is not Scottish Government policy. While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government is not undertaking work on national road pricing
- This research adds to the evidence base on how to discourage car use fairly in Scotland and is made available to central and local governments to inform their own policy development going forward. It sets out clearly the emissions, equality and socio-economic impacts of each shortlisted option, including mitigations.
- The Transport (Scotland) Act 2001 granted local authorities discretionary road user charging powers, and local authorities are best placed to make decisions that take account their local needs and circumstances.
- We acknowledge that development and implementation of any local or regional demand management scheme would take a significant amount of time.
- The most direct levers on the cost of buying or running a petrol or diesel car – Fuel Duty and Vehicle Excise Duty) – are reserved to the UK Government.

Redacted Regulation 10(4)(e) Internal communications

- In terms of incentives to reduce car use, the Scottish Government remains committed to working with all local authorities to support fair measures which encourage active travel and accompany greater investment in public transport for a fairer and greener transport system.

EMAIL 11 December: Submission Scottish Government context and policy paper 9th December

BODY: PO/Cabinet Secretary

Redacted Regulation 10(4)(e) Internal communications
please find a submission asking you to agree publication of the research on Wednesday 11 December. The submission also attaches separately a context and position paper drafted to set out clearly the policy position of the Scottish Government for the Cabinet Secretary's comment. **Redacted Regulation 10(4)(e) Internal communications**

Happy to discuss.

Thanks

Attachment one 101224 - Submission to Cab Sec - Publication of DM Research and Regulatory Review options

Transport Strategy & Analysis
09 December 2024

Cabinet Secretary for Transport

Priority and Purpose

The purpose of this **urgent** submission is to provide Cabinet Secretary for Transport with detail on policy position and website material in relation to publication of the Transport Demand Management Research following Ms Hyslop's decision to publish. The submission also invites the Cabinet Secretary to agree publication on Wednesday 11 December **Redacted Regulation 10(4)(e)**

Recommendation

Officials recommend that you consider the enclosed position statement, draft website text **Redacted Regulation 10(4)(e) Internal communications**

a) Confirm you are content to publish the independent Demand Management Research on 11 December;
b) Confirm you are content and/or provide comments on the accompany position paper in relation to Transport Demand Management Research which sets out what Scottish Government policy position is and is not in relation to the research;
c) Confirm you are content and/or provide comments on the summary text, which is required for TS website, alongside the Transport Demand Management Research undertaken by AECOM; and,

Position Paper on TDM Research

1. A context and position paper on the independent Demand Management Research, to be published alongside the research is provided at Annex A in order to be clear what is and is not Scottish Government policy in relation to the research. The digital communications team has advised that the paper would be published on a separate page on the TS website but with clear weblinks on the research page. The position paper provides a clear outline of the context to the research, whilst setting out the position of Scottish Government, as it is not outlined in the independent research report itself. It is clear from the context and position paper that the research was commissioned by the Scottish Government to explore fair and progressive options to reduce car use but that it was undertaken by an independent firm, AECOM, and is not Scottish Government policy. It also outlines that the Scottish Government does not have a policy position to progress national road pricing.

Redacted Regulation 10(4)(e) Internal communications

TS Website Text for Publication

2. Following Cabinet Secretary steer that accompanying publication material should be clear that research is an independent piece and is not Scottish Government policy, the following text has been drafted to be published alongside the research on the TS website:

"The Scottish Government has been clear that reaching our target of a 20% reduction in car use by 2030 will require a broad combination of interventions, including infrastructure, incentives and disincentives. This Transport Demand Management research was commissioned by the Scottish Government to explore fair and progressive options to reduce unnecessary car use. The research was undertaken by an independent firm, AECOM, and is not Scottish Government policy. While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government does not have a policy position to progress national road pricing. The Scottish Government will focus on engagement with the UK Government to ensure any reform of Fuel Duty takes a collaborative four-nations approach to replace lost revenues from the shift to electric vehicles, as well as supporting the just transition to Net Zero and protecting the diverse needs of communities such as those in Scotland's rural and island areas."

3. **Officials invite the Cabinet Secretary to provide comments on the above text and confirm they are content for publication on TS website alongside the Demand Management research.**

Redacted Regulation 10(4)(e) Internal communications
Redacted Regulation 10(4)(e) Internal communications

Officials recommend that you consider the enclosed position statement, draft website text
Redacted Regulation 10(4)(e) Internal communications

4.

d) Confirm you are content to publish the independent Demand Management Research on 11 December;
e) Confirm you are content and/or provide comments on the accompany position paper in relation to Transport Demand Management Research which sets out what Scottish Government policy position is and is not in relation to the research;
f) Confirm you are content and/or provide comments on the summary text, which is required for TS website, alongside the Transport Demand Management Research undertaken by AECOM; and,

Transport Strategy & Analysis

ATTACHMENT TWO CONTEXT AND POSITION PAPER FROM SG ON TDM RESEARCH – NOVEMBER/DECEMBER 2024

Cars account for nearly 40% of Scottish transport emissions and evidence is clear that Scotland needs to reduce overall car use, alongside a switch to cleaner vehicles, to meet its statutory emissions targets.

While the importance of combatting the immediate global climate emergency is clear, the benefits for communities which are less dominated by cars go beyond just reducing emissions. They include improved air quality and reduced noise; better health and wellbeing as a result of

increased physical activity; reduced negative economic and social impacts of congestion and road danger; and increased opportunities for people of all ages, abilities and backgrounds to interact in improved areas of civic space.

The Climate Change annual monitoring report shows that Scotland is not currently on track to achieve the 20% reduction in car use by 2030. Following lifting of pandemic travel restrictions car traffic recovered more strongly than public transport. Car kilometres driven rose sharply in 2021 and 2022. In 2023 car kms were 3.6% below 2019 baseline levels and driving a car or van remained the most common mode of transport, accounting for over half of journeys (51%). The 2023 data demonstrates persistently high car use in short journeys: 39% of 1-2km journeys, 48% of 2-3km journeys and 53% of 3-5km journeys were made by car or van drivers and the two most frequent reasons for travel were shopping (24% of journeys) and commuting (21% of journeys).

There are also large geographic variations, for example, in 2023 car access in accessible rural households was 88%, compared to 64% in large urban areas. The negative impacts of car use also disproportionately affect those living in more deprived areas. 13% of people in Scotland's least deprived areas have no access to a car or van, compared to nearly half (48%) of those in the most deprived areas. Children in Scotland's poorest communities are at 3 times higher risk of death or injury while out walking or cycling and interventions that prioritise bus over the private car favour the mode of public transport most used by lower income groups. The benefits of reduced car dependence are therefore broader than transport emission reduction and are a key part of Scottish Government's and COSLA's shared commitment to a just transition.

The Scottish Government has always been clear that reaching our target of a 20% reduction in car use by 2030 will require a broad combination of interventions, including infrastructure, incentives and disincentives. Reducing car use will require a substantial shift in travel behaviour, and we need all sectors of society to play their part in meeting this challenge.

We have taken a behaviour change approach to 20% car use reduction and we need to go further than simply about asking the public to change their behaviours, to create the right material and social conditions and providing people with the capability, opportunity and motivation to choose sustainable travel behaviours.

The draft Route Map set out the actions that Scottish Government and COSLA would take to 2030 to enable a significant reduction in car kilometres. These largely include interventions that will support people's physical opportunities to reduce their car use, for example through improved infrastructure and service provision, as well as those to increase motivation to switch away from car use by making alternatives comparatively more attractive, including in terms of convenience.

However an important part of people's motivation to choose one behaviour over another lies in the balance of individual-level benefits and dis-benefits. Incentivising desirable behaviours is unlikely to be sufficient in a context where car use remains highly attractive in terms of individual-level benefits, while the disbenefits to environmental and population health are largely externalised.

The draft Route Map, jointly agreed by Scottish Government and COSLA therefore committed to further exploration of equitable options for demand management to discourage car use, including pricing and this has been explored through the commissioning of additional research. It committed to providing a shortlist of options for further exploration and feasibility analysis, and will enable the development of Transportation Demand Management (TDM) measures which will take into account the needs of people in rural areas and island communities as well as those on low incomes and people with Equality Act protected characteristics.

This TDM research was commissioned by the Scottish Government to explore fair and progressive options to reduce car use. The research was undertaken by an independent firm, AECOM, and is not Scottish Government policy. While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government does not have a policy position to progress national (Scotand-wide) road pricing. The Scottish Government continues to call for a collaborative four-nation approach to Fuel Duty reform to support the just transition to Net Zero.

This research adds to the evidence base on how to discourage car use fairly in Scotland and is made available to central and local governments to inform their own policy development and decision making on demand management going forward. It sets out clearly the emissions, equality and socio-economic impacts of each shortlisted option, including mitigations

-

The Transport (Scotland) Act 2001 granted local authorities discretionary road user charging powers, and local authorities are best placed to make decisions that take account their local needs and circumstances.

The research also provides alternative revenue-raising solutions to replace lost revenues from Fuel Duty as the transition to electric vehicles gathers pace, while recognising that the Scottish Government faces limitations in this area. Revenue raising measures can enable funding for alternatives to private cars, including investment in our public transport system. The most direct levers on the cost of buying or running a petrol or diesel car – Fuel Duty and Vehicle Excise Duty – are reserved to the UK Government.

The Scottish Government and COSLA positions are that reform of Fuel Duty on a four-nation basis is needed to replace declining revenues as the transport sector decarbonises, as set out in the letter to the Chancellor ahead of the UK Budget. This is borne out by both Treasury's Net Zero Review (October 2021) and the UK Parliament's own Transport Committee, which identified a looming £35 billion of lost revenues as Fuel Duty becomes obsolete. Reform would also offer the opportunity to consider how a successor regime can reduce unnecessary journeys. However, it is crucial this reform is on a collaborative four-nation basis to ensure it reflects the diverse needs of communities, such as those in Scotland's rural and island areas.

In terms of incentives to reduce car use, the Scottish Government remains committed to working with all local authorities to support fair measures which encourage active travel and accompany greater investment in public transport for a fairer and greener transport system. **Redacted Regulation 10(4)(e) Internal communications**

Email extract from TS Officials to Fiona Hyslop PO 10 December
Please find attached final version of the Demand Management Publication Context Statement. These incorporate the Cabinet Secretary's feedback.
Attachment: as published Context and Scottish Government Policy Position on Car Demand Management and Transport Demand Management Research | Transport Scotland

Email from Fiona Hyslop PO to TS Officials
This email is for the official record and confirms a Ministerial Decision. This email must be placed in the official record (eRDM) by your team in line with SG records management policy. Hi **Regulation 11(2) Personal Data** The Cab Sec has noted this information.

Thanks

Email from TS Officials to Fiona Hyslop PO 11 Dec

PO/Cabinet Secretary for Transport

Please find attached for awareness final versions of the TDM Research and Policy Position paper which **will be published on the Transport Scotland website at 14:00 today** (Wednesday 11 December). I also attach FMQ for awareness which has been provided to the FMQ Unit.

The research will be published with the following website text as cleared:

"The Scottish Government has been clear that reaching our target of a 20% reduction in car use by 2030 will require a broad combination of interventions, including infrastructure, incentives and disincentives. This Transport Demand Management research was commissioned by Transport Scotland in June 2022 to explore fair and progressive options to reduce unnecessary car use. **The research was undertaken by an independent firm, AECOM, and is not Scottish Government policy.** While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government does not have a policy position to progress national road pricing. The Scottish Government will focus on engagement with the UK Government to ensure any reform of Fuel Duty takes a collaborative four-nations approach to replace lost revenues from the shift to electric vehicles, as well as supporting the just transition to Net Zero, protecting the diverse needs of communities such as those in Scotland's rural and island areas and supporting sustainable travel."

The Policy Position paper will be published on a separate TS website page with Title and Description below, with a link to this provided on research publication page.

TITLE: Context and Scottish Government Policy Position on Car Demand Management and Transport Demand Management Research

DESCRIPTION: This document sets out the context and Scottish Government's policy position on car demand management and the independent Transport Demand Management Research.

Kind regards

Attachment One: TDM Report as Published Travel Demand Management Options Study | Transport Scotland

Attachment Two: Policy Position statement as published Context and Scottish Government Policy Position on Car Demand Management and Transport Demand Management Research | Transport Scotland

Attachment Three: FMQ brief:

BACKGROUND

Car use is the largest contributor to transport GhG emissions in Scotland, making up nearly 40% of all transport emissions at (5.0 MtCO2e or 39.0%) to total Scottish transport emissions in 2022.

- Our draft route map (published Jan 2022) set out how we will reduce car use by 20% by 2030, demonstrating our level of ambition in meeting Scotland's statutory emissions targets.
- The draft route map was co-authored by CoSLA, reflecting the fact that local interventions will play a key role in supporting the transformation, including measures such as road

space reallocation, parking measures, and taking account of the implications for transport when making spatial planning and land use decisions.

DEMAND MANAGEMENT

The Scottish Government has been clear that reaching our target of Net Zero by 2045 will require a reduction in car use, and evidence shows this will require a broad combination of interventions, including incentives and disincentives.

- The draft route map contained a commitment to further explore equitable options for demand management. This research therefore considers the need to protect people in rural areas, on low incomes or who share protected characteristics.
- This research was commissioned by Transport Scotland in June 2022 and undertaken by an independent consultancy AECOM.
- The research does not represent Scottish Government policy, but adds to the evidence base in this area.
- While the research includes hypothetical modelling of local and national options for demand management in Scotland, the Scottish Government does not have a policy to progress national road pricing.
- We believe that reform of Fuel Duty is essential to replace lost revenues from the shift to electric vehicles and support the transition to Net Zero..
- Any Fuel Duty reform must be a collaborative, four-nations approach to protect groups such as those on lower incomes or in our rural and island communities.

NATIONAL ROAD PRICING / PAYING FOR CAR USE

The UK Parliament's own Transport Committee has noted that Fuel Duty revenues will significantly decline over the next 20 years, leaving a gap of up to 1.5% of GDP.

- Motoring taxes are the most direct levers on the cost of buying or running a petrol or diesel car.
- Fuel Duty reform is crucial to replacing lost revenues and ensuring motoring taxation is fit for purpose as we move towards Net Zero
- Fuel Duty is reserved and we are urging the UK Government to engage in constructive collaboration on a four-nations basis to ensure reform reflects changes in the transport sector and protects groups such as those on lower incomes or in rural communities.

Redacted Regulation 10(4)(e)

Email Fiona Hyslop PO to TS Officials Context and Position paper on DMR - 10 Dec
Body out of scope
Attachment: FH Context and Policy Position. As published

Email Internal TS Officials 9 Dec
RE: For review/comment: Aecom TDM Research - Draft Website Text
"The Scottish Government has been clear that reaching our target of a 20% reduction in car use by 2030 will require a broad combination of interventions, including infrastructure, incentives and disincentives. This Transport Demand Management research was commissioned by the Scottish Government to explore fair and progressive options to reduce unnecessary car use. The research was undertaken by an independent firm, AECOM, and is not Scottish Government policy. While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government does not have a policy position to progress national road pricing. The Scottish Government will focus on engagement with the UK

Government to ensure any reform of Fuel Duty takes a collaborative four-nations approach to replace lost revenues from the shift to electric vehicles, as well as supporting the just transition to Net Zero and protecting the diverse needs of communities such as those in Scotland's rural and island areas."

Email extract TS Officials to CoSLA Officials

Attached is copy of published context and policy statement

As discussed position paper attached and would be published alongside the Demand Management Research.

"The Scottish Government has been clear that reaching our target of a 20% reduction in car use by 2030 will require a broad combination of interventions, including infrastructure, incentives and disincentives. This Transport Demand Management research was commissioned by the Scottish Government to explore fair and progressive options to reduce unnecessary car use. The research was undertaken by an independent firm, AECOM, and is not Scottish Government policy. While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government does not have a policy position to progress national road pricing. The Scottish Government will focus on engagement with the UK Government to ensure any reform of Fuel Duty takes a collaborative four-nations approach to replace lost revenues from the shift to electric vehicles, as well as supporting the just transition to Net Zero and protecting the diverse needs of communities such as those in Scotland's rural and island areas."

Email chain- press query

Hi folks

Just following up in the stuff about traffic demand management and charging cars for driving. Looking through the documents again and it says

Vehicle types – the charging options proposed in this report apply to private vehicles as the economic responses of freight/business vehicles as a result of road user charging will differ significantly and so is subject to a separate assessment.

Just checking to see whether the ministerial cars would be exempt from the scheme?

Cheers

Response:
A SG spokesperson said:

"This Transport Demand Management research was commissioned by Transport Scotland in June 2022 to add to the evidence base on how to reduce car use fairly in Scotland. **The research was undertaken by an independent consultancy and is not Scottish Government policy**.

"The research includes hypothetical modelling of both local and national options for demand management in Scotland."

Background info:

- This is not a proposed scheme, it is a hypothetical scenario as stated above.
- The vehicle type definition stated in your query is for **economic assessment purposes only**, noting that private vehicles are classed differently economically to business vehicles. **This is relevant for the analysis only, not policy definitions**.

Email chain- TS Press

Hi folks

Working on something about criticism of the travel demand management analysis you published yesterday which could lead to people being charged for driving in cities and towns.

- **Scottish Conservative shadow transport secretary Sue Webber MSP said:** "The SNP have repeatedly missed their own emission reduction targets but are now looking to punish motorists to make up for their own mistakes.
-
- "It is frankly outrageous that the SNP are now considering charging them at the same time while they have failed to fix our pothole-ridden roads.
-
- "If the SNP want to meet their own climate targets, they should be focusing on making public transport reliable and affordable, rather than ramping up their war on motorists."

A comment by 6pm would be great.

Cheers

Response:

A SG spokesperson said:

"The Scottish Government has been clear that reaching our target of a 20% reduction in car use by 2030 will require a broad combination of interventions, including infrastructure, incentives and disincentives.

"This Transport Demand Management research was commissioned by Transport Scotland in June 2022 to the evidence base on how to reduce car use fairly in Scotland The research was undertaken by an independent consutlancy, AECOM, and is not Scottish Government policy.

"While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government does not have a policy position to progress national road pricing.

The Scottish Government is focusing on engagement with the UK Government to ensure any reform of Fuel Duty takes a collaborative four-nations approach to replace lost revenues from the shift to electric vehicles, as well as supporting the just transition to Net Zero, protecting the diverse needs of communities such as those in Scotland's rural and island areas and supporting sustainable travel."

Extract Of Presentation slides to RTPs on contents of the DM research and as contained in the published report

1

National (source DM research)

Distance Based Charge

- A variable rate per kilometre defined by urban/rural location
- Online milage log submissions with verification at MOT *or* GNSS telematics

Potential Complementary Interventions / Mitigations:

- Geofencing/ ANPR checks at border or grace period exemptions for vehicles from outwith Scotland
- Revenues could be directed to national transport portfolios
- Could vary further by time of day and journey origin
- Second cars could incur a higher rate
- Further policy development work required

Allowances / Exemptions / Reductions / Caps:

- Blue badge holders
- A discounted rate applied to the lowest income group within "remote rural" areas
- Car share schemes

2

Local (Source DM research)

Area Based Charge

- Implemented by Local Authorities, under existing powers, in all large urban areas in Glasgow conurbation, Edinburgh, Dundee and Aberdeen
- Enforced by ANPR and GNSS
- Excludes trunk roads

Complementary Interventions / Mitigations:

- Parking charges at boundaries
- Specific operating times
- Existing legislation states net proceeds should be used to support objectives of the local transport plan

Allowances / Exemptions / Reductions / Caps:

- Exemptions for Blue badge holders and Car share/ Car Club schemes
- A discounted rate applied to the lowest income group within "remote rural" areas
- Single charge per day

3

TDM Research

Charge type	Charge	2030 Car km reduction	2030 Revenue	Car emissions reduction	Equity impacts and mitigation
Area	£15 per day, (£7.50 discounted)	-25%	£1,300m	-26%	Greater impacts on those living within the charged area, who are potentially more able to substitute
	£10 per day, (£5 discounted)	-21%	£1,100m	-22%	
	£5 per day, (£2.50 discounted)	-14%	£800m	-15%	
Distance	10p per km, (5p (discounted)	-26%	£2,300m	-27%	Lower charges mitigate the impact on remote rural communities who find it most difficult to switch modes
	6.5p per km (3.3p discounted)	-17%	£1,700m	-17%	
	3p per km (1.5p discounted)	-8%	£875m	-8%	

- Assessment of options shows that both distance and area-based charging could be designed to support 20% reduction in car kilometres
- Analysis based on Glasgow conurbation, Edinburgh, Dundee and Aberdeen implementing charges simultaneously. . Edinburgh & Glasgow modelling: could result in car KM reductions of between 9-16% nationally
- Given timeframe since research, complexity of designing scheme implementation by 2030 to have impact is not thought possible or probable
- Operating costs for each charging zone is expected to be between 20% and 50% of revenue generated
- The delivery technology such as ANPR cameras – currently widely adopted for a variety of traffic enforcement applications or Global Navigation systems

4

Email extract between officials

Dear colleagues, I wanted to inform you that this afternoon TS published the Aecom Transport Demand Management research.
The Scottish Government has been clear that reaching our target of a 20% reduction in car use by 2030 will require a broad combination of interventions, including infrastructure, incentives and disincentives. This Transport Demand Management research was commissioned by Transport Scotland in June 2022 to explore fair and progressive options to reduce unnecessary car use.
The research was undertaken by an independent firm, AECOM, and is not Scottish Government policy. While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government does not have a policy position to progress national road pricing. The Scottish Government will focus on engagement with the UK Government to ensure any reform of Fuel Duty takes a collaborative four-nations approach to replace lost revenues from the shift to electric vehicles, as well as supporting the just transition to Net Zero, protecting the diverse needs of communities such as those in Scotland's rural and island areas and supporting sustainable travel."
Regards

Email between officials 11 Dec

Morning,

Please see attached final version of the Context and Position Paper (Website Title and Description below) for publication alongside Research Report, which has now been cleared by Cab Sec.

TITLE: Context and Scottish Government Policy Position on Car Demand Management and Transport Demand Management Research

DESCRIPTION: This document sets out the context and Scottish Government's policy position on car demand management and the independent Transport Demand Management Research.

I can confirm we can proceed with publication at 2pm and I will provide details to Cab Sec PO in advance.

Let me know if you need anything further.

Kind regards

Extract Email from Fiona Hyslop PO to TS Officials

Conclusion and next Steps

Officials recommend that you consider the enclosed position statement, draft website text
Redacted Regulation 10(4)(e) Internal communications
Option A: retain existing text in the context and position paper that it is Scottish Government policy to progress a regulatory review of road user charging.
Redacted Regulation 10(4)(e) Internal communications

See feedback in green and bold the important message as requested and yes can accompany other documents

TS Website Text for Publication

Following Cabinet Secretary steer that accompanying publication material should be clear that research is an independent piece and is not Scottish Government policy, the following text has been drafted to be published alongside the research on the TS website:

"The Scottish Government has been clear that reaching our target of a 20% reduction in car use by 2030 will require a broad combination of interventions, including infrastructure, incentives and disincentives. This Transport Demand Management research was commissioned by Transport Scotland in xxx 2022 to explore fair and progressive options to reduce unnecessary car use. **The research was undertaken by an independent firm, AECOM, and is not Scottish Government policy.** While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government does not have a policy position to progress national road pricing. The Scottish Government will focus on engagement with the UK Government to ensure any reform of Fuel Duty takes a collaborative four-nations approach to replace lost revenues from the shift to electric vehicles, as well as supporting the just transition to Net Zero, protecting the diverse needs of communities such as those in Scotland's rural and island areas and supporting sustainable travel."

Thanks

Email extract

10 (4)(e) Internal communications, and that research is independent: " key explanation on TS website and to Cosla Board that this is independent research and does not contain the Scottish Government's position. Councils are to make their own decisions on demand management and the Scottish Government will focus in engagement with the UK Government to ensure any planned replacements for fuel duty etc can be developed across the 4 nations to ensure it can work to support carbon reduction transmissions and sustainable travel options"

We've drafted a position paper attached to aim to do this and to publish alongside the Demand Management Research. **Redacted Regulation 10(4)(e) Internal communications**

Grateful for any comments/suggested drafting on the attached ASAP as we'd need to put it to Cab Sec for clearance for publication on Wednesday.

Proposed website text is:
The Scottish Government has been clear that reaching our target of a 20% reduction in car use by 2030 will require a broad combination of interventions, including infrastructure, incentives and disincentives. This Transport Demand Management research was commissioned by the Scottish Government to explore fair and progressive options to reduce unnecessary car use. The research was undertaken by an independent firm, AECOM, and is not Scottish Government policy. While the research includes hypothetical modelling of both local and national options for demand management in Scotland, the Scottish Government does not have a policy position to progress national road pricing. The Scottish Government will focus on engagement with the UK Government to ensure any reform of Fuel Duty takes a collaborative four-nations approach to replace lost revenues from the shift to electric vehicles, as well as supporting the just transition

to Net Zero and protecting the diverse needs of communities such as those in Scotland's rural and island areas."

Grateful for review ASAP, thanks!