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Net Zero, Energy and Transport Committee  
c/o Clerk to the Committee  
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2 February 2024

Dear Convener,

During my attendance at the Net Zero, Energy and Transport Committee on Tuesday 16 January 2024, I undertook to provide further information on the pathfinder projects supported through the Community Bus Fund in 2023-24, and to provide an update on the reviews of bus funding in relation to conditionality. This information is set out below which I hope the Committee finds helpful.

### Community Bus Fund

The Community Bus Fund (CBF) was allocated £5 million capital funding and £0.75 million in resource funding for 2023-24. The £0.75 million resource funding was available to transport authorities to support pathfinder style projects aimed at enabling local transport authorities to complete initial feasibility and preparatory work required for future implantation of the bus options in the Transport (Scotland) Act 2019. As such, spend was targeted at reviews and assessments required for the Transport Act 2019 powers to be considered and explored.

There was a high level of interest from local authorities. From the bids received, 11 projects are being taken forward in 2023-24 pending compliance with Fair Work First requirements. These include projects to review local bus networks to develop local transport/bus strategies, and projects to complete options appraisals with a view to developing business cases. The majority of local authorities are still in the early stages of exploring the options within the Transport Act 2019, with most projects aimed at commencing work to determine which option, if any, is most appropriate for their areas. Further information on the supported projects can be found in Annex A.

Details on the distribution of the £5 million capital funding in 2023-24 can be found on the Transport Scotland website - [Community Bus Fund | Transport Scotland](#)

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## Review of Bus Funding

In March 2023, as the covid recovery funding for bus operators (Network Support Grant Plus) was coming to an end, the former Minister for Transport, Jenny Gilruth MSP commissioned a review of all funding streams provided to bus operators to consider the overall support provided, and the potential for strengthening conditionality.

There are currently three main funding streams supporting bus operators and bus passengers. These are the Network Support Grant, the National Travel Concessionary Schemes and the Zero Emission Bus Fund. The largest funding stream is the National Concessionary Travel Schemes, with £370.4 million allocated in 2024-25. This subsidises bus passengers and is being considered as part of the Fair Fares Review (FFR). An evaluation of the Zero Emission Bus Fund will be undertaken following the closure of the fund.

With wider options for support for bus being considered further through the FFR, the review of the Network Support Grant for 2024-25 is focused on conditionality in relation to the implementation of Fair Work First (FWF) requirements for public grant funding, along with subsidy control consideration through the Subsidy Control Act 2022. Conditions regarding FWF require organisations to provide channels for an effective worker's voice, and to pay, or work towards paying all employees the real Living Wage. The subsidy control process for the scheme in 2024-25 is on-going, with the potential for additional requirements to be added as a result.

I trust this provides the information the Committee was seeking.

**FIONA HYSLOP**

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**Annex A – Local authority and RTP projects taken forward under the Community Bus Fund 2023-24**

| <b>Successful Local transport authority / Regional Transport Partnership</b> | <b>Project</b>                                                                                                                                               | <b>Amount awarded</b> |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Clackmannanshire                                                             | To review the network and develop a business case for local authority run services.                                                                          | £70,000               |
| Aberdeenshire (2 projects)                                                   | Project 1: To review and update local transport strategies.<br><br>Project 2: To appraise options to expand or amend the Council's operation of bus services | £124,000              |
| Perth & Kinross                                                              | Conduct options assessment to establish a small, local authority operated bus depot                                                                          | £30,000               |
| SWestrans                                                                    | Review and assess local network to develop operational model that includes commercial services                                                               | £38,900               |
| Moray                                                                        | Local network review to support expansion of local authority run services                                                                                    | £56,500               |
| Tactran                                                                      | Provide location and context-based review of new powers, transferable lessons, and options for transformation at local and regional levels                   | £75,000               |
| East Lothian                                                                 | Complete network review for local transport strategy                                                                                                         | £26,250               |
| SEStran                                                                      | To support development of a regional bus strategy                                                                                                            | £150,000              |
| Dundee                                                                       | To support development of a Bus Services Improvement Partnership (BSIP)                                                                                      | £18,000               |
| SPT                                                                          | To support development of a regional bus strategy                                                                                                            | £155,000              |