

Citizen Participation and Public Petitions Committee
Wednesday 11 December 2024
19th Meeting, 2024 (Session 6)

PE2120: Permanently remove peak fare pricing from ScotRail services

Introduction

Petitioner Tam Wilson on behalf of the Scottish Trade Union Congress

Petition summary Calling on the Scottish Parliament to urge the Scottish Government to permanently abolish peak fare pricing on all ScotRail operated rail routes.

Webpage <https://petitions.parliament.scot/petitions/PE2120>

1. This is a new petition that was lodged on 1 October 2024.
2. A full summary of this petition and its aims can be found at **Annexe A**.
3. A SPICe briefing has been prepared to inform the Committee's consideration of the petition and can be found at **Annexe B**.
4. Every petition can collect signatures while it remains under consideration. At the time of writing, 738 signatures have been received on this petition.
5. The Committee seeks views from the Scottish Government on all new petitions before they are formally considered.
6. The Committee has received submissions from the Scottish Government, and the Petitioner, which are set out in **Annexe C** of this paper.

Action

7. The Committee is invited to consider what action it wishes to take on this petition.

Clerks to the Committee
December 2024

Annexe A: Summary of petition

PE2120: Permanently remove peak fare pricing from ScotRail services

Petitioner

Tam Wilson on behalf of the Scottish Trade Union Congress

Date Lodged

1 October 2024

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to permanently abolish peak fare pricing on all ScotRail operated rail routes.

Background information

The recent trial abolishing peak fare pricing was a positive step towards making public transport more accessible and affordable. However, the short-term nature of the trial was insufficient to create lasting behavioural change or fully address the potential benefits of long-term fare reform. A permanent removal of peak fares would allow for a more sustained cultural shift, encouraging greater public transport usage and contributing to the broader goals of reducing car dependency, lowering carbon emissions, and promoting social equity across Scotland.

We urge the Scottish Government to recognise the economic, social and environmental benefits of permanently scrapping peak fare pricing on Scottish railways. The removal of peak fares would support fair and equal access to transportation, reduce financial pressure on commuters, and help achieve Scotland's climate change goals by making public transport a more attractive option.

Annexe B: SPICe briefing on petition PE2120



Background

All ScotRail fares fall into one of two categories, either 'protected' (previously known as 'regulated') or 'unregulated', which are briefly described below.

Protected fares: ScotRail protected fares are:

- season tickets
- anytime single/return
- anytime day single/return
- off-peak return tickets
- off-peak day single/return

The price ScotRail passengers pay for protected fares are based on the final fares for the above ticket types set by British Rail in 1997. Annual fare increases between 1997 and 2022 were capped using a formula set out in the franchise agreement between Scottish Ministers and the ScotRail franchisee. These fare capping arrangements were continued, on renationalisation of ScotRail in April 2022, in the [ScotRail grant agreement](#) between Scottish Ministers, Scottish Rail Holdings, and ScotRail Trains Ltd.

The grant agreement also sets out those days, times, and services to which peak and off-peak fares apply.

Unregulated fares: ScotRail First Class, super off-peak return, Flexipass, and Advance fares are unregulated, meaning fares are set by the operator on a commercial basis, with no input from the Scottish Government.

The grant agreement also sets out a number of ScotRail specific discount ticket products that the operator must make available to passengers, including rover tickets, [Kids for a Quid](#) and [Club 50](#), plus rail industry wide schemes, including various Railcards, staff travel schemes, and [PlusBus](#).

Scottish Government Action

The [Scottish Government's Programme for Government 2023-24](#) included a commitment to:

“...introduce a pilot for the removal of ScotRail peak-time fares, beginning in October, to make rail travel more affordable and accessible during the pilot period while helping to identify longer term steps to reduce car use”.

This was followed by an [announcement on 13 September 2023](#) that the pilot would run between 2 October 2023 and 29 March 2024. [The pilot was extended in December 2023](#) to run until June 2024, and [again in May 2024](#) to run until the end of September 2024.

[Transport Scotland announced on 20 August 2024 that the peak fares pilot would end on 27 September 2024](#). This press release stated:

“The cost of the full year subsidy was approximately £40m.

The success of the pilot has been measured through the analysis published today, which uses daily patronage data (from April 2022 to start of July 2024) covering the period before and nine months of the pilot.

This analysis shows that while there has been a limited increase in the number of passengers during the pilot, it did not achieve its aims of encouraging a significant modal shift from car to rail.”

On the issue of costs, [the evaluation of the pilot conducted by Transport Scotland](#) stated that:

“A prudent view of annual costs would be in the range of £25 million to £30 million with a (less likely) downside scenario of up to £40 million.”

The evaluation of the pilot also found that it produced “...benefits of between £1.20 and £1.50 for each £1.00 spent.” Transport Scotland then applied a ‘distributional weighting’ to this figure, attempting to account for rail passengers typically having higher incomes than the general population, after which the pilot produced “...between £1.00 and £1.25 of benefits for every £1.00 spent.”

Either of these ranges compare quite favourably with some major transport investment projects being pursued by the Scottish Government, e.g. [the A9 dualling programme Case for Investment](#) estimates that it produces £1.12 of benefits for every £1.00 spent, or 89 pence of benefits for every £1.00 spent if you remove the monetary value given to ‘removing driver frustration’ - which is not typically used in transport project assessment.

The evaluation of the pilot also stated that it had produced “...4 million extra rail journeys over nine months, of which 2 million are journeys that would previously have been made by private car”.

It should be noted that the evaluation document presents costs on an annualised basis while figures for the increase in rail trips are presented over a nine-month period. The cost-benefit figures were calculated using annualised figures for both costs and benefits.

Scottish Parliament Action

Following [a debate on rail fares in the Chamber on 11 September 2024](#), the Parliament agreed the following motion, which was non-binding on the Scottish Government:

“That the Parliament calls on the Scottish Government to reverse its decision to reintroduce peak fares on Scotland’s railway and agrees that making public transport more accessible, affordable and reliable is key to supporting more people to use public transport.”

Alan Rehfisch
Senior Researcher
22 October 2024

SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at spice@parliament.scot

Every effort is made to ensure that the information contained in petition briefings is correct at the time of publication. Readers should be aware however that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

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Annexe C: Written submission

Scottish Government written submission, 14 November 2024

PE2120/A: Permanently remove peak fare pricing from ScotRail services

The petition calls for the permanent removal of peak fares on ScotRail services, following the temporary pilot which ran for twelve months and ended on 27 September 2024. As outlined in the final evaluation report published on 20 August ([ScotRail Peak Fares Removal Pilot - Final Evaluation Report - August 2024 | Transport Scotland](#)) the pilot resulted in an increase in demand from the pilot of 6.8%. This represents around 4 million extra rail journeys over nine months, of which 2 million are journeys that would previously have been made by private car. This is in the context of around 5 billion annual private car journeys in Scotland and represents a reduction of less than 0.1% of car-based carbon-emissions. Therefore, an evidence-based decision was made to end the pilot as it was not successful in its primary objective of encouraging a significant modal shift from private car.

It is important to note that the peak fare is the 'full-price' of the journey, with off-peak providing a discount - the reasoning behind this was to encourage passengers to travel at quieter times. Peak fares are not intended to be a 'premium' price. Peak fares generate a crucial portion of ScotRail's revenue, particularly from regular commuters and business travellers who travel during high-demand periods. Removing these fares on a permanent basis, as evidenced by the 12-month pilot, results in a significant drop in revenue and without a significant and sustained increase in patronage to offset this loss, then the difference needs to be replaced through increased subsidies from the taxpayer. Given the strain on public finances and broader fiscal challenges, the Scottish Government determined that the level of subsidy that would be required is simply unaffordable at this time.

To maintain current service levels and expand the network to meet future demand, the rail system relies heavily on the revenue generated during peak hours. Abolishing peak fares would necessitate diverting a significant amount of public funds that are already stretched thin across other critical areas. Given the current fiscal constraints, the Scottish Government cannot justify reallocating resources to cover the lost revenue from peak fares without impacting other areas.

Moreover, the risk of underfunding ScotRail due to reduced fare income could lead to service reductions, maintenance issues, or delays in planned infrastructure improvements – undermining the quality and reliability of the service. The Scottish Government must ensure that Scotland's Railway remains financially sustainable in the longer term.

While the Scottish Government recognises the potential benefits of removing peak fares permanently especially in terms of accessibility, social equity and environmental goals, the decision to end the pilot to remove peak fares from ScotRail services is driven by both its failure to meet the modal shift objective and also the current fiscal climate. The financial realities faced by the Scottish Government make it unaffordable to sustain the increased subsidies required to offset the revenue losses from abolishing peak fares.

In the present economic environment, the Scottish Government is facing significant financial constraints due to prolonged Westminster austerity, the economic damage of Brexit, a global pandemic, the war in Ukraine and the cost-of-living crisis which have all placed enormous and growing pressure on the public finances. While the Pilot has been positive in terms of public reception, it highlighted the substantial revenue losses of up to £40 million per year that could accompany the permanent removal of peak fares on ScotRail services.

The 3 September fiscal update provided an assessment of the profound challenges facing our public finances. In total up to £500 million 2024-25 savings measures were laid out by the Finance secretary, including savings – of which £65 million comes from the previously announced decisions on the peak fares removal pilot, concessionary fares extension for asylum seekers pilot, and agreement with Local Government regarding funding for pay deals.

The Scottish Government has fewer options available to address pressures than the UK Government and must use all the levers available to ensure it delivers a balanced budget. In the absence of confirmed additional consequential UK Government funding, any emerging substantive in-year pressures can only be funded by choices elsewhere in the budget.

While the petition correctly identifies the social equity and environmental benefits of removing peak fares, such as reducing the financial pressure on commuters and encouraging a shift from cars to public transport, these must be weighed against the economic realities of the moment. It is clear that making public transport more affordable is an important objective and the Scottish Government remains firmly committed to pursuing policies that improve accessibility, reduce car dependency and support Scotland's climate goals.

However, any permanent change to fare structures must be financially sustainable in the long term. The Scottish Government has committed to exploring ways to support public transport affordability while balancing these measures with the need to maintain high-quality services and ensure the transport system's financial health.

Whilst the pilot has ended, ScotRail have introduced a 20% price reduction on all Season tickets for 12 months – which offers passengers a 40% saving on peak prices. ScotRail have also permanently improved the value for money of Flexipass tickets by increasing the number of journeys from 10 to 12 singles (6 returns) for the same price, an equivalent saving of 20%, in addition to Super off-peak tickets being reintroduced. These ticket types sit alongside a wide range of other products already available such as national rail cards, and all of these help to provide significant savings to passengers which make public transport more affordable and help to reduce car dependency by making public transport more attractive.

The Cabinet Secretary for Transport wrote to all MSP's on 25 September to outline the reasoning behind the pilot ending and to highlight the improvements made to the value for money of Season tickets and Flexipass.

The Scottish Government has already committed to the following next steps:

- Transport Scotland, working with partners, will develop proposals for a new fare offering aimed to encourage continued increase in rail market share, reflecting changing travel patterns and the needs of different markets for rail including commuting, business, leisure, and tourism. This will inform considerations for a wider roll out of integrated ticketing, national/ regional fare structures across all modes in Scotland. This will be informed by the results of the monitoring and evaluation of the Pilot and the impact of the reintroduction of peak fares to ScotRail services.
- Continue to invest in Scotland's Railway - the present levels of rail investment by the Scottish Government are unprecedented. In financial year 2024-25, total funding for the rail sector in Scotland will be £1.6 billion.

For the next whole five-year funding period (2024 – 2029), the Scottish Government's investment in Network Rail's operations, maintenance and renewals for Scotland's Railway will increase by £450m in cash terms from £3.75 billion in 2019-24 to £4.2 billion in 2024-29.

- Monitor and assess the budgetary position in the coming years, with the possibility of revisiting the removal of peak fares once economic conditions improve. The Scottish Government has already stated it remains open to further fare reform when public finances are in a stronger position.

While the Scottish Government acknowledges the benefits the temporary removal of peak fares on ScotRail services had, the current fiscal climate makes the proposal to permanently remove them untenable. As outlined in previous parliamentary debates on this topic, the significant increase in subsidy that would be required to offset the lost revenue simply cannot be justified at this time. However, the Scottish Government remains committed to finding ways to make public transport more accessible and affordable within the constraints of the current budget and will continue to explore alternative approaches to achieve these goals.

Transport Scotland

Petitioner written submission, 2 December 2024

PE2120/B: Permanently remove peak fare pricing from ScotRail services

We are writing in response to Transport Scotland's written submission regarding the petition to permanently remove peak fare pricing from ScotRail services. While we understand the financial and logistical constraints outlined in the submission, we would like to offer further insight into why the permanent abolition of peak fares remains an essential policy for the benefit of Scotland's commuters and the wider goals of sustainability.

The temporary removal of peak fares during the pilot period demonstrated positive outcomes, including a 7% increase in rail usage, a key indicator that supports the broader cultural shift we seek toward public transport. Importantly, this also resulted in fewer car journeys, contributing to reduced emissions. However, as noted, the full impact of long-term fare reform cannot be accurately assessed in a short trial. The behavioural changes required to significantly reduce car dependency will take time,

and the benefits of an affordable, accessible rail system will be felt most when fare reductions are made permanent.

While we acknowledge the fiscal challenges faced by the Scottish Government, we believe that the cost of inaction may ultimately be higher. Continued reliance on private car journeys, particularly during peak hours, exacerbates both environmental issues and social inequities. Low-income commuters and essential workers who are disproportionately affected by peak fare pricing are burdened with inflated travel costs, making essential journeys unaffordable. These individuals have limited alternatives but to travel during peak hours, yet they are penalised for doing so.

Moreover, the impact of the climate crisis demands urgent action. The Scottish Government's commitment to achieving net-zero goals is incompatible with a transport system that continues to encourage car use, especially when public transport could serve as a viable alternative. By removing peak fares permanently, Scotland would be leading by example, not only addressing social inequality but also significantly contributing to its environmental objectives.

We also wish to specifically address the assertion that "the peak fare is the 'full-price' of the journey, with off-peak providing a discount". We believe that this pricing structure has been in place for so long that it no longer accurately reflects the current reality. Over time, the distinction between "peak" and "off-peak" fares has become entrenched in the public's understanding of the rail system, and the concept of a 'premium' peak fare no longer holds the same weight or incentive for commuters. The argument for encouraging passengers to travel at quieter times through higher fares has become outdated, particularly when we consider the broader aim of making public transport more accessible and equitable for all.

We also believe that the potential economic costs of permanently removing peak fares, particularly the need for greater public subsidy, can be mitigated in a variety of ways. While it is true that peak fares generate a significant portion of ScotRail's revenue, it is equally crucial to consider the broader economic benefits that would stem from increased rail usage, such as reduced congestion, lower emissions, and a more equitable and sustainable transport system.

Furthermore, the 20% reduction in Season ticket prices and other ticketing changes, while appreciated, are not sufficient to create the long-term shift in transport usage that Scotland requires. The pilot's success shows that eliminating peak fares, coupled with investment in infrastructure, could create a far more sustainable transport system. We urge the Scottish Government to consider how best to achieve this balance, making long-term fare reform a central pillar of Scotland's green and equitable future.

We urge the Scottish Government to reassess the permanent removal of peak fares as part of its broader efforts to reduce the cost of living, combat climate change, and improve public transport access for all. While fiscal realities must be taken into account, the health and sustainability of Scotland's transport system require bold, future-focused policies that prioritise people over short-term financial constraints.

CPPP/S6/24/19/11

Thank you for considering our comments. We look forward to further discussions on how best to create a transport system that is affordable, accessible, and environmentally sustainable for everyone in Scotland.