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Dear Edward,

SCOTRAIL PEAK FARES REMOVAL PILOT

I am writing to inform you of the outcome of the final evaluation of the ScotRail Peak Fares Removal Pilot (the Pilot) which is now available on the Transport Scotland website.

The Scottish Government subsidised the temporary removal of ScotRail peak fares from 2 October 2023, with the aim to encourage people to switch from car and travel by train by making public transport more accessible and affordable over the pilot period. The pilot has since been extended twice, to run for twelve months in total and is due to end on 27 September 2024.

My officials have undertaken analysis using daily patronage data (from April 2022 to the start of July 2024) covering the period before and nine months of the pilot. This analysis accounts for as many mitigating factors (severe weather, strikes, mass events, the fare rise in April 2024, variation over the week/weekends and the impact of seasonal factors) as possible, allowing for an overall trend as well as that assessed for the pilot itself. This employed standard statistical techniques and was subject to normal analytical audit processes.

The 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. The cost of the full year subsidy was approximately £40 million. In light of the financial challenges facing the Scottish Government and the level of additional and continuing subsidy that would be required to continue the pilot versus its contribution towards tackling climate change with modal shift from car and tackling child poverty which are key Scottish Government missions, the pilot will end on 27 September 2024.

The pilot primarily benefitted existing train passengers and those with medium to higher incomes and although passenger levels increased to a maximum of around 6.8%, it would

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require a 10% increase in passenger numbers for the policy to be self-financing. The pilot will have been welcome in saving many passengers hundreds and in some cases thousands of pounds during the cost of living crisis, but this level of subsidy cannot continue in the current financial climate on that measure alone.

I am aware, however, that a significant minority of people cannot choose when they travel to and from work who did and would benefit from lower priced rail travel and who might find the return to peak fares challenging. I can therefore announce the introduction of a 12 month discount on all ScotRail season tickets and permanently amending the terms of flexipasses to allow for 12 single journeys for the price of 10 used within 60 days, equivalent to a 20% discount for those who travel less frequently.

For example, prior to the pilot someone travelling between Edinburgh and Glasgow would have paid £28.90 for an anytime return. They will now pay £31.40 for an anytime day return but with the 20% discount this reduces to £18.52 if they use an annual season ticket to travel at least 4 days per week or £21.25 if using a flexipass for a return journey. Weekly and monthly season tickets are also available with the 20% discount which offer savings over buying tickets on a daily basis.

Prior to the pilot, someone travelling between Barrhead and Glasgow would have paid £6.60. While this will increase to £7.20 for an anytime day return it reduces to £4.06 if they use an annual season ticket to travel at least 4 days per week. Someone using a flexipass on the same journey will pay £4.85 for a return journey.

Super off-peak tickets will also be reintroduced. While they only account for 2.7 per cent of all journeys made on ScotRail services, with only a very small number of journeys actually qualify for the ticket, they do provide cheaper travel on particular routes, between 11am and 3pm, and after 8pm.

The final evaluation of the Pilot is available on the Transport Scotland website.

The Scottish Government would be open to consider future subsidy to remove peak fares should UK budget allocations to the Scottish Government improve in future years.

Finally, the findings of the pilot will be taken forward in our work to make our public transport system more accessible, available, and affordable as part of the recommendations from the Fair Fares Review published on 22 March 2024.

I am of course, willing to discuss this further with you and the Committee members at my next appearance in front of you.



FIONA HYSLOP
Cabinet Secretary for Transport

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