

Report to Partnership Meeting 26 April 2024

PARTNERSHIP

Fair Fares Review

Purpose of Report

To provide Members with a summary of recommendations published in the Fair Fares Review.

Background

The Scottish Government published the [Fair Fares Review](#), on 22 March 2024. The Fair Fares Review was a Bute House Agreement Commitment and aims to deliver on the commitment set out in the First Minister's Policy Prospectus, published in April 2023, to advance towards making our public transport system more accessible, available, and affordable, with the costs of transport more fairly shared across government, business and society. The review outlines the options, recommendations, actions, and next steps required towards achieving the vision for the future of public transport in Scotland.

The Fair Fares Review rests within the NTS Priority Areas of:

- Reduce Inequalities
- Takes Climate Action
- Helps Deliver Inclusive Economic Growth
- Improves Health and Wellbeing

Scope of Fair Fares Review

The Review has considered both the cost and availability of public transport services and the range of discounts and concessionary schemes which are available on all modes including bus, rail and ferry to ensure a sustainable and integrated approach to public transport fares that that supports the future long term viability of our public transport system.

It has considered the costs of providing public transport services by operators, the costs of supporting public transport services to government, and the costs of accessing public transport services incurred by passengers.

The availability element of the Review's work includes consideration of options to improve integration of public transport services and fares.

Fair Fares Review Recommendations

The Review sets out recommendations for the future of public transport. The Review sets out Government's aim to ensure the public transport system is more accessible, available, and affordable, with the costs of transport more fairly shared across government, business, and society.

The Review highlights the challenges facing public transport and presents options on the immediate-short and medium to long-term actions that are available to reform our current transport offering to deliver more effectively. Public transport has a crucial role to play in achieving Government's priorities on equality, opportunity and community. The Review presents an opportunity to address how we deliver on these objectives and improve Scotland's public transport system, delivering in a fairer and simpler way. It recognises the need for collaboration across the public sector and with transport operators, passenger representatives and other stakeholders.

The Main Fair Fares Review Report is included as an Appendix to this report. In addition to this Main Report the following supporting papers have also been published and can be accessed on the Transport Scotland website at this [link](#):

- Supporting Paper 1 – Public Transport System Analysis
- Supporting Paper 2 – Case for Change
- Supporting Paper 3 – Poverty Alliance Research
- Supporting Paper 4 – International Benchmarking

Action 1 - Bus

Scottish Government will develop a proposal for a bus flat fares pilot for an area-based scheme to provide flat fares on bus travel, or reduced fares on zonal integrated travel for consideration in future budgets.

Scottish Government will continue to develop policy to consider the best way to provide free bus travel to people seeking asylum, including delivery of the one year £2 million funding commitment for 2024-25 that was announced in October 2023.

Also, continue on the recommendations made in January 2023 in the Drug Deaths Taskforce Response: Cross Government Approach, to explore the feasibility of expanding concessionary travel to people with substance dependency. We will develop a proposal for a short term pilot of a non-statutory support scheme, with funding provided for distribution by local services, to remove the barrier of transport costs, for people with substance dependency, when accessing treatment.

Action 2 – Concessions on other modes

Within existing concessionary travel schemes, Scottish Government will develop the feasibility of a pilot project to extend free travel on rail services for companions accompanying eligible Blind Persons Concessionary Travel cardholders.

Scottish Government will develop the proposal to provide free foot passenger travel on inter-island ferries for under 22-year-old island residents within the Outer Hebrides, Orkney, and Shetland Island groups.

Scottish Government will develop the proposal to extend the existing National Ferry Concessionary Scheme to under-22-year-old island residents.

Action 3 - Rail

Scottish Government expect ScotRail to deliver increased sales of intermodal tickets to pre-pandemic levels in 2024.

Scottish Government will monitor and evaluate the ScotRail Peak Fares Removal Pilot which has been extended until June 2024, to inform medium to longer term rail fares reform.

Scottish Government expect ScotRail and CalMac to develop a partnership agreement that will deliver a number of benefits for passengers including joint timetable development, and explore a future digital solution that sees the reintroduction of 'Rail & Sail' tickets and improved collaborative working especially during disruption.

Action 4 - Ferries

As set out in the [Islands Connectivity Plan](#), Scottish Government will take forward detailed consideration of proposals to:

- Retain Road Equivalent Tariff (RET) for island residents and consider fares for non-islanders, particularly vehicle fares during the summer timetable period.
- Review and update the RET formulae as a key element of the above work.

Medium to Long-term Recommendations and Actions

Action 5 - Governance

Transport Governance Review to be recommenced with specific action on identifying changes to support improved public transport.

Consider establishing a National Forum on the Future of Public Transport, to co-ordinate improvement of delivery of a quality, accessible, available and affordable integrated public transport system.

Receive advice from National Smart Ticketing Advisory Board on the strategic development of smart ticketing in Scotland, including advice on the national technological standard to improve smart ticketing integration between modes, as well as advising on schemes.

Action 6 – Fares and Ticketing

Consider options and develop the business case for introducing a national and/or regional integrated ticket and fare structure.

Publication of the refreshed Smart & Integrated Ticketing Strategy Delivery Plan in early 2024 and progression of its associated actions and policy deliverables.

Action 7 – Rebalancing Cost of Travel

The Scottish Government is committed to finding ways to make sustainable travel modes more attractive, and supporting people to take fewer journeys by car. They recognise that to achieve this, the cost of motoring relative to public transport needs to be addressed. The

forthcoming route map to 20% car kilometer reduction will aim to set out our approach to support this recommendation.

Action 8 – Improving Efficiency and Integration

To increase stability in the bus system, Transport Scotland, working with local government, industry and other stakeholders, will develop a bus service improvement plan and delivery framework over the next 18 months to improve future availability of bus services across Scotland.

Rail fare structures are inevitably complex, reflecting the scale and complexity of the passenger network and the different nature of travel patterns and tickets appropriate for those. The ability to change this is further hampered because the structure of rail fares is reserved to the UK Government under current railway legislation. Scottish Government will continue to press for full devolution of responsibility for rail, including fares, to facilitate changes focused on the requirements of Scottish passengers.

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 (see Action 6).

As set out in the [Islands Connectivity Plan](#), Scottish Government / Transport Scotland will take forward detailed consideration of proposals to:

- Revisit the Freight Fares Review.
- Consider, based on evidence from the current Deck Space Reservation pilot project, whether a different approach to releasing vehicle space for booking will better facilitate island essential travel. This should allow greater opportunity for island communities and those who require to travel at shorter notice. If the pilot is successful then Transport Scotland and CalMac will discuss rolling this out further with individual communities.
- Undertake work to consider how to utilise dynamic pricing, within agreed parameters, in order to better manage demand and utilise capacity.

Action 9 – Concessionary Travel in Scotland

Scottish Government will maintain existing eligibility to the National Concessionary Travel Schemes for those groups who currently benefit and the Review recommends that further policy development to consider better targeting of public funds towards supporting access to public transport for those who need it most, including consideration of concessionary travel support for those experiencing financial poverty.

Transport Scotland will consider options for national bus or multimodal travel scheme and fare structure which could encourage more people to use bus and the wider public transport system, particularly when commuting.

Options not Being Progressed

The following policy options were considered in the long list of potential interventions but following an appraisal hereby options were assessed under an overarching multi-criteria analysis framework for decision making against National Transport Strategy (NTS) priorities and the First Minister Policy Prospectus priorities for public transport, also feasibility of options, timescales to implement, and consideration of the risks and sensitivities of delivering the options they were assessed as not suitable for progression at this time:

1. Universal expansion of NCTS to rail, light rail, and ferry for those groups eligible for the existing NCTS.
2. Expand eligibility for NCTS to CHFS and NIFS networks for all island residents aged under 22 (or full-time volunteers aged up to 26) on the same basis as the YPS for bus.
3. Expand eligibility for NCTS to rail/Scotrail train services
4. Expand eligibility for NCTS reimbursement to services operated by Community Transport operators under a Section 19 permit.
5. Expand eligibility for the YPS to everyone aged under 26 instead of under age 22 as at present.
6. Expand eligibility of NCTS to include unpaid carers
7. Expand eligibility of NCTS to include students
8. Access to half price bus and rail travel for students and apprentices
9. Expand coverage of NCTS to include rail, for all disabled card holders
10. Expand NCTS to include SPT subway and Edinburgh Trams, also considered for U22s only
11. Introduce a monthly/ annual fee to access NCTS
12. Introduce a financial cap for journeys that can be made under NCTS
13. Introduce financial means testing for access to NCTS
14. Removing use of NCTS at peak times
15. Increasing eligibility of NCTS Older persons scheme, to be in line with pension age.
16. Introducing a flat fare for NCTS.

Risk Register

RTS Delivery

Impact – Positive

Comment – A number of recommendations will improve affordability of access to transport services and support objectives identified in the RTS.

Policy

Impact - Positive

Financial

Impact – Neutral

Equality

Impact – Positive

Comment – The recommendations provide an opportunity to make public transport more affordable and protect current free travel entitlements.

Recommendation

1. Members and Advisors are asked to note the report.

2. Members are asked to note the relationship to HITRANS response to the Islands Connectivity Plan Consultation and Develop to Deliver report with a number of the recommended actions from the Fair Fares Review.
3. Members are asked to consider the recommendations and excluded options for discussion.

Report by: Ranald Robertson
Designation: Partnership Director
Date: 27th March 2024
Background Paper: **Appendix A – Fair Fares Review Main Report**