

Briefing from Transform Scotland

Wednesday 17 May 2023

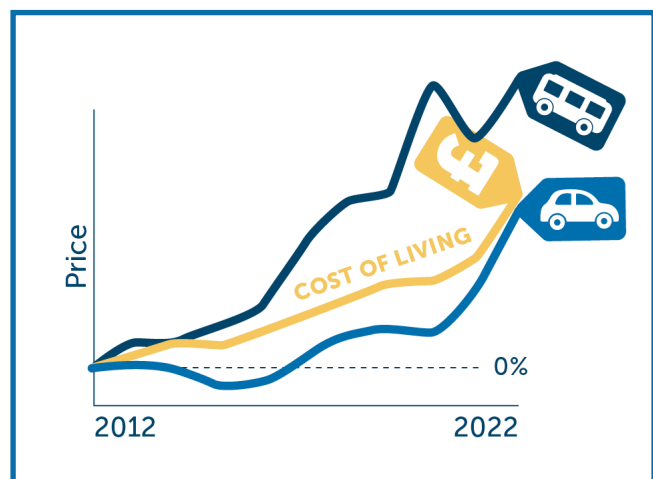
## Key Points:

- We agree with the motion that further support for public transport fares will be required to turn around the fortunes of Scotland's public transport.
- We would also agree that there may be merit in capping bus fares, but that further attention should also be given to moving to flat-fare public transport ticketing (as part of the Scottish Government's *Fair Fares Review*).
- Proposals for fares reform for public transport must also set out how these initiatives will be financed.

## 1. Long-term price trends have penalised public transport users

In recent decades, **public transport costs have not only risen relative to costs of driving, but considerably above the rate of inflation**. Over the past decade, this can in part be attributed to deliberate government action. In particular, the UK Government's decision to freeze, and then cut, fuel duty rates; this has provided a UK-wide subsidy for private car users not enjoyed by public transport users.

This chart presents a summary of comparative costs of bus travel against car travel in the UK over the past decade.<sup>1</sup> The differences in cost trends have been significant, with **bus travel becoming increasingly more expensive for the user**. The cost of bus transport rose significantly (over 60%), well ahead of average wages and the cost of living.



## 2. The pandemic has damaged prospects for Scottish bus services

Public transport in Scotland had already been struggling pre-pandemic, with increasing costs of running services leading to both **higher passenger fares** and a **decline in patronage** (particularly bus use). The pandemic has exacerbated these problems and, even as car travel has recovered to or above pre-pandemic levels, public transport patronage has yet to recover to the same extent. This has left **public transport operators much more dependent on public funding** than they had been previously.

In addition, public transport operators are faced with **changed travel patterns**. Fewer people are travelling during peak hours, while leisure use has increased in some areas. The **cost-of-living crisis** is creating added pressures. Operating costs for transport operators are rising, as they are for all businesses. But raising public transport fares, which have already been rising above inflation in recent years, would put unacceptable financial strain on many who are already struggling to afford using public transport.

### 3. Flat-fare ticketing

The motion makes the case for a Scotland-wide cap on bus fares. This would follow the current initiative by the UK Government for a **£2.00 fare cap for single journeys on buses in England (outside London)** as from January 2023. We are unaware of any detailed evaluation of the scheme, but recent survey work by Transport Focus has found it to be popular, and “more than one in 10 are using the bus to travel more”.<sup>2</sup>

The English fare cap is an example of **flat-fare ticketing**. While there may be merit in this approach taken in England, we would recommend consideration of the more comprehensive approach taken in Austria and Germany in recent years:

- The Austrian **KlimaTicket** was introduced in October 2021. It provides unlimited travel on all public transport in Austria at a price of €1,095 annually (€3 per day). This builds upon Vienna’s 365-Euro-Ticket, which over the past decade has provided that city’s residents with use of all public transport for €1 per day.
- The German **DeutschlandTicket** was introduced on 1 May 2023, following the trial 9-Euro-Ticket (which was implemented over summer 2022 as a Ukraine energy shock response). This provides access to all local public transport across Germany for a price of €49 per month (€588 annually).

These are the most significant public transport fares reform that we have seen — and we are certain that Scotland will need something similar to turn round the fortunes of the nation’s public transport. Further information on this and associated matters are available in the **Transform Scotland ‘Fair Fares’ report** published in December 2022 (<<https://transform.scot/our-work/our-projects/fair-fares/>>).

### 4. Financing fares reform

Given the severe budgetary constraints faced by the Scottish Government, any responsible proposals for fares reform for public transport must also set out how these initiatives will be financed. There are a number of possible funding sources, but the two we highlight here would have wide societal & environmental benefits:

1. The **Scottish Government should divert funds from its roads programme** to investment in zero-carbon transport. In recent decades, capital expenditure priorities have been grotesquely skewed towards high-carbon road-building & it is long overdue for this to be corrected.
2. **Local Authorities should use the powers for local road user charging & workplace parking levies** provided to them under the 2001 and 2019 Scottish transport acts. Except from the failed attempt by The City of Edinburgh Council to bring forward a congestion charging scheme (in 2005), no other Scottish local authority has taken the initiative to implement schemes which would lead to the rebalancing of transport prices back towards public transport users & provide reliable local funding streams for public transport investment.



<sup>1</sup> This is based on Office of National Statistics (ONS) data, as presented in greater detail online by the RAC Foundation at <https://www.racfoundation.org/data/cost-of-transport-index>

<sup>2</sup> See <https://www.transportfocus.org.uk/news/2-bus-fare-a-winner-for-bus-passengers/>

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We campaign for walking, cycling and public transport to be the easiest and most affordable options for everyone. Our diverse membership brings together public, private and third sector organisations from across Scotland. We are a registered Scottish charity (SC041516).