

Briefing from Transform Scotland

Thursday 28 March 2024

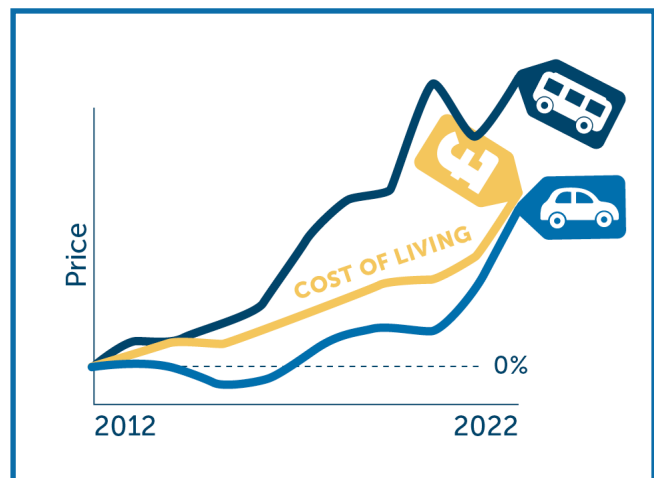
Key Points:

- We welcome the Scottish Government's acknowledgement in the Fair Fares Review that action needs to be taken to address the cost of motoring relative to the price of public transport.
- We further welcome the Government's commitment to a trial of flat fare ticketing.
- However, it is deeply disappointing that after 2.5 years the Review has been unable to set out detailed plans, instead delaying action to the traffic reduction plan, which is itself badly overdue, and a new 'Future of Public Transport' review.
- Given the damage to public transport patronage suffered during the pandemic, continued prevarication is reckless for the future prospects for Scottish public transport.

1. Fair Fares Review

Transform Scotland welcomes the Government's acknowledgement that action needs to be taken to address the cost of motoring relative to the price of public transport.

Long-term price trends have penalised public transport users, with **public transport costs having risen 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 decade-long decision to freeze, and then cut, fuel duty rates has provided a UK-wide subsidy for private car users not enjoyed by public transport users.



The chart above presents a summary of comparative costs of bus travel against car travel in the UK over the past decade. 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.¹

These price signals have encouraged people to drive and discouraged them from taking public transport. Transform Scotland sees no prospect of transformational change unless and until it's clearly cheaper to take public transport rather than use private cars. Hence while the Government recognises these trends, **it is deeply disappointing that after 2.5 years the Review hasn't been able to set out how this will be tackled, instead kicking the can down the road to the traffic reduction plan, which is itself badly overdue**. It's imperative that new measures such as road pricing or parking levies be implemented, with funds raised ringfenced for funding improvements and subsidies for local public transport services.

¹ Based on ONS data, as presented in greater detail online by the RAC Foundation at www.racfoundation.org/data/cost-of-transport-index

2. The pandemic has damaged prospects for Scottish public transport

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.

The [cost-of-living crisis](#) is creating added pressures, with operating costs for transport operators rising. Yet 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

Transform Scotland is [pleased that the Fair Fares Review commits to a trial of flat fare ticketing](#). However, it is unclear why, after 2.5 years, the Review has not been able to specify where and when this will happen, instead making a vague, unscheduled and unfunded commitment.

We would note that the UK Government has been operating a [£2.00 fare cap for single journeys on buses in England \(outside London\)](#) since January 2023. The English fare cap is an example of flat-fare ticketing. While there may be merit in the approach taken in England, we would recommend consideration of the more comprehensive approach taken in Austria and Germany in recent years. For example, the Austrian [KlimaTicket](#), introduced in October 2021, provides unlimited travel on all public transport nationwide at an annual price of €1,095 (€3 per day). This builds upon Vienna's local 365-Euro-Ticket, which over the past decade has provided the city's residents with use of all public transport for €1 per day.

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 (see <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 become 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. The Government should incentivise LAs to take action here.

Scotland's alliance for sustainable transport

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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).