



Removal of Peak Rail Fares Pilot on ScotRail Services

Date of meeting 29 September 2023

Date of report 12 September 2023

Report by Treasurer

1. Object of report

To inform the Committee of ScotRail's intention to pilot the removal of peak rail fares across Scotland for a period of six months from October 2023 and to highlight potential impacts on the Strathclyde Concessionary Travel Scheme. (SCTS).

2. Background to report

The Scottish Government's plans to remove peak rail fares were first announced by the Cabinet Secretary for Finance as part of the 2023/2024 Scottish budget. Details were later confirmed by the First Minister on 18 April 2023 and means that peak rail fares will be removed between October 2023 and the end of March 2024 as part of a six-month pilot scheme.

This pilot scheme will impact on the Strathclyde Concessionary Travel Scheme (SCTS), meaning that starting 2 October 2023 until the end of the six-month pilot, peak fares will be reduced to the level of their off-peak equivalent, and fares currently valid only at off-peak times will become valid all day.

Members will be aware that the SCTS rail concession element has a time restriction applied in the AM and PM Peaks. In keeping with this pilot scheme, ScotRail have indicated that the default position is for all concession fares to become valid all day.

3. Outline of proposals

The implications for the SCTS could be an increase in the use of the rail concession element of the scheme which currently accounts for c.70% of SCTS journeys. The financial risks to the SCTS are that any large increases in the number of concession rail journeys could have considerable negative impact on the scheme, although at this time the exact figure is difficult to estimate.

Whilst we welcome the announcement of these pilot proposals, particularly given current cost of living issues, SPT has sought assurances from ScotRail that under the pilot the SCTS would not be financially disadvantaged as regards levels of scheme reimbursement. Members should be made aware that these discussions with ScotRail are underway in order to agree a mutually acceptable solution.

We are also mindful that the pilot could impact on wider public transport use, for example, leading to modal shift to rail as well as generating additional concessionary journeys, for example, bus users, where no peak restrictions are in place, making the switch to rail. At time of writing, details of how current rail season tickets will be managed by ScotRail is unknown but could impact SCTS should there be changes

in how people choose to buy tickets, for example, increases in use of individual tickets.

Furthermore, the pilot may increase expectations that concessionary fares will be available during peak times on other modes. However, as this is a rail only pilot and will be subject to evaluation, all other time restrictions on other modes will remain in place and that the full cost and any unintended consequences of this decision on the scheme's operation and financial stability needs to be fully assessed.

Both SPT and ScotRail recognise that monitoring this pilot is essential in order to help identify its impact on the SCTS and therefore we will continue to work together before, during and after the pilot.

Emerging findings from the removal of Scotrail Peak-time rail fares pilot are expected to be published as part of the wider Fair Fares reporting later this year. Interim impacts on SCTS will be reported to the next meeting of the Committee.

4. Committee action

The Committee is recommended to note the contents of this report and the on-going dialogue between SPT and ScotRail in order to mitigate any financial impacts on SCTS.

5. Consequences

Policy consequences	In line with the policies of the new RTS.
Legal consequences	None at present.
Financial consequences	The proposals present a potential financial risk to SCTS resulting from increased journeys and resultant higher reimbursement. On-going discussions will aim to remove any financial impact upon SCTS.
Personnel consequences	None at present.
Equalities consequences	Changes are likely to contribute positively to improving equality outcomes for older and disabled rail users. The proposal will require to be carefully monitored.
Risk consequences	None at present.
Climate Change, Adaptation & Carbon consequences	None directly.

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