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Executive Summary

- 1.1 The 2011 TAS Fares Survey used a sample size of 1,073 fares across different regions, area types and operators in England, Scotland and Wales for typical single bus journeys of approximately 3 miles. This updates previous work on the subject carried out by TAS in 2009. The average fare was £1.91. This compares to an average fare of £1.74 in the 2009 report, implying an increase of 9.8% over the past two years, below the level of increase in RPI. The survey showed a wide variation in fare for a three mile journey:
- The minimum fare was £0.70
 - The average fare was £1.91
 - The maximum fare was £3.85
- 1.2 When broken down into Government Office Regions, the average urban single fare was £1.89 and the average non-urban single fare was £1.96. Scotland had the lowest urban and non-urban single fares, London the highest urban and West Midlands the highest non-urban single fares. The average fares tended to be higher for non-urban operations, except in the East of England where the average urban fare was higher.
- 1.3 Analysis of the single fares by operating group showed an average urban fare of £1.90 and an average non-urban fare of £1.95. National Express did not operate non-urban routes in our sample and First was the only group that charged more on average for urban single fares compared to non-urban ones. Arriva, Veolia Transdev and Go Ahead have all increased their average fares by over 10% between the 2009 and 2011 surveys.
- 1.4 The equivalent day and weekly ticket price covering each specified journey was recorded and analysed. Notable omissions from selling day tickets included Stagecoach West Scotland (Lockerbie area) and Pennine Bus and from weekly tickets Transdev Yorkshire Coastliner and EYMS (for journeys outside the Hull or Scarborough urban areas). Day tickets cost on average 18% more in non-urban areas compared to urban ones.
- 1.5 When broken down by operator group, municipal operators and National Express offered the lowest average day ticket prices, charging £3.52 and £3.53 respectively. Independent operators had the highest average day ticket price of £6.84. Stagecoach had the lowest average weekly ticket price of £13.27 and Veolia Transdev the highest at £16.73.
- 1.6 Analysis of the economic characteristics influencing bus fares revealed a 55% rise in fuel net of BSOG and a 10.2% rise in RPI between the 2009 and 2011 surveys. Car ownership continued to rise – between 2009 and 2011 this figure was 7%. Nationally, bus ridership fell by 5.1% despite some operators

reporting a rise. All demographic relationships between car ownership, bus use and disposable household income showed a marked north – south divide.

- 1.7 Our conclusions look at the likely effect of the relationship of fares to the reduction of BSOG in April 2012. Given the reverse relationship between fares increases and concessionary reimbursement, whereby increased fares above CPI engender reduced reimbursement rates and allowing for the underlying inflation rate, we expect fare increases in the order of 11% in 2012.

1.1 Introduction

- 1.1.1 In order to determine the level of fares charged (mid September to November 2011) TAS undertook a comprehensive survey of bus fares, which included single fares and day and period tickets.
- 1.1.2 It is a matter of some bewilderment that, with the exception of a small number of operators, single fares are not widely publicised. We therefore had to request sample faretables from a range of operators throughout the UK. We thank all of those operators for their supply of faretables, although credit is due to those few operators which do publicise fares in detail.
- 1.1.3 We aimed, as far as possible; to obtain fares detail for the same services as in 2009 and we were broadly successful although roughly equivalent services were substituted if networks had changed. Unlike the original survey in 2009, FirstGroup participated in this study fully and has a full representative sample in this survey.
- 1.1.4 This 2011 study was part funded by one of the major groups, but this has not affected our independent choice of sample fares, nor influenced our reporting method.

1.2 Objectives

- 1.2.1 This study concentrates on the main fares offered in order to compare fare levels and this was analysed by operating group, government office region and area type. All fares were taken to be peak versions and off-peak pricing was disregarded. The main types of fares analysed are:
- Adult single fare purchased from the driver for a 3 mile journey
 - ◆ These were chosen to be 'typical' journeys – those likely to be made by passengers - in a variety of areas
 - Day ticket
 - ◆ Chosen to be the least expensive ticket equivalent to the journey's single fare which can be purchased on-bus – in some cases this is a multi-operator product.
 - Day tickets were not available for:
 - ◆ Trent Barton (Leicester and Loughborough areas)
 - ◆ Pennine Bus

- ◆ Stagecoach West Scotland (Lockerbie area)
- Weekly ticket
 - ◆ Chosen to be the least expensive area ticket which can be bought on-bus, equivalent to the journey's single fare; discounts for off-bus purchases were disregarded.
- Weekly tickets were not available for:
 - ◆ Stagecoach Lincolnshire (Boston area)
 - ◆ Transdev Yorkshire Coastliner
 - ◆ EYMS (for journeys outside Hull or Scarborough)
 - ◆ Trent Barton (for journeys outside the Chesterfield, Alfreton and Derby areas)
 - ◆ Pennine Bus

1.2.2 Some operators sell point to point weekly tickets on bus, but we have disregarded these in order to make consistent comparisons.

1.3 Our Approach

1.3.1 Our aim was for a sample of 1,000 fares (an increase of broadly 100% compared to the 2009 study) and to include and have a sample size for each operating company in relation to its fleet size as specified in the *Bus Industry Monitor* fleet analysis. For operators with a very simple fare structure this meant including repeated examples of the same fare value (for National Express West Midlands we included 53 £1.80 fares, for example). The exception to this is London, where we had a small number of fares purely to include London values for comparative purposes.

1.3.2 All sample fares were valid in the time period between mid September and late November 2011. We acknowledge that any fare increases during this period might skew the results when comparing one operator with another. All fares are taken as the value paid on the bus in the peaks, with discounts for online or other pre-purchase methods and off-peak travel discounted. All fares quoted are unadjusted outturn prices, whether for 2009 or 2011.

1.4 Report Structure

1.4.1 Section 2 describes the historical perspective of bus fares and offers some detail of changes in ticket types used by passengers between 2000 and 2009. Section 3 details our 2011 survey results for single fares by Government Office Region (GOR) and Section 4 details the results for day and weekly tickets by

GOR. An analysis of the different markets served is outlined in Section 5 and detailed fares analysis by operator and ownership is presented in Section 6. Economic and demographic characteristics influencing some of the variations in fare levels are set out in Section 7. Section 8 presents our conclusions and Appendix A contains a full breakdown of sample fares used in the survey. Appendix B contains a supplement report detailing average fares by major operator group for distances of 1, 2, 3, 5 and 10 miles.

2.1 Basic Concepts

- 2.1.1 We do not aim to repeat the background research we produced in our 2009 report 'The Economics of Bus Operation' – this took a more in depth examination of cost influences and profit levels. This report concentrates on fare levels but we do examine external factors in 7.1.
- 2.1.2 There are many ways fares can be determined. The least complicated fares are flat fares, where there is one basic fare for boarding a bus no matter what distance is travelled. Fares can also be determined by distance or by zone. Fare determination with relation to distance is rarely straightforward and can be determined as much by market forces and past precedent as by actual distance. Zones are rarely similarly sized but are generally attempts to include a distance related element while taking account of travel patterns and catchment areas.

2.2 Fares History – the UK Historical Perspective

- 2.2.1 History has an important effect upon the level of fares charged today, to a greater extent than may be expected after 25 years of deregulation and 30 years since fares detail was removed from licence particulars.
- 2.2.2 Fares were attached to Road Service Licences under the provisions of the 1930 Transport Act. This requirement remained until it was repealed in 1981 under the provisions of the 1980 Transport Act. Thus every increase in or change to fares had to be applied for via the Traffic Commissioner. Given the prevailing rates of inflation in the 1970s this became a cyclical and time-consuming process.
- 2.2.3 One effect of the 1930 Act was that innovation in fares and ticketing was stifled. Fare types were also restricted. In general there were both single and return fares and most operators had some form of multi-journey ticket, such as a 12-journey ticket, issued by conductors. 12-journey tickets were issued only for journeys between specified points. Area-wide tickets, if they existed, were priced based on the top of the fare scale and aimed at the day-out market or covering periods in holiday areas, for example.
- 2.2.4 Although day tickets did not become more common elsewhere until recent years, London had an early example of a day ticket in the late 1920's for the tramways which at the time were in competition with the buses. Unlike many other areas London continued to develop its day and period ticket range over the years, though these were generally valid on one mode only until the 1970s. These London initiatives were facilitated by the different regulatory

regime in London over the years, which has never been the same as elsewhere in the UK.

- 2.2.5 There was a distinct variance between 'company' and 'corporation' operators. 'Corporations' (municipally owned) handled high-volume short-distance passenger traffic at fairly simple, lower fare levels. 'Companies' had a much wider range of services and operating territory. Generally fares were complex and based on finely-spaced fare stages. Fares, especially those charged by companies, were not charged on a flat rate per mile but had a 'fares taper' where the fare per mile declined in relation to the distance travelled.
- 2.2.6 In the pre-computer age fares were an administrative burden. Not only were mileage scales applied rigorously (and often challenged by local authorities) but a careful check was made that fares were common to all feasible routes linking A and B, so that routes direct from A to B and those from A to B via C charged the same fare. Route variations, such as journeys diverted via factories at works times, would usually have their own faretable which required the same level of effort and checking.
- 2.2.7 Companies were often forced to charge a supplement ('protective fares') within 'corporation' areas in order to protect the local operator. In most other areas great efforts were made to ensure that different operators charged the same fares between common points. Smaller operators were often forced to come into line with increased fare levels set by the bigger companies over common sections, whether the operator sought a fare increase or not.
- 2.2.8 This is in stark contrast to the current legal approach and explains why there is a difference between public expectation – that there is and should be a single bus fare from A to B - and the reality of the application of competition law.
- 2.2.9 Another marked difference was that 'companies' were expected to maintain complete networks and as such charged higher fares across the network in order to cross-subsidise the loss-making services. Unprofitable bus services are not a purely post-deregulation phenomena. Their impact is long-standing. As examples of the extent of cross-subsidy required under the old regime:
- In 1958, 72% of services and 40% of mileage run by Devon General were run at a loss¹
 - By 1963, 70% of all services run by Bristol Omnibus failed to cover their costs²
 - In 1976 the situation had worsened to the extent that Bristol Omnibus notified the City Council of a likely £1.1m deficit on *City* operations in the year³.

¹ Folkard L, *Devon General an Interesting Story* p189, *The Devon General Society* 2007

² Curtis M and Walker M, *Bristol Omnibus The Green Years* p93, *Millstream Books* 2007

³ *Ibid* p179

- 2.2.10 Conversion of services to one man operation led to simplification of fare types with a removal of multi-journey tickets sold by drivers and the deletion of many return fares. Point to point season tickets remained available at company offices, which at the time were widespread and in most smaller and mid-sized towns. However, the legislative background usually prevented any simplification of fare values, leading to long boarding times.

2.3 Later Legislation

- 2.3.1 Following the 1968 Transport Act, two bodies were set up which had a significant impact upon fare policy, the PTEs and the National Bus Company (NBC).
- 2.3.2 PTE fare policies developed over time, but on different tacks. Most introduced heavily discounted travelcard schemes covering all operators. This was accompanied by simplification of fares together with a pronounced fares taper, so that longer journeys cost much less per mile. Some PTEs also introduced very low off-peak maximum single fares. Whatever the exact policy on fares, by 1986 a high proportion of public spending on buses by the PTEs went toward subsidising low fares for passengers.
- 2.3.3 The exception to the general rule within PTEs was South Yorkshire, which had a policy of freezing fare levels while retaining traditional complex fare structures. At the time of deregulation, fares in South Yorkshire remained at early 1970s levels.
- 2.3.4 While NBC initially retained the farescales set by its individual companies, it set different levels for fare increases in urban and rural areas. Thus as time progressed journeys in rural areas grew to cost significantly more than their urban equivalents.
- 2.3.5 Scottish Bus Group (SGB) did not adopt any blanket policy and was an early adapter of the 'all fares above £1 increase by 10p' type of increase - such increases were imposed centrally. It was true, however, that SGB fares in rural areas were significantly higher than in the urban areas.
- 2.3.6 Some shire counties – notably Avon, Cleveland, Derbyshire and Lancashire – also adopted a policy of subsidising lower fares for passengers and travelcard schemes prior to 1986.
- 2.3.7 The 1980 Act removed fares detail from licensed particulars and this led to the beginning of the availability of area tickets and the start of the move towards issuing such tickets on-bus, although there remained some resistance to this and a continuing tendency toward pricing based on higher fare levels. However, prior to deregulation local authorities continued to exercise a high degree of influence over fare levels and the levels of increases as part of their revenue support agreements.

2.4 The Fares Inheritance at Deregulation

- 2.4.1 The new commercial operators at deregulation faced a number of issues. Generally in the shire areas fares were already set at levels where viability of services could be readily established. Local shire authorities then normally specified fares on contracted services at the same level as those charged by commercial operators.
- 2.4.2 In PTE areas the operators were not only faced with the need to impose very large fare increases in order to approach market levels, but there was also uncertainty regarding the future of (and income from) travelcard schemes. As an example, Yorkshire Traction imposed a 250% increase in South Yorkshire⁴. While such increases brought fares up to 'market' levels – usually still below those in shire areas – increases of such large magnitude had an obvious negative effect on patronage. Some PTEs also imposed (and continue to impose) their own farescales for secured services or journeys which differed from commercial fare levels.
- 2.4.3 Two of the expected effects of deregulation were that competition on the basis of fares would be the norm and that operators would set different farescales on different routes. In the event competition on the basis of fares has been comparatively rare, while different farescales on different routes are almost unheard of.
- 2.4.4 A side-effect of deregulation and privatisation was that in order to reduce overheads many 'backroom' and administrative staff were made redundant. This included many of those with fares responsibilities. Therefore since deregulation fares increases have steadily moved away from distance-based farescales and now fare increases are more usually in the form of 'fares below £1 increase by 5p; between £1.01 and £2 by 10p etc.' Electronic Ticket Machines have also allowed operators to analyse data in order to establish where particular fare changes would be most productive.
- 2.4.5 In both cases, however, the *structure* of single fares which had existed prior to deregulation was retained. Thus areas with a more marked fare taper before deregulation have generally stayed that way and areas which were previously considered to be 'high fare' areas have retained this distinction.
- 2.4.6 The principal change in bus fares has been the huge expansion in the range and availability of day and weekly tickets purchased from the driver. This has been driven by four main factors
- Encouraging brand loyalty – once purchased, passengers are restricted to one operator's buses

⁴ Telfer R; *Heyday of Yorkshire Traction*, Ian Allen 2007

- As a competitive tool – it is far easier to respond to a competitor's lower fares by introducing a low-priced weekly ticket rather than revise many different fares
- It is a simple product for an operator to market and monitor
- On bus sales became essential as travel offices and other outlets closed down

2.5 Modern Trends

- 2.5.1 Bus companies in many urban areas introduced weekly tickets during the 1990s that were significantly lower in price than the previous products. These were aimed both at gaining market share in the face of competition and generating new traffic among customers who were possibly discouraged from purchasing period tickets until then due to their high price.
- 2.5.2 This strategy was arguably the most successful for Stagecoach, notably in Manchester, where the low cost Megarider tickets contrasted sharply with the high single fares generally prevalent in the area on all operators. Another key selling point for the Megarider and similar tickets was the ability to purchase the ticket on-bus at any time.
- 2.5.3 The range of buy on-bus tickets was expanded by many operators, who now offer local versions of buy on-bus weekly tickets. These local tickets are generally valid in a relatively small area, but are often worthwhile to purchase even for those who do not travel every day due to their low price in relation to single fares.
- 2.5.4 The current pricing trends are encouraging the sale of day, weekly and longer period tickets as opposed to single and return tickets. The trend towards day and period tickets is being encouraged by bus operators through the pricing structure, where the multiple between the average single fare and day and weekly prices is constantly reducing. This trend away from adult single fares is shown in Table 1, which is based on the DfT's surveys in England.
- 2.5.5 There have been some attempts to simplify single fares, notably Brighton & Hove's adoption of a single fare and Go North East has introduced some single value fares within set areas, but by and large operators have not found such restructuring to be worthwhile, although there has been a general move towards establishing fares in multiples of 10p.

Table 1: Ticket Type Changes 2000-2009⁵

Type of Bus Ticket	2000 and 2001	2007 and 2008	2008 and 2009
Cash Fare on Bus	42%	20%	15%
One-day Bus Pass	5%	7%	6%
Bus Pass Valid for More than One Day	18%	18%	19%
Student or Discount Permit	2%	1%	1%
Travel Pass Valid for More than One Day (Rail or Metro and Bus)	10%	8%	14%
OAP, Elderly or Disabled Concessionary Permit	21%	25%	26%
Other (Including Smartcard)	3%	21%	19%
Total	100%	100%	100%

2.6 Hardware

- 2.6.1 Ticket issuing hardware has always posed limitations on ticket types. In the 1970s and early 1980s many urban operators used 'Ultimate' ticket machines which issued simple pre-printed fixed value tickets; these were quick and efficient but not geared towards multi-trip tickets. Other Machinery failed to keep pace with inflation and was often limited to a maximum 99 pence ticket⁶.
- 2.6.2 Operators which opted for exact fare systems have had self-imposed problems as a result. Some use these systems to accept payment for the full range of tickets while others limit ticket types and refuse to accept banknotes.
- 2.6.3 The more recent growth of smart ticketing has, so far, generally not led to any change other than to the selling mechanism of tickets.

⁵ Source: DfT Public Transport Statistics Bulletin 2009

⁶ The National Bus Company's Wanderbus ticket of the early 1980s was priced at £2.97 – in effect limited by the ability to issue 3 x 99p tickets.

3.1 The Sample

- 3.1.1 The single fares analysis takes fare information at route level for each major operator in the UK. This allows comparisons between operating companies within the same group.
- 3.1.2 All journeys selected were 3 miles long, measured along the route i.e. actual travel distance rather than a straight line distance. Few operators have set distances between fare stages.
- 3.1.3 Some fares, dependent on fare stage structure, might cover journeys up to 5 miles. 3 mile fare stages from the centre of towns to a more rural fare stage might not be a typical journey but the route will often pass through residential areas that would pay the same fare and so have been included.
- 3.1.4 Some single fares at the lower end of the price range will be held down because there is a more direct service covering the same journey. Bus industry convention generally holds fares for any journey between A and B at the same level regardless of route taken.
- 3.1.5 We aimed for a sample size of 1,000 fares. In the end this was slightly exceeded with a total of 1,073 sample fares. Each sample journey was assigned an area type (urban or non-urban), market type, Government Office Region and operating group as shown in Table 2 to Table 5 below. The smaller groups such as East Yorkshire, Wellglade and Rotala were included in the 'Independent' category.

Table 2: Number of Fares by Area Type

Area Type	Number of Fares in Sample
Urban	813
Non-Urban	260
Total	1,073

Table 3: Number of Fares by Market Type

Market Type	Number of Fares in Sample
City	204
Interurban	270
London	4
PTE	337
Shire Town	258
Total	1,073

Table 4: Number of Fares by Government Office Region

Government Office Region	Number of Fares in Sample
East Midlands	73
East of England	58
London	4
North East	83
North West	152
South East	132
South West	106
West Midlands	100
Yorks & Humber	144
Scotland	175
Wales	46
Total	1,073

Table 5: Number of Fares by Operating Group

Operating Group	Number of Fares in Sample
Arriva	192
First	228
Go Ahead	92
Independent	42
Municipal	68
National Express	64
Stagecoach	350
Transdev	37
Total	1,073

3.2 Overall Results

3.2.1 The survey showed a wide variation in fare for a three mile journey:

- The minimum fare was £0.70
- The average fare was £1.91
- The maximum fare was £3.85

3.2.2 Figure A shows the distribution of 3 mile fares by fare value. It clearly shows a concentration of fares in the middle range and that only small numbers of fares are at the extremes below £1.40 and above £3. The highest and lowest

priced fares are shown in Table 6 and Table 7 respectively. Stagecoach subsidiaries (especially Scotland) account for the majority of the lowest single fares and Go South Coast accounts for the majority of the highest single fares along with First Somerset & Avon.

Figure A: Distribution of 3-mile Fares

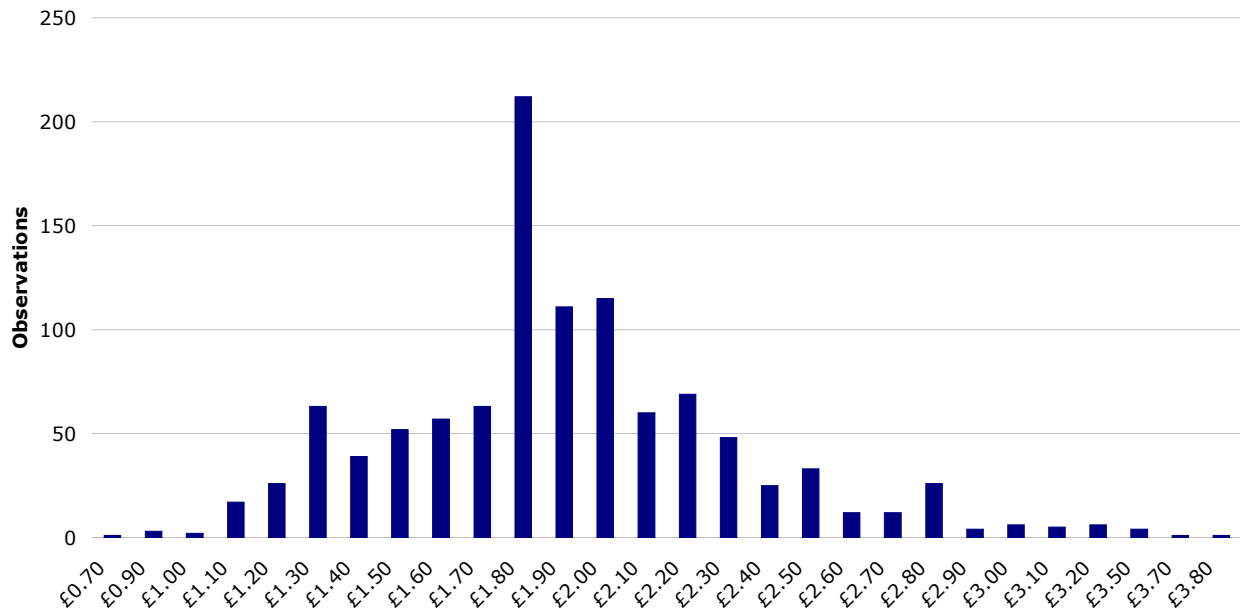


Table 6: Lowest Three Mile Single Fares

Rank	Fare	Operator	Location
1	£0.70	Stagecoach Scotland	East Haugh, Pitlochry
2=	£0.90	Stagecoach Scotland	Errol, Perth
2=	£0.90	Stagecoach Devon	Torbay
2=	£0.90	First Glasgow	Glasgow
5=	£1.00	Stagecoach Scotland	Dowally, Perth & Kinross
5=	£1.00	Stagecoach Scotland	Ballinluig, Pitlochry
7=	£1.10	Various including: Go North East, Stagecoach in Devon, North West, Cheltenham & Gloucester, Yorkshire and First in York & Eastern Counties	Stanley, Tudhoe, Ecclesfield, Torquay, Sheffield, Bolton, Horning, Salhouse, Mitcheldean, Ruardean & York

Table 7: Highest Three Mile Single Fares

Rank	Fare	Operator	Location
1	£3.85	First Somerset & Avon	Weston-Super-Mare
2	£3.70	Pennine Bus	Skipton
3	£3.50	Go South Coast	Isle of Wight
4=	£3.20	Arriva Cymru	Porthmadog
4=	£3.20	First Cymru	Swansea
4=	£3.20	Go South Coast	Corfe Castle
4=	£3.20	Go South Coast	Wareham
4=	£3.20	Stagecoach Cambus	Cambridge
9	£3.15	First Devon & Cornwall	Plymouth
10=	£3.10	Arriva Scotland West	Glasgow
10=	£3.10	First Somerset & Avon	Bristol
10=	£3.10	Rosendale	Rochdale

3.3 Regional Results

- 3.3.1 Table 8 shows the average three mile fare (urban or non-urban) for each Government Office Region (GOR). The table also highlights which areas have the highest and lowest average fare, the variance between them and the overall average fare across all regions included in the survey. These are illustrated in graph form by Figure B below.
- 3.3.2 Average fares are generally higher for non-urban operations, as would be expected. The average single fare for non-urban journeys was £1.96 compared with £1.89 for urban. This reflects the lower average load on non-urban services and therefore the need to earn sufficient revenue to cover costs

from fewer passengers. The only GOR where the average urban fares were more expensive than non-urban fares is the East of England. Low figures for non-urban fares in the East are influenced by low fares on Ipswich buses, Norfolk Green and First (on the outskirts of Norwich). Other observations include:

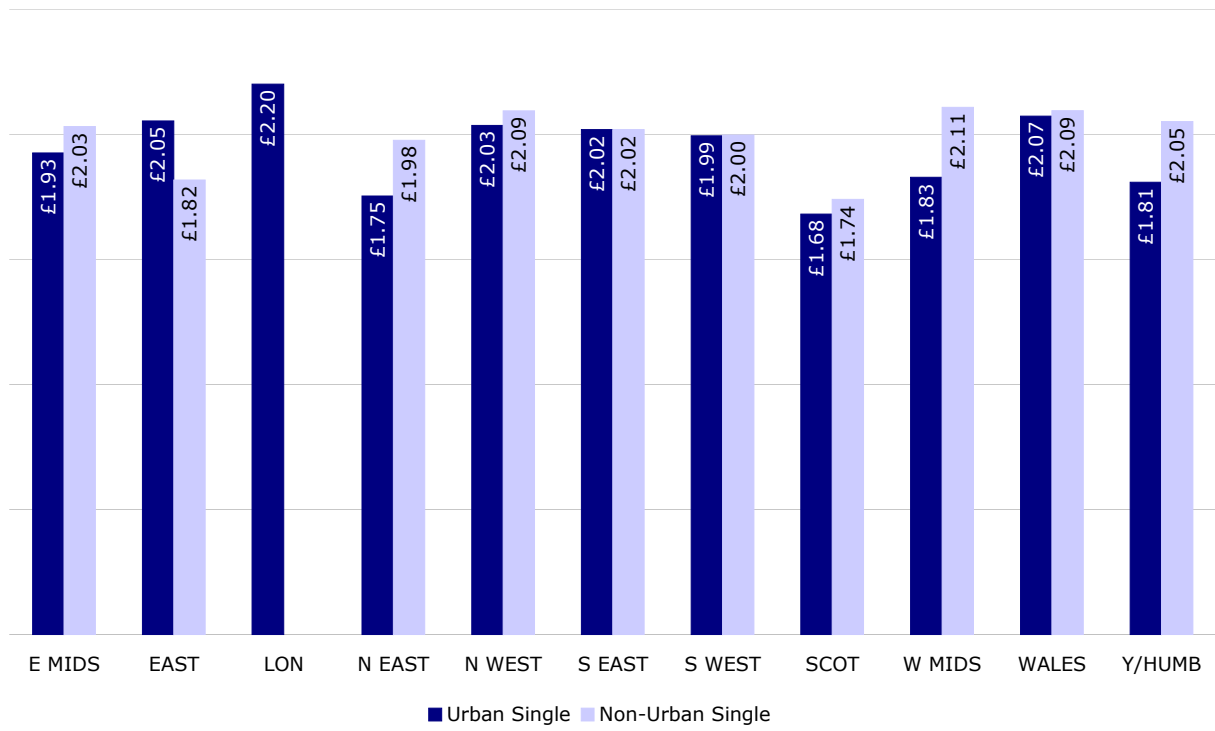
- The highest average urban fare cost £2.20 and can be found in London⁷, with Scotland having the lowest average urban fare at £1.68.
- The highest average non-urban fare cost £2.11 in the West Midlands, whilst the lowest average non-urban fare again located in Scotland and cost £1.74.
- The variation between the highest and lowest fare in urban areas was 31% with a smaller variation for non-urban fares at 21%. Across both areas there was a significant variation in pricing policy between the GORs, especially in urban environments.

Table 8: Average Single Fare by Region

Government Office Region	Urban	Non-Urban
East of England	£2.05	£1.82
East Midlands	£1.93	£2.03
London	(Highest) £2.20	N/A
North East	£1.75	£1.98
North West	£2.03	£2.09
South East	£2.02	£2.02
South West	£1.99	£2.00
West Midlands	£1.83	(Highest) £2.11
Yorks & Humber	£1.81	£2.05
Scotland	(Lowest) £1.68	(Lowest) £1.74
Wales	£2.07	£2.09
% Variation	31%	21%
Average (all regions)	£1.89	£1.96

⁷ Oyster single trips are much lower

Figure B: Average Single Fare Comparisons by Region



4.1 Sample

4.1.1 For each of the sample journeys, the day and weekly ticket equivalent price has also been analysed. This involved looking at the cheapest day and weekly ticket available that would cover the whole of the specified journey. Weekly tickets only available online have been discounted.

4.2 Methodology

4.2.1 For each of the analysis tables below the discounts and multipliers have been calculated using the following methodology:

- For day tickets, the average day ticket price was divided by two. This was subtracted from the average single fare and then divided by the average single fare and the result was given as a percentage.
- For weekly tickets, the same process was carried out except the weekly ticket was divided by ten.
- Day multiplier – Average day ticket price divided by average single fare.
- Weekly multiplier – Average weekly ticket price divided by average single fare.
- Day to Week multiplier – Average weekly ticket price divided by average Day ticket price.
- The variance is the highest average fare minus the lowest average fare, divided by the lowest average fare and represented as a percentage.
- Where a discount is shown as negative it implies that period tickets are more expensive than the equivalent number of single journeys.

4.2.2 This analysis has been based on trip rates at their most basic level – that a day ticket is used for two journeys and a weekly ticket for ten, although TAS work on concessionary fares and other ticket analysis has shown that typical use of day tickets is 3.5 trips and weekly tickets average around fifteen trips.

4.2.3 The highest and lowest priced day fares are shown in Table 9 and Table 10 below with their weekly equivalents shown in Table 11 and Table 12. The cheapest day tickets also cover the smallest areas geographically, with both Norfolk Green in King's Lynn and Go North East in Chester le Street charging £2.00. The most expensive day ticket priced at £15.00 by Yorkshire Coastliner allows unlimited travel on all Yorkshire Coastliner services.

4.2.4 Similarly the cheapest weekly ticket again allows travel in the smallest area with Norfolk Green in King's Lynn charging £6.00. The Stagecoach Highland weekly ticket at £35.00 covers allows unlimited travel in all four Inverness zones.

Table 9: Lowest Day Ticket Prices

Rank	Fare	Operator	Location
1=	£2.00	Go North East	Chester-le-Street
1=	£2.00	Norfolk Green	King's Lynn
3	£2.10	Whittle	Kidderminster
4	£2.20	Go North East	Stanley
5	£2.40	Arriva Yorkshire	Selby
6=	£2.50	Stagecoach Scotland	Peterhead
6=	£2.50	Stagecoach East Kent	Folkestone
7=	£2.60	Stagecoach Cleveland/Hull	Hull
7=	£2.60	Stagecoach East Midland	Worksop
7=	£2.60	Stagecoach North West	Upperby
7=	£2.60	First Wyvern	Malvern Link
7=	£2.60	Stagecoach North West	Carlisle

Table 10: Highest Day Ticket Prices

Rank	Fare	Operator	Location
1	£15.00	Yorkshire Coastliner	Leeds
2	£12.50	Stagecoach Scotland	Pitlochry
3	£11.80	East Yorkshire	Beverley
4	£11.00	Stagecoach Highlands	Invergordon
5	£10.30	Stagecoach East	Hitchin
6=	£10.00	Go South Coast	Isle of Wight
6=	£10.00	Trent Barton	Nottingham
8=	£8.00	Go South Coast	Wareham
8=	£8.00	Stagecoach Scotland	Forres
8=	£8.00	Norfolk Green	King's Lynn
8=	£8.00	Arriva Shires & Essex	Aylesbury

Table 11: Lowest Weekly Ticket Prices

Rank	Fare	Operator	Location
1	£6.00	Norfolk Green	King's Lynn
2	£7.00	Stagecoach Scotland	Peterhead
3	£7.20	Western Greyhound	Truro
4	£7.50	Stagecoach Scotland	Perth
5=	£8.00	Arriva Shires & Essex	Harlow
5=	£8.00	Stagecoach Yorkshire	Barnsley
5=	£8.00	Western Greyhound	Morvah
8	£8.20	Stagecoach Wales	Baverstocks
9=	£8.50	Stagecoach South	Havant
9=	£8.50	Stagecoach Wales	Cwmbran
9=	£8.50	Stagecoach Scotland	Ayr

Table 12: Highest Weekly Ticket Prices

Rank	Fare	Operator	Location
1=	£35.00	Stagecoach Highlands	Alness
1=	£35.00	First Devon & Cornwall	Dartmouth
3	£32.00	Arriva Shires & Essex	Aylesbury
4	£28.50	Transdev Burnley & Pendle	Rawtenstall
5=	£28.00	Transdev Harrogate & District	Ripon
5=	£28.00	First Scotland East	Innerleithen
5=	£28.00	Stagecoach Scotland	Brodick Pier
8	£26.00	Arriva Southern Counties	Camberley
9=	£25.00	Stagecoach East	Daventry
9=	£25.00	Trent Barton	Derby

4.3 Pricing and Discounts by Region for Urban Day & Weekly Tickets

4.3.1 The prices, discounts and multipliers for each region against urban ticket prices are shown in Table 13 below. There was a marked variation in both prices and discount levels across the regions. In eight of the eleven regions, the day tickets were priced at more than twice the single fare. In London however the price of a day ticket was only 1.8 times that of a single fare. Other observations include:

- The variation in discounts offered for weekly tickets is 29%; compared with 47% on day tickets.

- In Wales, the discount for weekly tickets averages 33.27% compared to day ticket prices, but falls as low as 14.90% in the North East.
- The multiplier works out the point at which day and weekly tickets become viable compared to buying multiple single fares.
- For day tickets in all but two regions, savings began to accrue during the 3rd journey. In London and the North West the savings begin after 2 journeys.
- For most weekly tickets, savings start to accrue on the 8th or 9th single journey during the week, though in Wales and the East of England it is as few as 7 journeys.
- Looking at the week to day multiplier, most customers will benefit on the 4th day but in the East Midlands they start to make savings at the end of their 3rd day. East Midlands figures are skewed by Trent Barton, which has a high price for a day ticket at £10 but no weekly equivalent.

4.3.2 It is illustrative of the current market penetration of day and weekly tickets that almost all three mile journeys have an equivalent area-based day and weekly ticket. Quite a number of those which didn't have area tickets had point-to-point seasons available for purchase on-bus - these include Trent Barton, Western Greyhound and Transdev Yorkshire Coastliner.

4.3.3 It is notable that the range of day and weekly tickets is quite diverse. Some operators continue to develop a wider range of more localised area tickets while others have significantly rationalised their range of products. An example of the former is Go North East, which has developed a series of tickets for small town networks in addition to its zonal products, while among the latter is Arriva Midlands which, while it retains local area tickets, has amalgamated all of its wider area products into single whole network tickets.

4.3.4 There is no consistency in this across the groups. For example First Manchester has sole FirstDay and FirstWeek tickets covering its entire network, while First Bristol has one of the most complex ranges of FirstDay and FirstWeek tickets. Stagecoach Scotland has no fewer than seventeen different Dayrider tickets in Fife, but few at its West Scotland operation.

Table 13: Analysis of Average Urban Day & Weekly Ticket Prices and Discounts

Region	Average Day Ticket	Average Weekly Ticket	Day Discount	Weekly Discount	Day Multiplier	Weekly Multiplier	Day to Week Multiplier
East of England	£4.13	£13.91	-0.55%	32.22%	2.01	6.78	3.37
East Midlands	(Highest) £5.41	£16.10	-40.57%	16.35%	2.81	8.36	2.98
London	£4.00	(Highest) £17.80	9.09%	19.09%	1.82	8.09	4.45
North East	£4.05	£14.91	-15.55%	14.90%	2.31	8.51	3.68
North West	£3.98	£14.43	2.15%	29.07%	1.96	7.09	3.62
South East	£4.30	£15.48	-6.44%	23.27%	2.13	7.67	3.60
South West	£3.96	£14.22	0.70%	28.67%	1.99	7.13	3.59
West Midlands	£3.81	£14.10	-4.37%	22.83%	2.09	7.72	3.70
Yorks & Humber	£4.17	£14.75	-15.44%	18.41%	2.31	8.16	3.53
Scotland	(Lowest) £3.67	(Lowest) £13.76	-9.19%	18.11%	2.18	8.19	3.75
Wales	£4.20	£13.82	-1.29%	33.27%	2.03	6.67	3.29
% Variation	47%	29%			54%	28%	49%
Average (all regions)	£4.09	£14.55	-8.20%	23.02%	2.16	7.70	3.56

4.4 Pricing and Discounts by Region for Non-Urban Day & Weekly Tickets

4.4.1 Table 13 has been replicated below but now excludes London as there are no non-urban journeys. Table 14 represents the non-urban day and weekly ticket discounts and multipliers. The key points have been summarised below:

- The variation in discounts offered for weekly tickets is 27%; compared with 65% on day tickets.
- In Wales, the discount for weekly tickets averages 27.31% compared to day ticket prices, but falls as low as 1.83% in the North East.
- For day tickets in all but 3 regions, savings began to accrue during the 2nd journey. In East of England and Yorks & Humber it is during the 3rd journey and this rises to 4 in Scotland.

- For most weekly tickets, savings start to accrue on the 7th or 8th single journey during the week, though in the East of England, South East and Scotland it is as high as 9 journeys.
- Looking at the week to day multiplier, most customers will benefit on the 4th day but in the East of England, Yorks & Humber, Scotland and Wales they start to make savings at the end of their 3rd day.

Table 14: Analysis of Average Non-Urban Day & Weekly Ticket Price and Discounts

Region	Average Day Ticket	Average Weekly Ticket	Day Discount	Weekly Discount	Day Multiplier	Weekly Multiplier	Day to Week Multiplier
East of England	£6.08	£17.83	-67.43%	1.83%	3.35	9.82	2.93
East Midlands	£5.22	£16.10	-28.58%	20.69%	2.57	7.93	3.08
North East	£5.05	(Highest) £19.28	-27.85%	2.41%	2.56	9.76	3.82
North West	(Lowest) £4.51	£15.73	-7.68%	24.85%	2.15	7.52	3.49
South East	£5.44	£18.33	-34.77%	9.17%	2.70	9.08	3.37
South West	£5.56	£17.54	-39.24%	12.14%	2.78	8.79	3.15
West Midlands	£5.03	£16.15	-19.43%	23.36%	2.39	7.66	3.21
Yorks & Humber	£7.06	£17.50	-72.13%	14.63%	3.44	8.54	2.48
Scotland	(Highest) £7.43	£16.80	-113.60%	3.38%	4.27	9.66	2.26
Wales	£5.23	(Lowest) £15.22	-24.93%	27.31%	2.50	7.27	2.91
% Variation	65%	27%			99%	35%	69%
Average (all regions)	£5.94	£17.17	-51.50%	12.40%	3.03	8.76	2.89

4.5 Comparing Urban & Non-Urban Fares

- 4.5.1 Urban day and weekly tickets are on average cheaper than non-urban tickets. The average urban day ticket (£4.09) is £1.85 cheaper than the average non-urban equivalent (£5.94). Similarly the average urban weekly ticket (£14.55) is £2.62 lower than the average non-urban weekly ticket (£17.17).
- 4.5.2 Discounts offered by weekly tickets in urban areas are higher than non-urban areas – 23.02% compared with 12.40% respectively. The average day

multiplier for both urban and non-urban indicates savings have begun to be made on the 3rd journey in urban areas and the 4th single journey in non-urban areas.

- 4.5.3 Weekly ticket multipliers are better in urban areas with savings beginning on the 8th single journey as opposed to the 9th for non-urban areas.
- 4.5.4 Urban tickets are most likely to be cheaper due to the concentrated area the tickets cover. Most non-urban tickets cover larger geographical areas and involve more mileage for the buses. Prices need to be higher in order to cover the costs of operating the business and to avoid revenue loss from those making longer journeys.

5.1 Introduction

5.1.1 This section looks at fare levels in different market segments. Each fare sample was assigned to one of five markets:

- a) City
- b) Interurban
- c) London
- d) PTE
- e) Shire town

5.1.2 From section 5.3 we have further analysed our sample fares from PTE areas by identifying to which PTE area each sample fare belongs.

5.2 Comparing Single Fares Based on Market Type

5.2.1 The range of single fares charged by market type is shown in Figure C below. The largest range of tickets (£3.15 between highest and lowest) was found in interurban fares. Interurban areas included both the highest and lowest fares.

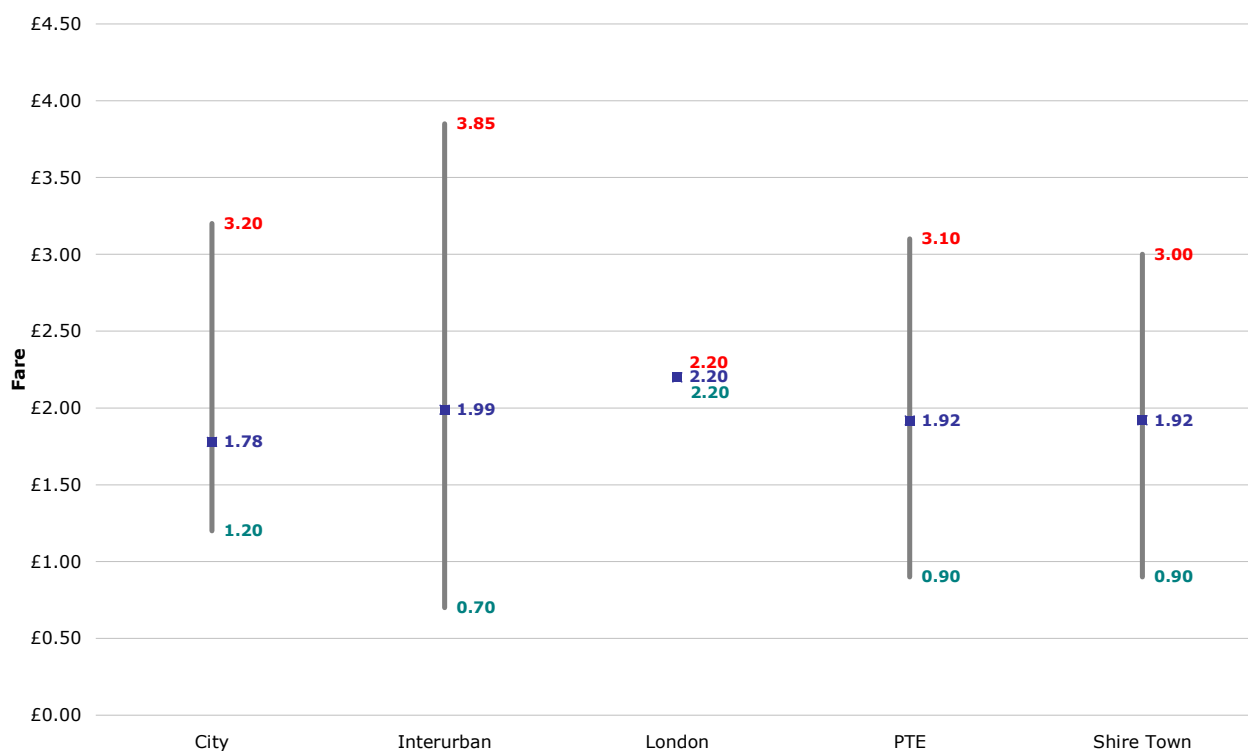
5.2.2 The other four market types have a similar range between highest and lowest fares, with London having no range of pricing:

- £2.20 in PTE areas
- £2.10 in shire towns
- £2.00 in city areas

5.2.3 The average single fare was highest in London at £2.20 and lowest in the city areas at £1.78. The other three markets all have a similar average price:

- £1.99 in interurban areas
- £1.92 in PTE areas
- £1.92 in shire towns

Figure C: Range of Single Fares by Market Type



5.3 Day & Weekly Tickets by Market Type

- 5.3.1 The ranges of day & weekly ticket prices are shown in Figure D and Figure E below. The largest range between day ticket prices (£13.00) was once again in interurban areas. The lowest priced day tickets were charged by Go North East (Chester le Street Buzzfare 1 day) and Norfolk Green (LynnGo Day) both at £2.00.
- 5.3.2 Across city, interurban and shire town areas the highest day fare was £15.00. This was due to the same ticket, freedom 1 day ticket by Yorkshire Coastliner being needed to cover the specified chosen journeys in the sample.
- 5.3.3 The highest day ticket average price across the market types was £6.08 in interurban areas and lowest at £3.69 in city areas. The other three market types had similar average prices to each other:
- £4.41 in shire towns
 - £4.00 in London
 - £3.91 in PTE areas
- 5.3.4 Interurban areas again counted for the highest range of fares (£29.00) for weekly tickets. The lowest weekly ticket price at £6.00 was charged by Norfolk Green (King's Lynn weekly ticket) with the highest at £35.00 charged by both

Stagecoach Highlands' Inverness 4 zone ticket and First Devon & Cornwall's FirstWeek Cornwall.

5.3.5 The highest average weekly price across market types was £17.80 in London and lowest at £13.89 in city areas. Interurban areas were on average the second highest at £17.52 with the other two market types charging a lower amount:

- £14.63 in shire towns
- £14.50 in PTEs

5.3.6 It is likely that the highest price and range in interurban areas is due to the demographic of people served in interurban areas with a higher percentage of affluent users and concessionary pass users, coupled to larger geographic coverage and higher fares on which the ticket prices are based.

Figure D: Range of Day Fares by Market Type

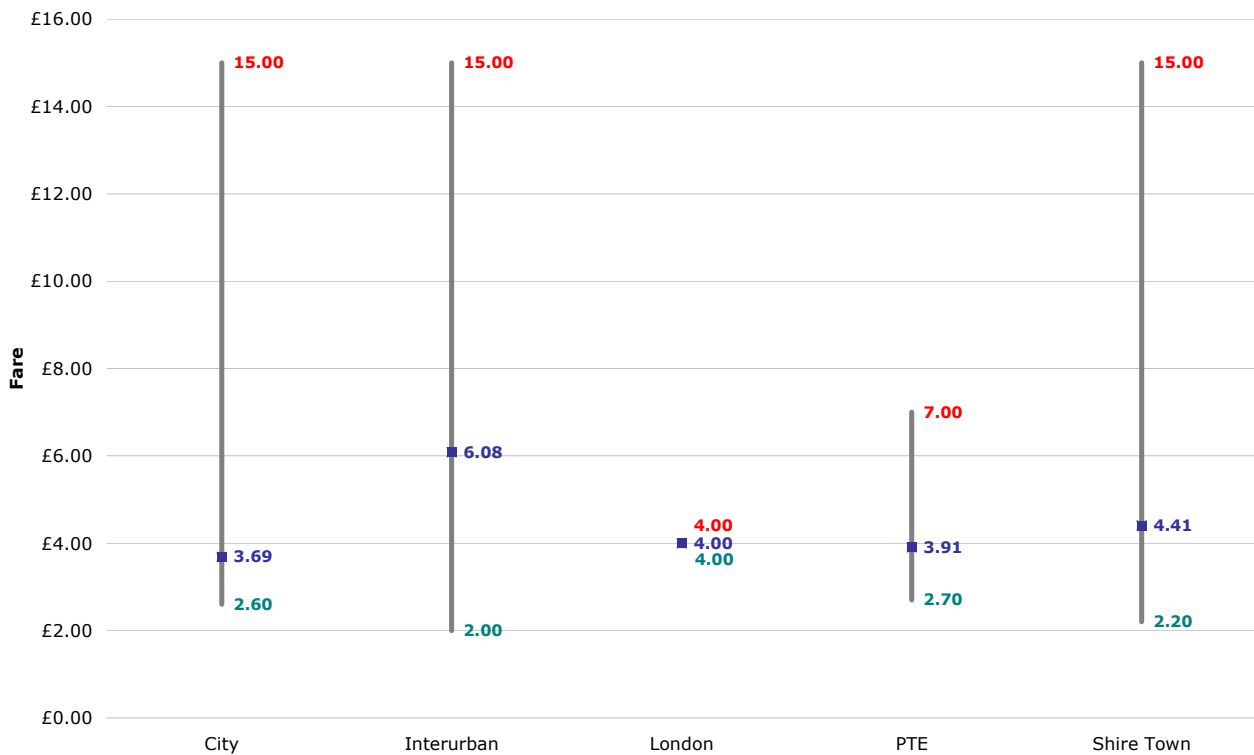
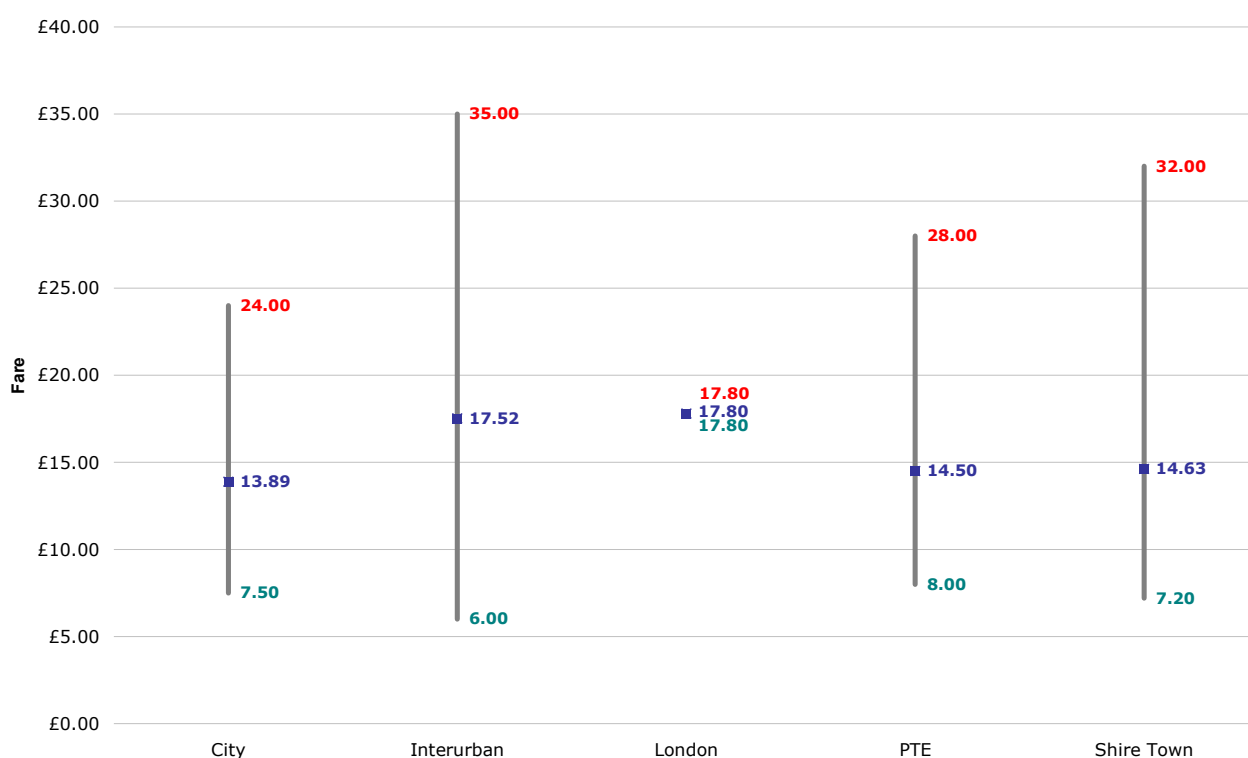


Figure E: Range of Weekly Fares by Market Type



5.4 Comparing Fare Levels between PTE and Non-PTE Areas

5.4.1 The survey results showing the variation in price of single, day and weekly tickets are shown in Table 15 below. Non-PTE areas have a larger variation between the highest and lowest prices compared to PTE areas. For example:

- The highest non-PTE day ticket price was £15.00 (Yorkshire Coastliner Explorer) compared to £7.00 for a PTE area.
- The lowest non-PTE price was £2.00 (Norfolk Green 'LynnGo' Day Ticket) compared to £2.70 for a PTE area.

Table 15: Comparison of Fare Levels by PTE and Non-PTE Areas

Market	Single Ticket		Day Ticket		Weekly Ticket	
	PTE	Non-PTE	PTE	Non-PTE	PTE	Non-PTE
Highest	£3.10	£3.85	£7.00	£15.00	£28.00	£35.00
Lowest	£0.90	£0.70	£2.70	£2.00	£8.00	£6.00
Average	£1.91	£1.91	£3.93	£4.79	£14.46	£15.44

5.5 Comparing Single Fares between PTE Areas

5.5.1 Table 16 breaks down the average price of a single fare by each individual PTE area. As the table shows:

- The highest average single fare was £2.23 in Greater Manchester
- The lowest average single fare was £1.63 in South Yorkshire

5.5.2 The average day and weekly ticket prices by PTE area are shown in Table 17 and Figure F below. Further analysis shows the average discounts offered by day and weekly tickets. Figure G analyses the average cost per journey made depending on the type of ticket used by PTE area.

- The highest priced average for both day and weekly tickets are in West Yorkshire (£4.51 and £17.07 respectively)
 - ◆ This is driven by the low number of sub-area tickets in West Yorkshire
- The lowest average priced day ticket was in the West Midlands (£3.58)
- The lowest averaged price for a weekly ticket was in Tyne & Wear (£13.18)

Table 16: Average Single Fare by PTE Area

Region	No of Sample Fares	Average Single
Gtr Manchester	52	(Highest) £2.23
Merseyside	36	£1.95
South Yorkshire	41	(Lowest) £1.63
Strathclyde	46	£1.86
Tyne & Wear	36	£1.80
West Midlands	59	£1.78
West Yorkshire	61	£2.03
% Variation		37%
Average		£1.91

Table 17: Analysis of PTE Area Day and Weekly Tickets

Region	Day Ticket	Weekly Ticket	Day Discount	Weekly Discount	Day Multiplier	Weekly Multiplier	Day to Week Multiplier
Greater Manchester	£4.04	£14.45	9.3%	35.1%	1.81	6.49	3.58
Merseyside	£3.93	£14.71	-0.9%	24.4%	2.02	7.56	3.74
Strathclyde	£3.94	£13.71	-21.2%	15.7%	2.42	8.43	3.48
South Yorkshire	£3.65	£13.53	1.7%	27.2%	1.97	7.28	3.70
Tyne & Wear	£3.71	£13.18	-3.1%	26.8%	2.06	7.32	3.55
West Midlands	£3.58	£13.58	-0.6%	23.7%	2.01	7.63	3.79
West Yorkshire	£4.51	£17.07	-11.0%	16.0%	2.22	8.40	3.78
% Variation	26%	30%			34%	30%	9%
Average	£3.93	£14.46	-2.9%	24.1%	2.06	7.57	3.68

Figure F: Average Fare Levels by PTE Area

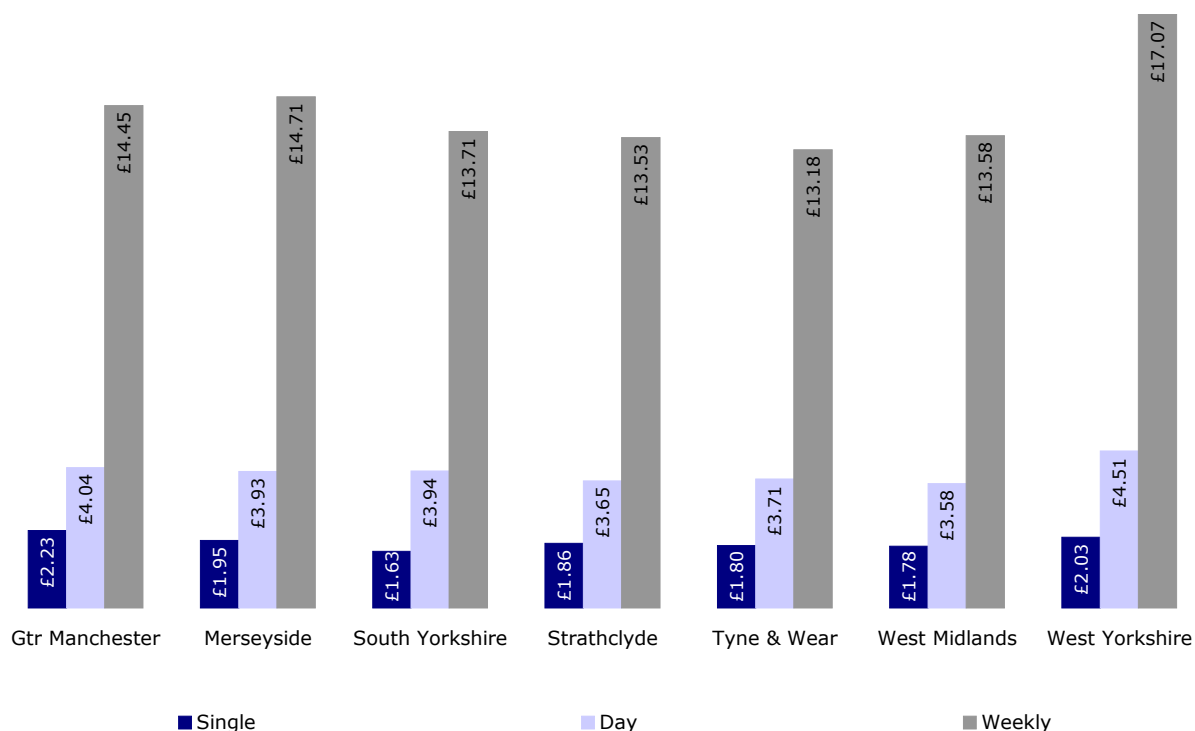
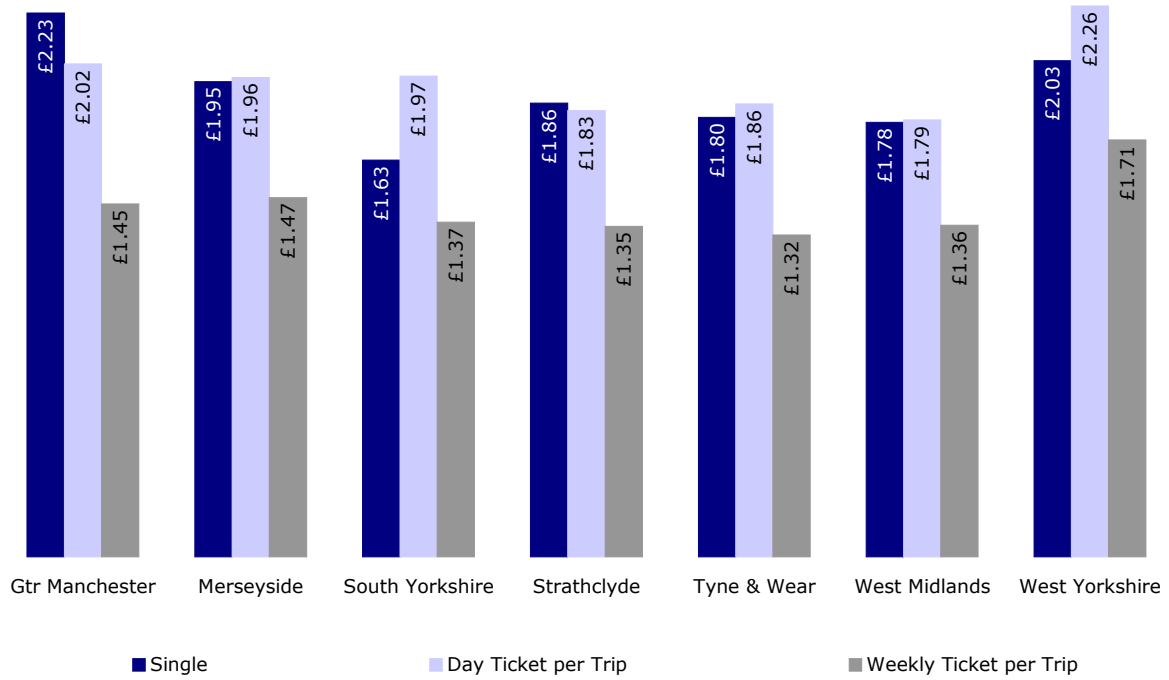


Figure G: Average Cost per Journey by Ticket Type in PTE Areas



6.1 The Impact of Ownership on Fare Levels

6.1.1 Operators were divided into groups according to ownership. There are eight groups in the analysis and these are:

- a) Stagecoach
- b) First
- c) Go Ahead
- d) Veolia Transdev
- e) National Express
- f) Arriva
- g) Independent
- h) Municipal

6.1.2 As shown by the analysis in 3.3, there were significant variations in fare levels across the country. These variations could potentially be explained by the ownership of the local operators. For example are they owned by one of the major transport groups, locally by managers or even by the local authority? Table 18 below breaks down the average single fare charged by groups in urban and non-urban environments. Figure H and Figure I show the highest and lowest average price offered as well as the average fare across each of the groups. Figure I excludes National Express because it has no non-urban routes in the sample.

- The highest single urban fare was £3.20 charged by both First Cymru in Swansea and Stagecoach Cambus in Cambridge respectively. First Somerset and Avon charged the highest non-urban fare in this survey at £3.85 in Weston Super Mare.
- The highest average urban fare by group was £2.14 at Veolia Transdev with the highest average non-urban fare costing £2.29 and run by Go Ahead.
- The lowest non-urban single fare was charged by Stagecoach Scotland at £0.70 in Pitlochry, with the lowest urban fare at £0.90 being charged by both Stagecoach Devon in Torbay and First Glasgow in Glasgow itself.
- The lowest average non-urban and urban fares were offered by the municipals and costs £1.79 (non urban) and £1.58 (urban).

- First is the only group in the survey sample to charge more on average for urban single fares than non-urban fares.
- The survey shows a wide variety of fares offered across different parts of the same group.

Table 18: Average Single Fares by Group

Operating Group	Urban	Non-Urban
Arriva	£1.99	£2.01
First	£2.09	£1.99
Go Ahead	£1.84	(Highest) £2.29
Municipal	(Lowest) £1.58	(Lowest) £1.79
Stagecoach	£1.80	£1.83
Veolia Transdev	(Highest) £2.14	£2.19
Independent	£1.88	£1.92
National Express	£1.80	N/A
Variance	35%	28%
Average (all groups)	£1.90	£1.95

Figure H: Range of Fares by Ownership – Urban Adult Singles

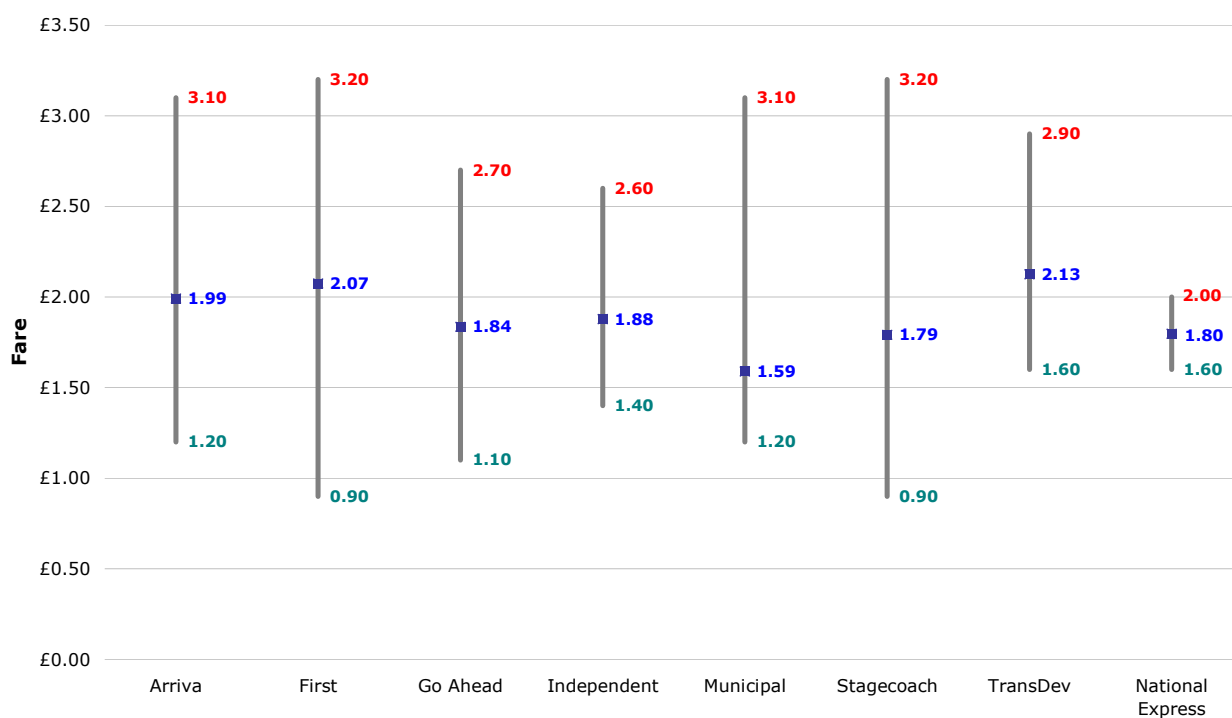
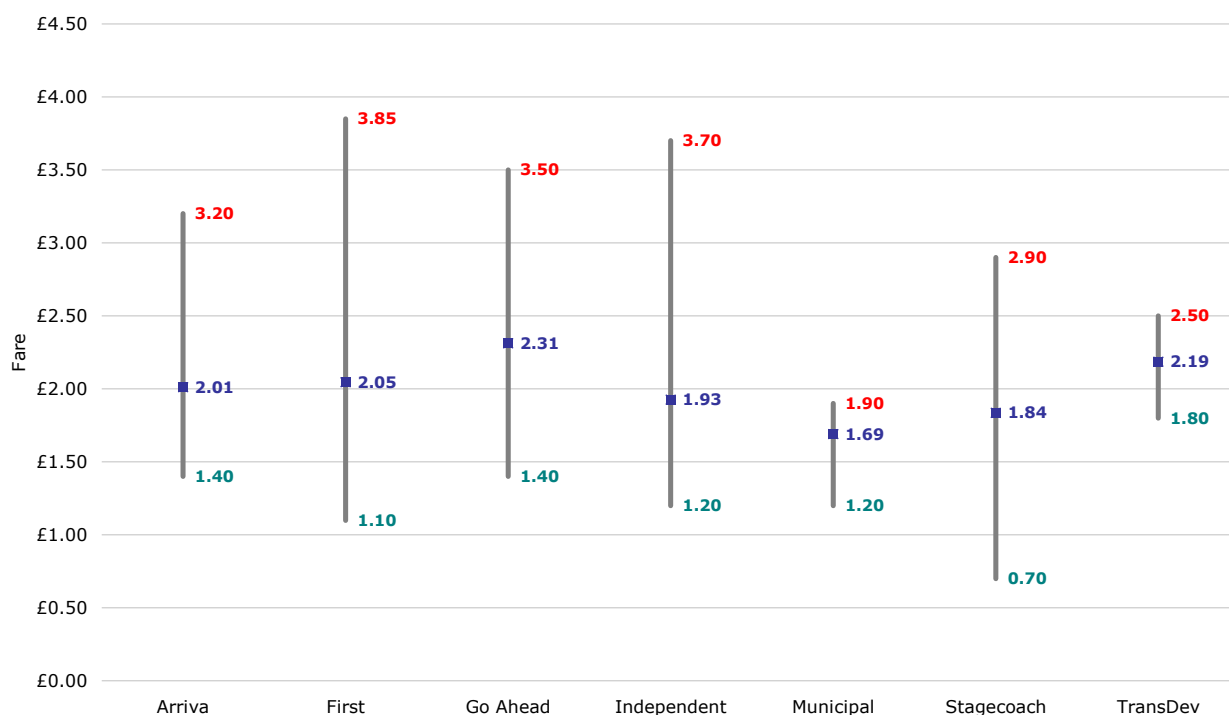


Figure I: Range of Fares by Ownership – Non-Urban Adult Singles



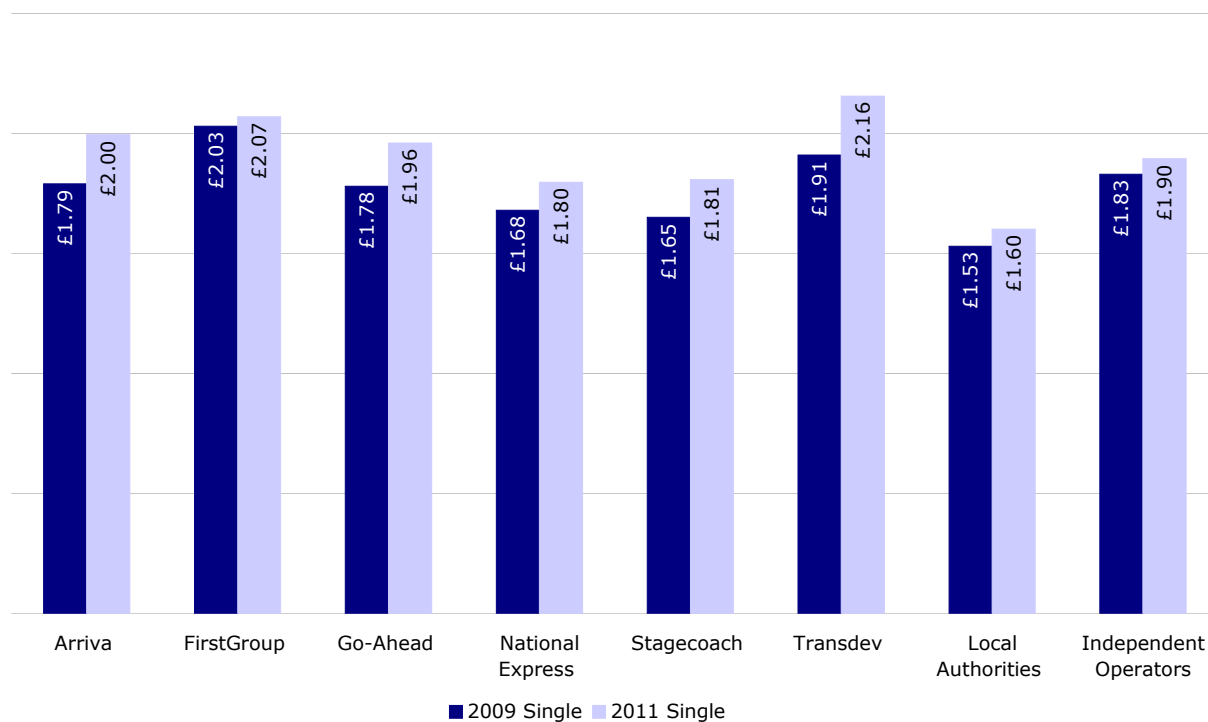
6.2 Average Single Fare Comparison with 2009

- 6.2.1 In Figure J below the average fare for a 3 mile journey in the 2009 survey has been shown against the average fare in 2011. In all cases the average fare has increased. 3 groups – Arriva, Veolia Transdev and Go Ahead have increased average fares by over 10%. On average Arriva fares have increased the most; by 11.46%. This compares poorly against First which has only increased its average single fare by 1.93% since 2009 (although this was compared with a very small sample in 2009).
- 6.2.2 As RPI increased by 10.1% and CPI by 7.6% between the 2009 and 2011 surveys (see Figure JJ), only the changes in Arriva (11.7% increase) and Veolia Transdev (13.1% increase) average single fares exceeded either measure. Go Ahead’s increase of 10.1% reflects the increase in RPI over the period and Stagecoach’s increase of 9.7% falls between the change in RPI and the change in CPI between the two surveys.

Table 19: Increases in Single Fares 2009 - 2011

Group	2009 Average Single	2011 Average Single	% Increase
Arriva	£1.79	£2.00	11.5%
First	£2.03	£2.07	1.9%
Go Ahead	£1.78	£1.96	10.1%
National Ex	£1.68	£1.80	7.0%
Stagecoach	£1.65	£1.81	9.5%
Transdev	£1.91	£2.15	12.5%
Municipal	£1.53	£1.60	4.4%
Independent	£1.83	£1.90	3.6%

Figure J: Average Single Fare Comparison by Group 2009 and 2011



6.3 Analysis by Operating Company

6.3.1 Figure K to Figure R below show single fare prices within operating companies. Unsurprisingly Stagecoach and First have the largest variety of fares. This is due to the variety of regions and demographics they serve. First Somerset & Avon has the greatest range of fares. Three mile fares varied from £1.45 for the lowest fare to £3.85 at the highest. A number of companies charge a flat fare for all single journeys, regardless of trip length, including Stagecoach Merseyside, Lothian and Travel West Midlands (Coventry).

Figure K: Range of Single Fares - Arriva

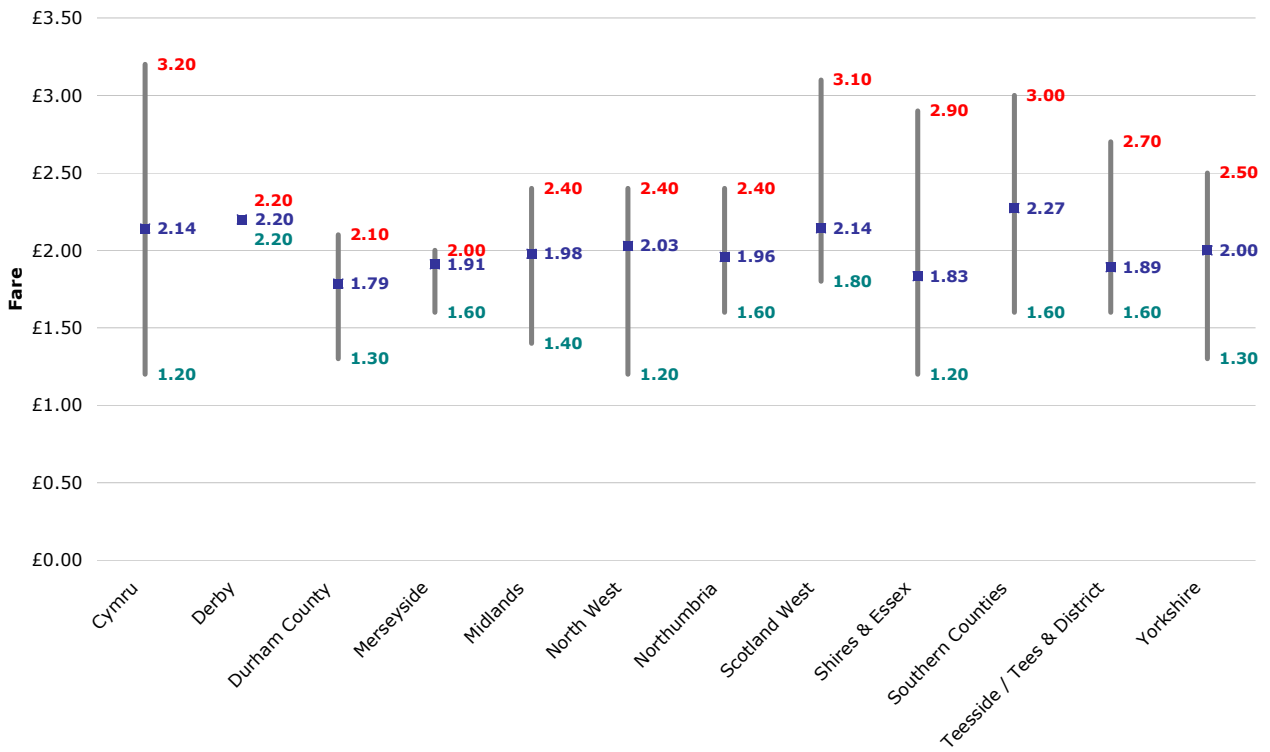


Figure L: Range of Single Fares - First

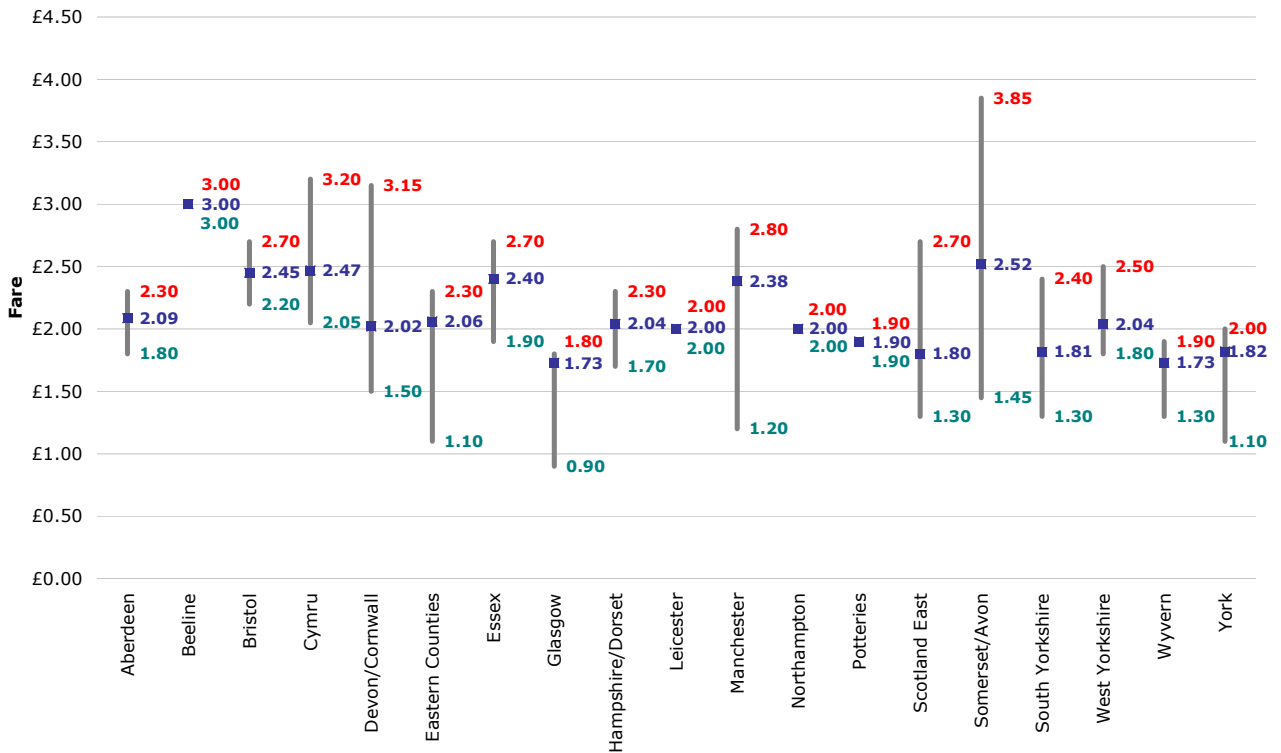


Figure M: Range of Single Fares – Go Ahead

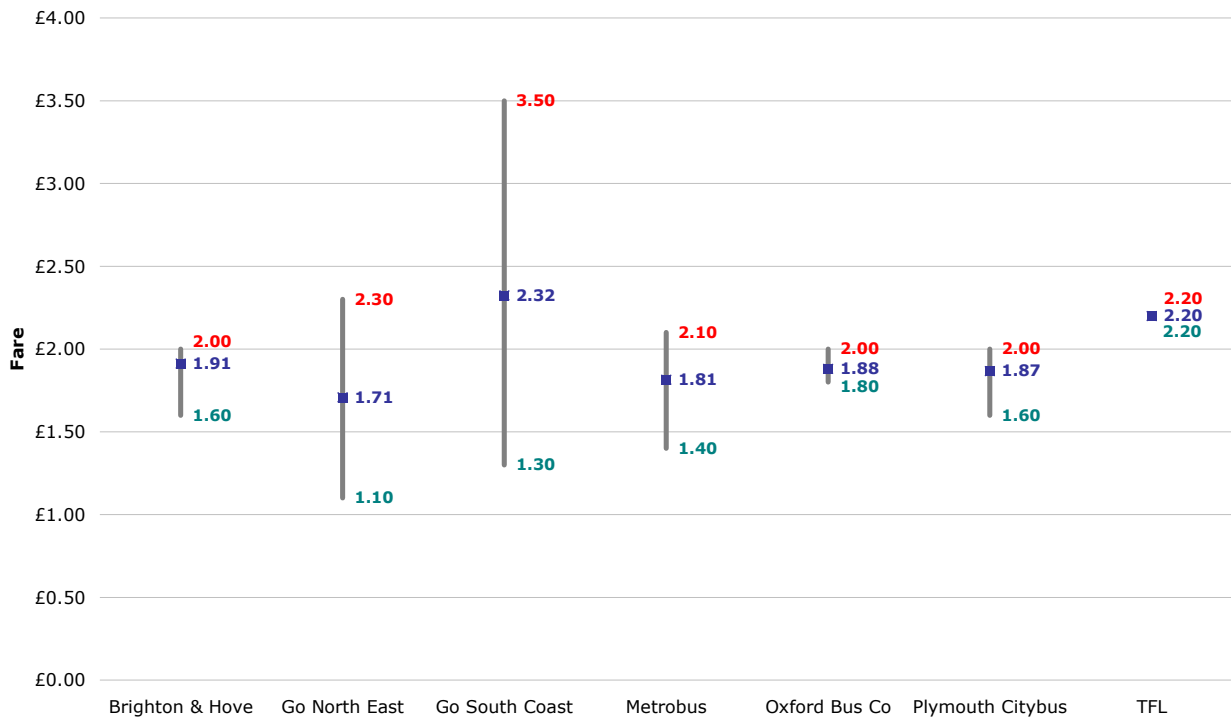


Figure N: Range of Single Fares - Independently Owned

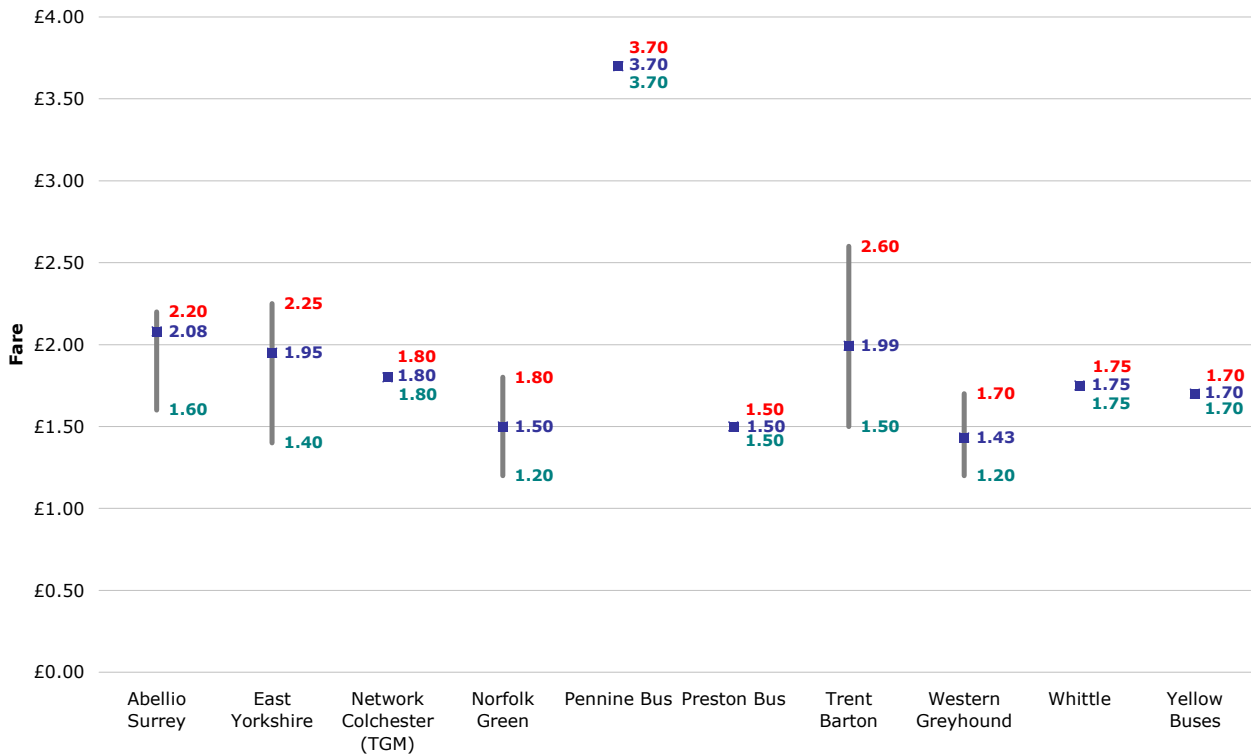


Figure O: Range of Single Fares – Municipal Owned

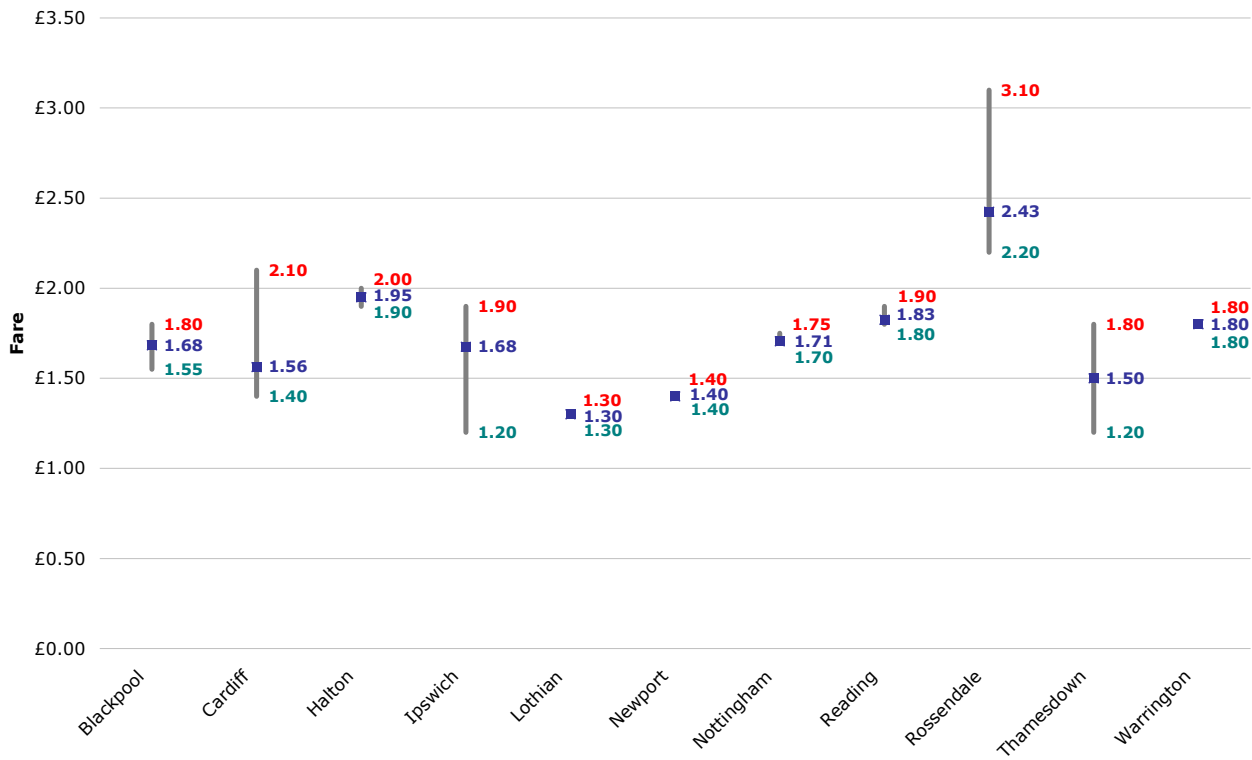


Figure P: Range of Single Fares – National Express

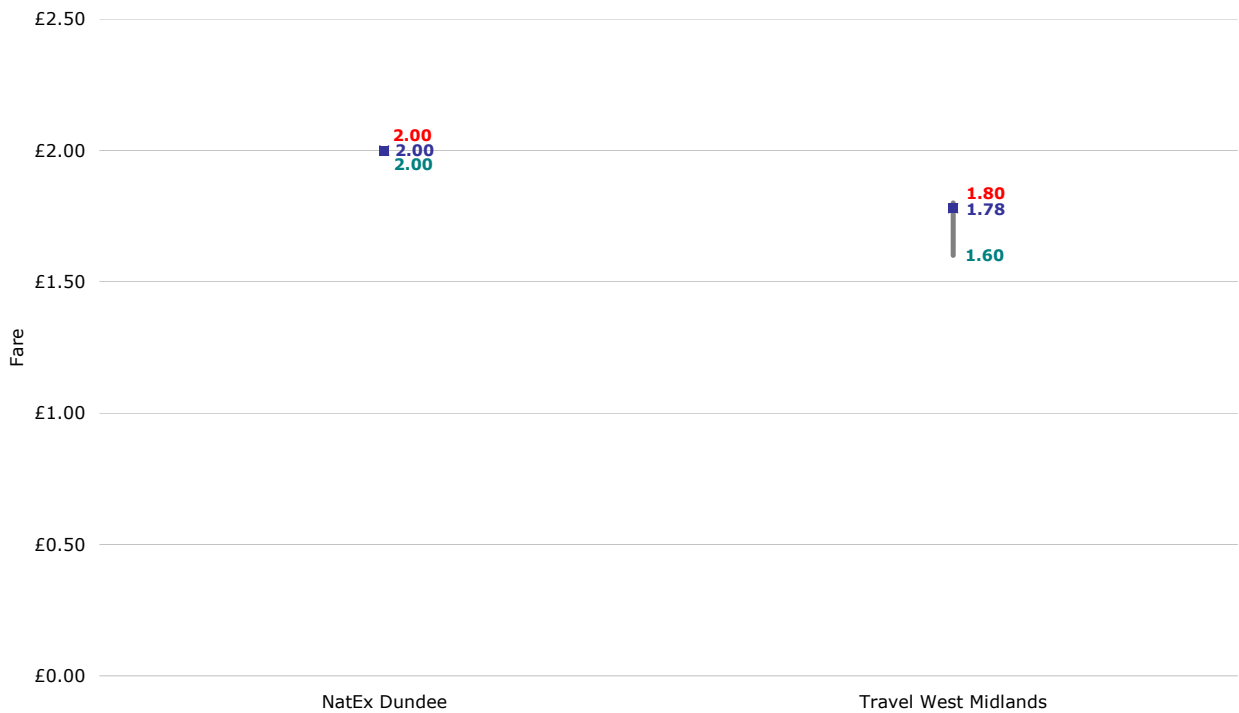


Figure Q: Range of Single Fares – Stagecoach

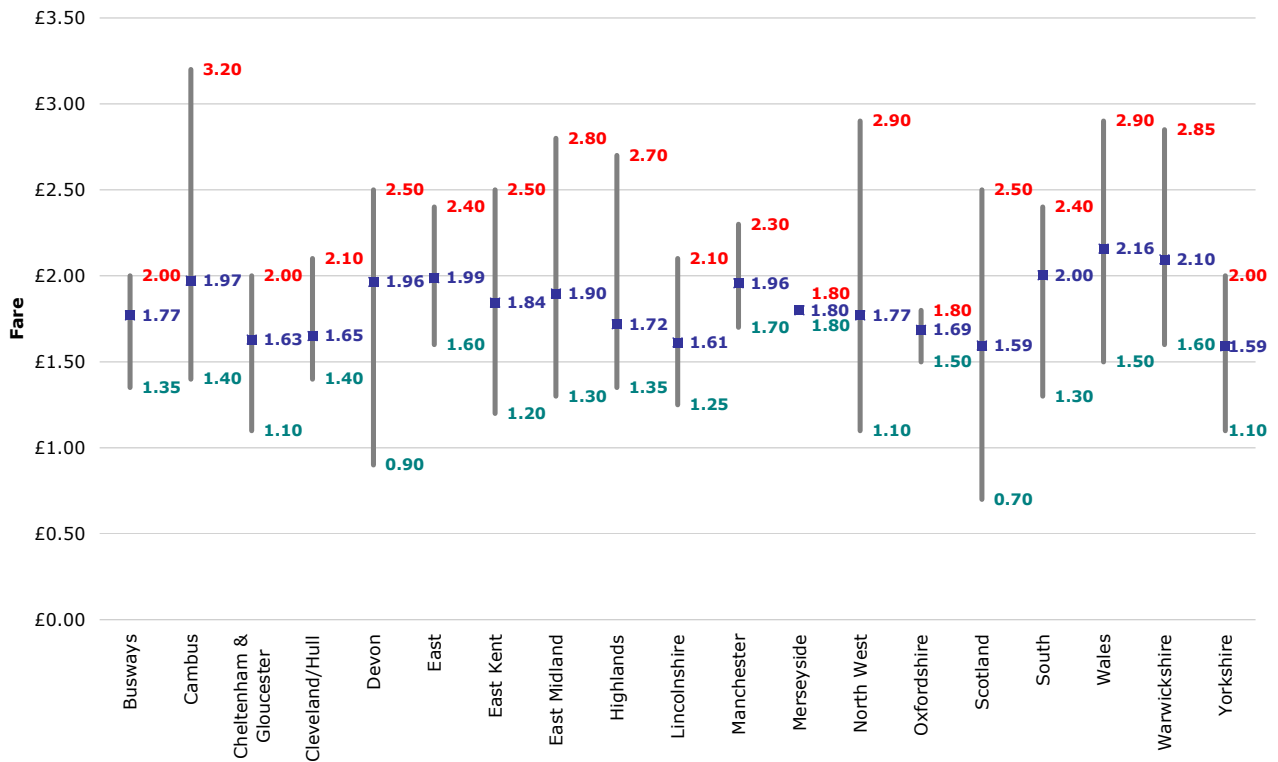
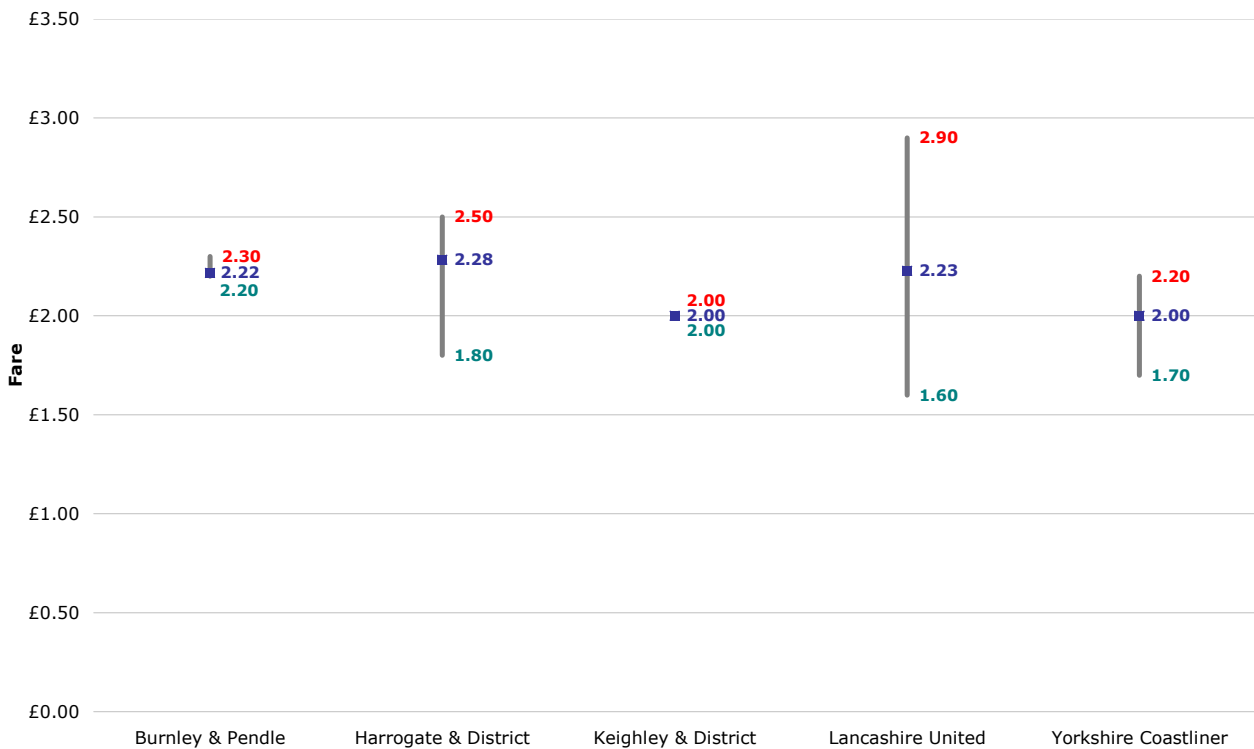


Figure R: Range of Single Fares – Veolia Transdev



6.4 Pricing and Discounts by Operator for Day & Weekly Tickets

6.4.1 Table 20 gives the breakdown of prices and discounts offered by group. The key findings:

- Municipal operators and National Express averaged the lowest day fare, charging £3.52 and £3.53 respectively.
- The highest priced day tickets were found in Independent operators which charge £6.84 on average. This high figure can be partially explained by the 'Zig Zag Plus' ticket at £10 (needed to cover the equivalent journeys on Trent Barton) and the 'Go Anywhere' ticket costing £11.80 in East Yorkshire.
- The lowest average weekly fare was offered by Stagecoach at £13.27 with the second lowest average ticket costing £13.78 by the independent operators.
- The low variation between average weekly ticket prices, at only 26%, means the highest priced ticket offered by Veolia Transdev which costs £16.73 is only £3.46 more expensive than the lowest priced average at Stagecoach.

Table 20: Analysis of Average Ticket Price & Discounts by Group

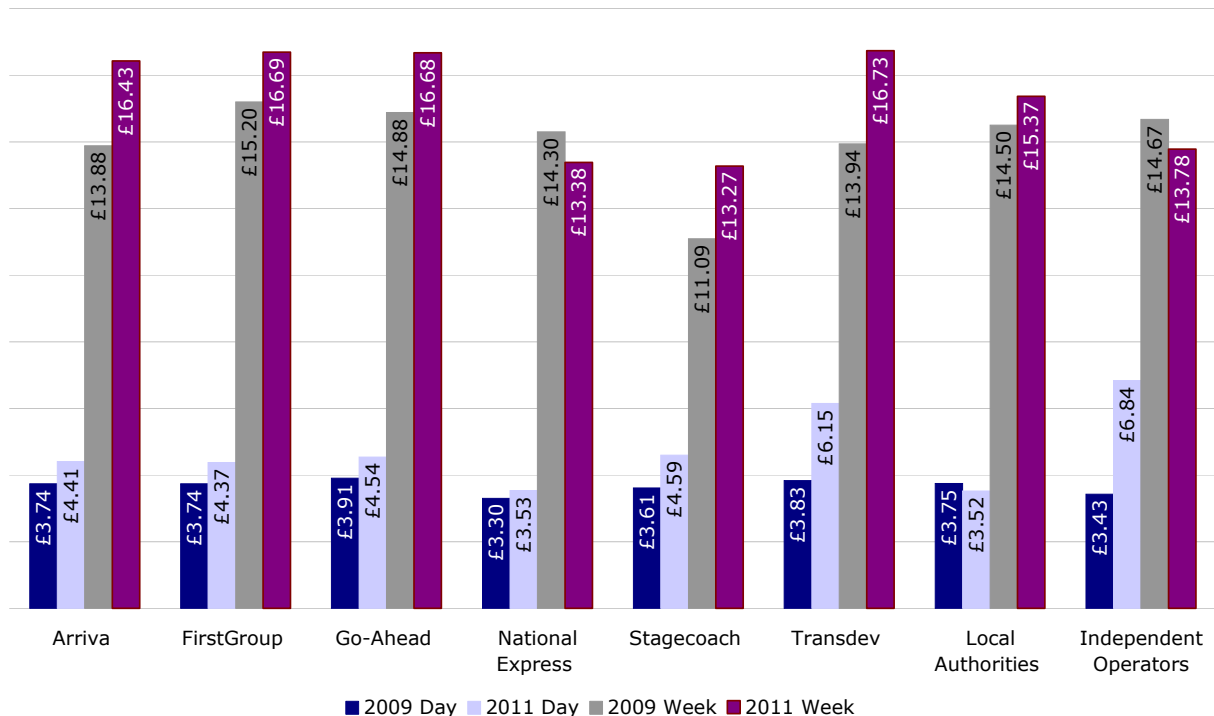
Operator	Day Ticket	Weekly Ticket	Day Discount	Weekly Discount	Day Multiplier	Weekly Multiplier	Day to Week Multiplier
Arriva	£4.41	£16.43	-10.48%	17.67%	2.21	8.23	3.73
First	£4.37	£16.69	-5.68%	19.33%	2.11	8.07	3.82
Go Ahead	£4.54	£16.68	-15.89%	14.91%	2.32	8.51	3.67
National Ex	£3.53	£13.38	1.65%	25.52%	1.97	7.45	3.79
Stagecoach	£4.59	(Lowest) £13.27	-27.08%	26.58%	2.54	7.34	2.89
Veolia Transdev	£6.15	(Highest) £16.73	-42.67%	22.36%	2.85	7.76	2.72
Municipal	(Lowest) £3.52	£15.37	-9.91%	4.04%	2.20	9.60	4.37
Independent	(Highest) £6.84	£13.78	-80.39%	27.28%	3.61	7.27	2.02
% Variation	94%	26%			89%	32%	116%
Average (all groups)	£4.52	£15.16	-18.32%	20.63%	2.37	7.94	3.35

6.5 Price Comparison with 2009

6.5.1 Figure S below shows each group's day and weekly average fare levels for 2009 and 2011. Notable highlights are:

- National Express remained the lowest for day ticket prices with only a 3p increase since 2009.
- Local authority owned bus companies show a decrease in average day ticket prices since 2009 (a reflection of an increased sample). Stagecoach has continued to provide the lowest average prices for weekly tickets, both in 2009 and 2011.
- The average day fare charged by independent operators almost doubled from £3.43 in 2009 to £6.84 in 2011. This can be explained by the larger sample for 2011 which includes some journeys that need a more expensive day ticket to cover the whole specified journey.
- Veolia Transdev average day ticket price has increased from £3.83 in 2009 to £6.15 in 2011. This can be explained by the need to include Yorkshire Coastliner 'Freedom' day tickets (at £15) to cover some of the Yorkshire Coastliner journeys.

Figure S: Average Day & Weekly Fare Comparison by Group



6.6 Day and Weekly Analysis by Operating Company

- 6.6.1 Figure T to Figure II below show the range of prices for day and weekly tickets within operating companies. Some groups are missing from certain graphs because data was unavailable, i.e. no day or weekly tickets available or tickets only available online.
- 6.6.2 The highest range (£10.00) of day fares, from £2.50 to £12.50 was charged by Stagecoach Scotland. This was due to the large differences in type of area within the region, meaning some tickets covered large geographical areas whereas the cheaper tickets were much more restrictive in where they could be used.
- 6.6.3 The largest range (£26.00) of weekly fares, from £9.00 to £35.00 was found to be at Stagecoach Highlands. The second highest range was from £9.50 to £35.00 at First Devon & Cornwall. As mentioned above these tickets range in price due to the vast difference in areas covered. The £9.00 weekly ticket in Stagecoach Highlands offers unlimited weeks travel in the city of Inverness whereas the £35.00 ticket covers a large area around the city.

Figure T: Range of Day Fares – Arriva

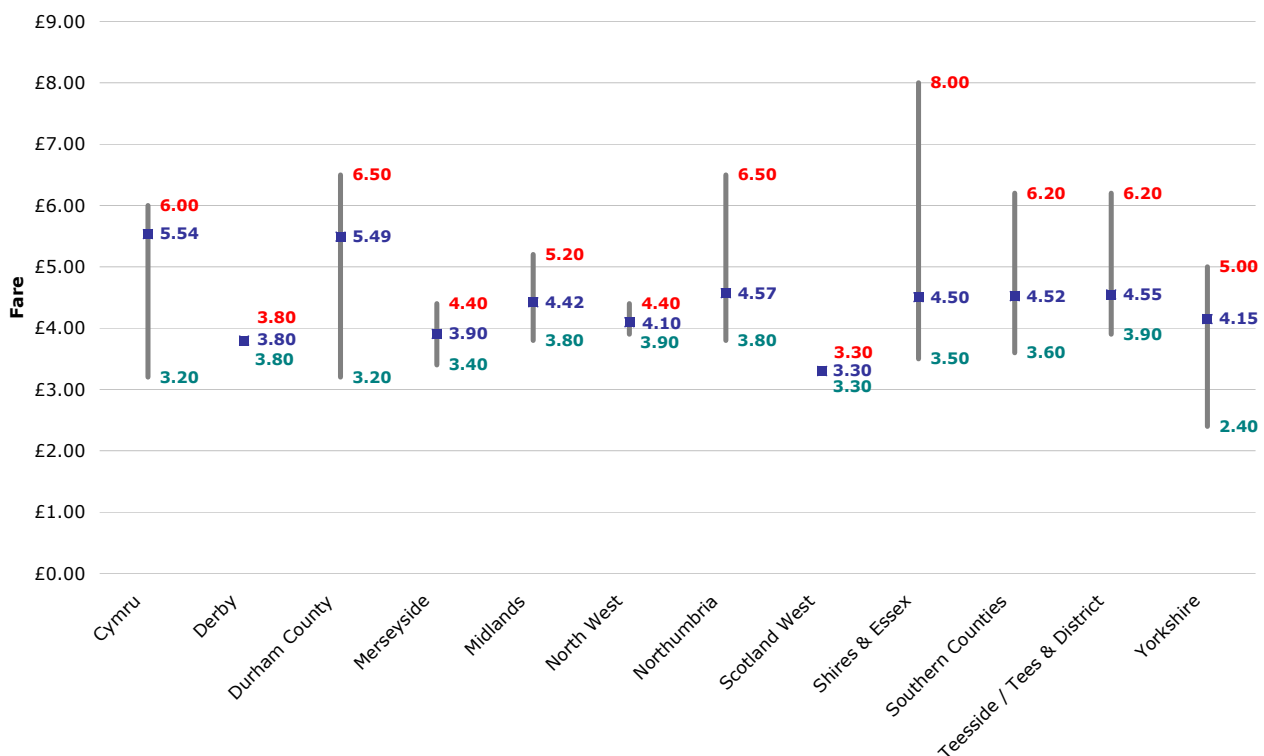


Figure U: Range of Weekly Fares – Arriva

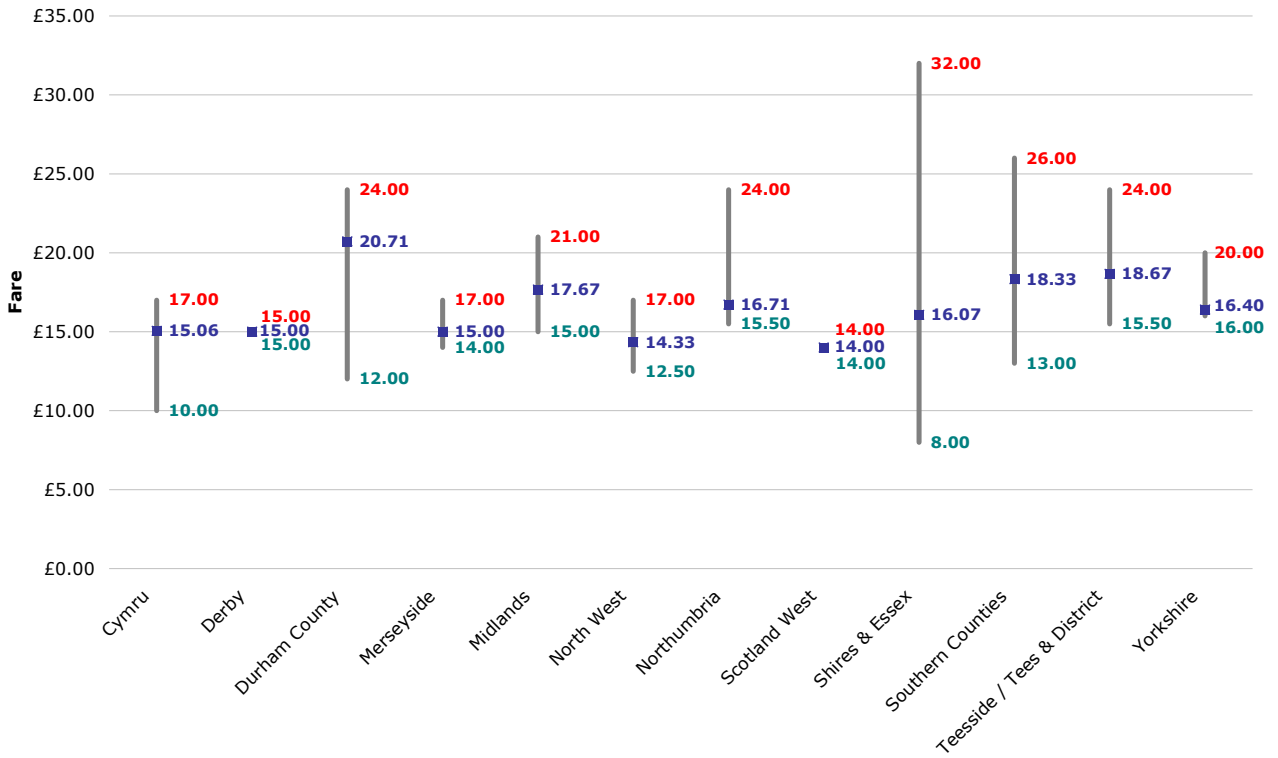


Figure V: Range of Day Fares – First

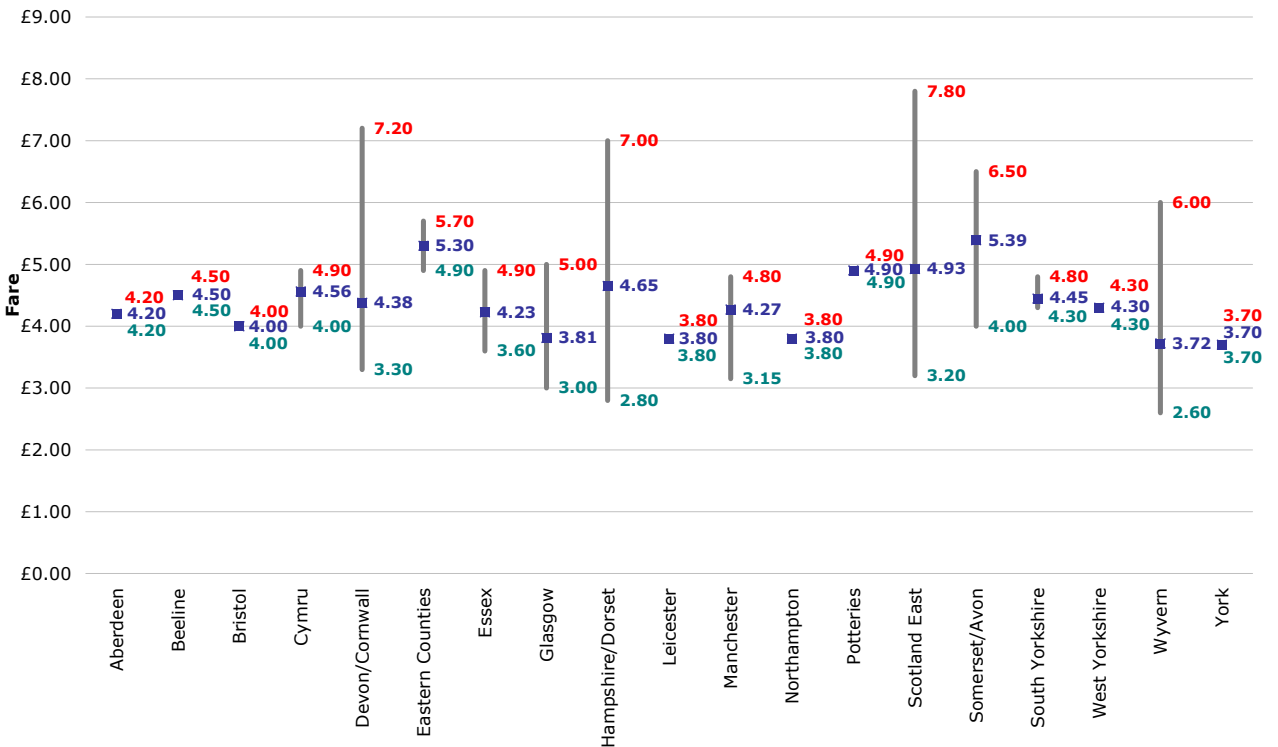


Figure W: Range of Weekly Fares – First

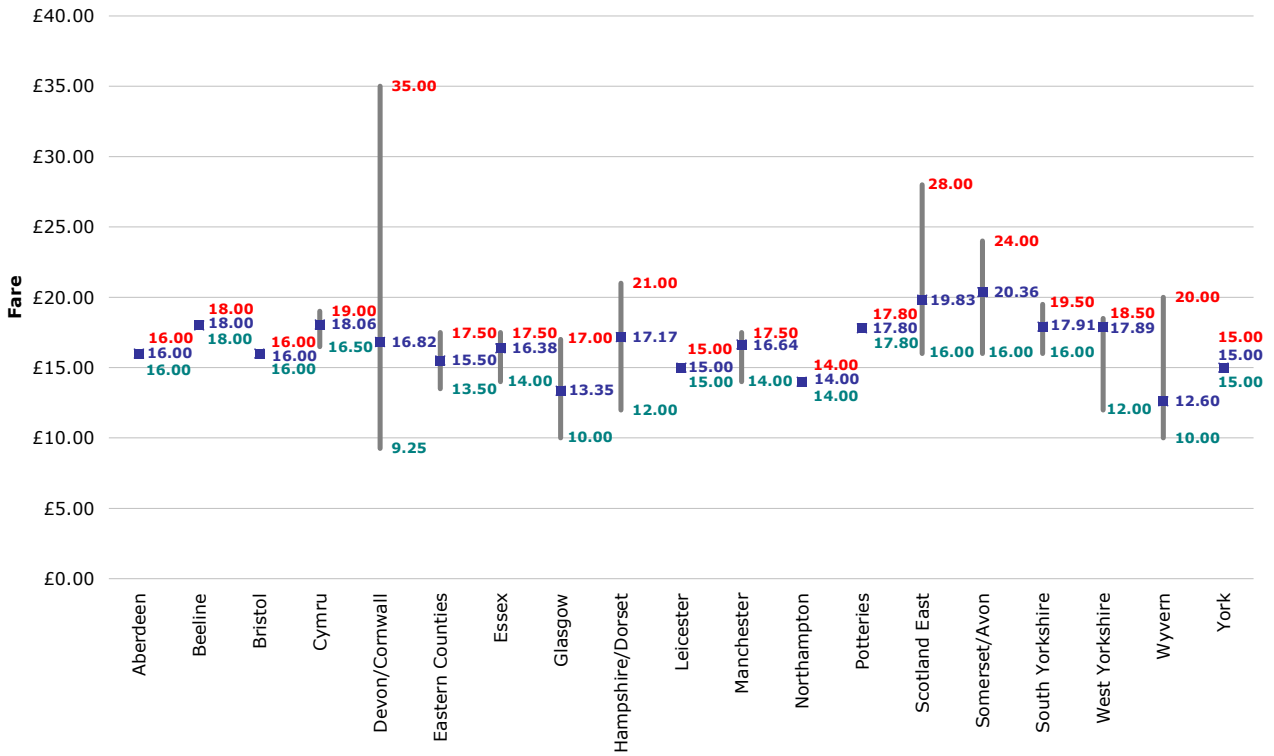


Figure X: Range of Day Fares – Go Ahead

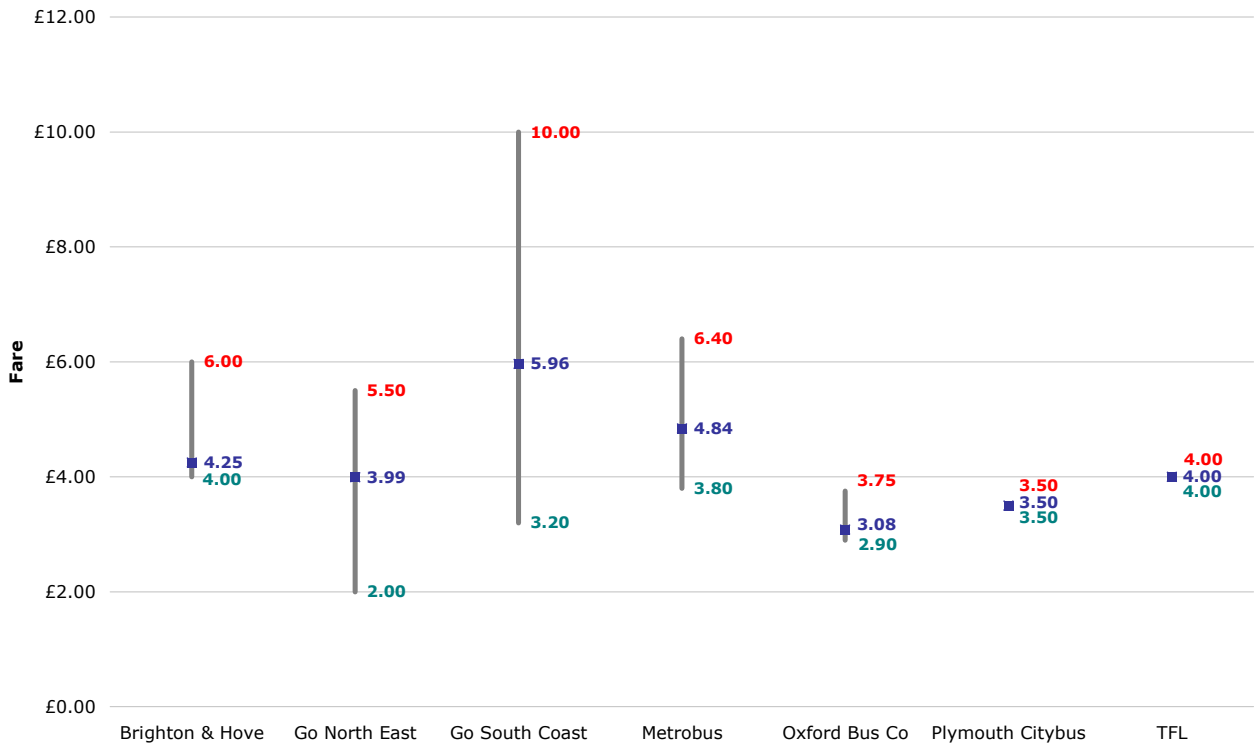


Figure Y: Range of Weekly Fares – Go Ahead

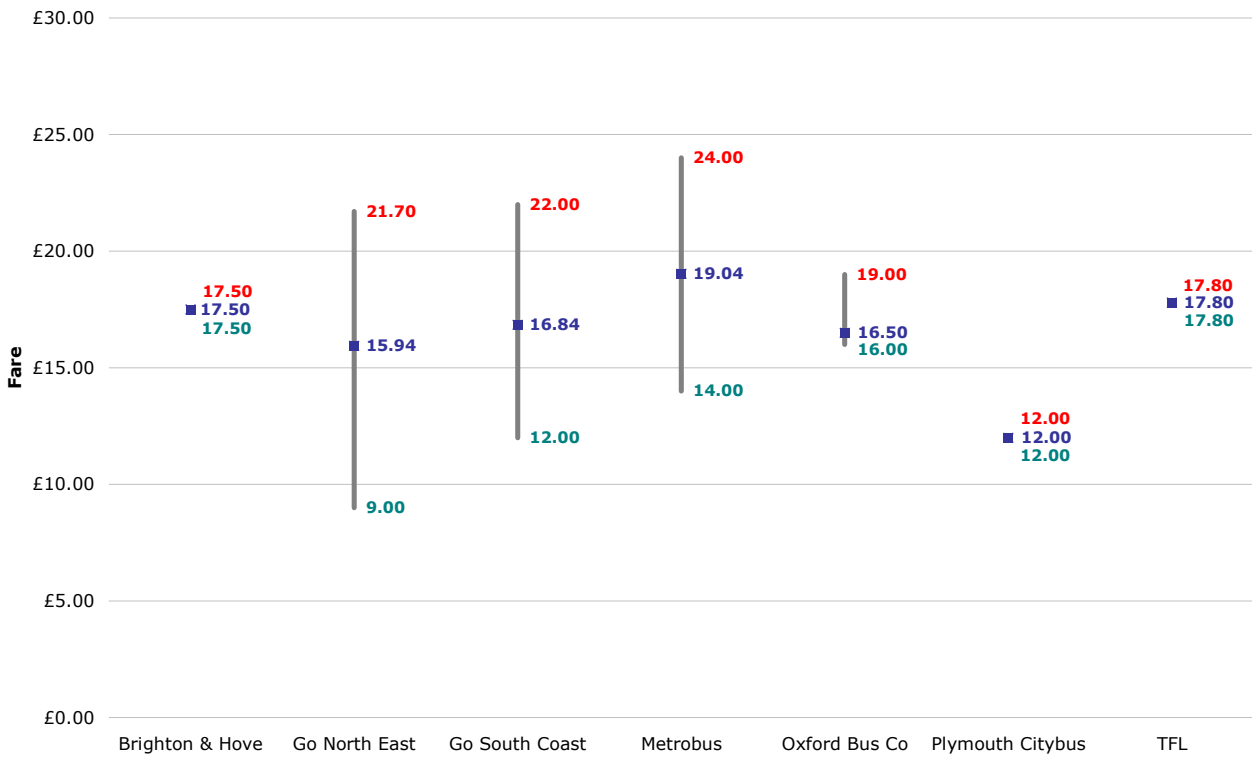


Figure Z: Range of Day Fares – Independently Owned

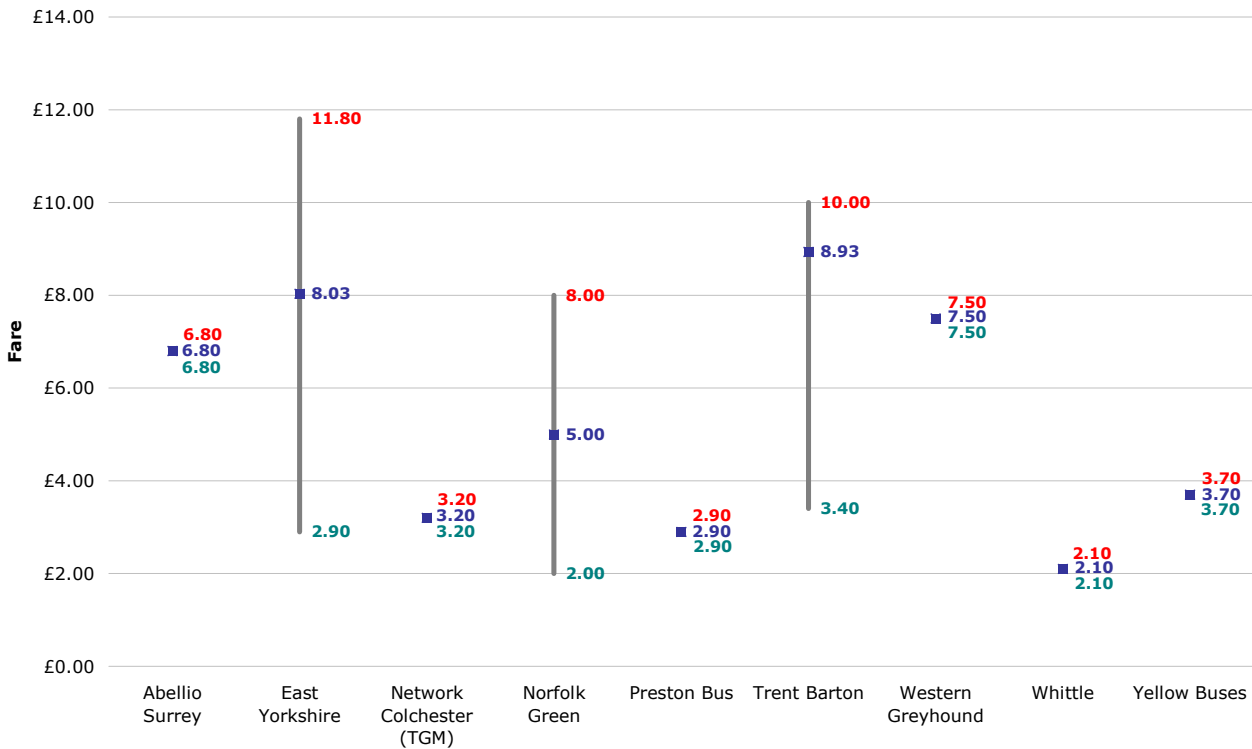


Figure AA: Range of Weekly Fares – Independently Owned

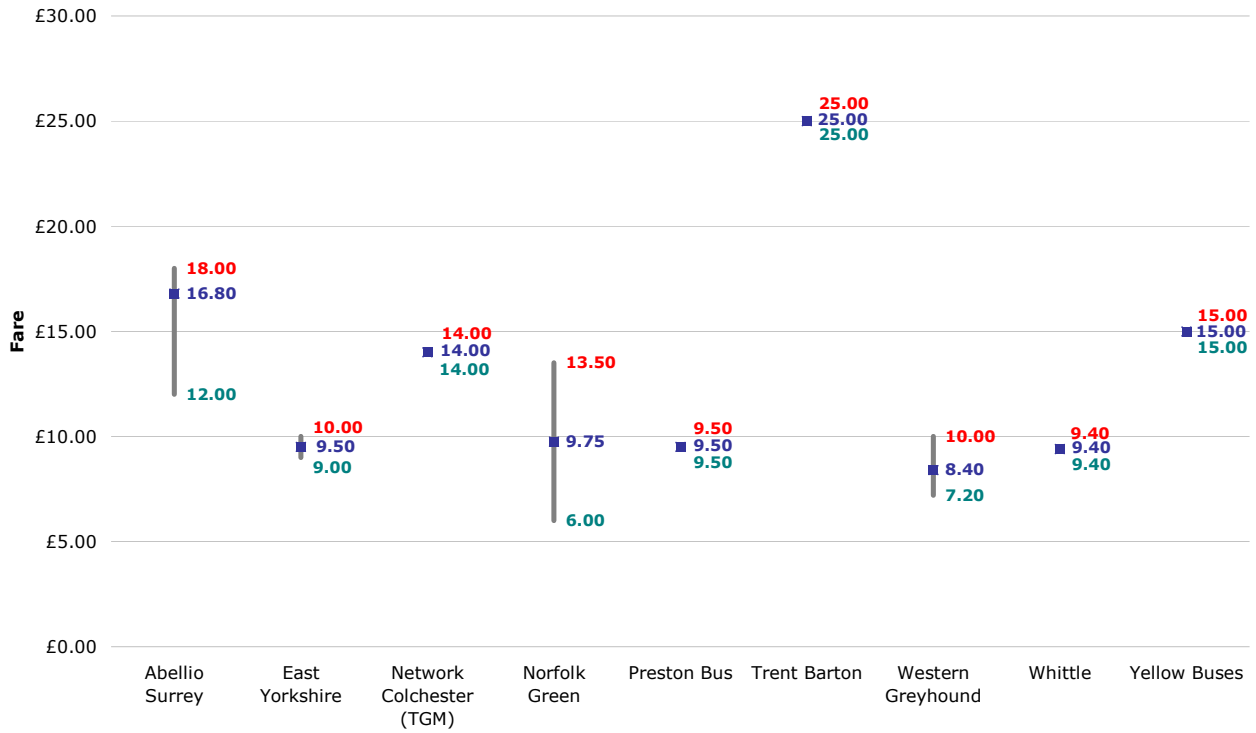


Figure BB: Range of Day Fares – Municipal

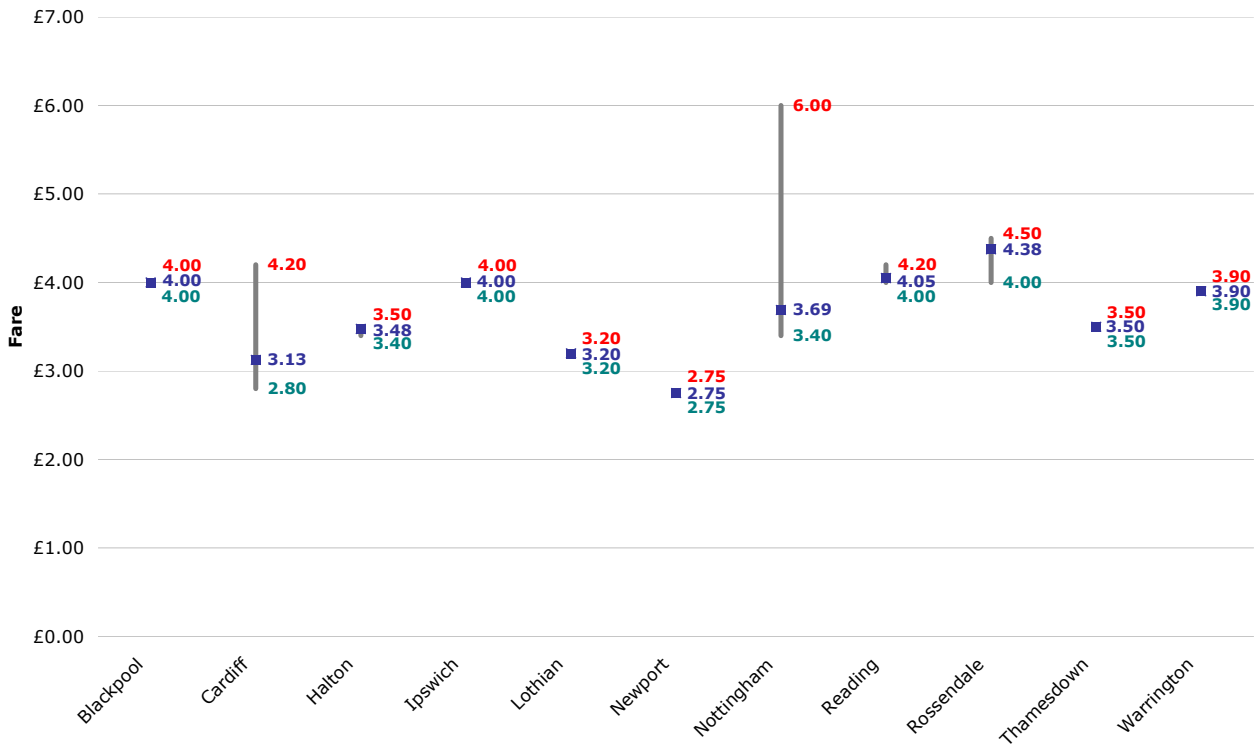


Figure CC: Range of Weekly Fares – Municipal

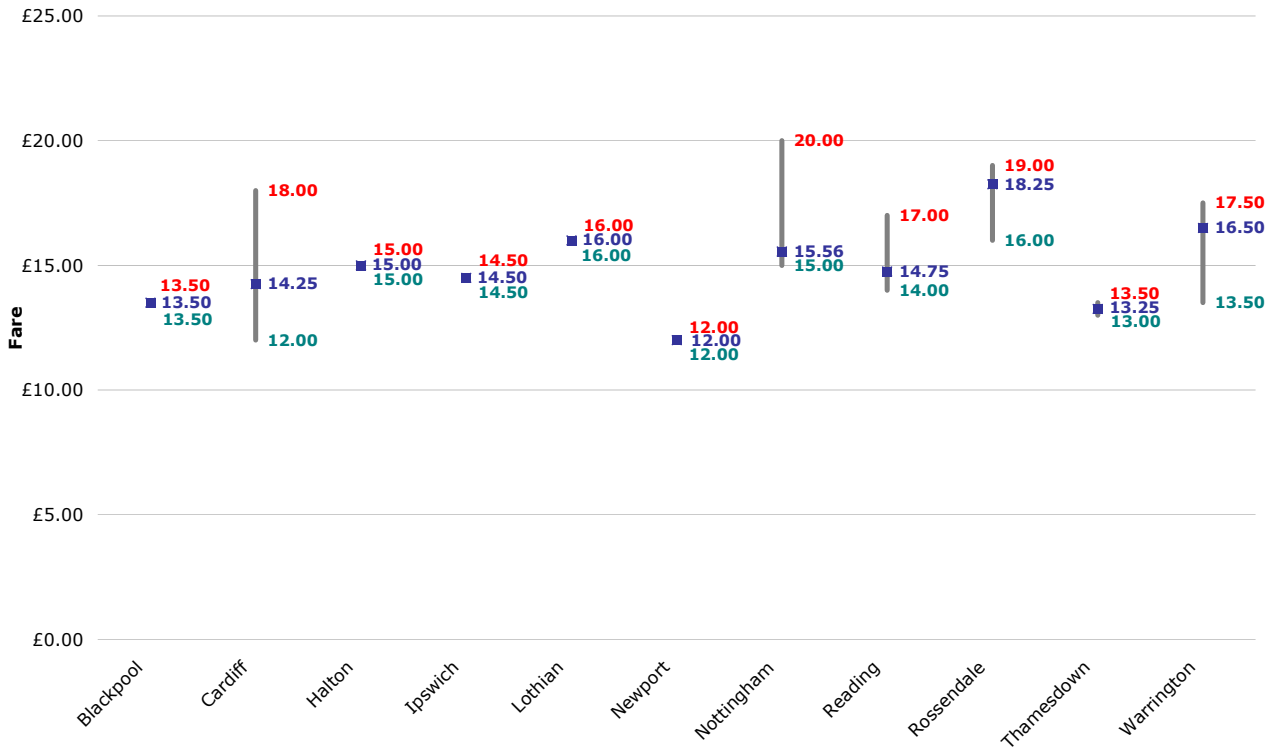


Figure DD: Range of Day Fares – National Express



Figure EE: Range of Weekly Fares – National Express

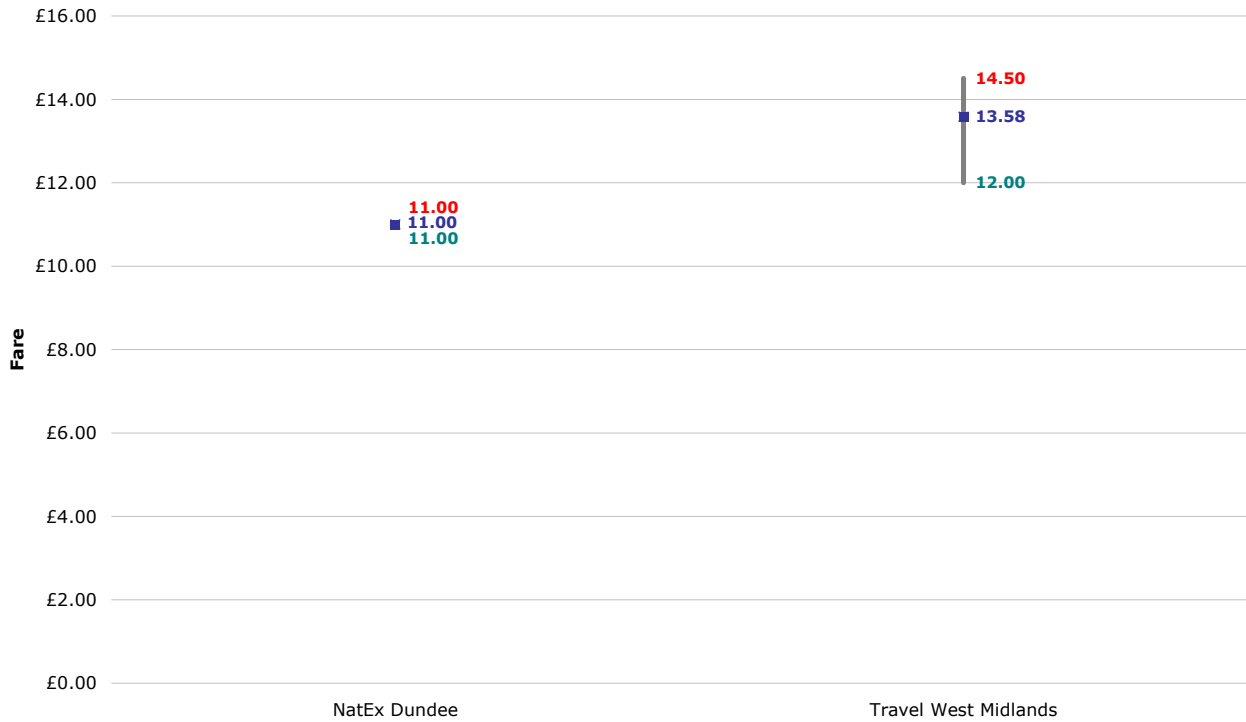


Figure FF: Range of Day Fares – Stagecoach

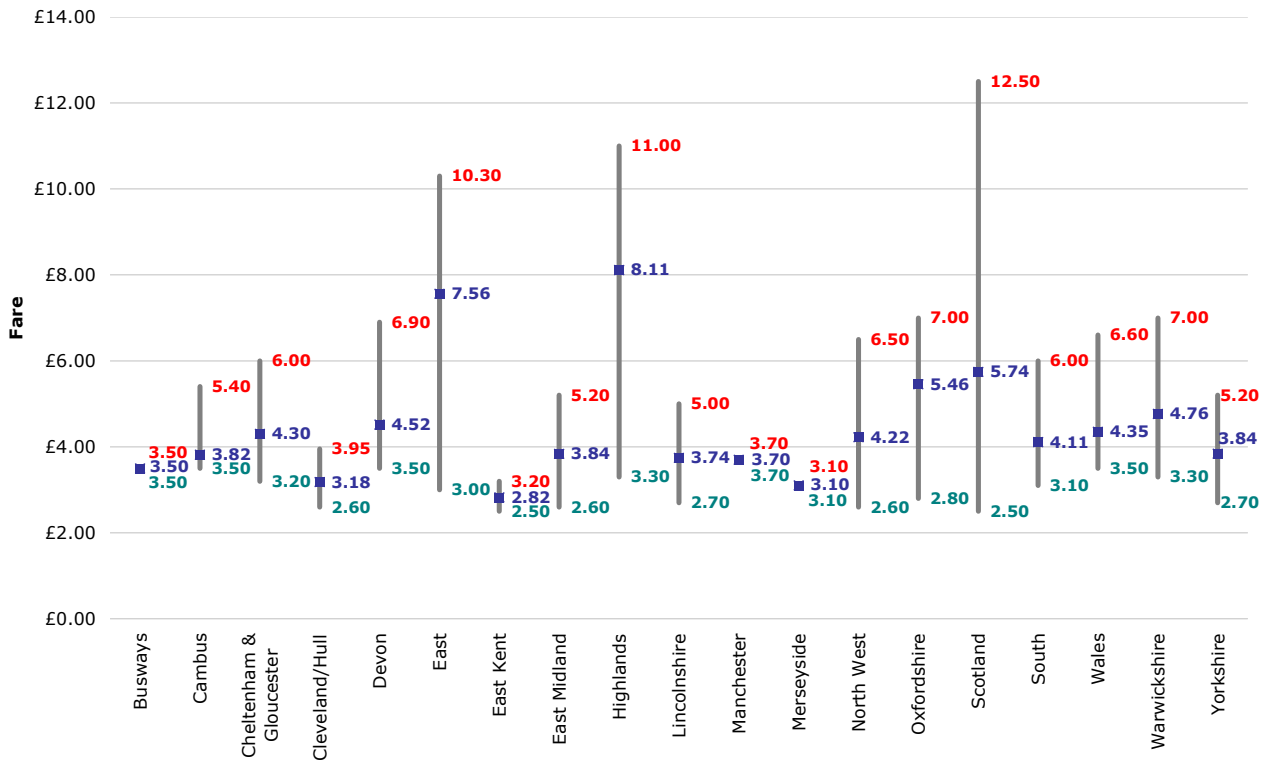


Figure GG: Range of Weekly Fares – Stagecoach

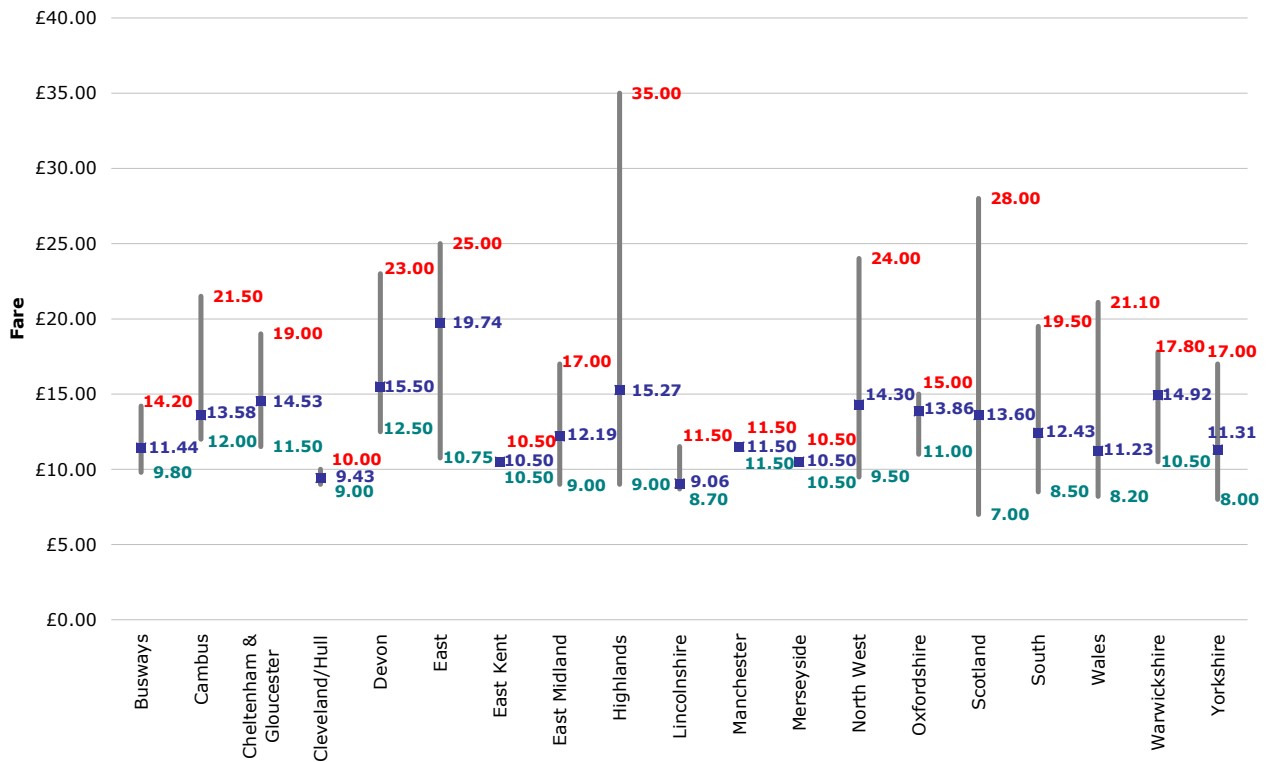


Figure HH: Range of Day Fares – Veolia Transdev

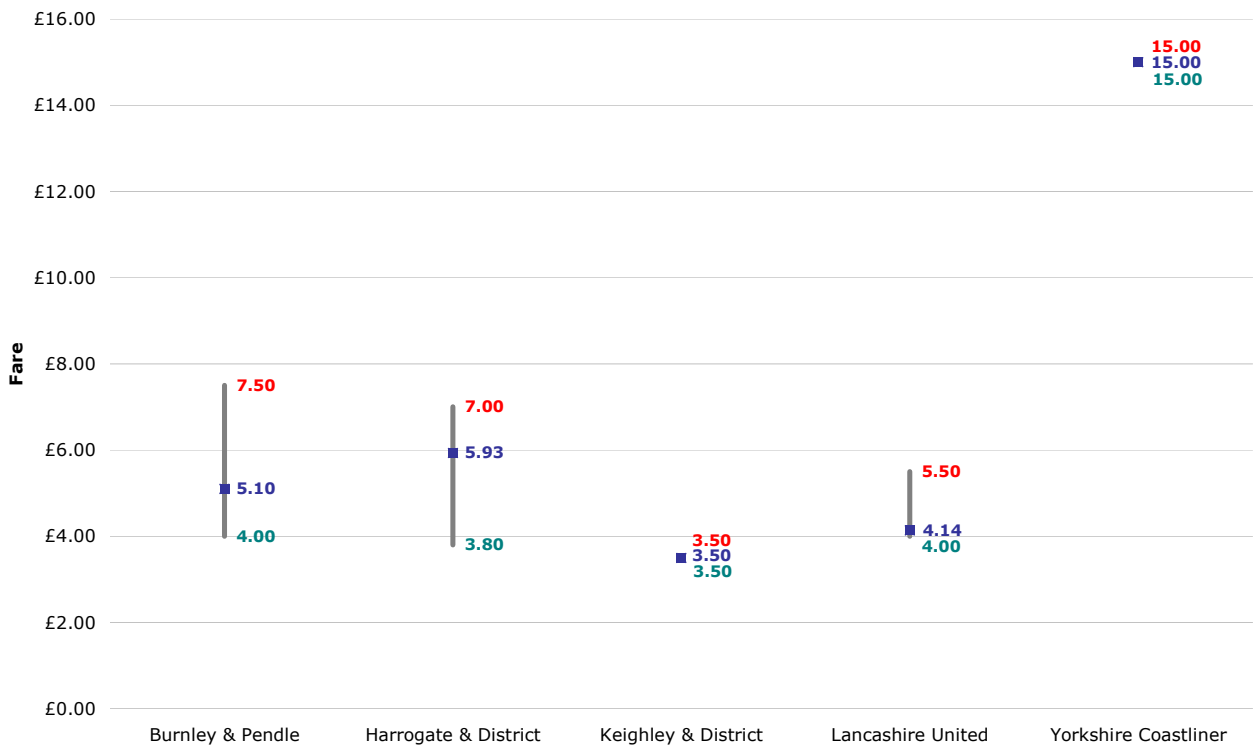
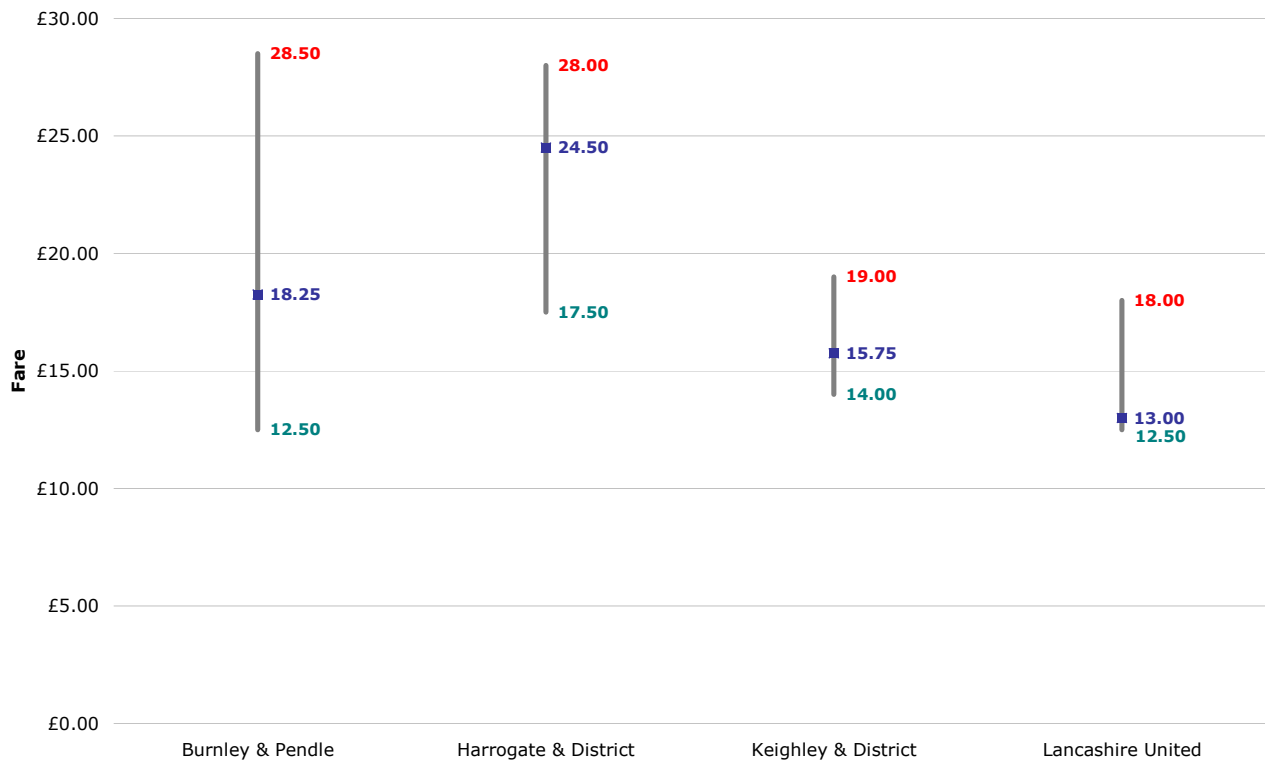


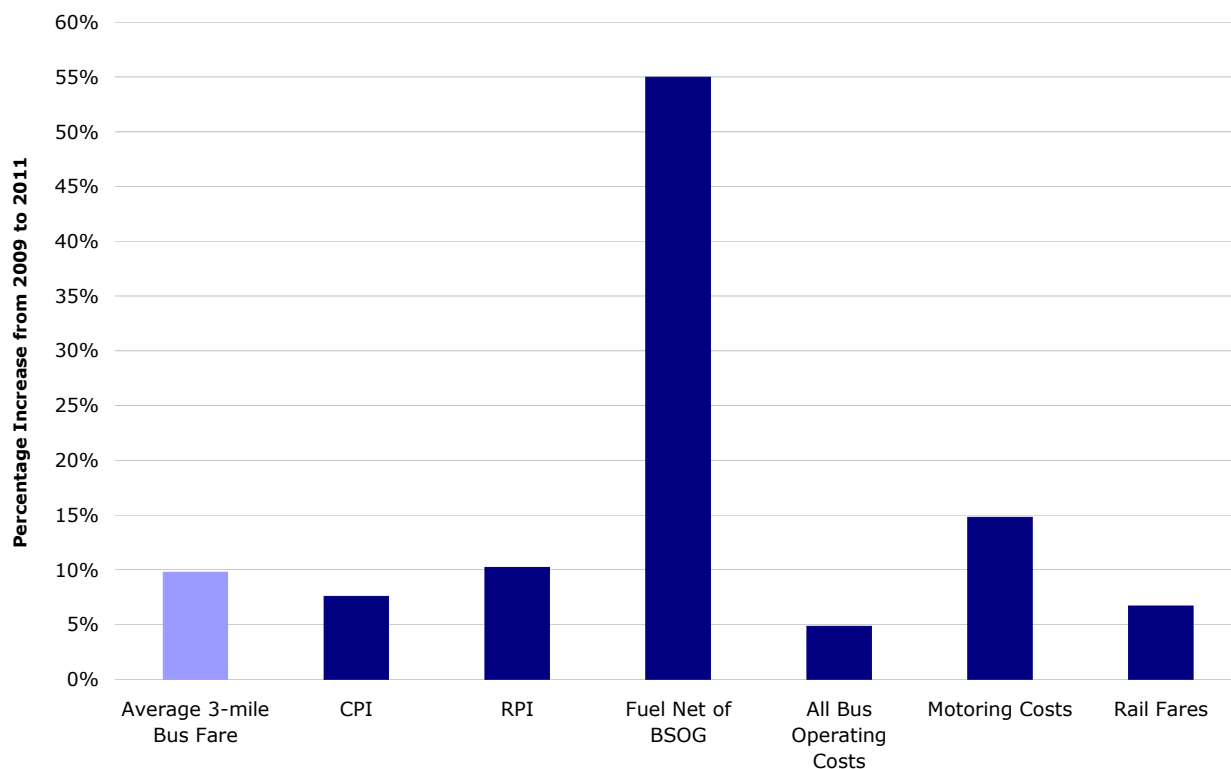
Figure II: Range of Weekly Fares – Veolia Transdev



7.1 Factors Influencing Demand and Price

- 7.1.1 The analysis above shows how fare levels vary widely by type of operation, region, type of ownership and operating company. Some external factors influencing bus demand and price include:
- Costs of operation, in particular variations in labour costs and fuel price
 - Demographic characteristics
 - ◆ Car ownership
 - ◆ Bus ridership
 - ◆ Population density
 - ◆ Levels of disposable household income
- 7.1.2 The 2009 Fares Survey included some economic and demographic characteristics influencing bus demand and price. Figure JJ and Table 21 illustrate the national percentage changes in the cost and demographic variables respectively between the 2009 and 2011 surveys. The main driver is fuel cost net of BSOG, which has increased dramatically by 55% over the period between the two surveys. Insurance and claims costs rose by almost 16% but all other cost variables in Figure JJ remained below the percentage change in RPI over the 2009 – 2011 period.
- 7.1.3 There was a marked decrease in national bus ridership between the 2009 and 2011 surveys and on a regional basis only South East England saw bus ridership increase. However, this is set against rises in ridership reported by some of the major groups. Disposable household income per head rose by just over 6.5% to £14,467 per head respectively.
- 7.1.4 It is notable and disappointing for the industry that despite the ongoing recession and significant rises in fuel costs, car ownership has continued to rise – by 7% in two years.
- 7.1.5 The data in Figure JJ to Figure QQ comes from sources including The Office for National Statistics, the Department for Transport, the Department of Energy and Climate Change and the Confederation of Passenger Transport (CPT).

Figure JJ: Change in Cost Variables between 2009 and 2011



7.2 Changes in Motoring Costs

- 7.2.1 Table 21 compares the total standing and running costs⁸ for petrol and diesel cars between the 2009 and 2011 bus fare surveys for a range of total annual mileages. Assuming a new car purchase price of £16,000 to £24,000, the standing charges include road tax, insurance, cost of capital, depreciation and breakdown cover. The running costs cover fuel (petrol or diesel as applicable), tyres, service labour costs, replacement parts, parking and tolls.
- 7.2.2 The change in the average 3-mile bus fare between 2009 and 2011 falls between the change in petrol and diesel motoring costs, with diesel cars being cheaper to run than petrol ones. The cost changes between 2009 and 2011 increase steadily with increasing annual mileage. These figures are inclusive of the change in fuel price at the pump of 40.3% for petrol and 27.3% for diesel.

⁸ Source: The AA

Table 21: Changes in Total Standing and Running Costs of Motoring

Mileage per Annum	Petrol Cars			Diesel Cars			Average 3-mile Bus Fare % Change
	2009 p/mile	2011 p/mile	% Change	2009 p/mile	2011 p/mile	% Change	
5,000	95.80	107.29	12.0%	98.11	99.15	1.1%	9.8%
10,000	58.55	67.21	14.8%	58.50	60.81	3.9%	9.8%
15,000	46.52	54.18	16.5%	45.72	48.35	5.8%	9.8%
20,000	40.81	47.91	17.4%	39.64	42.36	6.9%	9.8%
25,000	36.90	43.75	18.6%	35.49	38.38	8.1%	9.8%
30,000	34.20	40.90	19.6%	32.62	35.65	9.3%	9.8%

7.3 Changes in Rail Fares

- 7.3.1 Available data on rail fares is somewhat disaggregated due to the fact that new ticket types were introduced between the 2009 and 2011 bus fare surveys. Rail fare increases in 2009 and 2011 are based on the RPI + 1% formula for regulated tickets (e.g. season tickets) with some exceptions. This formula was due to change to RPI + 3% from 2012, but the government has now committed extra funding to hold these to RPI+1% again.
- 7.3.2 Open access operators are not bound by fares regulation and unregulated fares (e.g. advance purchase singles) can rise by as much as the individual train operating company decides. In 2011 regulated rail fares accounted for 46% of all train tickets sold and unregulated fares the remaining 54%⁹. Some train operating companies have also implemented additional effective fare increases by altering definitions of peak periods.
- 7.3.3 Figure KK shows the percentage changes in rail fares for different types of operator between the 2009 and 2011 bus fare surveys. Rail fares for all train operators rose by an average of 6.7% between 2009 and 2011, below both the rise in RPI (Jan 09 to Jan 11 of 9.0%) and the rise in the average 3-mile bus fare (9.8%) over the same period.

⁹ Source: <http://www.dailymail.co.uk/news/article-1332323/Misery-commuters-rail-fares-set-rocket-13-January.html>

Figure KK: Changes in Rail Fares 2009-2011¹⁰

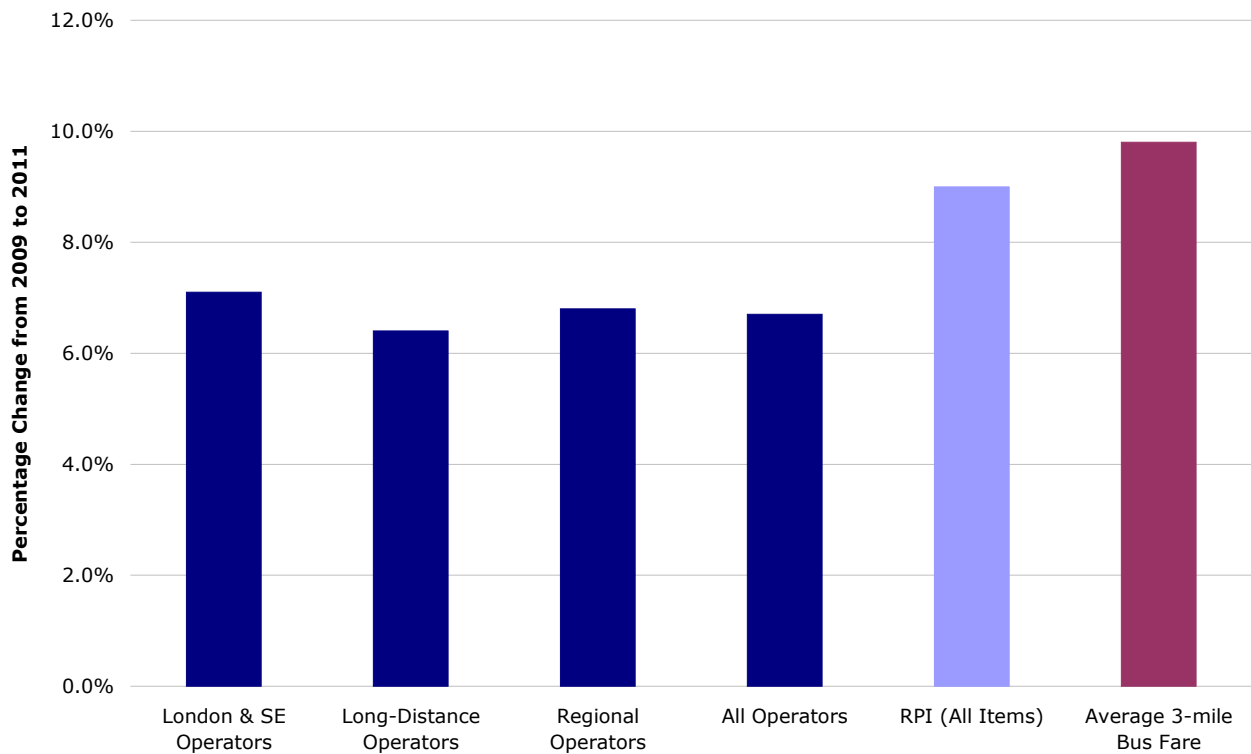
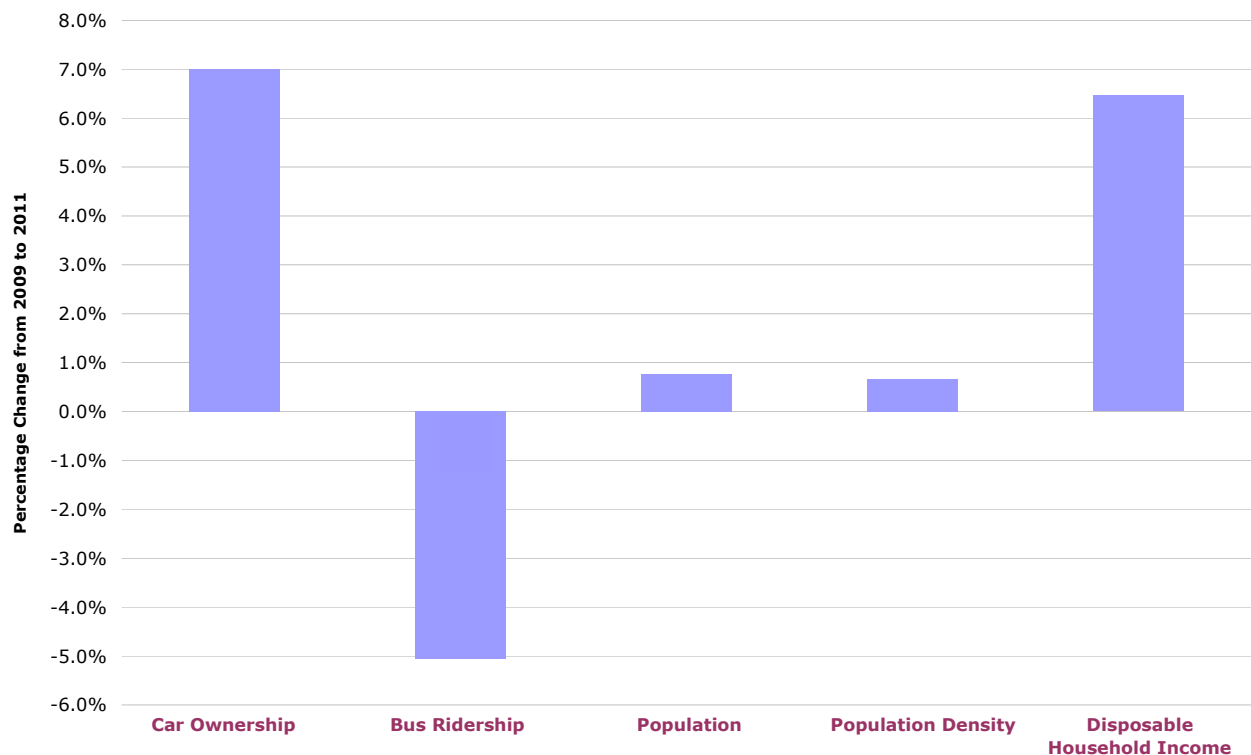


Figure LL: Change in Demographic Variables between 2009 and 2011



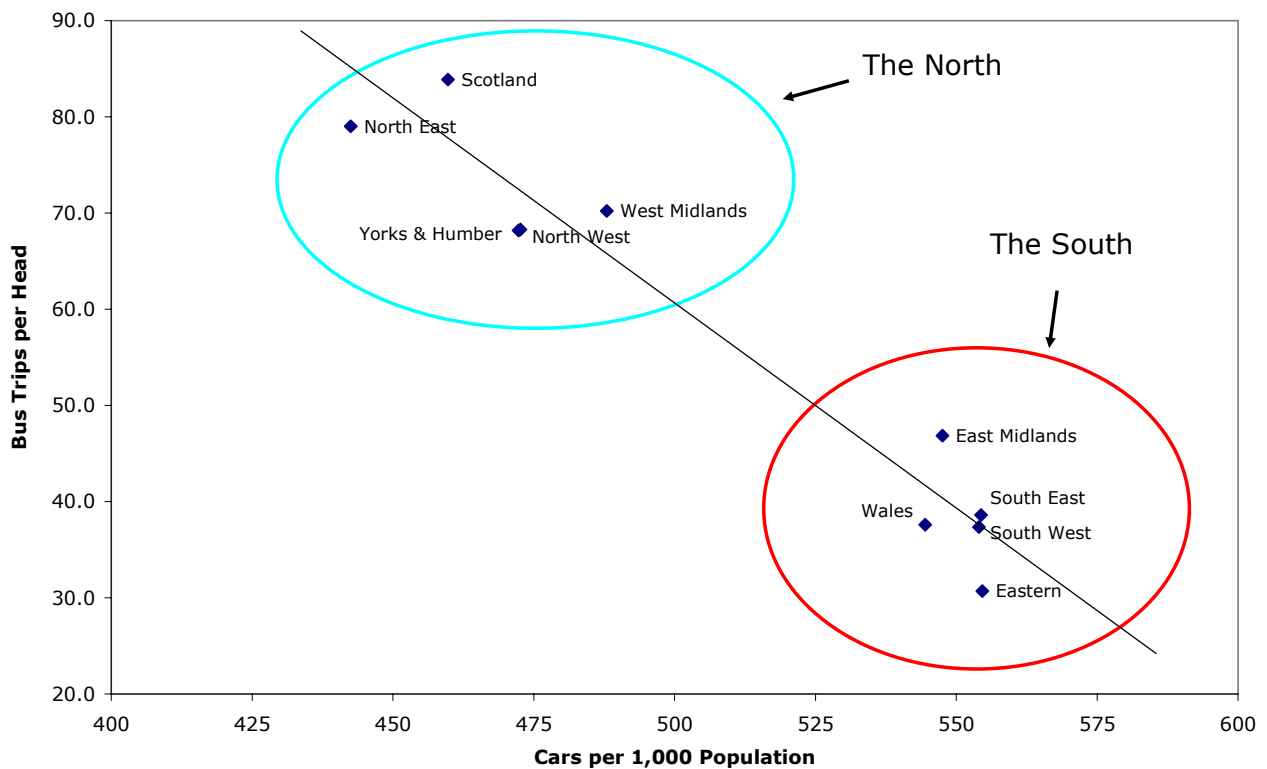
¹⁰ Source: Office of Rail Regulation National Rail Trends 2010-2011; p88

7.4 Demographic Factors

Car Ownership and Bus Use

7.4.1 Figure MM shows there is a clear correlation between bus use (defined as the number of trips per person per year) and levels of car ownership. A north – south divide is evident, with people in the north making more bus trips and possessing fewer cars than their counterparts in the south. It is of note that the West Midlands is included within the 'north' group in all cases.

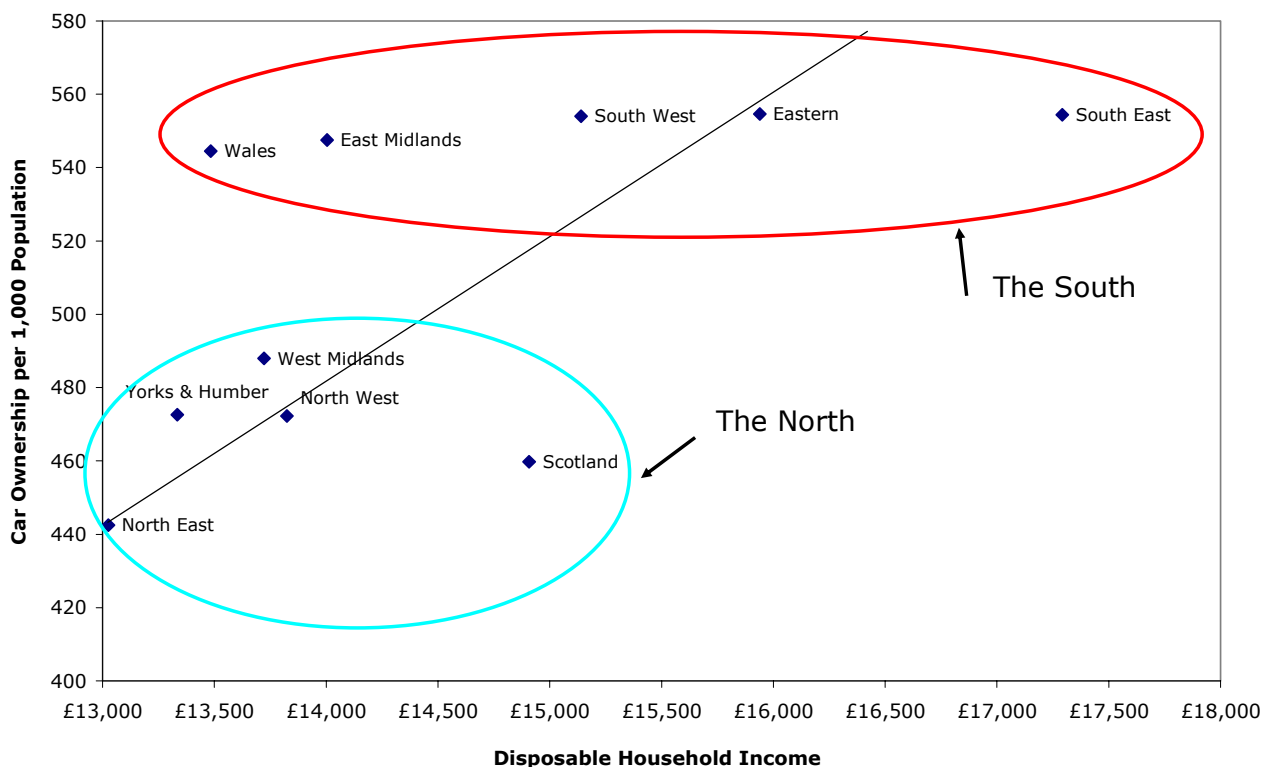
Figure MM: Car Ownership and Bus Use by Region 2011



Household Income and Car Ownership

7.4.2 Figure NN relates disposable household income to car ownership by Government Office region. There is a lack of correlation between the two measures – Wales has the third lowest disposable income but high car ownership. The East Midlands region shows similar results.

Figure NN: Disposable Household Income and Car Ownership by Region 2011



Bus Use and Population Density

- 7.4.3 Figure OO suggests there is a correlation between bus use and the average urban 3-mile single fare by region. The average urban fare has been used for this analysis as there are large areas of Scotland and Wales which are very sparsely populated. The exception here is the North West, which appears to be a high fare and high bus use area. However, discounts for day and weekly tickets appear to be higher in the North West and balance out somewhat.
- 7.4.4 Another way of looking at this is to chart the population density against the average urban 3-mile single fare as in Figure PP. This presents the only overlap between north and south in the demographic analysis and indicates a wider spread of results which cannot be marked easily by a trend line with good fit.
- 7.4.5 The graph of bus use density and average urban fare by region in Figure QQ looks at bus patronage per hectare, which reflects to some extent the nature of the areas served in each region and the bus industry's relative market success by region in attracting passengers. It reinforces the finding that average fares tend to be higher in areas where bus use is least intensive in the more affluent south of Britain.

7.4.6 This is all a clear indication of standard market principles:

- High volume = Lower price
- Low volume = Higher price

Figure 00: Bus Use and Average Urban Fare by Region 2011

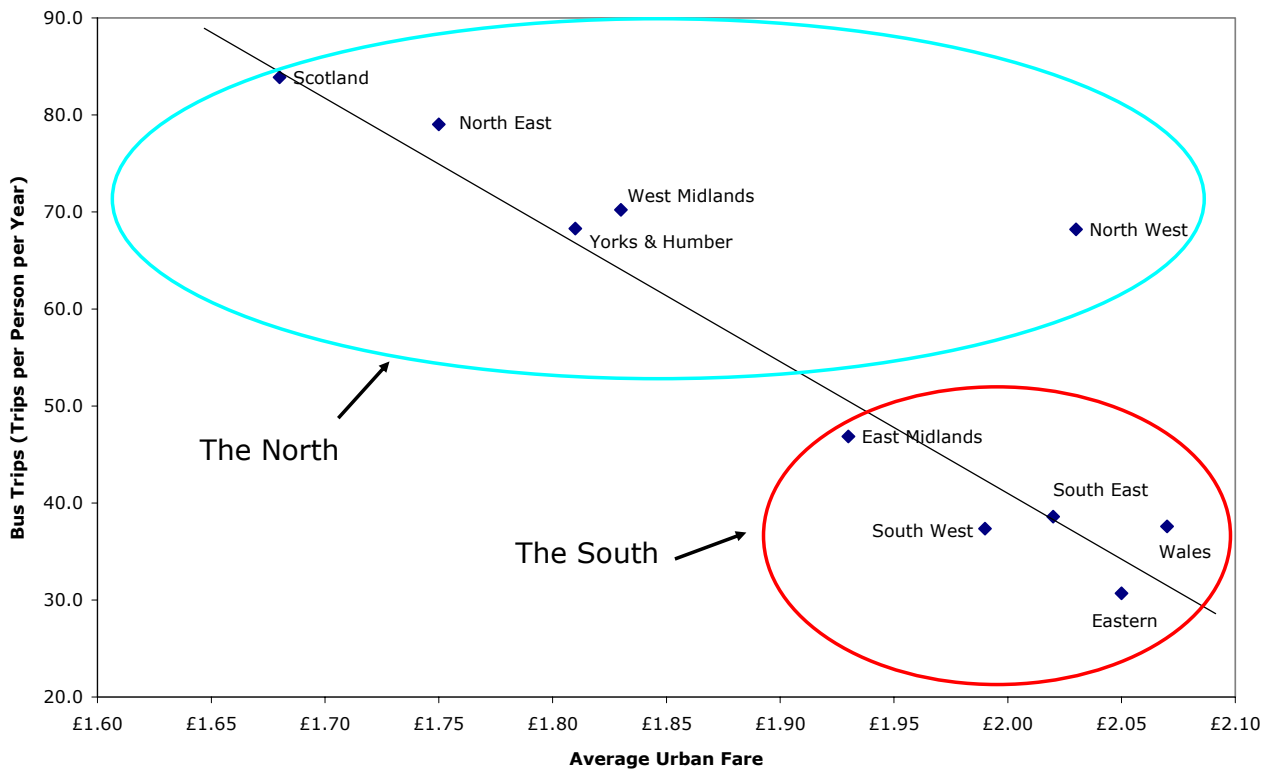


Figure PP: Population Density and Average Urban Fare by Region 2011

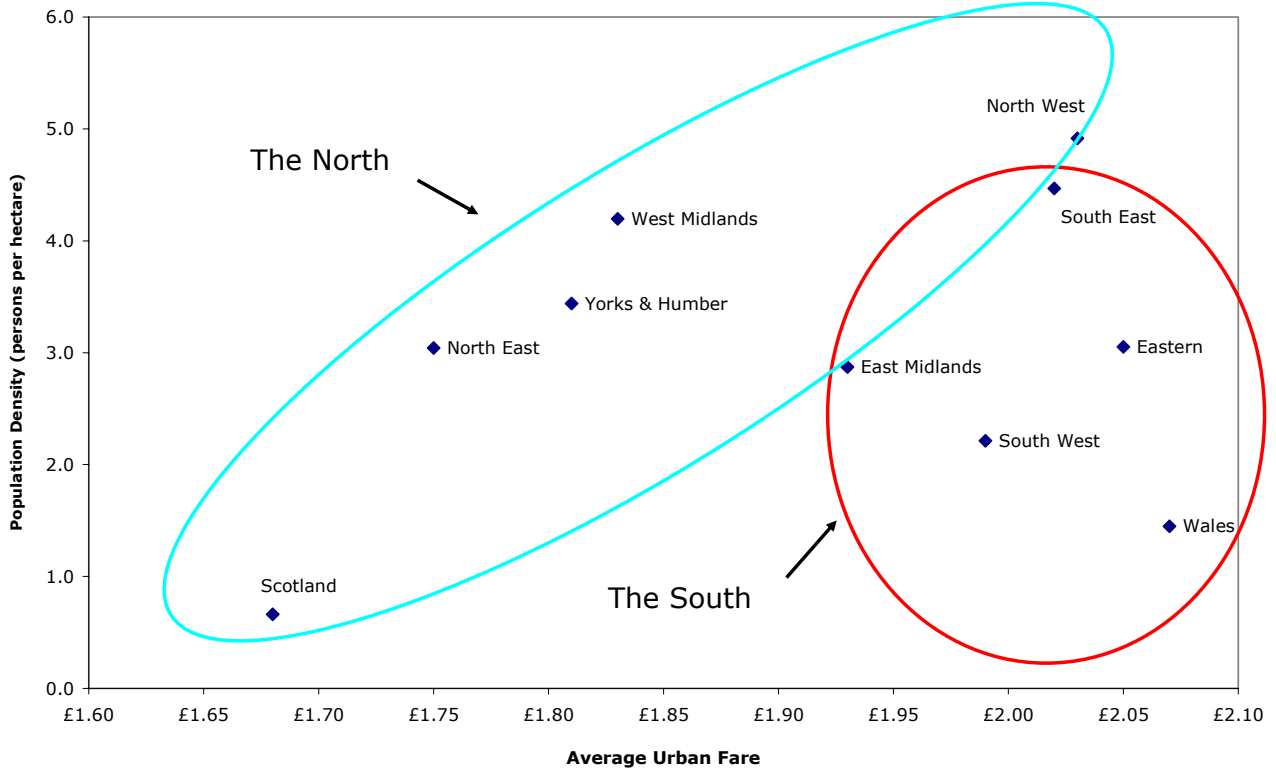
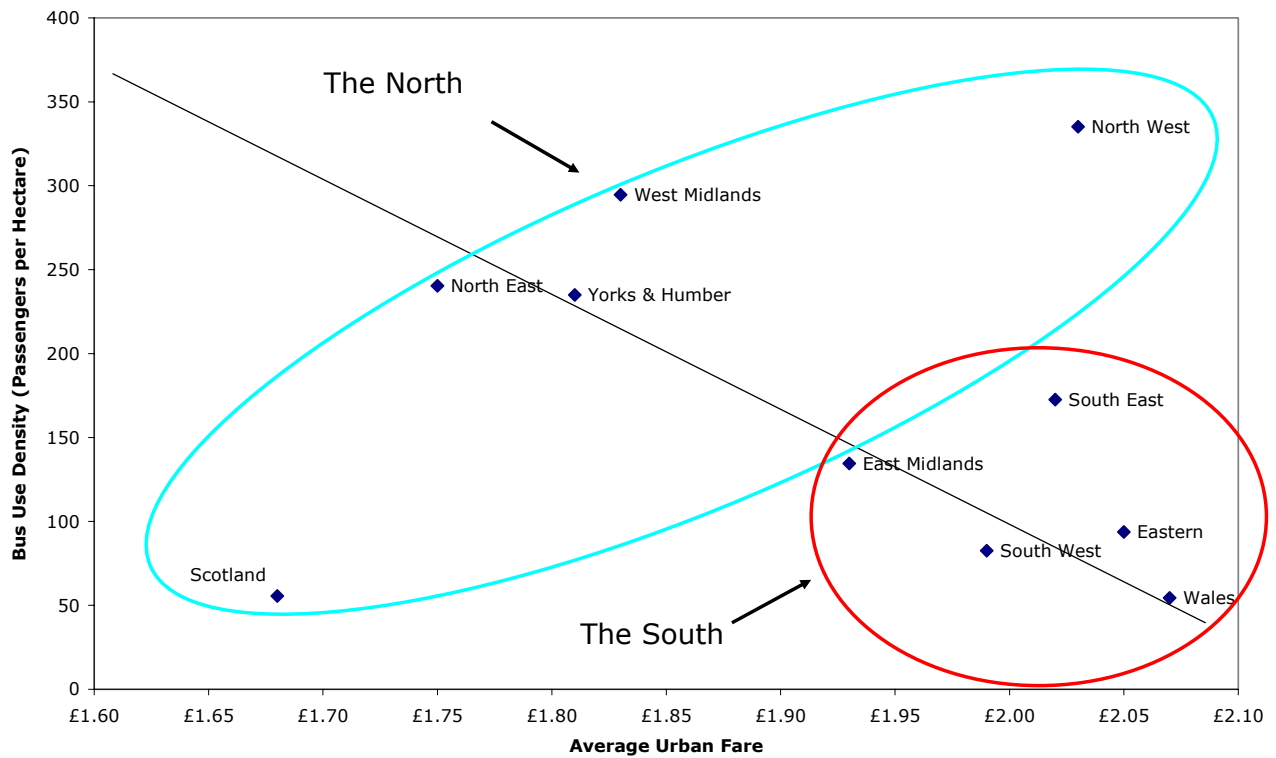


Figure QQ: Bus Use Density and Average Urban Fare by Region 2011



8.1 Conclusions

- 8.1.1 The Executive Summary at the beginning of the document summarises the survey findings and there is little point in reproducing that here.
- 8.1.2 There is a large variation in sample three mile fares, between £0.70 and £3.85. It is a wide range, but there are few fares at either the low or high extremes and most lie in the range between £1.10 and £2. This is neither surprising nor unexpected. Our assertion is that there has never been a 'standard fare' across the country for a three mile journey and we would not expect there to be such a thing now.
- 8.1.3 There are some identifiable trends in fare levels – as examples fares in urban areas tend to be lower than in non-urban; municipals have lower single fares but give less discount for day and weekly tickets; Stagecoach and National Express offer the greatest discounts on day and weekly tickets - but we clearly show that demographics are the major influence on fare level. External factors leading to high bus use imply lower fares and this leads to a clear north – south divide in the results. A standard economic principle that high volumes engender lower prices.
- 8.1.4 There is a clear retail parallel here: We would not expect to pay the same for these:



in a Somerset village store and in a major supermarket in Barnsley.

- 8.1.5 However, the retail parallel ends at a key point. Our survey results show that day tickets in general offer discounted travel for any more than two journeys and weekly tickets offer discounts for more than six or seven single journeys per week. Day tickets are therefore the bus operator's equivalent of a '3 for 2' offer, but while the industry insists in making it so difficult to find out how much the '2' cost in the first place this benefit is lost to the potential consumer (passenger).

8.2 Outlook for 2012 – Reduction in BSOG

8.2.1 From April 2012 BSOG is to be reduced by 20% in England. The expectation is that this will partly be offset by a fares increase above the level of inflation. Current average revenue make-up of an English operator is typically:

- Farebox: 55.4%
- Concessionary Reimbursement: 24.1%
- Contract Payments: 12.3%
- BSOG: 9.6%

8.2.2 The reduction in the rate of BSOG brings the latter down to 7.7%, leaving 1.9% to be recovered through the farebox – in simple terms, equivalent to a fares increase of 3.56% above inflation. However, two factors influence this figure directly:

- a) Resistance to fares increases
- b) Revised concessionary reimbursement.

8.2.3 a) is a normal effect of a fare increase. For those authorities using the DfT concessionary fares toolkit, b) has an important effect as any fare increase above CPI is reflected in a lower reimbursement rate for concessions which can lead to less reimbursement at higher fare levels. Using the 3.56% figure above, this would need to be around 3.8% (net) above inflation to account for the fall in concessionary reimbursement.

8.2.4 Resistance to fares increases traditionally uses an elasticity value of -0.4. To allow for resistance, fares need to be increased further above inflation to account for this, leading to a further reduction in concessionary reimbursement. Although to a degree this is cyclical, we estimate the need to increase fares by 5.7% above inflation to replace BSOG purely through fare changes.

8.2.5 As inflation (measured using CPI), stood at 5.4% in early December, this predicts an overall fare increase of just above 11%. This level of increase is likely to lead to increased resistance, leading to the need for further fares increases, reminiscent of the 1970s spiral of decline and we would therefore expect operators to overcome the reduction in BSOG by a combination of fare increase and reductions in unremunerative mileage.

Appendix A: Analysis of Sample

1. Fares Survey Sample

- 1.1 This Appendix contains an analysis of the survey sample by operating company. We attempted to achieve a sample size for each operating company proportional to fleet size as a broad reflection of market share.
- 1.2 Table 22 below shows an analysis of actual and 'ideal' sample sizes relative to fleet size within the overall total of 1,073 fares. A positive difference represents a bigger sample than the ideal while a negative figure shows a shortfall.

Table 22: Breakdown of Operating Company Groups used in Survey

Group Name	Company	Total	Ideal Sample	Difference	Fleet Size
Arriva	Cymru	17	10	+7	252
	Derby	3	3	0	81
	Durham County	14	9	+5	215
	Merseyside	21	23	-2	585
	Midlands	18	23	-5	589
	North West	21	13	+8	327
	Northumbria	7	8	-1	193
	Scotland West	14	7	+7	185
	Shires & Essex	27	33	-6	829
	Southern Counties	18	20	-2	508
	Teesside / Tees & District	12	7	+5	175
	Yorkshire	20	13	+7	337
First	Aberdeen	7	7	0	185
	Beeline	4	5	-1	120
	Bristol	8	11	-3	266
	Cymru	8	15	-7	382
	Devon & Cornwall	12	14	-2	359
	Eastern Counties	10	13	-3	329
	Essex	4	14	-10	352
	Glasgow	34	41	-7	1042
	Hampshire & Dorset	12	15	-3	381
	Leicester	3	4	-1	105
	Manchester	32	30	+2	764
	Northampton	2	3	-1	64
	Potteries	7	14	-7	342
	Scotland East	15	17	-2	432

Group Name	Company	Total	Ideal Sample	Difference	Fleet Size
	Somerset & Avon	11	14	-3	353
	South Yorkshire	17	21	-4	529
	West Yorkshire	32	38	-6	961
	Wyvern	5	7	-2	182
	York	5	4	+1	105
Go Ahead	Brighton & Hove	8	11	-3	277
	Go North East	25	27	-2	679
	Metrobus	14	17	-3	440
	Oxford Bus Co	10	6	+4	147
	Plymouth Citybus	6	8	-2	192
	TfL	4			
	South Coast	25	25	0	621
Municipal	Blackpool	3	7	-4	172
	Cardiff	8	9	-1	231
	Halton	4	2	+2	59
	Ipswich	4	3	+1	77
	Lothian	24	25	-1	624
	Newport	2	3	-1	87
	Nottingham	9	13	-4	333
	Reading	4	6	-2	155
	Rossendale	4	4	0	106
	Thamesdown	2	4	-2	99
	Warrington	4	5	-1	125
Stagecoach	Scotland	58	54	+4	1359
	Busways	20	16	+4	404
	Cambus	18	10	+8	255
	Cheltenham & Gloucester	20	10	+10	261
	Cleveland / Hull	10	11	-1	271
	Devon	21	15	+6	367
	East	18	8	+10	200
	East Kent	9	11	-2	283
	East Midland	16	10	+6	249
	Highlands	16	6	+10	143
	Lincolnshire	17	12	+5	295
	Manchester	19	28	-9	695
	Merseyside	7	7	0	170
	North West	17	21	-4	536

Group Name	Company	Total	Ideal Sample	Difference	Fleet Size
	Oxfordshire	7	6	+1	160
	South	23	34	-11	867
	Wales	12	15	-3	375
	Warwickshire	21	9	+12	232
	Yorkshire	21	11	+10	268
Transdev	Burnley & Pendle	6	3	+3	85
	Harrogate & District	6	3	+3	72
	Keighley & District	8	4	+4	105
	Lancashire United	11	5	+6	129
	Yorkshire Coastliner	6	1	+5	20
National Express	Dundee	5	5	0	127
	Travel West Midlands	59	63	-4	1593
Independent	East Yorkshire	9	12	-3	314
	Norfolk Green	2	3	-1	84
	Pennine Bus	1	1	0	15
	Preston Bus	4	4	0	106
	Trent Barton	13	16	-3	396
	Western Greyhound	3	5	-2	122
	Whittle	1	1	0	28
	Yellow Buses	2	6	-4	140
	TGM Companies	2	12	-10	290

Appendix B: Supplement

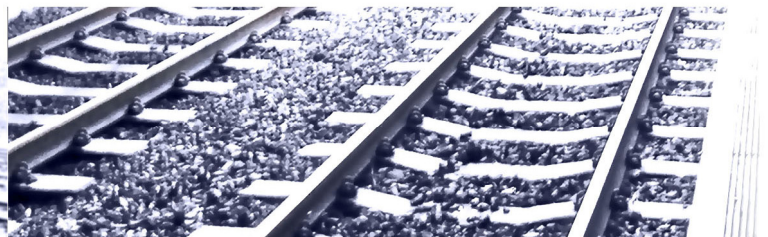
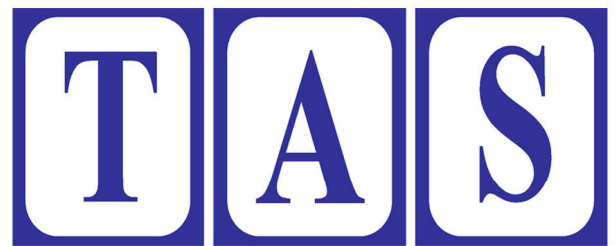
Appendix B: TAS National Fares Survey 2011 Supplement

Analysis of Fares by Distance

30114C

January 2012

Version 1



The TAS Partnership Limited
Passenger Transport Specialists

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1.1 Introduction

- 1.1.1 This Task Note is supplementary to the TAS National Fares Survey 2011 main report. It details average fares by major operator group for distances of 1, 2, 3, 5 and 10 miles on a sample of the services analysed in the main report.

1.2 Objectives

- 1.2.1 This study will reveal differences between operator groups for average fares and pence per mile prices for journeys of standardised length up to 10 miles. This covers the vast majority of local bus journeys made in Great Britain, the average length of which was 4.9 miles in 2010¹.

1.3 Our Approach

- 1.3.1 This supplementary study covers 201 services used in the main TAS National Fares Survey. The journeys are measured along the line of route (i.e. actual travel distance) from a logical starting point, and the fares noted at distances of 1, 2, 3, 5 and 10 miles from that point. Few operator groups have uniform distances between fare stages, so some fares, dependent on fare and stage structures, may also cover journeys significantly longer than the stated distance.
- 1.3.2 All sample fares were valid in the time period between mid September and late November 2011. We acknowledge that any fare increases during this period might skew the results when comparing one operator group with another. All fares are taken as the value payable on the bus during the weekday peak periods, and any discounts for online or other pre-purchase methods or off-peak travel have been ignored. Some comparisons will be made to the 2009 Fares Survey, but this Task Note mainly concentrates on the 2011 data. All fares quoted are unadjusted current prices, whether for 2009 or 2011.

1.4 Report Structure

- 1.4.1 Section 2 outlines the sample size used in this report. The average fares are presented in Section 3 and the variations in the actual fares are described in Section 4. Section 5 contains the pence per mile analysis at each distance band, section 6 looks at equivalent multi-journey tickets and Section 7 presents our conclusions.

¹ Source: National Travel Survey 2010, Tables NTS0304 and NTS0305 (DfT, 2011)

2.1 Sample Selection

2.1.1 The sample was selected from the available data within our main survey to provide a representative comparison of fare levels between the major bus operator groups in the UK. The following groups are included in this sample:

- Arriva
- FirstGroup (First) – not included in 2009
- Go-Ahead
- Municipal operators – treated as a common group, although independent
- Stagecoach
- Veolia Transdev UK (Transdev)

2.1.2 The number of services analysed for this purpose totalled 135 in the 2009 data and 201 in the 2011 dataset, and excluded services within Greater London. Note that we have not attempted to weight services or individual fares to represent their relative frequency of use or importance and therefore our conclusions are indicative rather than definitive. However, comparisons between the 2009 and 2011 datasets should be robust.

2.2 Sample Sizes

2.2.1 Table 1 and Table 2 below show the numbers of services and observations of adult single fares recorded for each group in 2009 and 2011 respectively. Municipals and Transdev have relatively small samples because of their limited spread of operations. National Express is not included because its largely homogeneous urban operations, on which flat fares applied, can be readily compared and offer little scope for meaningful analysis.

2.2.2 Table 1 and Table 2 also show that the number of fares for each operator group and distance is broadly similar in each year, except for the inclusion of First services in 2011. Some adjustments have also occurred due to network changes. There are smaller numbers of fares for 5 and 10 mile distances because some services in the dataset are of shorter length.

Table 1: Number of Fares by Operator Group and Distance – 2009

Operator Group	1 Mile	2 Miles	3 Miles	5 Miles	10 Miles
Arriva	30	30	30	28	22
Go Ahead	15	15	15	15	12
Stagecoach	75	75	74	70	54
Transdev	9	9	9	9	8
Municipal	6	6	6	5	4
Total by Distance	135	135	134	127	100

Table 2: Number of Fares by Operator Group and Distance – 2011

Operator Group	1 Mile	2 Miles	3 Miles	5 Miles	10 Miles
Arriva	30	30	30	28	22
First	66	66	64	60	40
Go Ahead	15	15	15	15	12
Stagecoach	75	75	73	69	50
Transdev	9	9	9	9	8
Municipal	6	6	6	5	3
Total by Distance	201	201	197	186	135

3.1 Introduction

3.1.1 The average adult single fare for each group was calculated from the sample available for each distance band. Data for First were available for 2011 only.

3.2 Overall Averages

3.2.1 From our sample, including First, the overall average adult single fare in the 2011 data at each distance was:

- 1 mile: £1.38
- 2 miles: £1.73
- 3 miles: £1.96
- 5 miles: £2.39
- 10 miles: £3.14

3.3 Key Findings by Operator Group

3.3.1 Table 3 breaks down the average fares by operator and distance in 2009 and 2011. The increases in the overall average fare for each distance band between 2009 and 2011 are similar to the average for three mile fares of 9.8% as reported in the main TAS National Fares Survey report. However, this study has a much smaller sample size, and the overall average fares and their increases have been calculated without including the FirstGroup figures so that they are comparable with 2009.

3.3.2 The percentage increase in average fares tends to fall the longer the distance travelled – this may be due to a blanket increase of a single value across all fare scales. The ‘all fares increase by 10p’ type of fares revision has been fairly prevalent, and this leads to higher percentage increases at the lower end of the scale.

3.3.3 The blue figures show the operator with the lowest average fare for each distance and red figures the highest. This reveals that Stagecoach generally has the lowest fares at 1 and 2 miles, and Go-Ahead generally the highest. For longer journeys, municipal operators generally have the lowest fares (except at 10 miles, where it is Go-Ahead), and Transdev the highest, but these samples were small. Average fares typically pass the £2 mark for a 3 mile journey, and the £3 mark by the 10 mile distance.

3.4 Increases Since 2009

- 3.4.1 Comparing each operator's figures in 2009 and 2011, as in Table 3 below, shows a decrease in Go-Ahead average fares at 3 miles. This is due to the reduction of some fares in the sample in the North East, on the Isle of Wight and at Wilts & Dorset accompanying simplification of farescales. In the main (larger) survey, Go-Ahead's fares at 3 miles were found to have increased much in line with the others.
- 3.4.2 Notable increases include more than 10% at both 2 miles and 10 miles for Stagecoach, and 22.2% at 10 miles for municipal operators. Additionally, Transdev 1 mile fares increased by 12.6% and Arriva 2 mile fares by 11.0%. This information is compared graphically in Figure A to Figure D below.

Table 3: Average Fares by Operator and Distance

Distance	Year	Arriva	First	Go-Ahead	Stagecoach	Transdev	Municipal	Average excluding First
1 Mile	2009	£1.22	N/A	£1.55	£1.20	£1.19	£1.48	£1.26
	2011	£1.34	£1.40	£1.69	£1.30	£1.34	£1.57	£1.37
	Change	9.8%	N/A	9.0%	8.3%	12.6%	6.1%	8.7%
2 Miles	2009	£1.55	N/A	£1.85	£1.46	£1.77	£1.65	£1.55
	2011	£1.72	£1.82	£1.94	£1.59	£1.93	£1.75	£1.69
	Change	11.0%	N/A	4.9%	10.3%	9.0%	6.1%	9.7%
3 Miles	2009	£1.82	N/A	£2.10	£1.69	£2.14	£1.68	£1.79
	2011	£1.98	£2.06	£2.03	£1.83	£2.32	£1.80	£1.92
	Change	8.8%	N/A	-3.3%	8.3%	8.4%	7.1%	7.3%
5 Miles	2009	£2.24	N/A	£2.29	£2.12	£2.47	£1.94	£2.18
	2011	£2.44	£2.49	£2.41	£2.27	£2.66	£2.08	£2.34
	Change	8.9%	N/A	5.2%	7.1%	7.7%	7.2%	7.3%
10 Miles	2009	£2.94	N/A	£2.68	£2.88	£3.43	£2.48	£2.90
	2011	£3.03	£3.19	£2.71	£3.18	£3.65	£3.03	£3.12
	Change	3.1%	N/A	1.1%	10.4%	6.4%	22.2%	7.6%

Figure A: Average Fare by Group and Distance: 2009

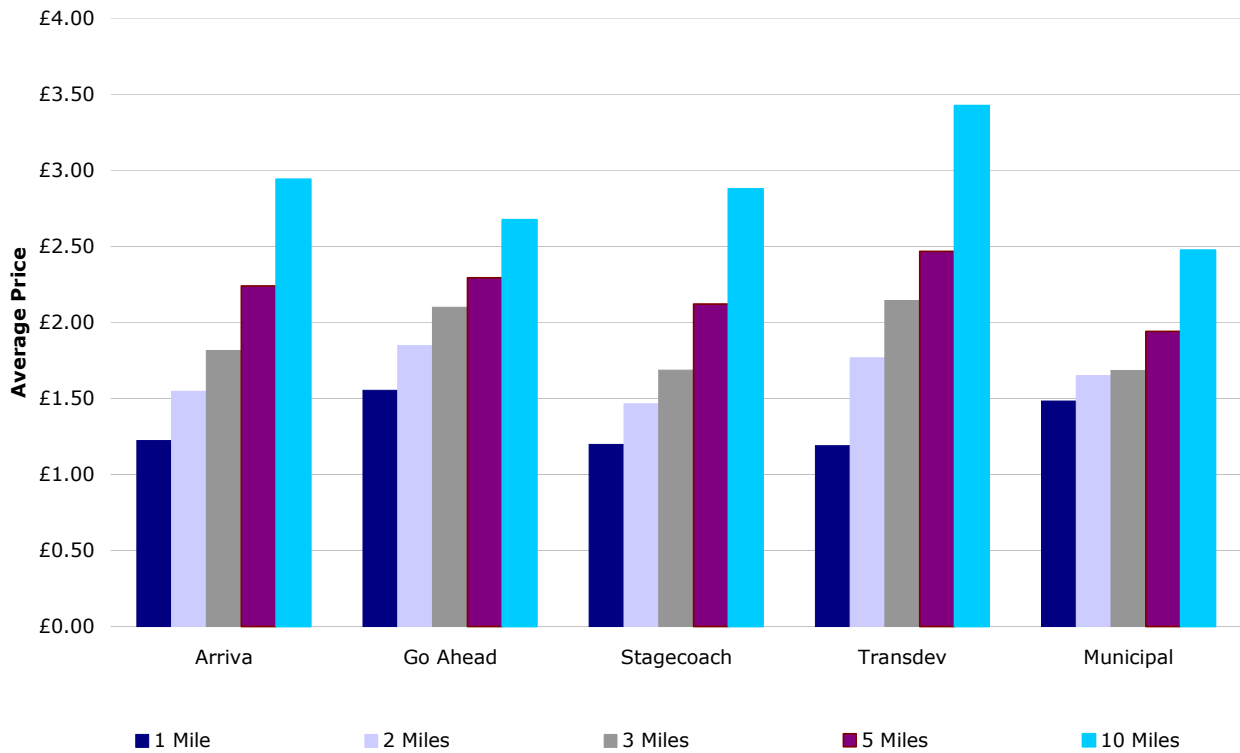


Figure B: Average Fare by Group and Distance: 2011

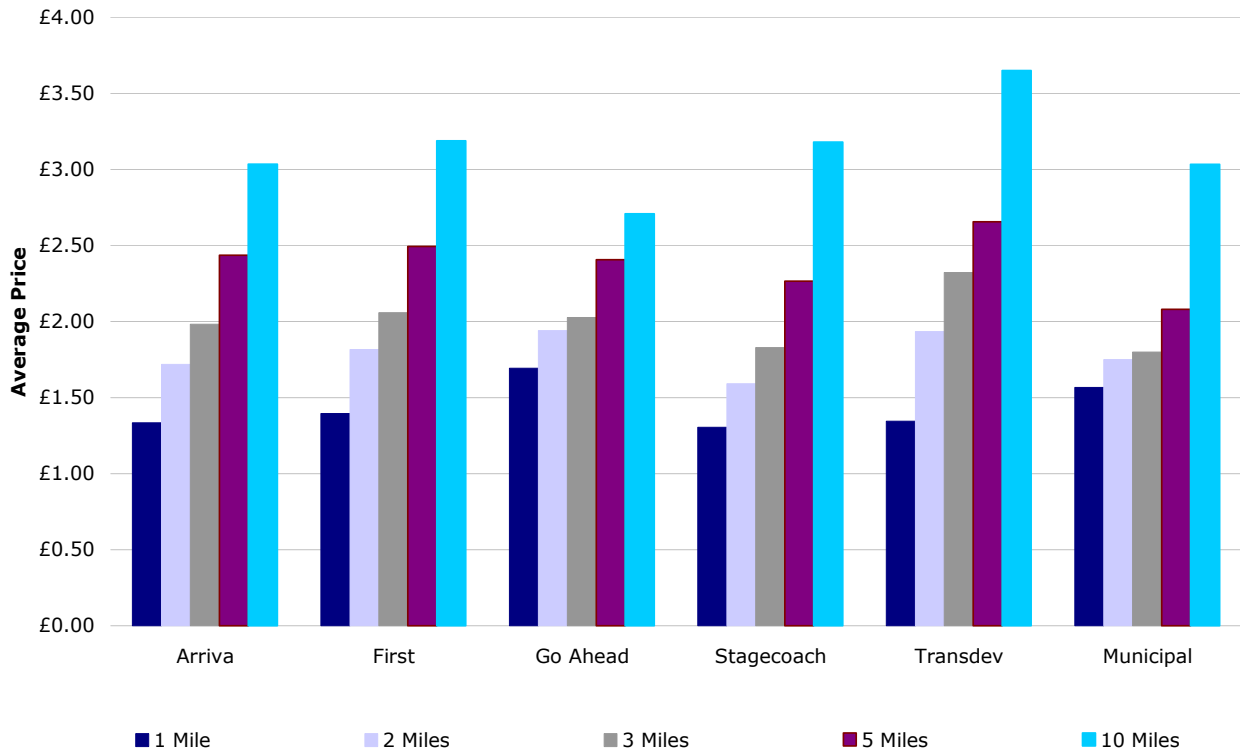


Figure C: Average Fare by Distance and Group: 2009

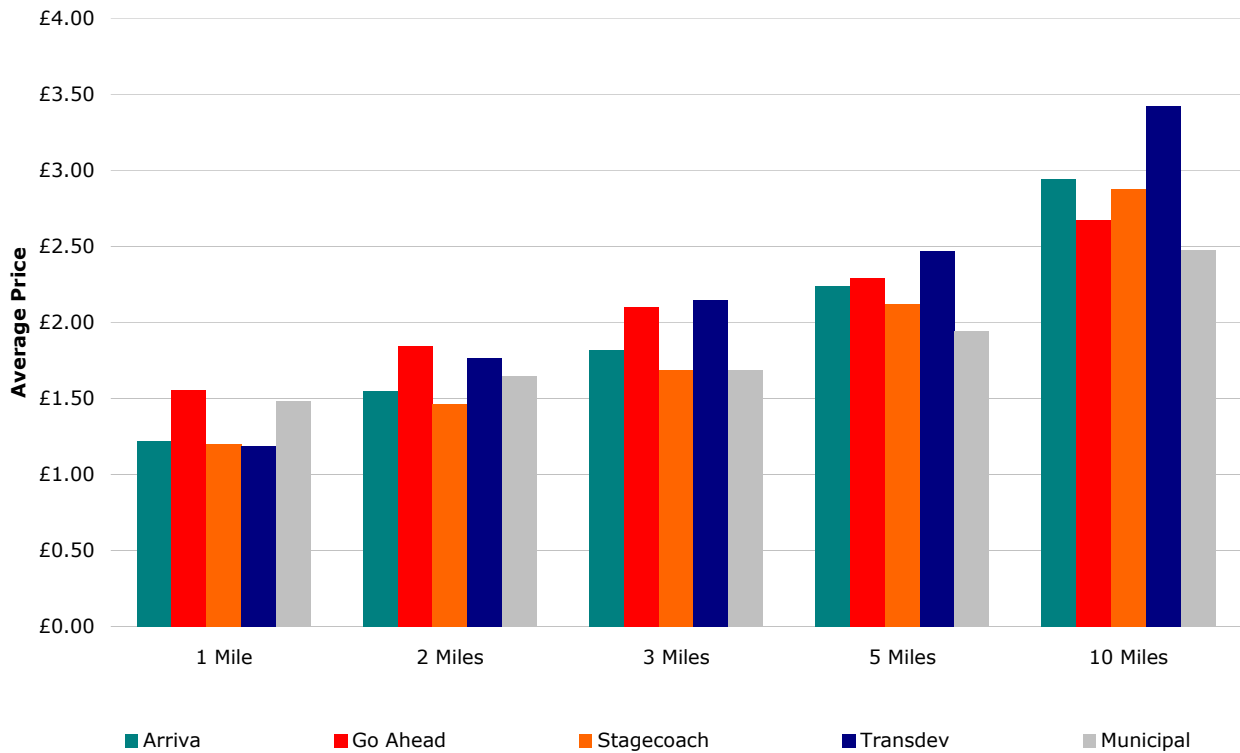
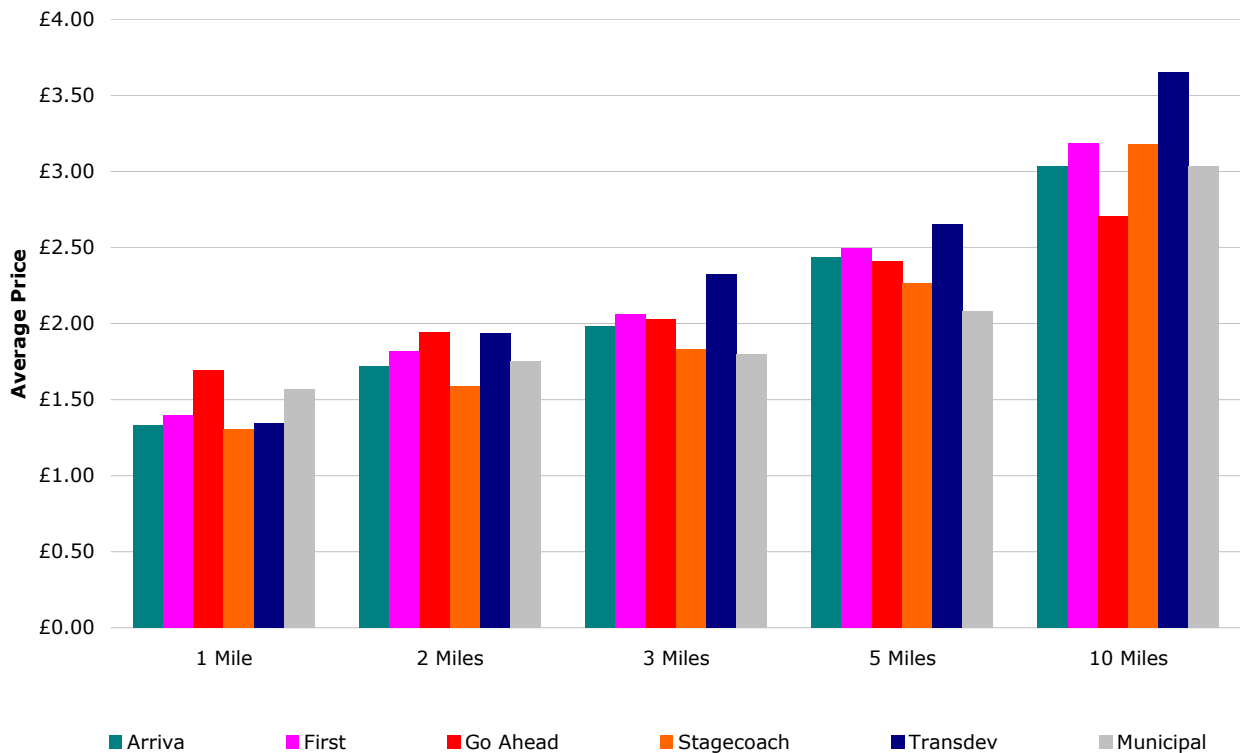


Figure D: Average Fare by Distance and Group: 2011



3.5 Key Findings by Region

- 3.5.1 Table 4 breaks down the average fares by Region (formerly Government Office Region) or country and distance in 2011. The blue figures show the Region with the lowest average fare for each distance and the red figures the highest.
- 3.5.2 The lowest average fares for all distance bands except 10 miles are found in Scotland. Indeed, the lowest (Scottish) average 3 mile fare is only two pence more than the highest average 1 mile fare, found in the South East. The difference between highest and lowest is most evident for distances of 5 and 10 miles. The West Midlands is likely to be skewed due to the omission of National Express from this analysis.
- 3.5.3 As with the average fare analysis by operator, the £2 mark is generally passed for journeys of 3 miles, and the £3 mark for journeys of 10 miles. However, there is substantial regional variation, the extremes of which are even more marked than between operator groups. A north-south divide is evident, with the exceptions of the relatively high-cost North West and low-priced West Midlands. These results are graphed below, grouped by Region in Figure E and by distance in Figure F.

Table 4: Average Fares by Region and Distance

GOR/Country	1 Mile	2 Miles	3 Miles	5 Miles	10 Miles
East Midlands	£1.45	£1.83	£2.10	£2.36	£3.24
East	£1.50	£1.88	£2.17	£2.73	£3.25
North East	£1.17	£1.54	£1.82	£2.25	£2.90
North West	£1.49	£1.82	£2.08	£2.57	£3.42
South East	£1.65	£1.83	£2.09	£2.45	£3.26
South West	£1.45	£1.97	£2.13	£2.79	£3.60
Scotland	£1.16	£1.52	£1.67	£2.04	£2.94
West Midlands	£1.39	£1.82	£1.76	£2.25	£2.88
Wales	£1.35	£1.65	£2.13	£2.61	£3.08
Yorkshire & Humber	£1.19	£1.59	£1.78	£2.15	£2.82

Figure E: Average Fares by GOR and Distance: 2011

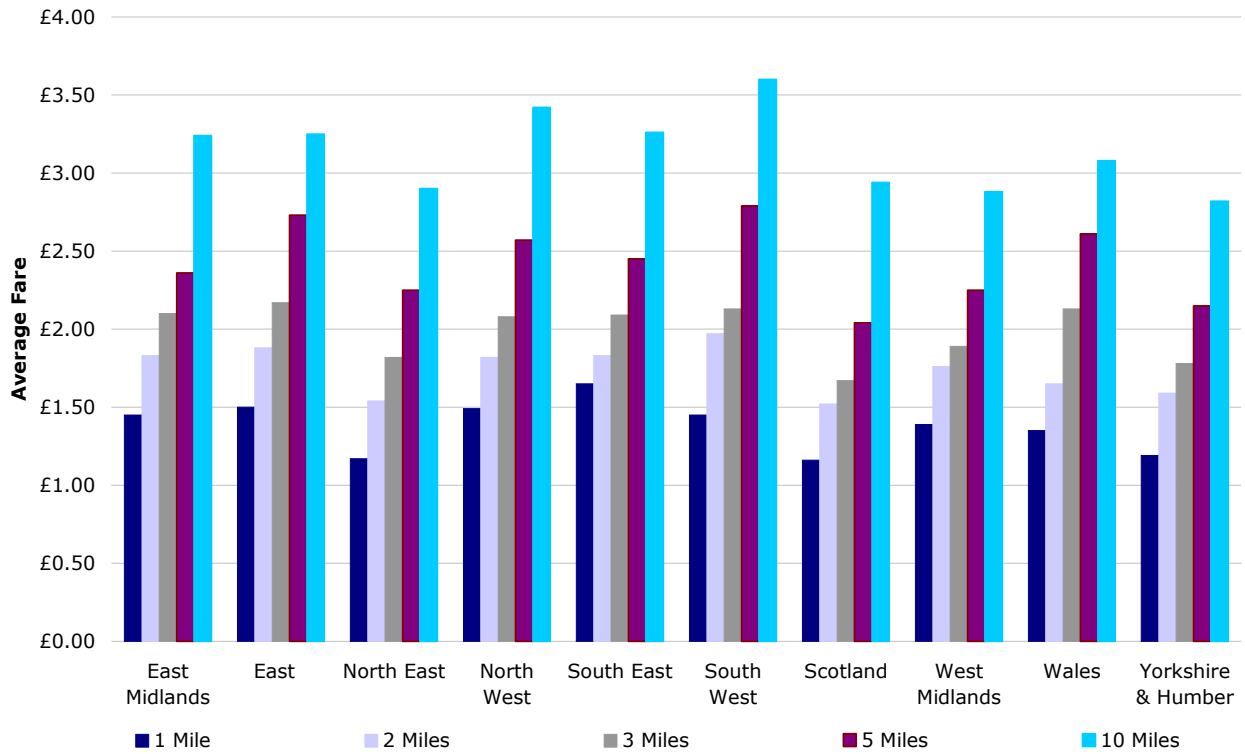
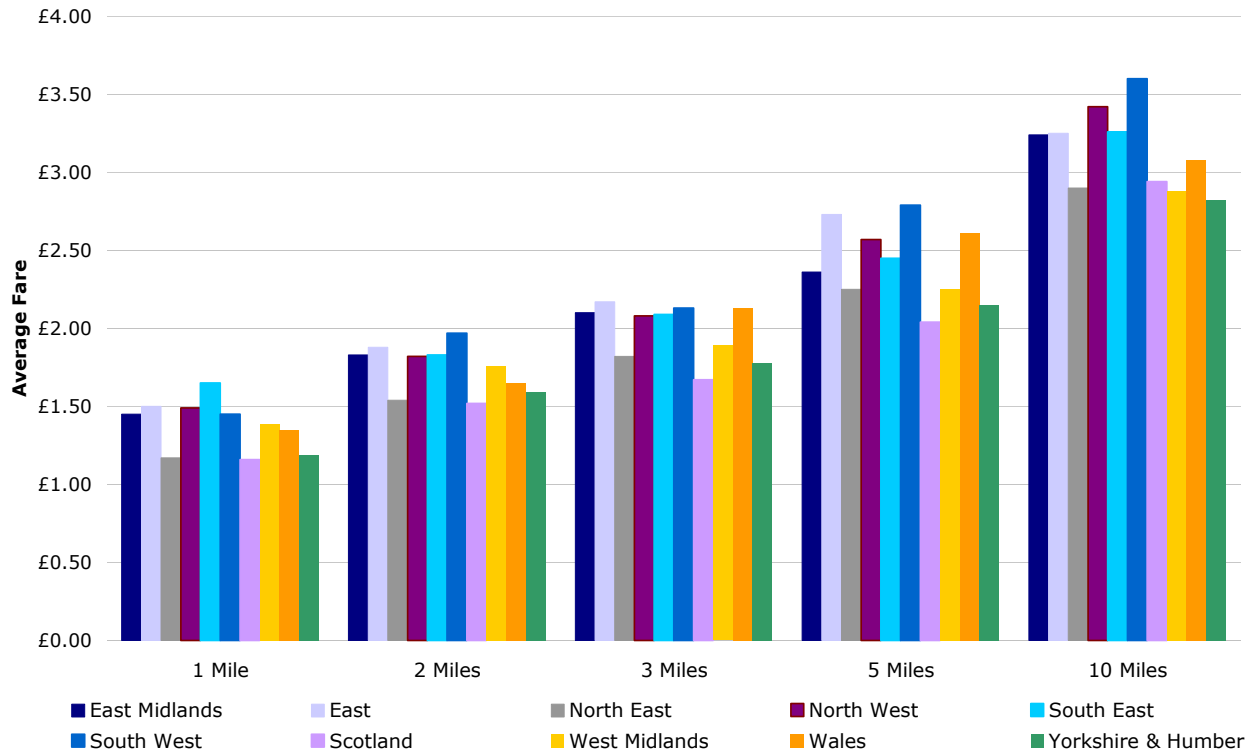


Figure F: Average Fares by Distance and GOR: 2011



4.1 Introduction

4.1.1 This section presents a series of graphs which show the maximum, minimum and average adult single fares for each distance band from the 2011 data for each operator group. It is important to note the reduced sample size for the 5 and 10 mile distance bands as discussed in Section 2.

4.2 Key Findings by Operator Group

4.2.1 Table 5 below shows the lowest and highest fares in each distance band and where they were found. It is of note that the lowest fares are not necessarily urban, and the highest are not necessarily rural. First fares show the most variation at 2 miles with a range of £0.90 (Glasgow) to £2.80 (Rochdale) and at 5 miles between £1.20 (Chester) and £3.85 (Bristol), while at 10 miles Stagecoach has the widest variation from £1.30 (Sheffield) to £5.00 (Devon). Figure G to Figure K illustrate the maximum, minimum and average fares by operator group for each distance band.

Table 5: Maximum and Minimum Fares

Distance	Low or High	Value	Operator Group	Location
1 Mile	Lowest	£0.75	Stagecoach	Perth
	Highest	£2.50	Go-Ahead	Isle of Wight
2 Miles	Lowest	£0.75	Stagecoach	Perth
	Highest	£2.80	First	Rochdale
3 Miles	Lowest	£0.90	First / Stagecoach	Glasgow / Perth
	Highest	£3.20	Stagecoach	Cambridge
5 Miles	Lowest	£1.20	First	Chester
	Highest	£3.85	First	Bristol
10 Miles	Lowest	£1.30	Stagecoach	Sheffield
	Highest	£5.30	First	Penzance

Figure G: Range of 1 Mile Fares by Operator

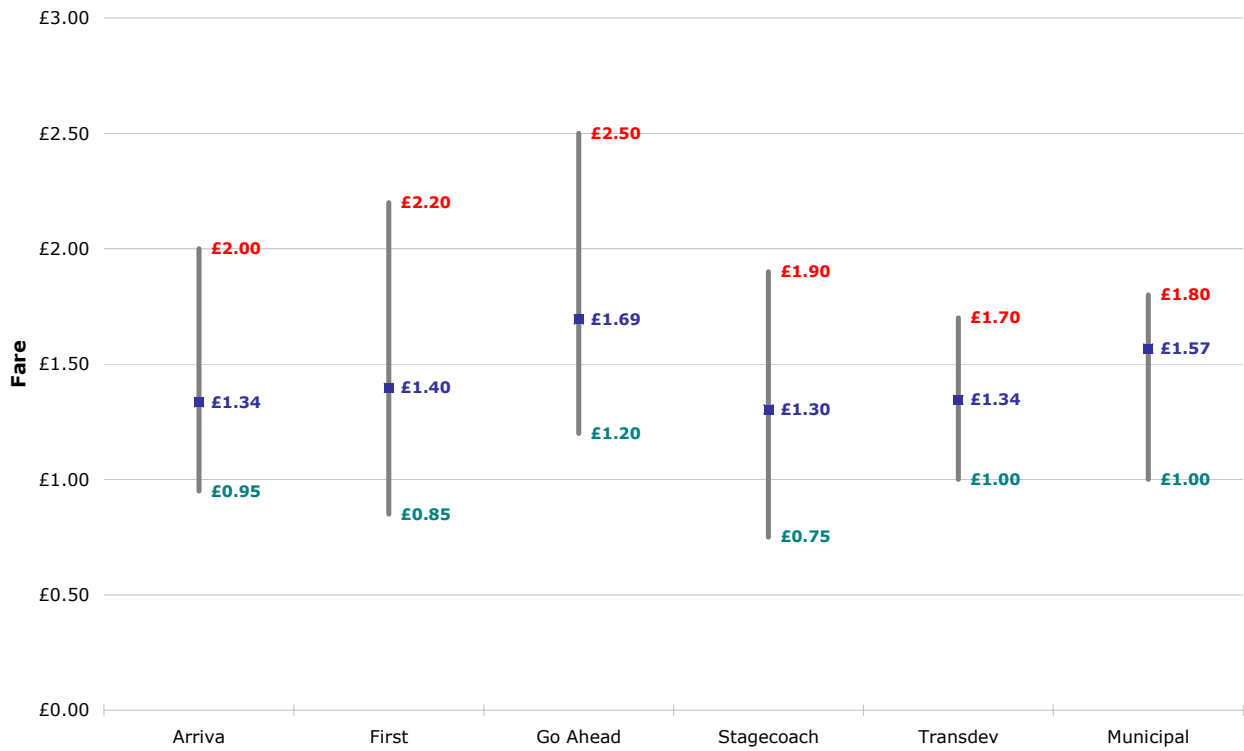


Figure H: Range of 2 Mile Fares by Operator

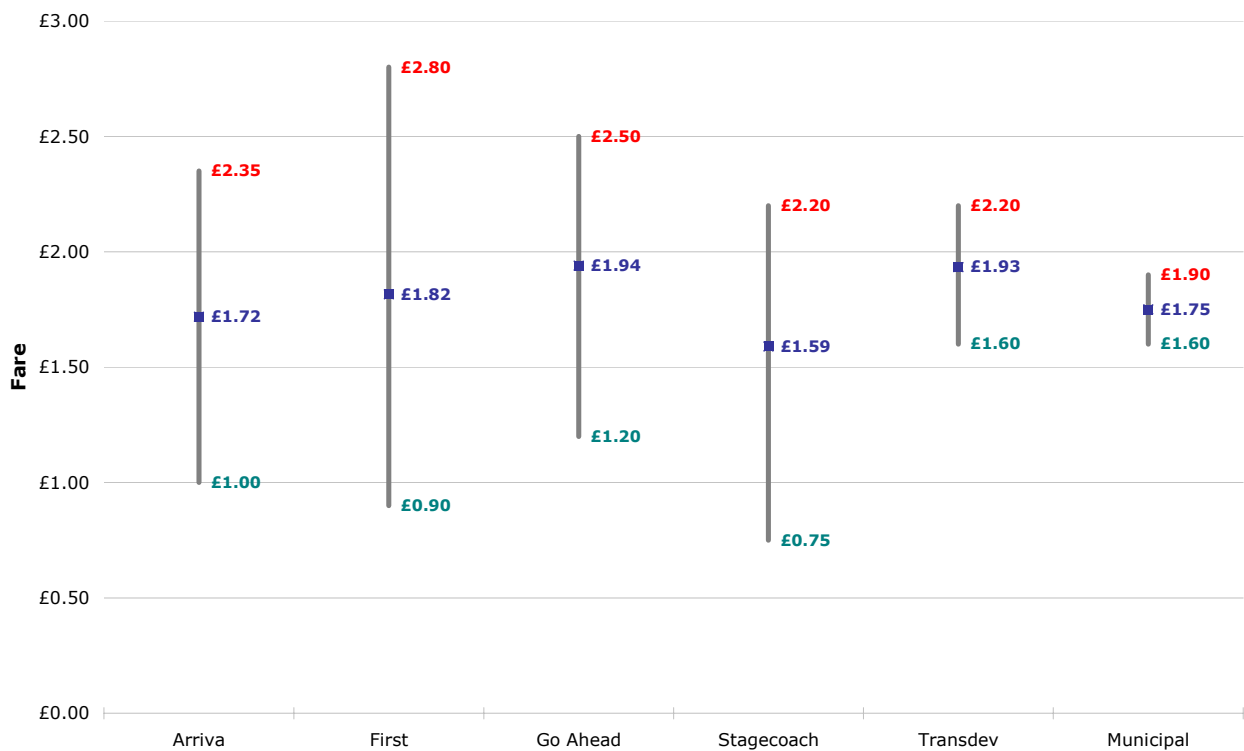


Figure I: Range of 3 Mile Fares by Operator

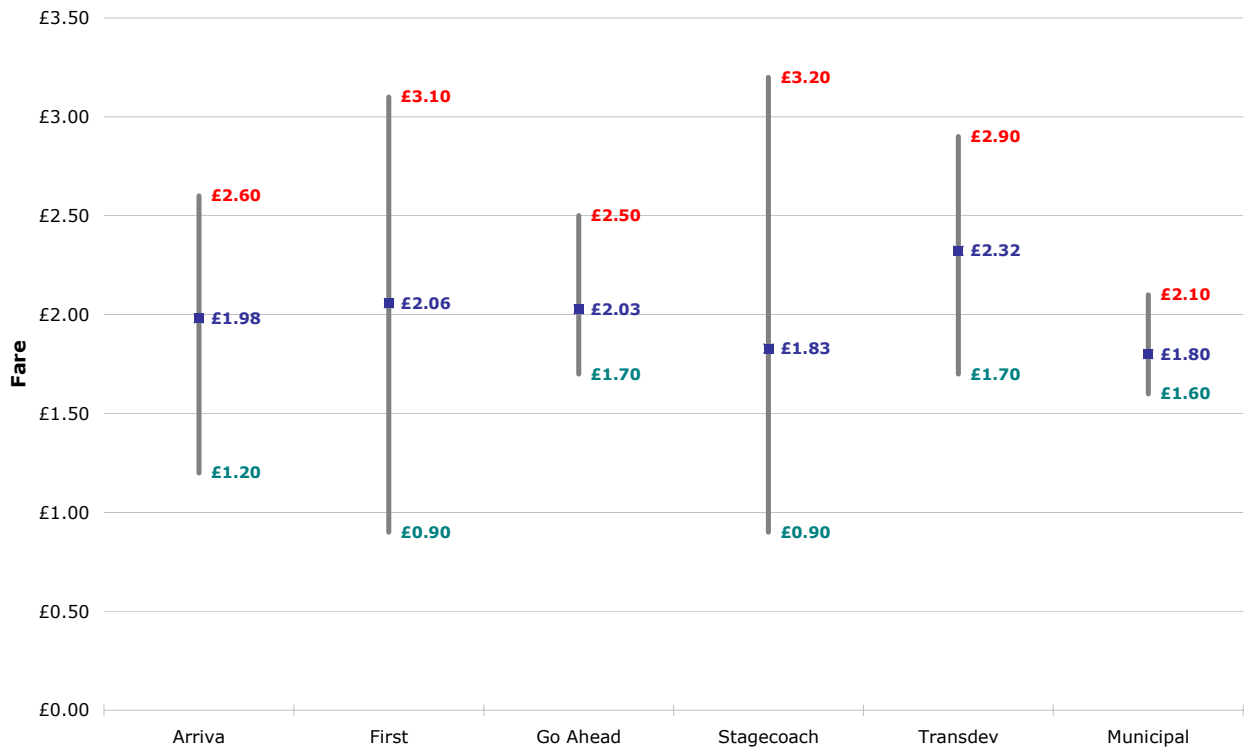


Figure J: Range of 5 Mile Fares by Operator

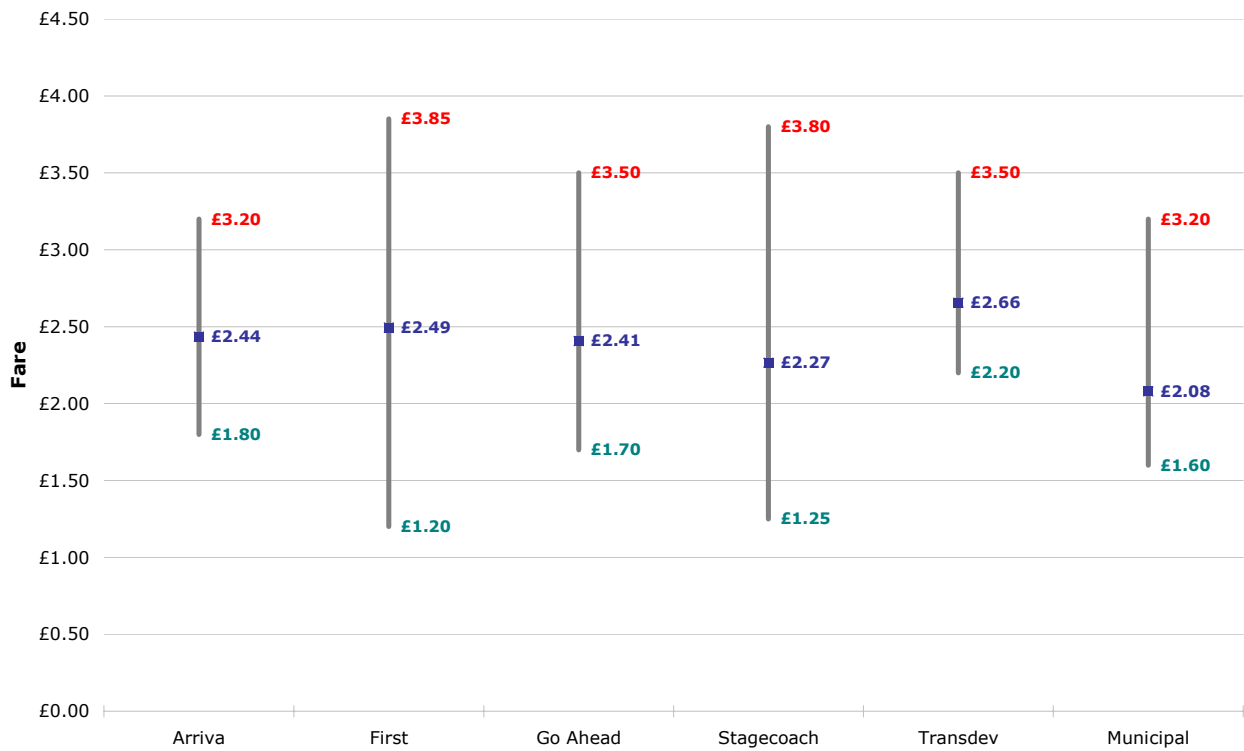
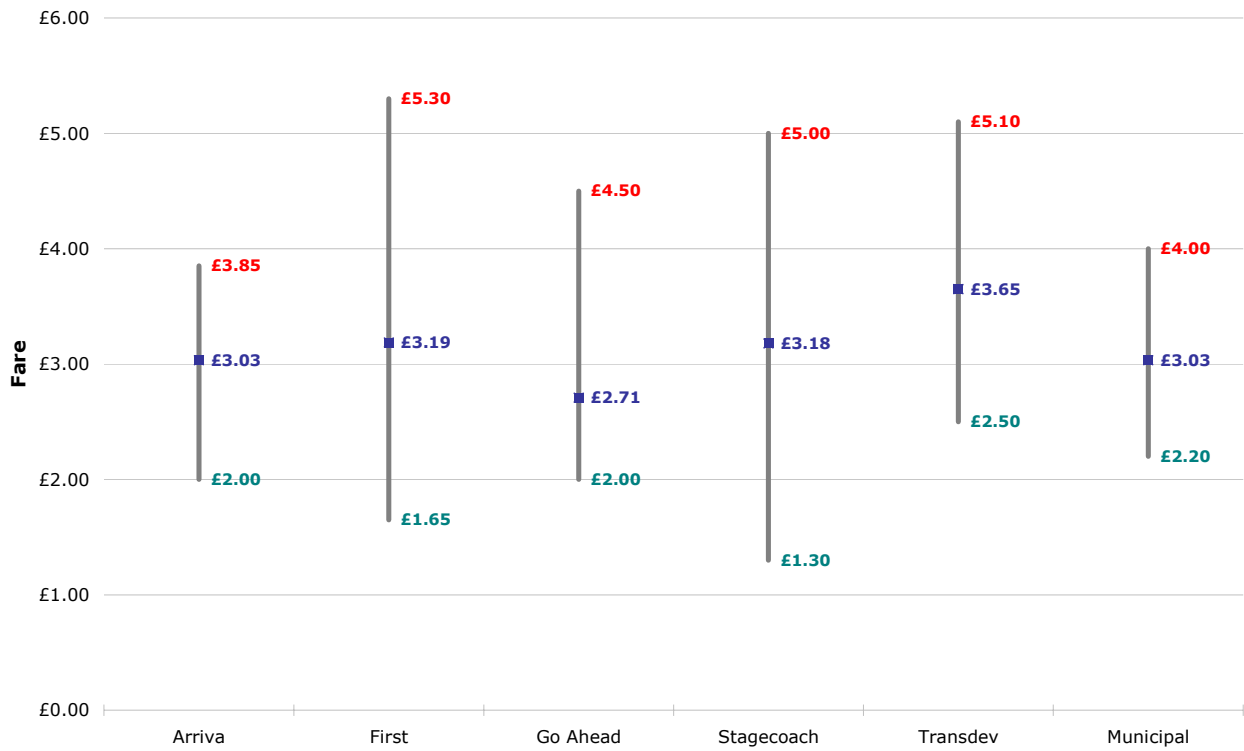


Figure K: Range of 10 Mile Fares by Operator



5.1 Introduction

5.1.1 This section outlines the adult single price per mile analysis for each distance band. The results are displayed by operator group for the 2011 fares data.

5.2 Key Findings by Operator Group

5.2.1 Table 6 shows the breakdown of price per mile of adult single fares for each operator group and distance band in the 2011 dataset. The blue figures show the operator group with the lowest average rate per mile for each distance, and the red figures the highest. This reveals that Stagecoach has the lowest pence per mile for 1 and 2 mile journeys, and municipal operators for 3 and 5 miles. Go-Ahead has the highest average price per mile for 1 mile journeys (but the lowest at 10 miles), and Transdev the highest for all other distances.

5.2.2 The differences between the highest and lowest pence per mile figures are greatest in the lower mileage bands, as illustrated in Figure L and Figure M. It is clear that the traditional fares taper, with rates per mile falling as distance increases, still applies for all operators and is probably increasing as the percentage increase applied to longer-distance fares tends to be lower.

5.2.3 Figure M shows the same data as a line graph, and shows that for all operators there is almost a 'going rate' in pence per mile, with only Transdev being rather higher than the rest.

Table 6: Average Price per Mile by Operator Group 2011

Distance	Arriva	First	Go Ahead	Stagecoach	Transdev	Municipal	All Operators
1 Mile	£1.34	£1.40	£1.69	£1.30	£1.34	£1.57	£1.38
2 Miles	£0.86	£0.91	£0.97	£0.80	£0.97	£0.88	£0.87
3 Miles	£0.66	£0.69	£0.68	£0.61	£0.77	£0.60	£0.65
5 Miles	£0.49	£0.50	£0.48	£0.45	£0.53	£0.42	£0.48
10 Miles	£0.30	£0.32	£0.27	£0.32	£0.37	£0.30	£0.31

Figure L: Average Price per Mile by Group and Distance: 2011

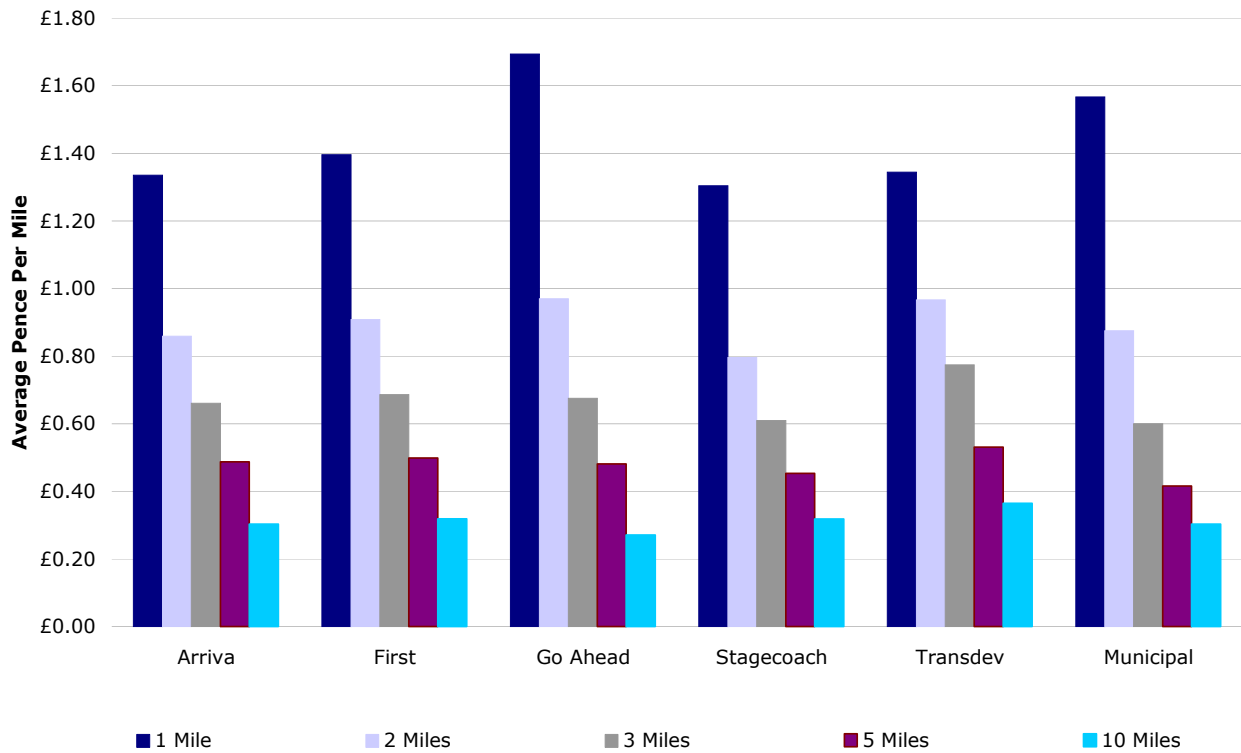
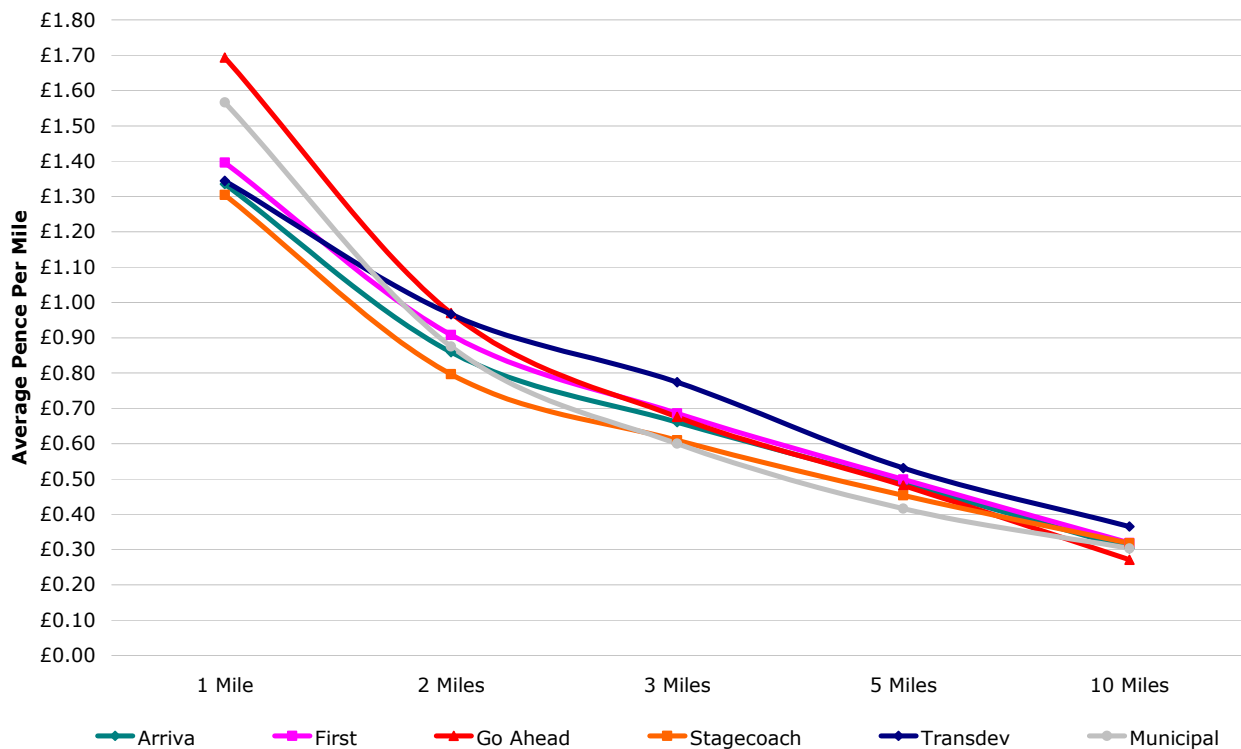


Figure M: Average Price per Mile by Distance and Group: 2011



6.1 Introduction

6.1.1 This section considers day² and weekly tickets equivalent to the sample 2 and 10 mile journeys, using 2011 data. We started with two hypotheses:

- That 2 mile journeys would, in general, be too short for users to find it worthwhile purchasing multi journey tickets.
- That 10 mile journeys would receive much greater discounts from day and weekly tickets.

6.1.2 The data were analysed overall and by operator group. A 'cheaper' multi journey option is defined as one where a day ticket is less expensive than two singles, or a weekly ticket is cheaper than ten singles.

6.2 Journeys with Cheaper Multi Journey Options

6.2.1 Table 7 shows the proportion of journeys for each operator which offers a saving on multi journey tickets compared to the price of two singles at 2 and 10 mile distance bands. The red figures show the operator group with the lowest proportion of multi journey savings for each distance and the blue figures the highest.

6.2.2 Other than at Stagecoach, the proportion of 2 mile journeys which have an equivalent day ticket lower than the cost of two singles is typically one-third or below. For weekly tickets the situation is more mixed, but at least two-thirds of all regular travellers making journeys of 2 miles have a money-saving weekly ticket option. At 10 miles the proportion of journeys with a cheaper equivalent ticket is much higher, averaging 80% for day tickets and no less than 95% for weekly tickets.

² By day tickets, we refer to unlimited travel tickets valid for the journey concerned (and usually for other services in the area) for the duration of the day

Table 7: Journeys with Cheaper Multi Journey Options by Operator

Operator Group	Day Ticket		Weekly Ticket	
	2 Miles	10 Miles	2 Miles	10 Miles
Arriva	16.7%	86.4%	76.7%	100.0%
First	31.8%	65.0%	66.7%	97.5%
Go-Ahead	26.7%	41.7%	86.7%	75.0%
Stagecoach	42.7%	64.0%	92.0%	96.0%
Transdev	22.2%	87.5%	66.7%	100.0%
Municipal	33.3%	66.7%	100.0%	100.0%
Overall No. in Sample	201	135	201	135
Overall % with Savings	32.8%	67.4%	80.1%	95.6%

6.3 Extent of Possible Savings

- 6.3.1 Table 8 and Table 9 detail the range of single fares for each operator group at 2 and 10 mile distance bands and the corresponding potential savings when purchasing a weekly ticket instead. The red figures show the operator group with the lowest proportional savings, and the blue figures the highest, for each distance band. The weekly multiplier indicates the number of average adult single fares which equate to the price of a weekly ticket.
- 6.3.2 Over 2 miles, Stagecoach consistently has the lowest weekly ticket price and gives the highest discount compared to single fares. Transdev gives the lowest discount over this distance (but from a very small sample). Conversely, at ten miles, Transdev gives the biggest percentage discount, with Go-Ahead appearing to do poorly (influenced heavily by Go South Coast figures). It is, however, notable that at ten miles, weekly tickets on average produce a saving to passengers after the sixth journey is made.
- 6.3.3 It should be noted that the ticket types considered here do not necessarily represent the full range of those available; for example, some operators provide point-to-point weekly tickets at a fixed multiple of the relevant single fare, which may extend the discounts on offer. We have also ignored the most basic type of multi journey ticket – the return – for which the relative price per trip may differ significantly from singles and other ticket types.

Table 8: Extent of Possible Savings for 2 Mile Journeys: 2011

Operator Group	Average Single	Average Weekly Ticket	Weekly Ticket Discount	Weekly Multiplier
Arriva	£1.71	£15.22	10.9%	8.91
First	£1.82	£16.23	10.6%	8.94
Go Ahead	£1.94	£16.61	14.4%	8.56
Stagecoach	£1.61	£11.52	28.5%	7.15
Transdev	£1.93	£18.28	5.5%	9.45
Municipal	£1.75	£14.67	16.2%	8.38
All Operators	£1.74	£14.39	17.1%	8.29

Table 9: Extent of Possible Savings for 10 Mile Journeys: 2011

Operator Group	Average Single	Average Weekly Ticket	Weekly Ticket Discount	Weekly Multiplier
Arriva	£3.03	£17.30	43.0%	5.70
First	£3.19	£19.45	39.0%	6.10
Go Ahead	£2.71	£21.39	21.0%	7.90
Stagecoach	£3.18	£17.80	44.0%	5.60
Transdev	£3.65	£19.75	45.9%	5.41
Municipal	£3.03	£18.13	31.6%	5.98
All Operators	£3.14	£18.66	40.4%	5.94

7.1 Conclusions

7.1.1 This analysis is based on a smaller sample size than the main study, focussing only on the main operator groups and a sample of 201 services. The main results for adult single fares in each mileage band were:

	Average Fare³	Increase over 2 years⁴
• 1 mile:	£1.38	8.7%
• 2 miles:	£1.73	9.0%
• 3 miles:	£1.96	7.3%
• 5 miles:	£2.39	7.3%
• 10 miles:	£3.14	7.6%

7.1.2 We found that, on overall average, the most expensive operators were Go-Ahead for 1 and 2 mile journeys and Transdev for journeys of 3, 5 and 10 miles in length. The lowest priced operator groups were Stagecoach (for 1 and 2 mile journeys), municipal operators (for 3 and 5 mile journeys) and Go-Ahead (for 10 mile journeys). The greatest variation between actual fares by distance band was found on Stagecoach services. The sample size for the municipals and Transdev is small, however.

7.1.3 The price per mile analysis revealed that Stagecoach offered the best value by distance for journeys covering 1 and 2 miles, while Go-Ahead was the most expensive per mile for 1 mile journeys. For journeys of 3 miles and longer the average fare per mile is remarkably consistent across the groups, with only Transdev at a higher rate.

7.1.4 We compared 2 mile and 10 mile single fares by operator group with the corresponding day and weekly ticket prices. Only a small percentage of 2 mile journeys (around 33%) have an equivalent day ticket which offers a discount, while two-thirds have a weekly ticket. Stagecoach consistently has the lowest prices and greatest discount for weekly tickets at this distance. At 10 miles a large majority of the sample journeys had day and weekly tickets offering better value for money, and Transdev balanced its higher single fares with the best average discount. For 10 mile journeys, passengers only need to make six single journeys on average to find a weekly ticket to their advantage.

³ Including FirstGroup services

⁴ In cash terms, not adjusted for inflation, and EXCLUDING FirstGroup services