

6th TAS National Bus Fares Survey: 2019

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1.1 Introduction

1.1.1 Our headline analysis in this section focuses on the main fares offered to customers to compare charging levels for 2019 against data from the five previous TAS National Fares Surveys (2009, 2011, 2013, 2015 and 2017).

1.2 Survey Sample

1.2.1 Against our survey target of 1,000 fares, this report's sample contains:

- 1,093 different adult single fares;
 - ◆ **No fewer than 1,083 of which had an equivalent day ticket and**
 - ◆ **957 of which had equivalent weekly tickets.**

1.2.2 Note that **all sample single fares are for a three mile trip**. Single fares are, of course, likely to be more expensive for longer trips and can be less expensive for shorter trips. Although we worked with quite a large sample it is far from exhaustive and there may well be fares which are both lower and higher than the minimum and maximum values found in the sample.

1.2.3 We were aware that our sample for Wales was under-representative of the large number of smaller operators and this year have added some additional samples.

1.3 Adult Single Fares

1.3.1 As in previous surveys, there is a large variation in sample three mile single bus fares from £0.85 to £5.00; a range which is rather broader than the 2017 survey. The spread is fairly continuous and we are happy with the use of mean values to represent a 'typical' fare by including the outliers. However, it remains our assertion that there has never been a 'standard bus fare' across GB for a three mile journey and this continues to be the case.

1.3.2 Analysis of the sample adult single fares in England, Scotland and Wales showed:

- The average (mean) single fare was £2.48;
- The minimum single fare was £0.85,
 - ◆ This was on Brodyr Richards in Fishguard;

- The maximum single fare was £5.00,
 - ◆ This was on First South West (Kernow) from Falmouth.

1.3.3 Table 1 compares overall findings from the 2019 survey with our previous surveys. The average single fare has risen by 6% during the past two years and by 42% during the ten years since our survey started. Whilst each fare will be dependent on very local circumstances, the 2019 maximum is for a journey included in the 2017 survey and the minimum is from a new entrant to our sample.

Table 1: Mean Single Fares: Current Prices, 2009-2019

Measure	2009 Fare	2011 Fare	2013 Fare	2015 Fare	2017 Fare	2019 Fare	2019 vs 2017	2019 vs 2009
Average	£1.75	£1.91	£2.11	£2.21	£2.33	£2.48	+6%	+42%
Minimum	£0.50	£0.70	£0.80	£1.10	£1.20	£0.85	-29%	+70%
Maximum	£3.50	£3.85	£5.00	£4.00	£4.20	£5.00	+19%	+43%
Sample (n)	804	1,073	1,155	1,028	1,047	1,093		

1.3.4 Figure A shows the distribution of single fares by price for the 2019 survey. Almost 60% of the £1.70 fares reflect the Lothian flat fare and just over 50% of the £2.50 singles can be attributed to PTE areas. There has been a progressive spread of fares, as illustrated in Figure B. We note that the 50% level has increased by £0.55 (30%) from the 2011 survey.

Figure A: Distribution of Single Fares, 2019

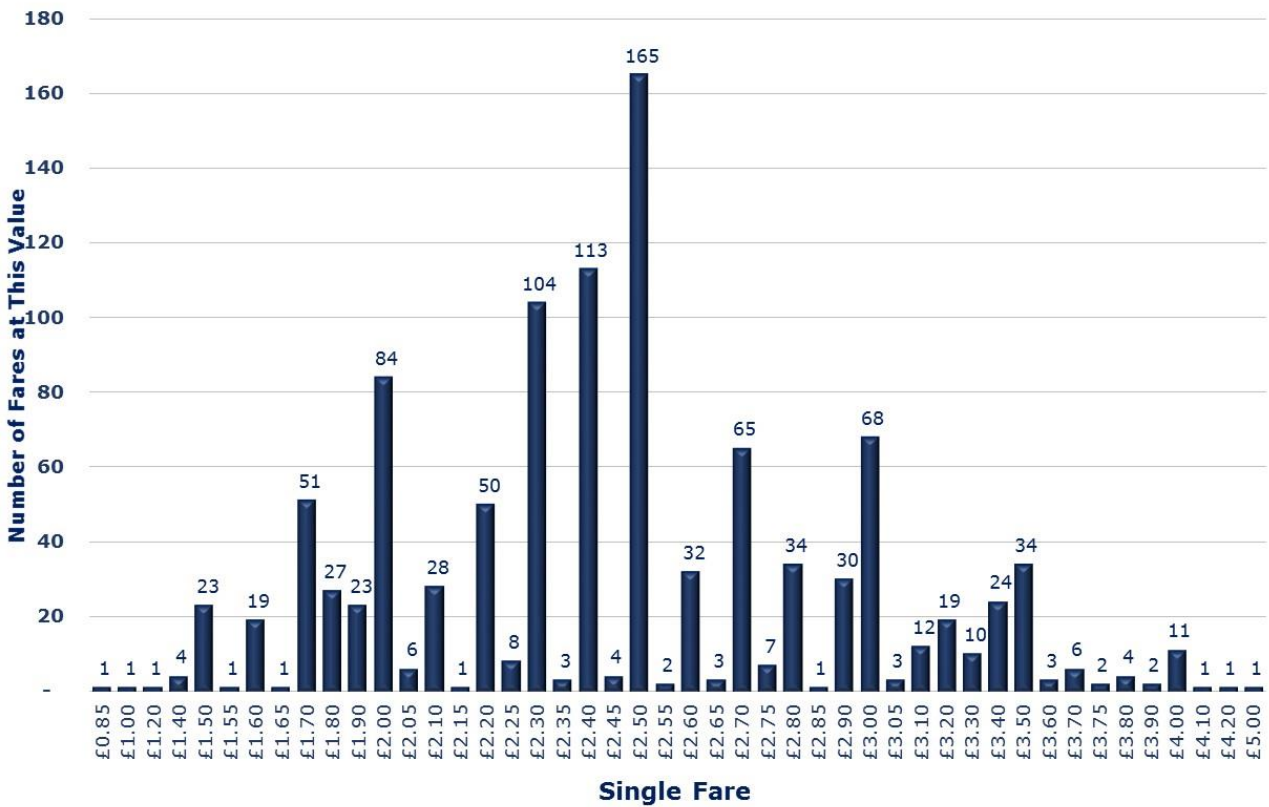
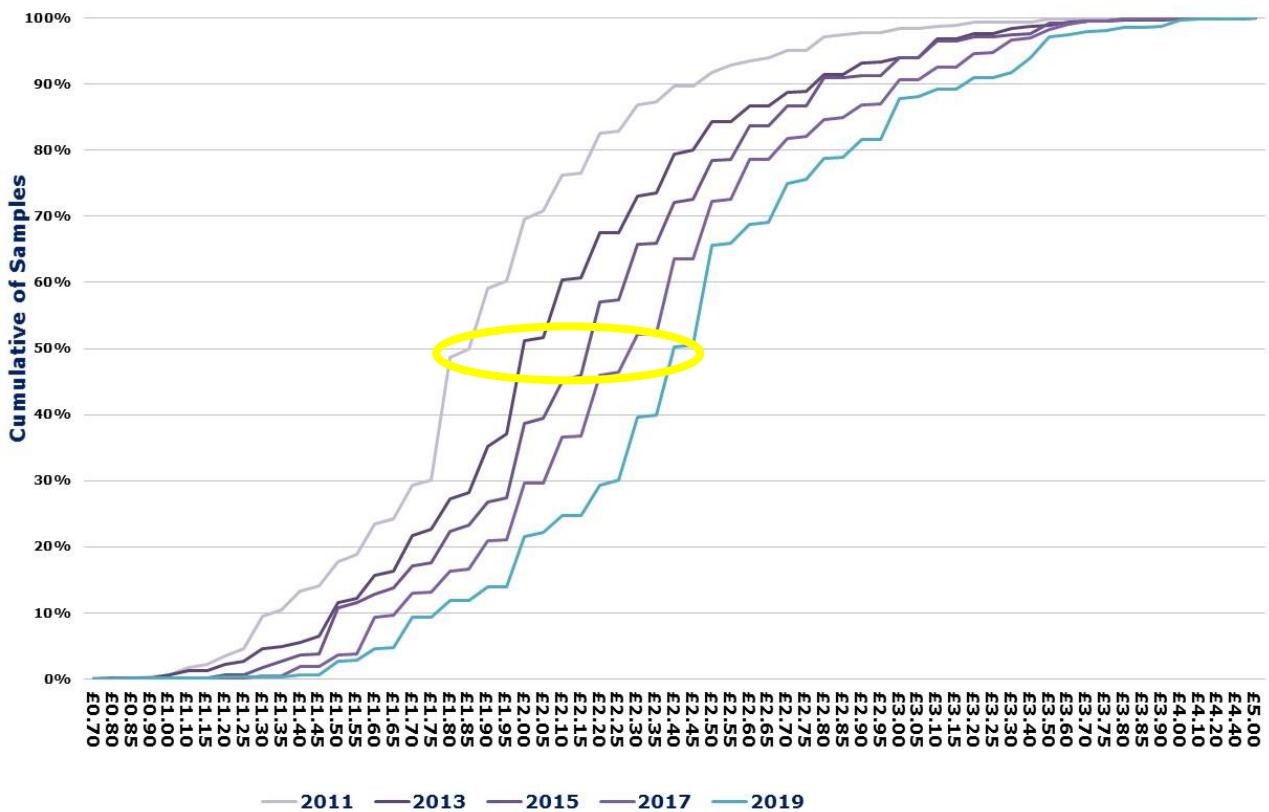


Figure B: Cumulative Percentage of Survey Sample, 2011-2019



1.4 Day Tickets

1.4.1 Analysis of the equivalent day tickets in England, Scotland and Wales is as follows:

- The mean day ticket price was £5.21,
 - ◆ (Note that this is 10% higher than twice the average single price)
- The minimum day ticket price in the sample was £2.50,
 - ◆ First West of England 'FirstDay Weston';
- The maximum day ticket price in the sample was £17.50,
 - ◆ Transdev Blazefield 'Daytripper Plus' ticket (on Yorkshire Coastliner).

Note, however, that the latter equates to mid-range single fares of £2.70 and £3.20 so in practice passengers making a simple return journey would not even contemplate buying the day ticket.

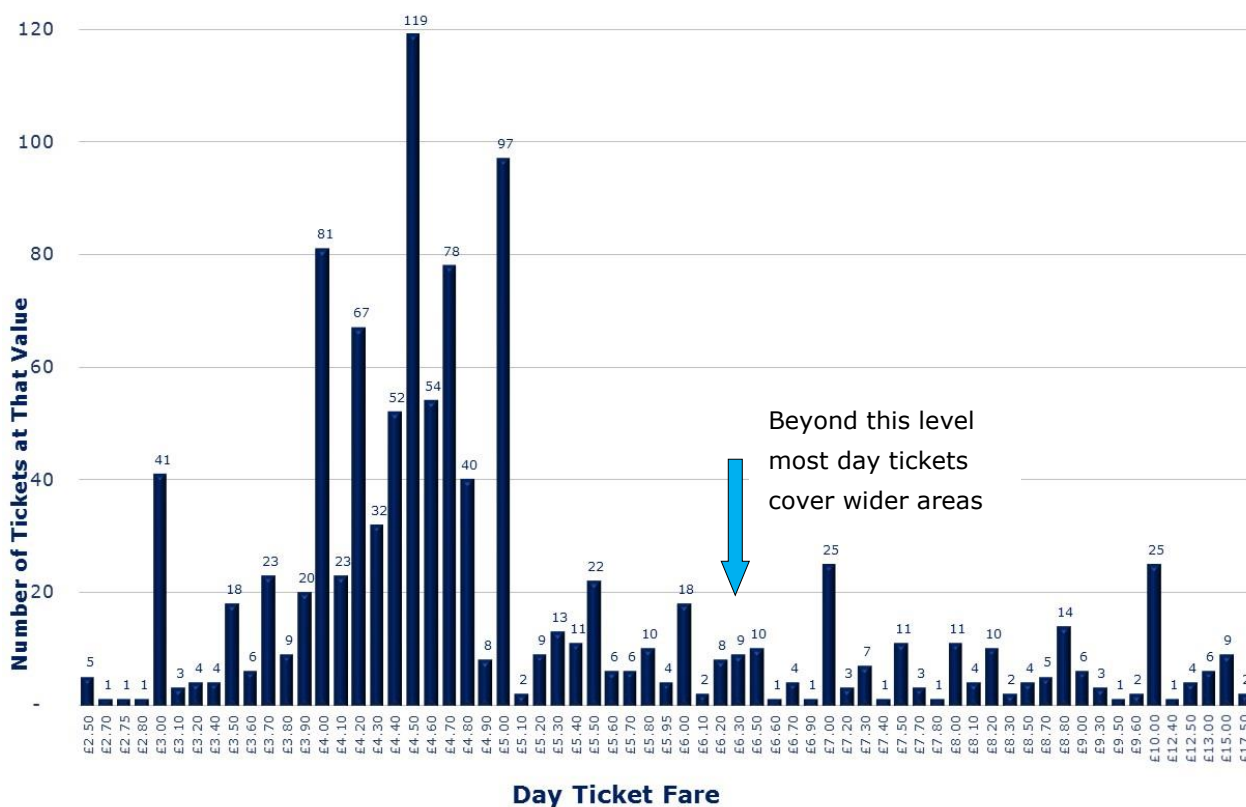
1.4.2 Table 2 compares 2019 day ticket prices with those from the previous surveys. The average day ticket has risen by 6% over the past two years and by only 10% since the first survey in 2009. The rise in the minimum since 2017 is affected by a change in fare structure at First West of England, whilst the 9% rise in the maximum is down to a fare increase on the same product.

Table 2: Mean Day Ticket Prices: Current Prices, 2009-2019

Measure	2009	2011	2013	2015	2017	2019	2019 vs 2017	2019 vs 2009
Average	£4.72	£4.52	£4.74	£4.83	£4.92	£5.21	+6%	+10%
Minimum	£1.70	£2.00	£2.40	£2.00	£2.40	£2.50	+4%	+47%
Maximum	£14.00	£15.00	£15.00	£15.30	£16.00	£17.50	+9%	+25%

1.4.3 The distribution of day ticket prices in Figure C below shows a very high concentration of prices between £4.00 and £5.00 (a more concentrated range than in 2017) which reflects many of the main urban areas, followed by a very long tail of higher-priced products which usually cover much wider areas.

Figure C: Distribution of Day Ticket Prices 2019



1.5 Weekly Tickets

1.5.1 Analysis of the equivalent weekly tickets in England, Scotland and Wales shows:

- The mean weekly ticket price was £18.03,
 - ◆ Slightly under 7.3 times the average single fare;
 - ◆ And notably well below TfL’s weekly cap level;
- The minimum weekly ticket price in our sample was £7.00,
 - ◆ Stagecoach South’s Guildford Local Megarider;
- The maximum weekly ticket price in our sample was £40.00,
 - ◆ Trentbarton’s ‘trentbarton land saver7’ tickets.

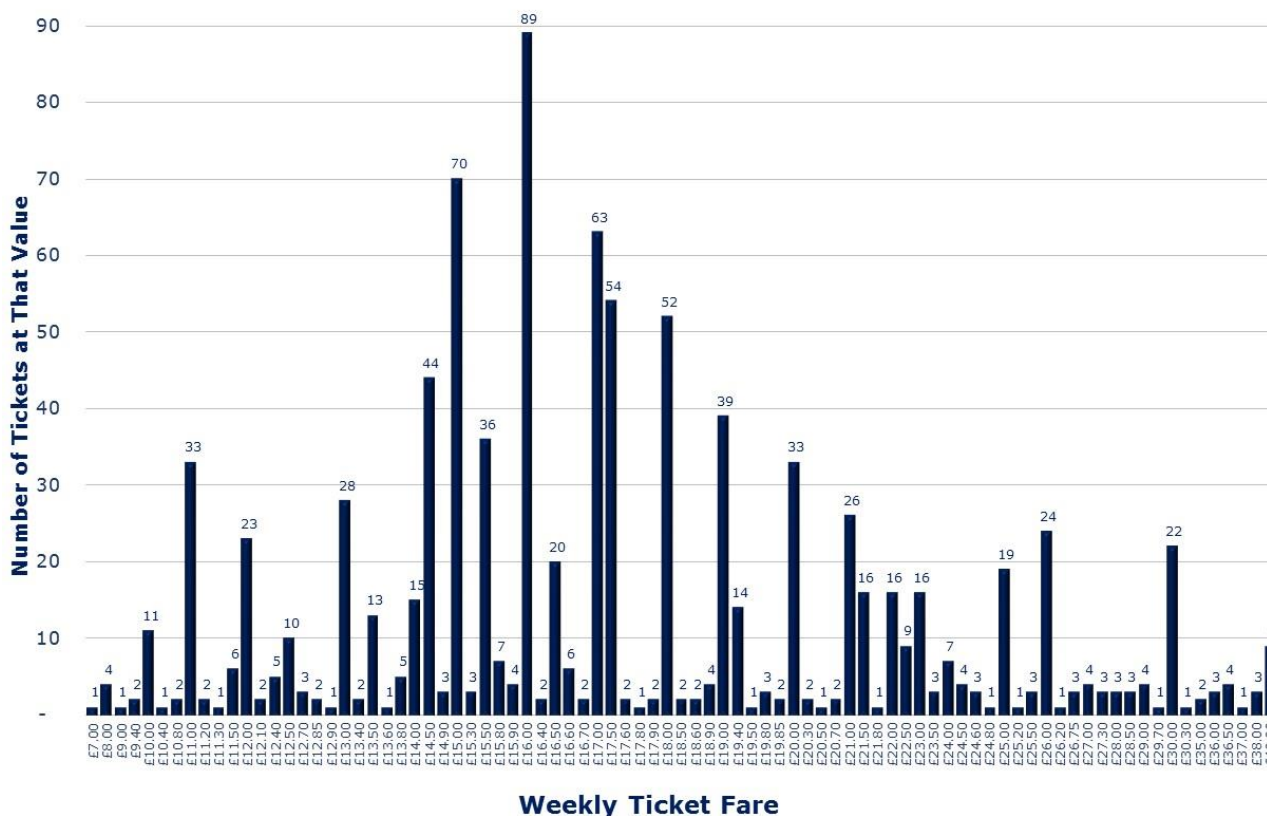
1.5.2 Table 3 compares 2019 weekly ticket prices with those from previous surveys. For the second survey in a row, the average weekly ticket has risen **by the same rate as the day tickets** over the past two years but by 31% since the start of our survey in 2009.

Table 3: Mean Weekly Ticket Prices: Current Prices, 2009-2019

Measure	2009	2011	2013	2015	2017	2019	2019 vs 2017	2019 vs 2009
Average	£13.78	£15.16	£16.64	£16.74	£17.09	£18.03	+6%	+31%
Minimum	£5.00	£6.00	£7.50	£5.00	£6.00	£7.00	+17%	+40%
Maximum	£30.00	£35.00	£42.00	£39.00	£35.00	£40.00	+14%	+33%

1.5.3 Note how the spread of prices for weekly tickets in Figure D below is very, very different in profile to that for day tickets. As in 2017 tickets priced at £11 and under tend to be route specific and 'small town' tickets. The main bulk of the medium to large urban network tickets are in the £12 - £21 range. There is a big 'spike' of tickets costing £16. The former perceived cut off price of £25 now seems to have shifted slightly to the right. The small number of weekly tickets priced at over £30 preclude contactless purchase, of course.

Figure D: Distribution of Weekly Ticket Prices



1.6 Summary

1.6.1 Analysis of our sample reveals the following:

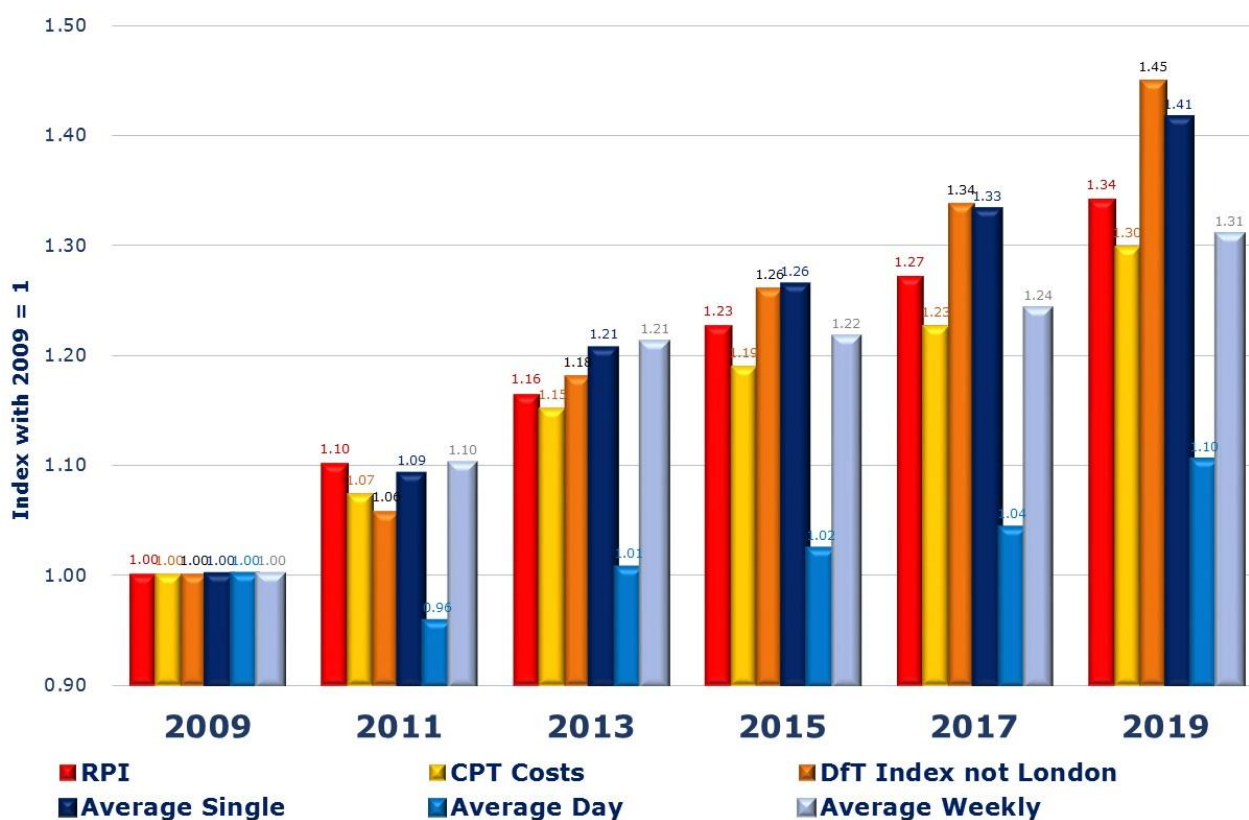
- The GB average adult single fare for a three mile trip in 2019 was £2.48 – an increase of 6.3% since the previous survey in 2017 but 41.6% since our first survey in 2009; while RPI has increased by 5.5% and 34.1% respectively;
 - ◆ Note that the decrease in BSOG in 2012 caused a sharper uplift between 2011 and 2013 in most fares;
 - ◆ And this must be set against the very low proportion of passengers who now pay single fares – in urban areas this is used to be well below 10%, however the wide availability of contactless payment has seen this increase again.
- In our sample, the average day ticket cost £5.21 – up 5.9% from £4.92 in 2017 and increased by only 10.4% since 2009 against RPI at 34.1%.
- The average weekly ticket in our sample cost £18.03 – up from £17.09 in 2017, an increase of 5.5%, but has increased by 30.9% since 2009.
 - ◆ And regular commuters get a very good deal from most operators with an average discount of 27% applying to weekly tickets against ten singles.

1.7 Increases Relative to Other Factors

- 1.7.1 Figure E below indexes the changes to average fare against the increase in Retail Price Index, the CPT's reported increases in bus operating costs and the DfT's fares index for English fares outside London. The DfT index follows increases in single fares most closely, while overall we show a somewhat slower rate of increase.
- 1.7.2 Office of Rail Regulation data shows that **regulated rail fares** have increased 52.6% since 2009 (30.9% for bus weekly tickets) and 12.1% in the last two years (5.5% for bus weeklies).
- 1.7.3 Although the CPT figures show unit costs being held below inflation since 2009, our work with operators shows clearly that **total** operating costs continue to climb and indeed between 2017 and 2019 the CPT Cost Index actually grew by 0.4% above inflation. The main driver of this cost increase is traffic congestion, which requires operators to have more vehicles (or units). Thus we have increased cost and fewer passengers to pay fares to cover the increased cost. All this results in well-reported difficult trading conditions.
- 1.7.4 Using the CPT Cost Index, day and weekly tickets increased on average at or below cost. This implies that far from seeking to pocket excess profits, bus

operators are seeking to keep hold of passengers by suppressing price increases on multi-journey products.

Figure E: Changes Relative to 2009



1.8 Multi Operator Tickets

1.8.1 Overall, 77% of the sample trips had a multi-operator alternative (up 3% on 2017), but this does vary by market, operating group and region:

- **There is 100% availability of multi-operator tickets in PTE areas;**
- And 89% in the West Midlands region;
- But only 65% in East Midlands and
- Only 52% in the interurban market.

1.8.2 Interurban markets tend to be served by a single operator and therefore there is little point in having a multi-operator ticket unless it covers a large geographical area (such as the Derbyshire Wayfarer) and thus carries a high price. Fundamentally, this principle applies elsewhere, if there is only a single operator then there is no reason to have a multi-operator ticket, nor will there be any demand for it.

1.9 Smartcards, Mobile Tickets and Contactless

1.9.1 The use of new technology for ticket sales is increasing steadily, particularly the use of mobile phones as tickets. The rapid increase in the ability to pay for travel over the last two years using contactless payment is very notable. For our sample trips overall:

- **84% had a smartcard as a ticketing option (up 9% from 2017),**
 - ◆ This varied from 99% in the North East region to 61% in the East of England;
- **94% had an M-Ticket as a ticketing option (up 2% from 2017),**
 - ◆ This varied from 100% in the North East and South West regions to 80% in the East Midlands;
- **96% could have been paid for by contactless payment (up 66% from 2017),**
 - ◆ This varied from 100% in the North East and South West regions to 77% in the East Midlands,
 - This 77% figure is already out of date as Trentbarton has started to roll out contactless across its fleet since our survey.

1.10 Mobile Ticketing – Weekly Tickets

1.10.1 Whilst the pattern of average weekly ticket prices by mobile ticket roughly follows that of on bus purchases, the two most expensive tickets are only available via the relevant operator's app, these are:

- Borders Buses Borderless Weekly = £41.99; and
- East Yorkshire's Go Anywhere Weekly = £39.50.

1.10.2 There is a range of discounts offered for purchasing via an app rather than on bus. The main findings were:

- There was an overall average discount of 2.6% for purchasing via an app rather than from the driver;
- First offered the highest overall average discount at 7%, mainly thanks to app only local tickets in Cornwall but First offers a discount on the vast majority of tickets bought via its app;
- Independent groups charge a **premium** of 5.8% on average,
 - ◆ This is due to Yellow Buses charging a **premium** on their products of up to 11.1% for buying via the app; and conversely
- Stagecoach Merseyside and South Lancashire's 'Merseyrider Plus' offers the highest individual product discount at 20% for purchasing via the app.

1.11 Weekly Wage

1.11.1 To put the cost of a weekly ticket in perspective, comparisons were made against the average weekly wage of a number of cities. This showed that:

- Weekly tickets as a proportion of weekly wage varied between 2.2% and 5.6%;
 - ◆ **The UK average has a weekly ticket using 2.8% of the average weekly wage.**
- There was no set geographic pattern when measuring individual cities and towns but on a regional basis there was a much clearer linkage.

2.1 Introduction

- 2.1.1 This Report is our sixth bi-annual survey which aims to benchmark bus fares within Great Britain, covering all regions and operating groups. It is the only study of its kind and scope to provide a comprehensive analysis of passenger fares and includes unique trend analysis based on similar surveys in 2009, 2011, 2013, 2015 and 2017.
- 2.1.2 Data for the 2019 survey were collated from details correct at October 2019 and included adult single fares with equivalent day and weekly period tickets. We aimed, as far as reasonably possible, to obtain fares details for the same journeys as in previous surveys and were broadly successful (using equivalent services as substitutes if networks had changed since previous surveys).
- 2.1.3 This study aims to provide a benchmark and comparison for adult bus fares for 'typical' three-mile journeys across Great Britain for journeys which passengers are likely to make. The analysis covers region, area type and operating group as well as comparison with previous surveys.
- 2.1.4 Our objective was to collect a sample of around 1,000 single fares using a sample size for each operator in relation to its fleet size, with subsidiaries of the 'big groups' treated separately. For operators with simple fares structures (e.g. flat fare scales) and large fleets this means including repeated sample fares at the same price.
- 2.1.5 The three types of fare we have analysed are as follows:
- **Single fares** – the adult single fare for a typical three-mile bus journey; this charge tends to apply to the occasional users making a single (one way) journey and usually attracts a premium;
 - **Day tickets** – allowing unlimited travel within a defined area and which are typically used by customers making trips using local bus services for return journeys in one day; and
 - **Weekly tickets** – again allowing unlimited travel within a defined area and typically used by regular passengers to travel to work, school or college but not necessarily at peak times due to massive changes in working patterns.
- 2.1.6 Note that while the sample journeys and single fares have remained broadly consistent over time, changes to the range and availability of day and weekly tickets over time can alter the comparable prices quite considerably.
- 2.1.7 For consistency, all fares in the sample are **those payable to the driver on the day**. We do include smart products if these can be bought or renewed on-bus. Conversely, if, for example, there are equivalent day and weekly tickets

which cannot be purchased from the driver, they are excluded. Note also that London is excluded from the survey as there are no longer any cash transactions on-bus (although contactless is available).

2.1.8 We note that there is a growing number of operators which sells weekly tickets only on smartcards BUT do not sell smartcards on the bus. This is somewhat of a reverse step and can potentially put passengers off if they have to first apply online or visit an inconveniently located travel office to get a smartcard.

2.1.9 All fares were taken to be peak versions. Off-peak variants – together with alternative prices for off-bus purchases or enforced off-bus purchases – have been disregarded, but the former are few in number anyway.

2.1.10 Our report is structured as follows:

- **Section 1** presents our headline analysis of bus fares in England, Scotland and Wales in 2019;
- **Section 3** Outlines the Survey Methodology
- **Section 4** provides an historical perspective on bus fares including the emergence of smart ticketing;
- **Section 5** (operator group), **Section 6** (market) and **Section 7** (region) summarise our analysis of data subsets;
- **Section 8** looks at trends, **Section 9** looks at multi-operator ticketing and **Sections 10 and 11** looks at smartcards, mobile tickets and Contactless; while
- **Section 12** compares bus fare levels with wage levels and **Section 13** concludes with a summing up.

2.2 Acknowledgements

2.2.1 This survey has been part funded by the Association of Local Bus Company Managers (ALBUM), the Confederation of Passenger Transport (CPT), FirstGroup, Go-Ahead and Stagecoach. This has not influenced our sampling frame which has been built on our database of services from previous surveys, nor has this influenced our analysis or conclusions. We are grateful for the support from ALBUM, CPT, FirstGroup, Go-Ahead and Stagecoach without which the production of this report would not have been possible.

2.2.2 We also thank all of the other operators who continue to contribute fares data to provide a robust synopsis of GB bus fares.

3.1 Introduction

3.1.1 Fares information has improved significantly since our first survey. The ability to look up single and return fares for all journeys on Stagecoach services was added to its website in 2015 and even an operator as small as Sanders Coaches in Norfolk has a limited fares lookup facility. Some others have followed suit since the 2017 survey. However, it remains a fact that adult point-to-point single fares are not widely publicised, thus we requested and gratefully received faretables from a range of bus operators throughout England, Scotland and Wales. Where appropriate, these were supplemented by additional web-based research including copies of faretables, results of point to point queries and details of day and weekly ticket availability where these were posted online.

3.1.2 The three types of fare we have analysed are as described in section 1:

- Single fares;
- Day tickets; and
- Weekly tickets.

We have eschewed analysis of monthly tickets because these are often not directly comparable due, in the main, to varying definitions of what constitutes a 'month', which varies from calendar months to fixed periods of 28, 30 or 31 days. There are also far fewer monthly tickets which can be bought on-bus so the sample would also be appreciably smaller.

3.2 Survey Sample

3.2.1 The size of the sample is proportionate to fleet size to achieve the desired sample size overall. For large operators such as Lothian and National Express West Midlands which adopt a flat fare system we use multiple samples to reflect the size of the operation. The samples are adjusted to align with changes in fleet size in subsequent years.

3.2.2 In the survey data:

- All sample journeys selected for analysis were three miles long measured along the line of route rather than a straight line 'crow flies' measurement;
- Despite the predominant use of distance-based fares structures by GB bus operators, very few have set distances between fare stages. As a result, the three-mile fare shown here can include journeys of up to five miles in length until the next fare stage is reached;

- Some single fares priced at the lower end of the sample data will be 'held down' due to a more direct service covering the same journey. Generally, operators will hold down such fares at the same level regardless of route taken.

3.2.3 Previous TAS work on fares and ticket analyses suggest that trip rates per day ticket and per weekly ticket can vary widely dependent upon the price differential. With keen pricing the average trip rate for weekly tickets can be below ten, i.e. the ticket is not used five days per week. Trip rates tend to increase in dense urban networks where there is significant interchange between routes.

3.2.4 Against a survey target of 1,000 fares, the sample contained:

- 1,093 adult single fares;
 - ◆ Only ten of which had no equivalent day ticket and
 - ◆ 88% had equivalent weekly tickets.

3.2.5 Within our fares database, each single journey was assigned to:

- **An operator** (and operating group – Arriva; First; Go-Ahead; Independent; Municipal, National Express, Stagecoach or Transdev);
 - ◆ Note that, in fact, the 'independent' group is a 'catch all' group for all those sample fares not covered by the other groups
- **A region** (based on the former Government Office Regions, excluding Greater London); and
- **A market** – both by route type (city; interurban; PTE and shire town) and by general operating area (urban or non-urban area).

The sample frame for the adult single fares is summarised in Table 4 below:

Table 4: 2019 Survey: Summary of Sample Size by Category

REGION		OPERATOR		MARKET	
Category	Sample	Category	Sample	Category	Sample
E England	80	Arriva	149	City Route	192
E Midlands	71	First	222	Inter-Urban	276
NE England	68	Go-Ahead	124	PTE	355
NW England	156	Independent	115	Shire Town	270
Scotland	168	Municipal	83	Total	1,093
SE England	148	Nat Express	78		
SW England	109	Stagecoach	300		
Wales	53	Transdev	22		
W Midlands	114			Urban	856
Yorks/Humb	126			Non-Urban	237
Total	1,093	Total	1,093	Total	1,093

3.3 Changes since the 2017 Survey

3.3.1 We aimed, as far as possible; to obtain fares detail for the same services as in 2017 and we were broadly successful although roughly equivalent services were substituted if networks had changed. There have however been some changes to operators:

- First has sold much of its Greater Manchester operation to Go-Ahead and Rotala.
- EYMS has been bought by Go-Ahead;
- Rosso has been bought by Transdev;
- Courtney Coaches has been bought by Reading Transport and thus added as an operator in the municipal sector;
- Stagecoach Norfolk has been replaced by Stagecoach East, WNCT and Lynxbus, and
- Stagecoach Bluebird and Highland have been combined into Stagecoach North Scotland;

3.3.2 D&G, High Peak Buses, Brodyr Richards and UNO are new independent operators to be included in this year's fares survey. Diamond Bus (North West)

has replaced some of the First Manchester samples and Lynx some previous Stagecoach Norfolk samples.

3.4 What 'Average'?

- 3.4.1 A sample size of around 1,000 should allow the median to be used as the most valid 'average' to reflect the removal of extremities and produce a mid-range price typical of a price a customer will pay in most of the country.
- 3.4.2 However, the subsequent analysis works with much smaller subsets of data, often well below one hundred in number (see Table 4), thus the use of median in these subsets could exclude too much and produce an atypical mid-price. The overall percentage change in the average fare varies widely between using the mean and median.
- 3.4.3 We can also see in Figure A that the minimum and maximum prices in the sample are not outliers and that the spread of prices is across the range without significant gaps. In some areas the extremities are indeed 'typical'. For example, the highly priced day tickets at First South West are indeed 'typical' of a day ticket price in Cornwall, although that particular operator offers much cheaper return tickets to compensate. The mean single fare has increased slightly more than either the median or the mode over the years of the TAS fare surveys.
- 3.4.4 Aside from single fares, there is considerable positive skew in the data, with the range of prices for day and weekly tickets far from following a 'normal' distribution, so using the mid-range price can skew the 'answer' almost by chance.
- 3.4.5 We have rejected use of the mode as this can be produced by a single operator with a flat fare and a large operation, such as National Express West Midlands. The calculations therefore have used the mean price throughout.

3.5 Day Ticket Calculations

- 3.5.1 The day ticket price is taken as the lowest-cost day ticket which is valid for the journey selected as the sample single fare. We stick rigidly to this principle but it can throw up anomalies. For example, some of the highest-priced day (and weekly) tickets are ascribed to Transdev Yorkshire Coastliner because the only day and weekly tickets available for some fares at the 'coast' end of its services are the whole network tickets. In reality nobody would actually pay triple the cost of two single fares.
- 3.5.2 At first glance, it is clearly absurd to record a £17.50 day ticket as the 'equivalent' day ticket for a £2.70 single fare and we should perhaps say instead that there is 'no' day ticket (which technically is then incorrect). The difficulty lies in defining exactly what a 'reasonable' cut-off point would be

when often the directly equivalent day ticket *is* priced at a level above the cost of two singles.

3.5.3 For analysis of day tickets, the following assumptions were made:

- The mean day ticket price from the relevant sample was chosen;
- The equivalent cost per trip is calculated by dividing the day ticket by two (one return journey = two single journeys);
- The discount offered was calculated as follows:

$$\text{Discount} = (\text{Single Fare} * 2 - \text{Day Price}) / \text{Single Fare} * 2$$

- The multiplier, or number of single journeys that each day ticket is worth, was calculated as follows:

$$\text{Multiplier} = \text{Day Ticket Fare} / \text{Adult Single Fare}$$

A multiplier lower than two indicates that the Day Ticket represents a customer saving on a single simple round trip.

3.6 Weekly Ticket Calculations

3.6.1 As with the day ticket price, the weekly ticket price is taken as the lowest-cost weekly ticket which is valid for the journey selected as the sample single fare. For analysis of weekly tickets, the following assumptions were made:

- The mean weekly ticket price from the relevant sample was chosen;
- The journey cost to compare with the adult single is calculated by dividing the weekly ticket by ten, representing five return journeys;
- The discount offered by the weekly ticket compared to the single was calculated as follows:

$$\text{Discount} = (\text{Adult Single} * 10 - \text{Weekly Price}) / \text{Adult Single} * 10$$

- The multiplier, or number of single journeys that each weekly ticket is worth, was calculated as follows:

$$\text{Multiplier} = \text{Weekly Ticket Price} / \text{Adult Single Fare}$$

A multiplier lower than ten indicates that the Weekly Ticket represents a customer saving to those making a simple return trip five days per week.

4.1 Introduction

4.1.1 This section of the report summarises the key concepts relating to bus fares and the history of their evolution. We supplement this with observations on the factors influencing bus fares from 2000 to 2019 and comment on potential future developments, including ticketing technologies.

4.2 General Concepts

4.2.1 There are many different ways in which bus fares can be determined: Table 5 summarises the four most common approaches. The least complicated fares are flat fares where there is one basic fare for boarding a bus, no matter what distance is travelled.

4.2.2 Fare determination which is, at least in theory, relative to distance is rarely straightforward and can be determined as much by market forces and past precedent as by actual distance.

4.2.3 Fare zones are rarely similarly sized but are generally attempts to include a distance related element while taking account of travel patterns and catchment areas. They can (sensibly) overlap to reflect travel patterns and with Stagecoach’s Megarider range, for example, frequently do. Zones can apply only to certain ticket types, most commonly period tickets rather than single fares.

Table 5: Bus Fare Concepts

Fares Concept	Description
Flat Fare	One basic charge for boarding a vehicle, no matter what distance is travelled. Rarely found in the UK due to pressure from short-distance travellers.
Zonal Fare	The network (or route) is divided into geographical zones with charges set for travel within any or a combination of zones, which may overlap to reflect local markets. Generally out of favour for single fares due to disproportionate penalties for those making short trips which cross a zone boundary.
Distance-Based Fare	The fare charged rises in line with the length of the journey but unlike Taxi/PHV charging usually with a pronounced downward ‘taper’ as the distance increases.
Time-Based Fare	Customers buy a ticket which entitles them to travel as many times as they like for a defined period of time.
Carnet or Multi Trip	A ticket with a set number of journeys between given points or at a given fare.

4.3 GB Fares – Historical Perspective

- 4.3.1 The evolution of the British bus industry in the years before deregulation in 1986 still has significant influence over how bus passengers are charged today and by how much, possibly to a greater extent than may have been anticipated following deregulation and, probably especially, after the removal of fares details from operating licence particulars in 1980.

4.4 The Transport Act 1930

- 4.4.1 Fares provisions were attached to Road Service Licences under the Transport Act 1930 and remained a requirement until being repealed fifty years later by the Transport Act 1980. Proposed increases or changes to fares had to be submitted to the Office of the Traffic Commissioner for approval. He then had the authority to agree to, reject or amend such proposals. Given the high rates of inflation during most of the 1970s and the early 1980s, this imposed a significant bureaucratic burden especially since this was before the widespread use of computers.
- 4.4.2 Not only were mileage scales applied rigorously and often challenged by local authorities, but checks were applied to ensure that all feasible routes linking A and B (direct from A to B and those from A to B via C) charged the same fare. Route variations would usually have their own faretable. Great efforts were made in a number of areas to ensure that different operators charged the same fares between common points.
- 4.4.3 Smaller operators were often forced to come into line with increased fare levels set by the bigger companies over common sections, whether the smaller operator sought a fares increase or not. In part this still results in consumer expectations of there being a single bus fare from A to B. This is in stark contrast to the reality where operators are free to set any fare they like.
- 4.4.4 The exception to this rule came in many towns where the local authority had its own operator (of trams originally, then buses). Conditions imposed on operators operating interurban services into these towns often required them to charge a surcharge in the form of a premium fare.
- 4.4.5 The 1930 Act created the conditions for a number of variations that marked the operations of “Corporation” (public) and “Company” (private) operators, as summarised in Table 6.

Table 6: Variations between Corporation and Company Bus Operations

Condition	'Corporation' Operator	'Company' Operator
Sector	Public (municipal) sector	Private sector or Public (National)
Network Density	High density networks (high passenger volumes over relatively short distances)	Low density networks (passenger traffic dispersed over a wider range of services and operating territory)
Network Maintenance	Expectation of form of 'social dividend' of less well used services but no great expectation of cross-subsidy	Expectation to maintain complete networks, resulting in high average fares to cross-subsidise loss-making routes
Fares Structure	Simple, low cost fares structures	Tapered fares scale (i.e. £/mile charged reduces in relation to the distance travelled)

4.4.6 Unprofitable bus services are not a purely post-deregulation phenomenon, as shown by the following example of the extent of cross-subsidy required under the old regime:

- In 1963, 70% of all services run by Bristol Omnibus failed to cover their costs;
- By 1976, the situation had worsened to the extent that Bristol Omnibus notified the City Council of a likely £1.1m deficit purely on Bristol City operations in the year (around £7.98m at 2019 prices).

4.4.7 Conversely, local authorities often expected that their operations would supply sufficient profits for them to be able to reduce local rates. When urban areas were very densely populated and compact with low car ownership they were very successful. As the population moved out into the suburbs and acquired cars it became more difficult.

4.4.8 Another consequence of the 1930 Act was that innovation in bus fares, types and availability of ticketing was stifled. While most operators offered single and return fares and early forms of multi-trip ticket were issued by most operators these were only available for journeys between specified points. Area-wide tickets, if they existed, were often priced at the higher end of the fares scale and aimed at day-trippers or seasonal holiday markets.

4.4.9 Although the 'day ticket' was not particularly common until more recent years, London had one of the earliest examples for its tramways which, at the time, ran in competition with buses. London has continued to develop its day and period ticket range over the years, initially restricted to one mode of transport before evolving to become multi-modal, although it still has 'bus and tram only' versions.

4.4.10 Conversion of services to one-person operation (OPO), or more correctly one-man operation (OMO) at first, led to simplification of fare types with the

removal of most multi-journey tickets and many return fares previously sold by conductors. Point-to-point season tickets remained available at company offices, which at the time were widespread and found in most towns and cities. However, the legislative background usually prevented any simplification of fare prices, leading to very long boarding times.

4.5 The Transport Act 1968

4.5.1 Following the 1968 Transport Act and widespread nationalisation of the bus industry, two types of organisation were established which had a further significant impact upon fares policy:

- the National Bus Company (NBC) and Scottish Bus Group (SBG) as nationally owned and managed entities; and
- the Passenger Transport Executives (PTEs), consisting of groupings of former corporation bus operations maintained under local government control.

4.5.2 Whilst NBC initially retained the farescales established by constituent company operations, it began to set different levels for fare increases in urban and rural areas. Over time, journeys in rural areas grew to cost significantly more than their urban equivalents. SBG was an early adapter of the "all fares above £1 increase by 10p" type of increase, with such increases imposed centrally. It was true, however, that SBG fares in rural areas also remained significantly higher than in the urban areas.

4.5.3 PTE fare policies developed over time but in different directions. Starting in the West Midlands, most PTEs introduced heavily discounted "travelcard" schemes covering all operators; an example later followed by London. This was accompanied by some simplification of fares together with a much more 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 towards subsidising low fares for passengers. NBC operations in some Shire counties – notably Avon, Cleveland, Derbyshire and Lancashire – also followed local policy of subsidising lower fares for passengers and travelcard schemes prior to 1986.

4.5.4 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 with a reliance on single fares. At the time of deregulation in October 1986, fares in South Yorkshire remained at early 1970s levels.

4.6 The Transport Act 1980

4.6.1 The Transport Act 1980 had the most far-reaching change to fares as it removed fares detail from licensed particulars. 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 fare levels at the highest level of validity. Prior to deregulation of the bus industry outside London in 1985, local authorities continued to exercise a high degree of influence over fare levels and increases as part of their revenue support agreements.

4.7 The Transport Act 1985 – Impact at Deregulation

- 4.7.1 The new commercial operators at deregulation faced a number of issues. Fares in the shire areas were generally already at levels where the 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.
- 4.7.2 In PTE areas however, 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 and concessionary schemes. As an example, Yorkshire Traction imposed a 250% increase in South Yorkshire. 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.
- 4.7.3 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, sustained competition on the basis of fares has been comparatively rare, while different farescales on different routes are almost unheard of.
- 4.7.4 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 (ETM) have also allowed operators to analyse data in order to establish where particular fare changes would be most productive.
- 4.7.5 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.

4.8 The Modern Era

- 4.8.1 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:
- **Simplicity** – it is a relatively simple product (“day” or “week”) for a bus operator to market and monitor;
 - **Loyalty** – once purchased, consumers are likely to continue buying the same product;
 - **Competition** – it is far easier to respond to a competitor’s lower fares by introducing a low-priced weekly ticket rather than revising many different fares; and
 - **Cash Flow** – on bus sales became essential as travel offices and other off-bus retail outlets gradually closed down.
- 4.8.2 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 discouraged from purchasing period tickets until then due to their high price. 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.
- 4.8.3 Current pricing trends continue to encourage 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. The most important aspect of this is that single fares form an ever-decreasing percentage of farepayers. However, we are seeing the widespread availability of contactless payment changing this round, with some contactless users preferring to pay for separate trips.
- 4.8.4 Period tickets, of course, have other advantages to users. In the way that a traveller might purchase a car for the main home to work journey, but then use it for marginal trips in the evenings and at weekends; passengers buying area weekly (or longer period) bus tickets then have similar flexibility to make marginal trips at no extra cost. Previous TAS research has shown that passengers do not always buy the cheapest available area ticket but sometimes (and particularly in larger urban areas) buy wider area tickets if the

price differential is not huge, valuing the utility of the validity over a wider area.

- 4.8.5 There have been some attempts to simplify single fares, for example Brighton & Hove's adoption of a flat fare and Go North East's introduction of some flat 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 charged in multiples of 10p.
- 4.8.6 An exception to the rule was First Bristol's 'Fairer Fares' change, subsequently extended across the Somerset & Avon operation, which not only radically changed the structure of day and weekly tickets but was the first radical change to single fares by any UK operator for many years. Single fares are set at a fixed rate per mile (by the service route) starting at £1.50 (now £2.50) and increasing by multiples of £1 every three miles. Simplicity has produced benefits but with a simplified scale such as this the only options for fare changes are either to move to a complex fare for everyone, or risk resistance as a result of fifty pence fare increases.
- 4.8.7 Notwithstanding this, over time fare levels have responded to their markets such that fare levels are often lower in less affluent areas (e.g. Bradford vs. Leeds or South Shields vs. Newcastle) and sometimes this principle even applies at route level.

4.9 Future Fares: The Role of Technology

- 4.9.1 The modern era has seen unprecedented developments in ticketing technology. Set against other service industries – and the adoption of chip-and-pin card systems and cashless transactions – the UK bus industry was relatively slow to migrate towards new types of payment system. Largely this was because of the low average price of transactions, high transaction costs and slow transaction times, which are less of an issue at a shop till than on a stationary bus.

Hardware

- 4.9.2 Ticket issuing hardware has always imposed limitations on ticket types. In the 1970s and early 1980s many urban operators used 'Ultimate' ticket machines which issued simple pre-printed fixed price tickets; these were quick and efficient but not geared towards multi-trip tickets. Other machinery failed to keep pace with inflation and could often issue tickets only up to a maximum of 99 pence.
- 4.9.3 Operators which opted for exact fare systems have experienced self-imposed problems as a result. Some use these systems to accept payment for the full range of tickets while others limit ticket types sold on-bus or refuse to accept banknotes.

Smartcards

- 4.9.4 The more recent growth of smart ticketing has, so far, generally not led to any significant change other than to the selling mechanism of tickets. Smartcards offer the opportunity for a huge range of tickets where the hardware, rather than the driver, records use and checks validity. This in itself, however, makes marketing more difficult and there is a balance between flexibility and simplification of information.
- 4.9.5 Overall, the most consistent factor surrounding the smartcard product is inconsistency. It will be a brave operator which withdraws all of its traditional ticket sales methods in favour of the smart platform, as TfL has done on all buses in London. Many operators with smartcards have now stopped the sale of paper period tickets but retain the bus as point of sale.
- 4.9.6 The most obvious trend is for existing products to be transferred over to smartcards – or, more often, there is a smartcard option, with improved ability to buy online. For the operator, smartcard systems are expensive. Back-office functions are costly as are the smartcards themselves. The timescale involved in introducing a smartcard system is usually measured in years.
- 4.9.7 Smartcards are often hindered by the purchasing and renewal process associated with the medium. In many cases both renewal and purchase revert to travel offices, agencies or online renewal and there is usually a delay, mainly overnight but up to three days between sale or top-up and validity, although this timescale is decreasing. There are exceptions – for example at Cardiff Bus weekly tickets can be loaded onto its 'iff' cards on bus and across the group, StagecoachSmart can be bought or renewed on bus by suitable payment to the driver. Some operators offer some level of discount for purchasing smart versions of tickets. The level of this discount varies significantly.
- 4.9.8 TAS research has established very clearly that there are problems with extended transaction times for smartcards, more as a result of ergonomics than technology. Renewal, upload and first use can take around thirty seconds per passenger in some cases and even simple recordings are two to three times the transaction time taken by paper equivalents with a simple button press.
- 4.9.9 There are exceptions which buck the trend. One particular innovation is the offer of carnet-style tickets (such as Nottingham's Easyrider Anyday) while trentbarton's MANGO smartcard suite provides a range of discounts including a 25% discount on adult and child single cash fares. MANGO was a pioneer on UK buses in using a touch-on and touch-off system. A number of operators offers a multiple of day tickets at a discounted price as another form of carnet.

Mobile Ticketing

- 4.9.10 M-Ticketing, Near Field Communications and EMV contactless bankcard payment have rapidly overtaken smartcard systems and are now dominant players in the ticketing revolution. Stagecoach Group launched the UK's first mobile contactless ticketing trial in 2012 in Cambridgeshire, although it went on to favour the rollout of the StagecoachSmart smartcard before returning to mobile ticketing.
- 4.9.11 It is perhaps a shame that as the market progressed rapidly to mobile and bank card systems and TfL itself announced that Oyster is outdated, so much time, effort and very significant sums of money is still being expended in developing individual smartcard schemes with varying degrees of success.
- 4.9.12 Mobile ticketing has proven quick to introduce (months rather than years) and has been adopted by most operators including several of the independent operators in our sample, such as Rotala and McGill's. Arriva led the way in this regard and offered discounts on some '4-Weekly Saver tickets' via m-ticketing. It is notable that most operators which placed their eggs in the smartcard basket initially have also launched M-ticket equivalents (e.g. Stagecoach and Nottingham).
- 4.9.13 A by-product of the 'Fairer Fares' scheme in Bristol is that there are only five different adult single fares charged. This has allowed it to sell a carnet of trips of a given value for use on mobile phones – e.g. ten £3.50 trips. These are effectively 'single use' m-tickets which expire once activated, sold at a discount.
- 4.9.14 Transaction time is not an issue generally with M-tickets; effectively in most cases these replace a paper ticket shown to the driver with an electronic equivalent, except where the phone and ticket machine are expected to communicate. The downside of M-ticketing is that there is little way of analysing use (and thus distributing revenue fairly) if the ticket is not read by the ETM.

Use of Bankcards

- 4.9.15 The biggest growth in ticketing medium over the past couple of years has been in the acceptance of bank cards for payment of fares – so-called 'contactless' transactions. This has rolled out at a phenomenal rate in the last two years, especially across the big groups. We can assume that this will be a prerequisite whenever an operator renews ticket machines. To many, the availability to use bank cards not only removes the worry about having sufficient cash, sufficient coins or knowing the fare, but at the same time renders the transport-specific smartcard almost dead in the water.
- 4.9.16 Use of bank cards, of course, is purely a substitute for cash. As such there are benefits to passenger and operator in not having to handle cash and for the passenger in not having to know the fare before travel. For the operator the

benefits are tempered by whatever the banks require as a 'back-office' charge, but in general terms this is now a small percentage 'commission charge' rather than the initial (higher) fixed charge per transaction. So long as on-bus ticket prices vary bank cards will need to handle a range of fares and there need not necessarily be any great advantage in terms of transaction time.

- 4.9.17 Stagecoach announced in September 2019 that Contactless transactions accounted for a third of on-bus revenue with 15% year-on-year growth¹ and First stated in November 2019 that non-cash payments (contactless and M-Tickets) had overtaken cash as preferred payment method of customers for all ticket transactions².

'Tap and Cap'

- 4.9.18 Outside London, contactless capping is in its infancy, whereby the cost of the number of journeys made by contactless payment is capped either daily or weekly. This can take two forms:
- Flat fare – this is the simple one where passengers tap on and are charged a flat fare for a single no matter the distance travelled, e.g. £2.40 for NX West Midlands (capped at £4.60 per day) and £2 for First South Yorkshire in Doncaster (capped at £4.70 per day or £16.50 per week),
 - ◆ The downside is that passengers miss out on short hop discounts whilst a flat fare is impractical for longer distance routes outside metropolitan areas;
 - Tap-on Tap-off – this is the more complex system, TrentBarton was the only company pre-contactless to have this system for a smartcard. The passenger taps-on the ticket machine when boarding and taps-off using a card reader when alighting. The back office software then calculates the right fare for the journey sometimes with a discount,
 - ◆ The downside for the passenger is that if they forget to tap-off they are charged the full fare for the route (as happens on the Tube in London).
 - There has yet to be a true multi-operator capping system set up.

The Adoption of QR Codes

- 4.9.19 The downside, for operators, of paper tickets and m-tickets whose use was simply recorded by 'flashing' a piece of paper or a phone at the driver was twofold:
- a) It is not that easy for a driver to check validity in the second or two while the 'flash' takes place and

¹ <https://www.stagecoach.com/media/news-releases/2019/2019-09-23.aspx>

² <https://www.bbc.co.uk/news/uk-scotland-scotland-business-50419261>

b) It depends on a subsequent accurate button press by the driver to note use of the correct ticket type.

4.9.20 The adoption of QR codes on tickets has remedied both of these. The QR code is printed on a paper ticket and included as part of the screen display on mobile phones. In each case the ticket machine, rather than the driver, reads the ticket and not only checks validity and records the correct pass type but also records a serial number held within the QR code. The latter allows operators to track individual tickets and assess trip rates etc.

4.9.21 Operators who have adopted the use of QR codes have reported a real change in passenger behaviour as a result. They have also switched some degree of sales back to on-bus purchase.

The Disenfranchised (see also 10.2.8)

4.9.22 There is a major risk if operators transferred to solely electronic payment of fares. At the end of 2019 (i.e. the time of this survey):

- 21% of adults in the UK did not own or have access to a smartphone³;
- 1.2m people over 16 had no bank account⁴,
 - ◆ And many bank accounts for under 16s have restricted debit cards,
- 24% of debit and credit cards in circulation were not 'contactless'⁵.

A Question of Choice

4.9.23 Our experience of looking at ticket sales has shown us that, with the expected exceptions, that smartcards have simply switched one medium for another. As a generality, politicians seem rather more enthusiastic about smartcards than passengers. We might even question whether the millions of pounds of public money invested in smartcard schemes could have been more wisely and beneficially spent.

4.9.24 Mobile ticketing catches on very quickly and grows rapidly in the beginning but then reaches a plateau. The availability of contactless purchases seems to have encouraged something of a switch back to on-bus sales. We can understand this, it requires no advance planning to travel, it is an instant sale.

4.9.25 Above all, customer choice is a consideration. Passengers vote with their bottoms on seats and if half or more of them prefer to give notes and cash or hand a bank card directly to a driver in return for a paper ticket in a plastic wallet why send them elsewhere to buy it when they might just not bother?

³ <https://www.finder.com/uk/mobile-internet-statistics>

⁴ <https://www.theguardian.com/money/2019/apr/22/britons-without-bank-account-pay-poverty-premium>

⁵ <https://www.finder.com/uk/credit-card-statistics> and <https://www.statista.com/statistics/488043/number-of-contactless-debit-credit-cards-united-kingdom/>

5.1 Introduction

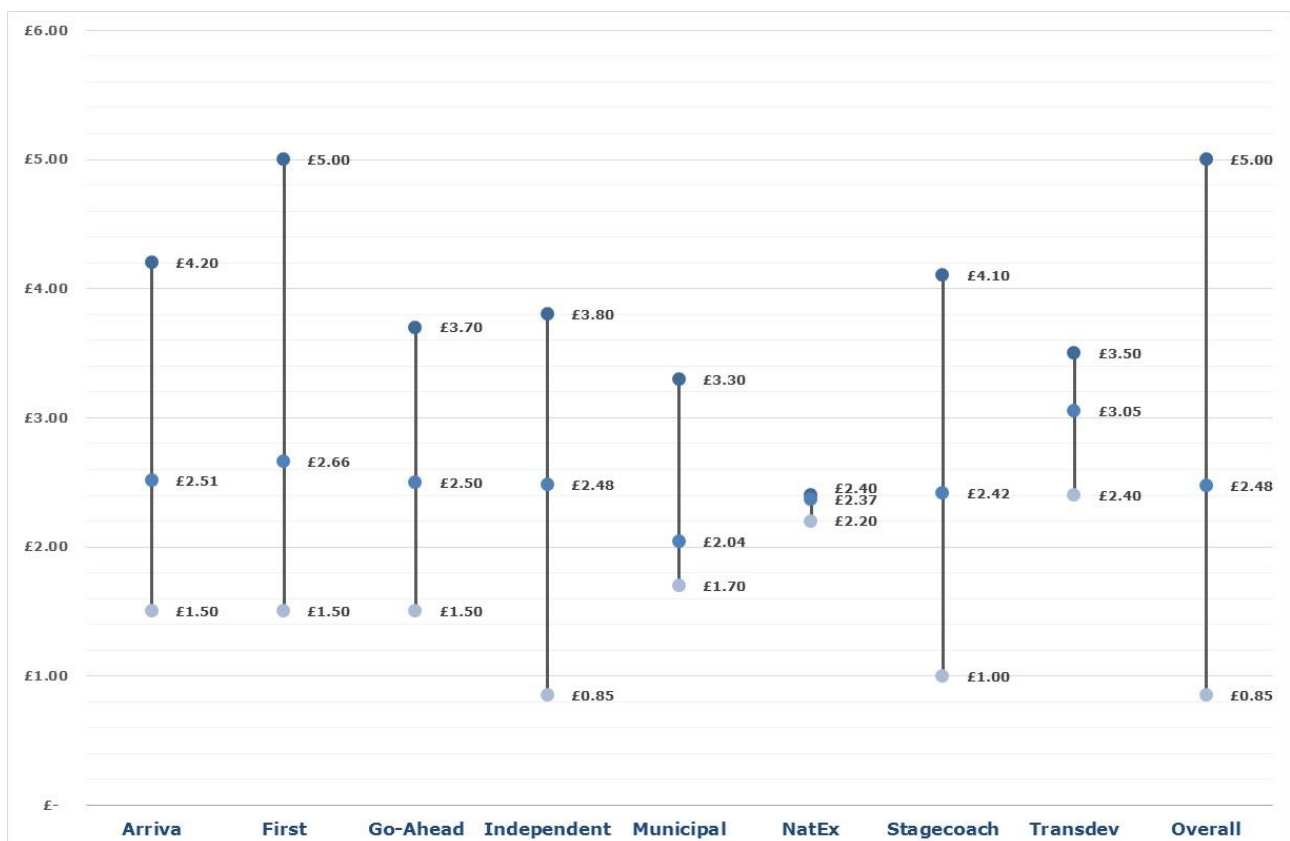
- 5.1.1 This section presents analysis of the 2019 survey data by operator, allocated into ownership groups. These include:
- The six major passenger transport groups: Arriva; First; Go-Ahead; National Express, Stagecoach and Transdev;
 - Smaller passenger transport groups (in terms of UK presence) and other private operators, collectively referred to as the Independents; and
 - Local authority arm's length operators collectively referred to as the Municipals.
- 5.1.2 In general, the relatively small sample size for individual operators or subsidiaries makes it difficult for us to say with any degree of certainty that our findings are an accurate portrayal of those subsidiary operations.
- 5.1.3 There have inevitably been some changes to our operator database since 2017. Operators have both left the database and been newly included in the survey and parts of the major groups reorganised into different operating units. We can make comparisons between and see trends across the groups as a whole but comparison of results between operators is less statistically valid.

5.2 Single Fares

5.2.1 The range of adult single fares by operator group is shown in Figure F. Our analysis shows that:

- The Municipal group of operators has the lowest mean single fare (£2.04);
 - ◆ This is driven by the low fare (£1.70) and size of the operation at Lothian.
- Transdev has the highest mean single fare (£3.05);
- The Independent group has the lowest adult single fare (£0.85),
 - ◆ Five of the groups have a lowest fare of £1.50 or below;
- First has the highest adult single fare (£5.00) but also has £1.50 fares and
- All groups bar National Express charge a wide range of fares for a three mile journey.

Figure F: Range of Adult Single Fares by Operator

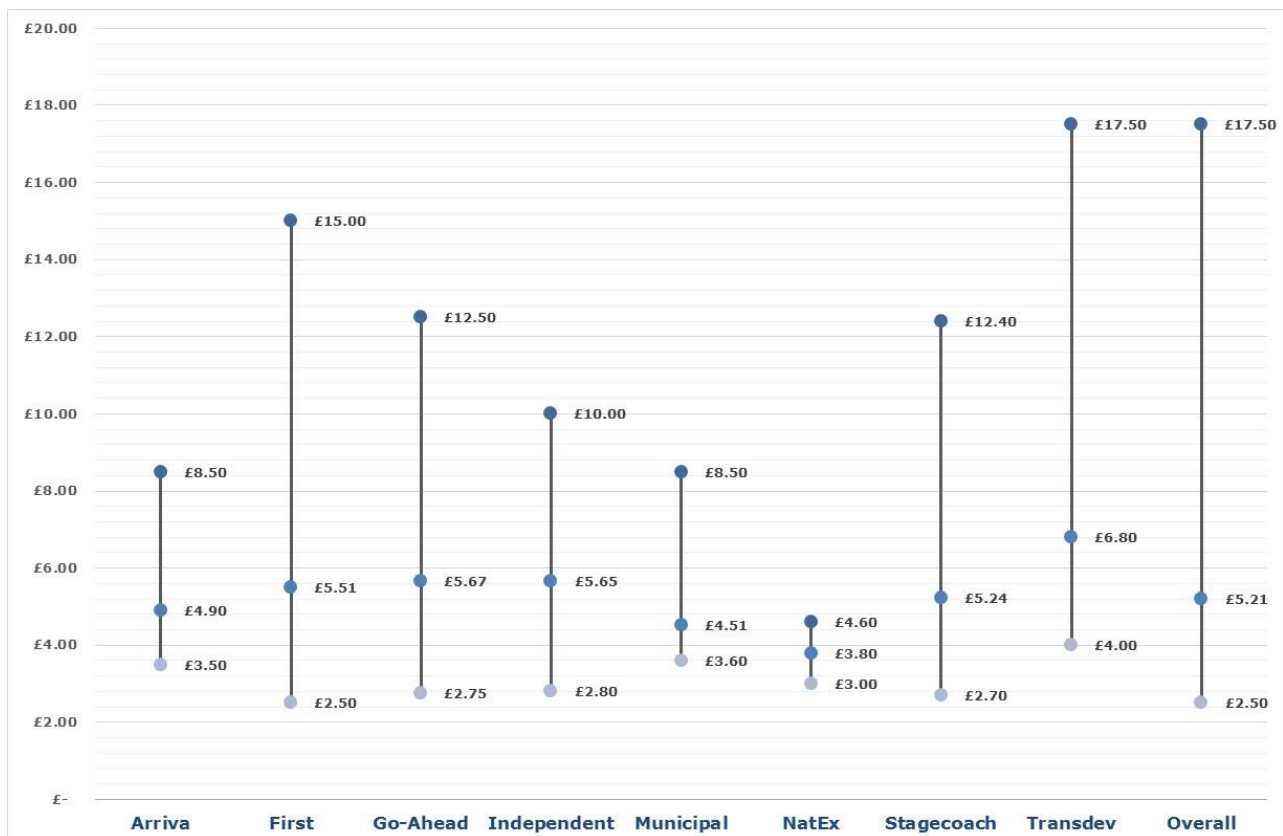


5.3 Day Ticket Prices

5.3.1 Our analysis shows that:

- In 2019, Transdev has the highest average (£6.80) and
- National Express the lowest (£3.80) mean day ticket price
 - ◆ a difference of £3;
 - ◆ Transdev's figure is heavily distorted by the Yorkshire Coastliner figure.
- First has the cheapest day ticket (£2.50), but the minimum price of all groups is £4 or below.
- The mean values for First, Go-Ahead, Independents and Stagecoach are remarkably similar.

Figure G: Range of Day Ticket Prices by Operator



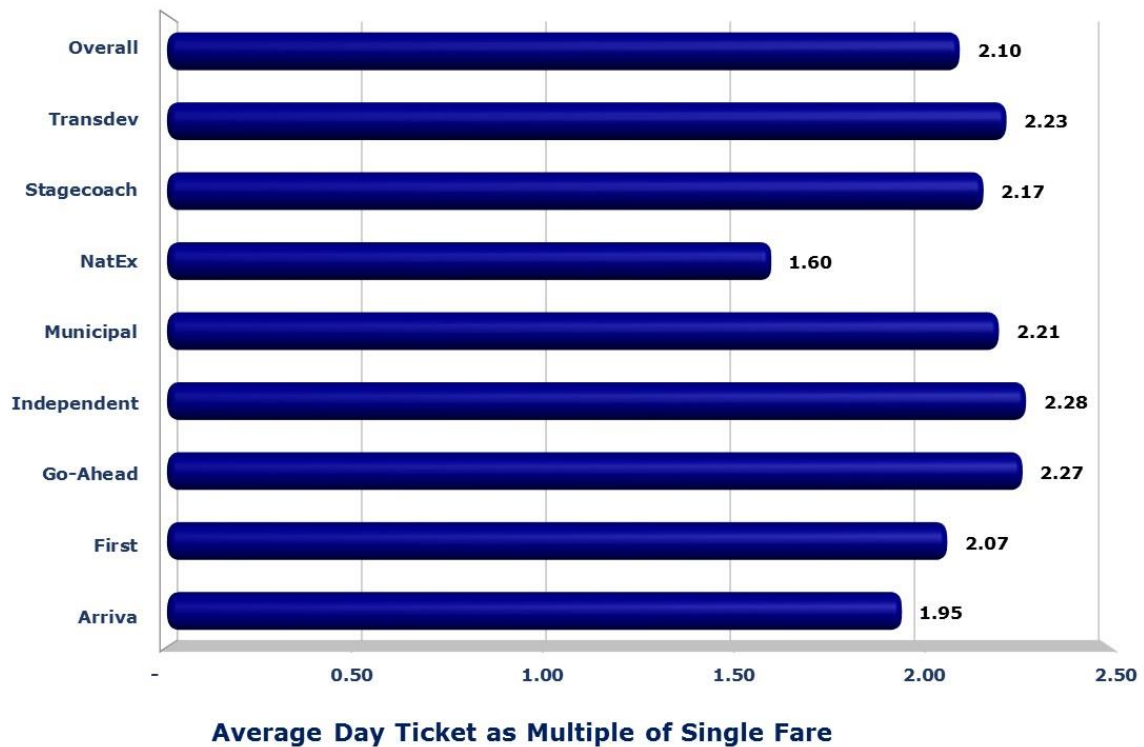
5.4 Day Ticket Multipliers

5.4.1 Figure H illustrates the day ticket multipliers – the number of journeys against which each customer begins to make a saving by purchasing a day ticket compared to multiple single tickets. Where the multiplier is 2.0 each day ticket represents the equivalent of the cost of two single journeys.

5.4.2 The overall mean is 2.10, i.e. an average day ticket costs 10% more than the cost of two three-mile singles

- Only Arriva and National Express have day tickets priced on average below the cost of two singles;
- But no operating group prices its day tickets at over three times the 'average' single

Figure H: Average Multipliers – Singles to Day Tickets



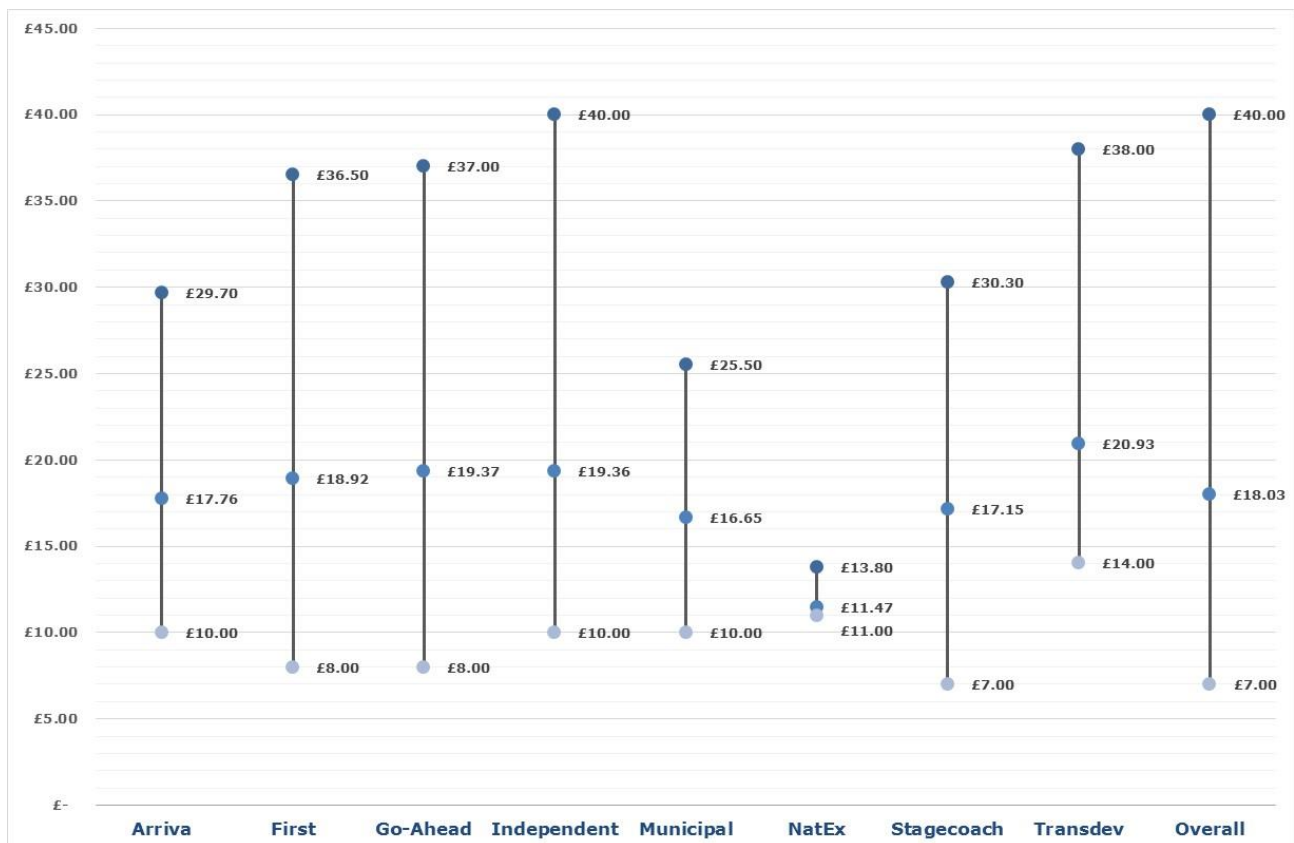
5.5 Weekly Tickets

5.5.1 Figure I shows that:

- In 2019, Transdev had the highest mean weekly ticket price at £20.93 and
- National Express the lowest mean at £11.47;
- Stagecoach has the lowest-priced weekly ticket at £7 and
- The Independents have the highest priced weekly ticket at £40
- All bar National Express has a wide range of prices.

5.5.2 The figures are somewhat skewed by the low availability of weekly tickets on bus for some groups. Fewer than 40% of survey samples for both Municipals and National Express had weekly tickets available to buy on bus.

Figure I: Range of Weekly Ticket Prices by Group



5.6 Weekly Ticket Multipliers and Discounts

5.6.1 Table 7 below shows the average multiplier of single to weekly ticket price and the discount offered on five return trips per week. Note that for any multiplier below eight, passengers receive a discount if they travel four days per week.

- Note that all of the 'big five' bar Go-Ahead offer above average discounts.
- No operator's average weekly ticket price is higher than 8.15 times an average single.

5.6.2 These figures show appreciable discounts for those travelling only three miles, those travelling further will be receiving very high levels of discount.

Table 7: Average Single to Weekly Tickets

Group	Single to Week Multiplier	Discount
Arriva	7.07	29%
First	7.11	29%
Go-Ahead	7.76	22%
Independent	7.81	22%
Municipal	8.15	19%
National Express	4.84	52%
Stagecoach	7.09	29%
Transdev	6.85	31%
Overall	7.28	27%

5.7 Arriva

5.7.1 Figure J to Figure L illustrate the range of Arriva single, day and weekly fares by operator.

- There is an appreciable range of single fares at all operations;
- The highest mean single fare by some margin is at Kent & Surrey (£3.14) and the lowest at Yorkshire Tiger (£2.04);
- Some single fares only have 'whole network' day alternatives at £6 or more; but five of the operations have day tickets priced at £4 or under;
- All average day tickets are within a £4.50 to £5.50 range,
- The average weekly price is more spread out although all are £20 or under;
- The cheapest weekly ticket is at Yorkshire Tiger but even the most expensive Arriva weekly tickets are below £30.

Figure J: Arriva Single Fares by Operator

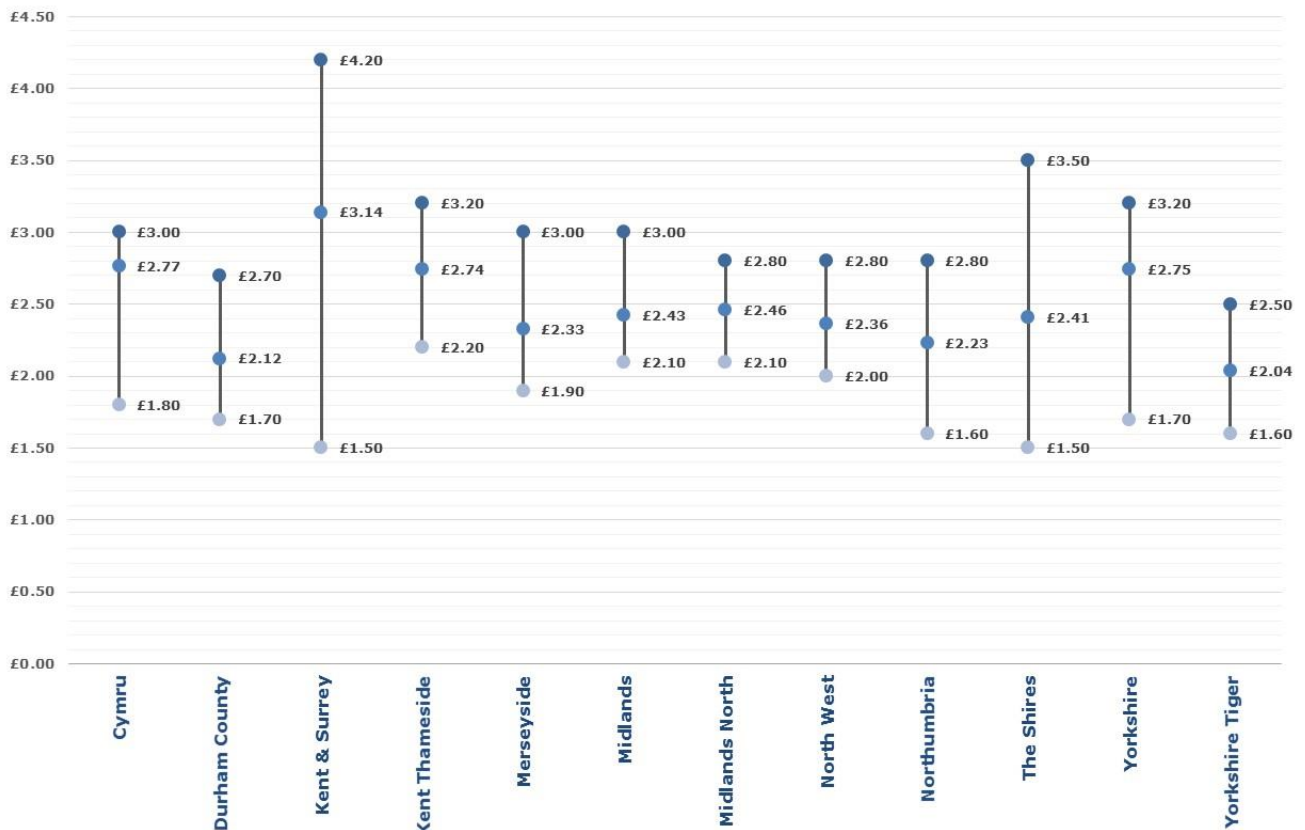


Figure K: Arriva Day Tickets by Operator

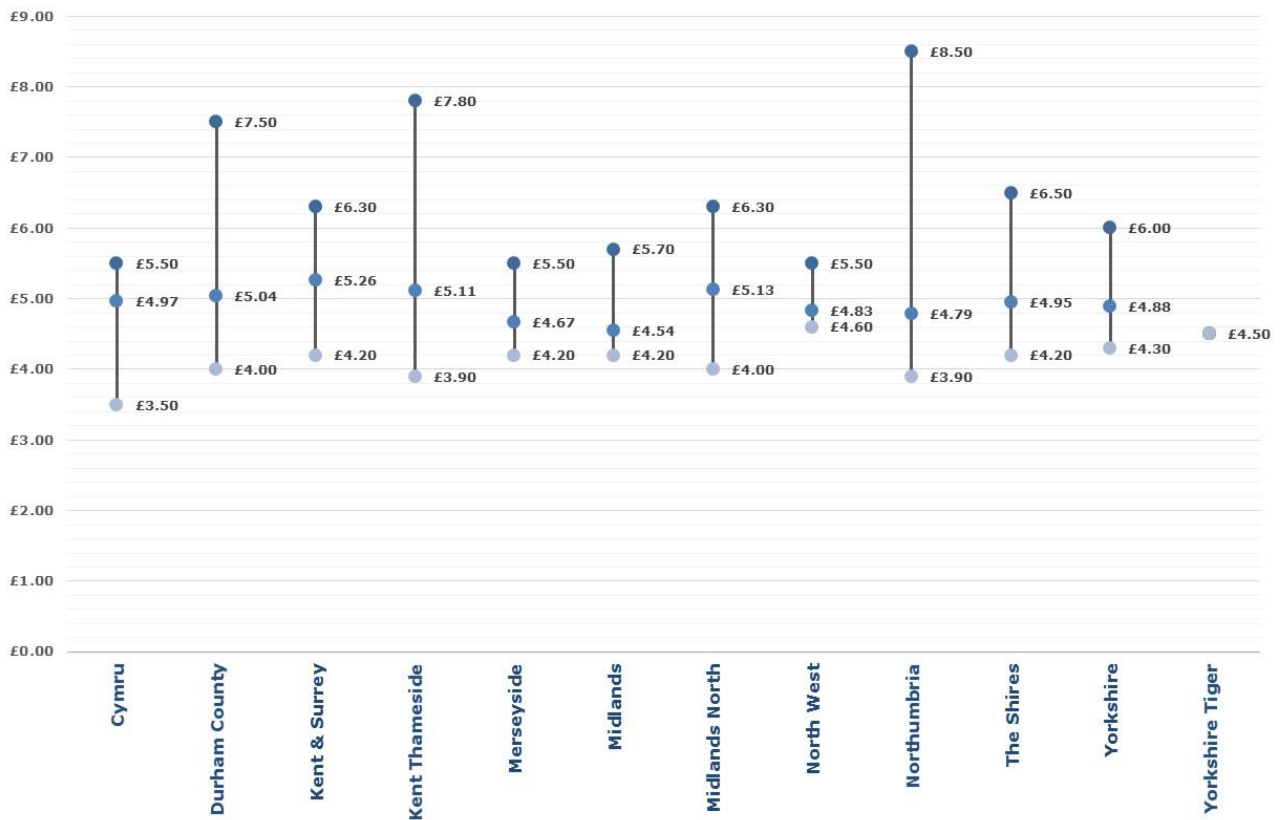
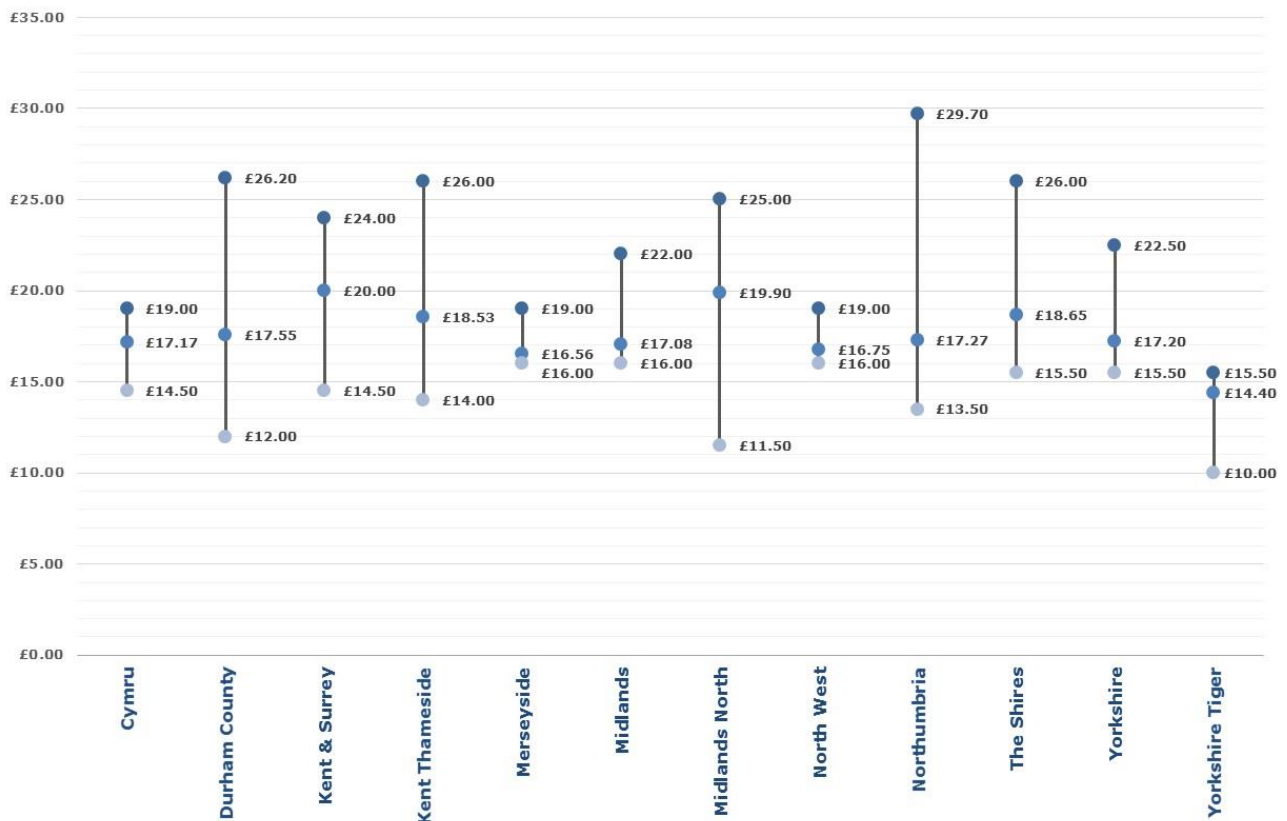


Figure L: Arriva Weekly Tickets by Operator



5.8 First

5.8.1 Figure M to Figure O illustrate the range of First single, day and weekly fares by operator.

- There is a huge difference in the range of single fares from no variation at all (Aberdeen, Greater Manchester and Scotland East) to 113% difference (Midland Bluebird);
- The highest mean single fares are at Beeline (£3.67), and the lowest (excluding the flat fare areas), is at South Yorkshire (£2.25), although there are many at around £2.30;
- Some single fares only have 'whole network' day alternatives at £7 or more; but there are a number of day tickets priced at or below £4;
- Seven operators have a single day ticket price and five operators have an average day ticket price of over £5;
- Only four have an average or flat weekly ticket price of over £20;
- The cheapest weekly ticket is at Hampshire & Dorset but even the most expensive First weekly tickets are £30 or below with the exception of one Essex example.

Figure M: First Single Fares by Operator

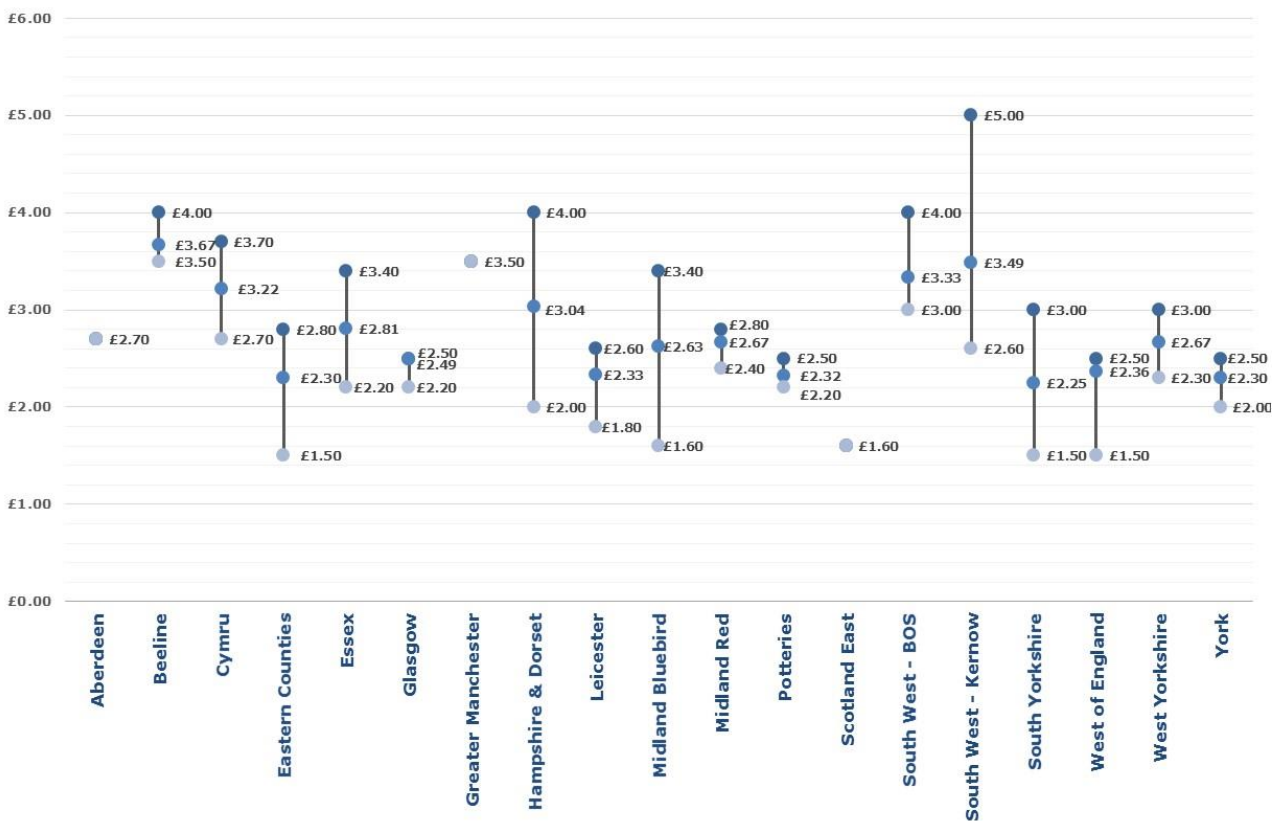


Figure N: First Day Tickets by Operator

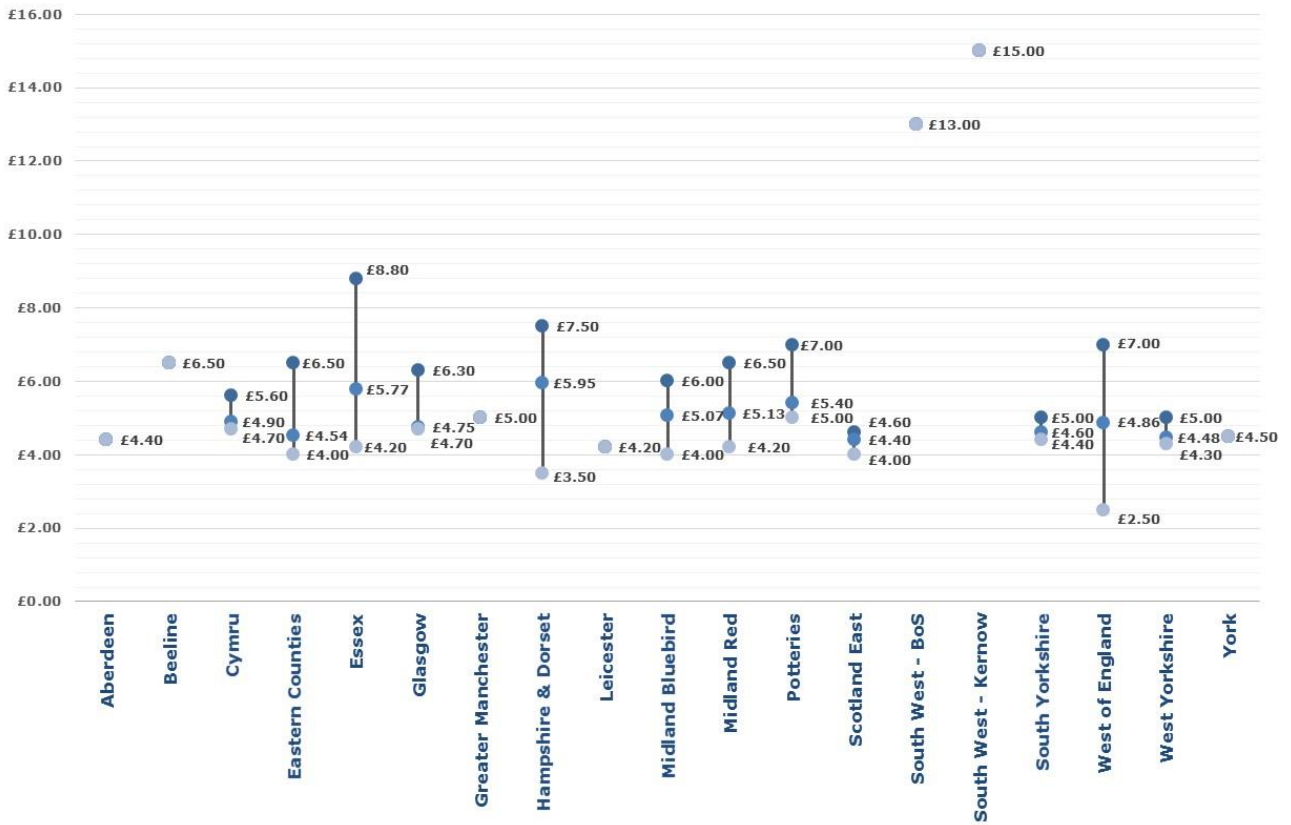
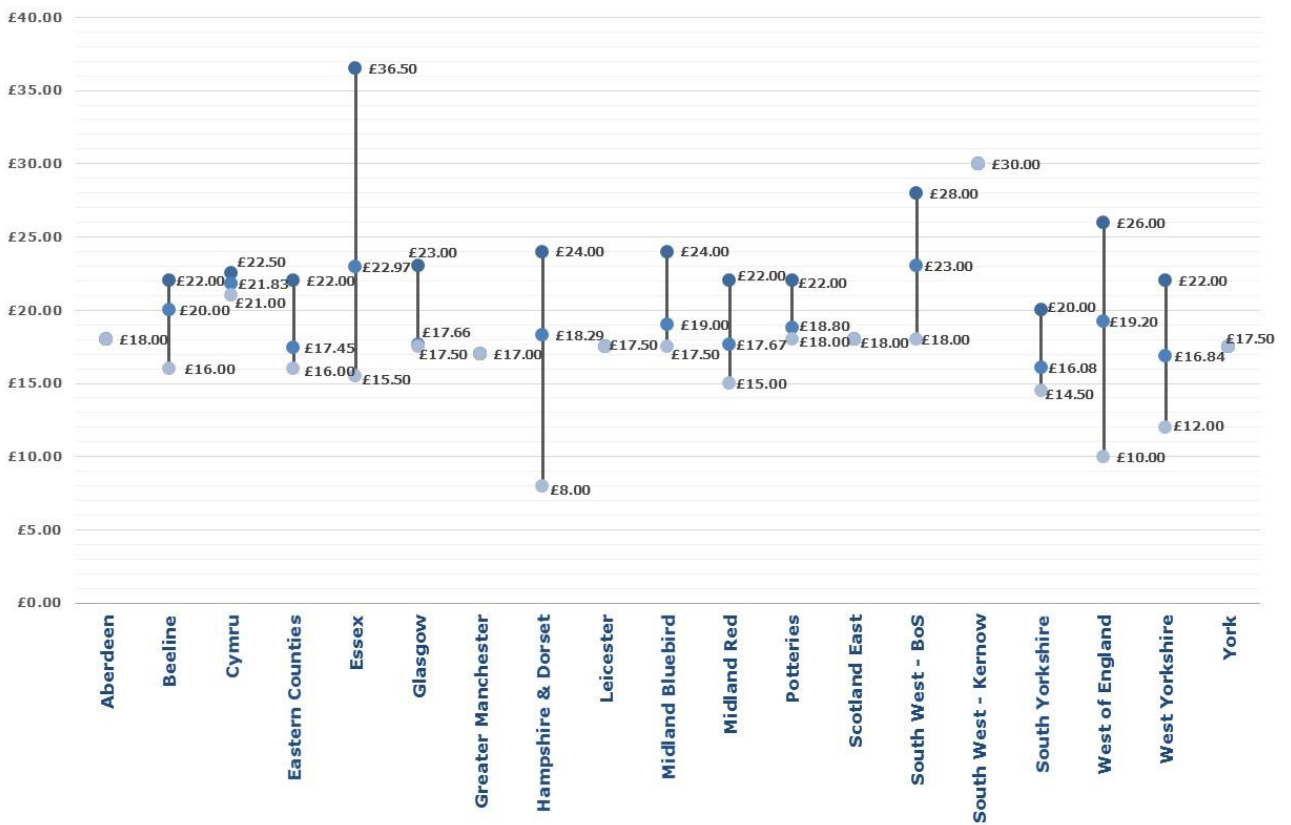


Figure O: First Weekly Tickets by Operator



5.9 Go-Ahead

5.9.1 Figure P to Figure R illustrate the range of Go Ahead single, day and weekly fares by operator.

- There is a huge difference in the range of single fares from no variation at all (Heddingham) to over 100% difference (East Yorkshire and Morebus);
- The highest mean single fare is at Southern Vectis (£3.30) only slightly different from Go North West (£3.19) and the lowest at Swindon (£1.95);
- Some single fares only have 'whole network' day alternatives at £7 or more; the Southern Vectis £10 ticket is notable, while East Yorkshire has both the lowest and highest priced day tickets reflecting the nature of its network;
- Seven operators have an average or flat day ticket price of £5 or under whilst only nine have an average or flat weekly price of under £20;
- Cheapest weekly ticket is at Bluestar and the most expensive weekly ticket is £30 at Plymouth (a by-product of its expansion into Cornwall).
- The Southern Vectis weekly at a very reasonable £25 is notable compared to a high average single fare (£3.30) and day ticket (£10). Uniquely for Go Ahead, you cannot purchase Brighton & Hove weeklies on the bus.

Figure P: Go Ahead Single Fares by Operator

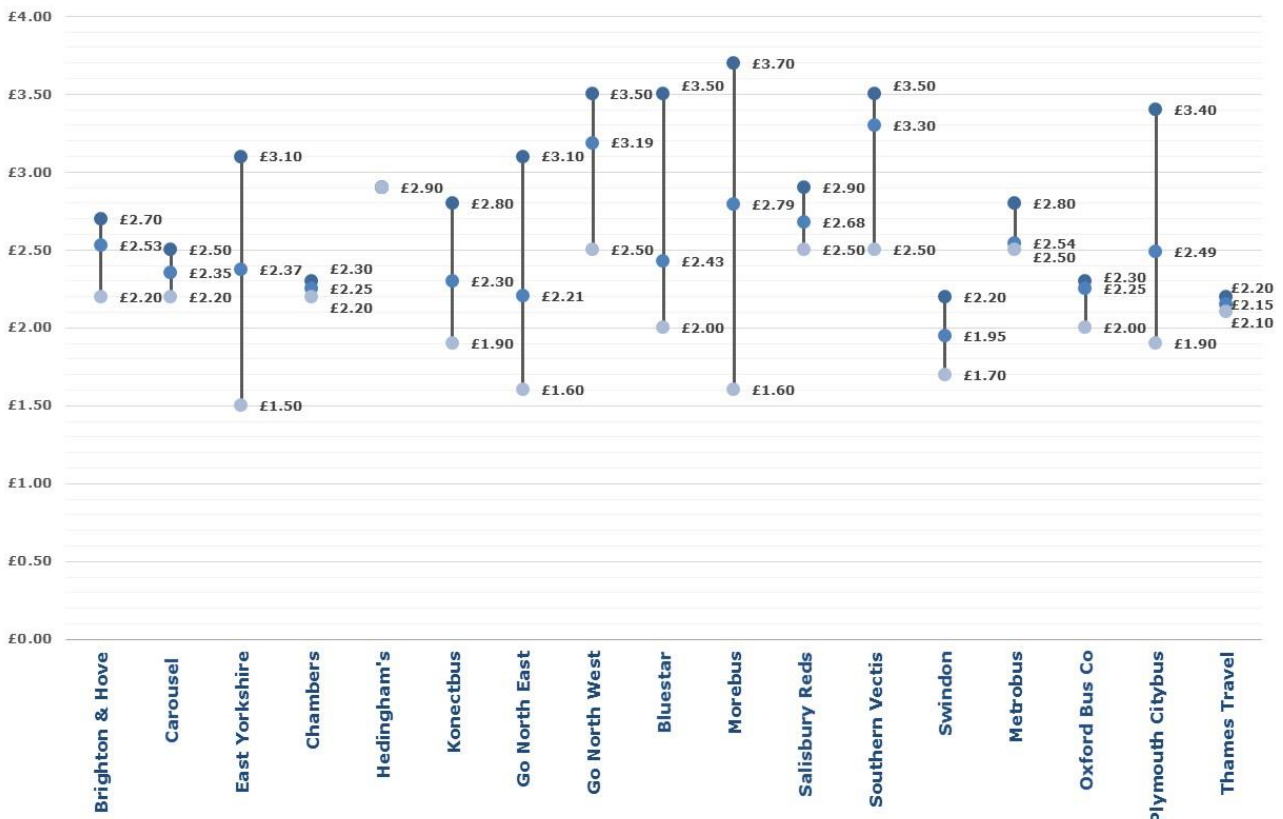


Figure Q: Go Ahead Day Tickets by Operator

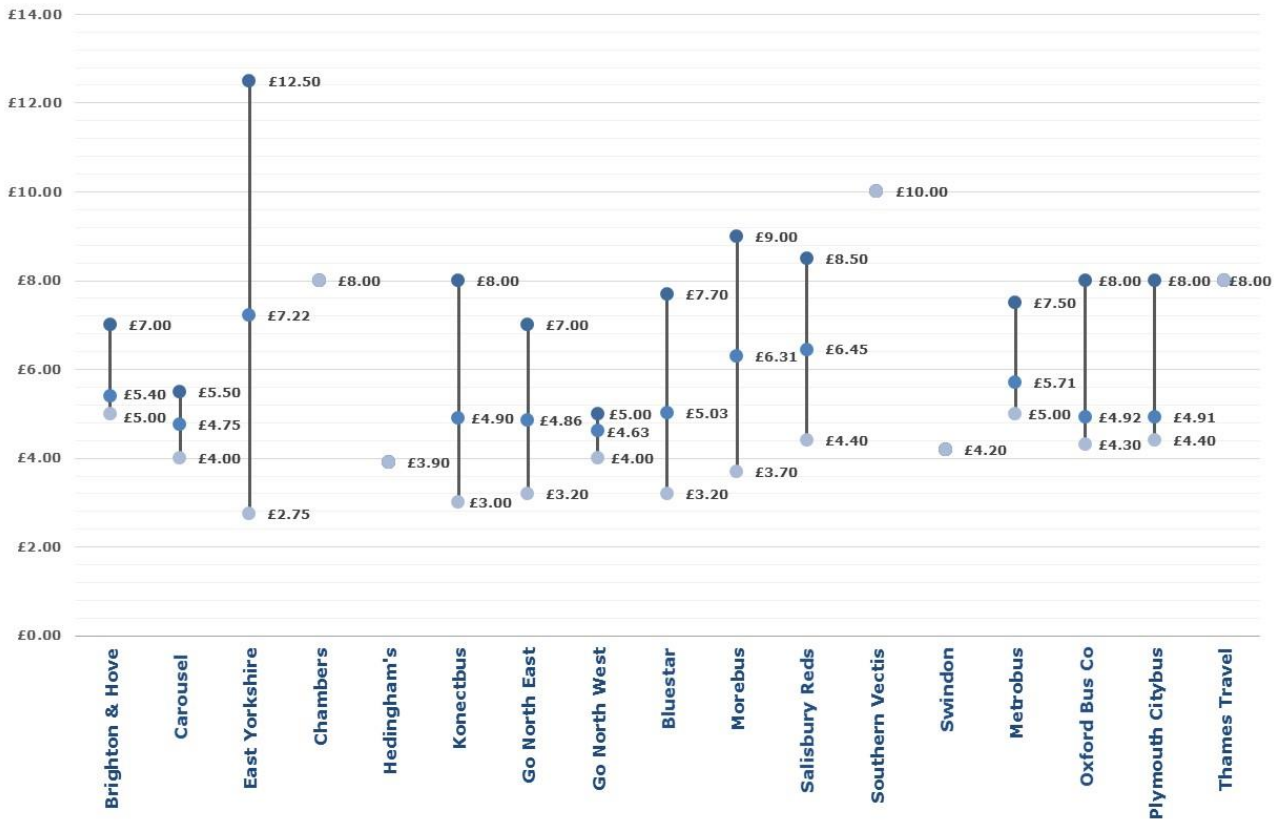
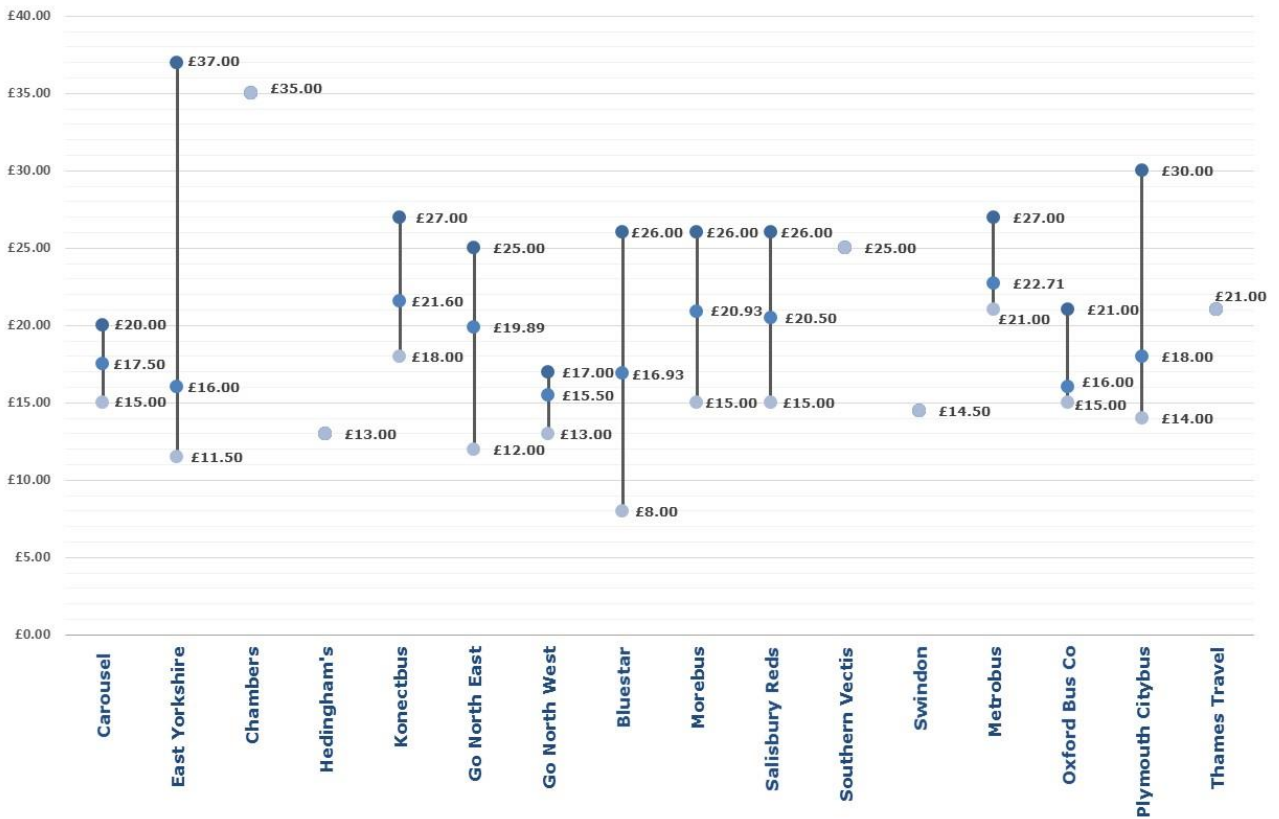


Figure R: Go Ahead Weekly Tickets by Operator



5.10 Independent Operators

5.10.1 Figure S to Figure U illustrate the range of independent operators' single, day and weekly fares by operator.

- This is a disparate group of operators with widely differing operations and we would not expect any homogeneity in this group. However with a few exceptions, fare levels are broadly the same as the 'big groups';
- The highest mean single fare (by 1p!) is at Compass Travel (£3) and the lowest is at Brodyr Richards (£1.25) which also has the lowest sample fare;
- Small sample sizes influence the findings for day and weekly tickets but there is no clear difference from the major groups. The availability of day and weekly products is lower, however. 22 operators for sample single fares reduce to 20 for day tickets and 17 for weeklies.
- Trentbarton's high average weekly reflects the lack of a Derby local ticket. Six operators have a flat or average day ticket price under £5 with all but two having a flat or average weekly under £30.

Figure S: Independent Operators' Single Fares

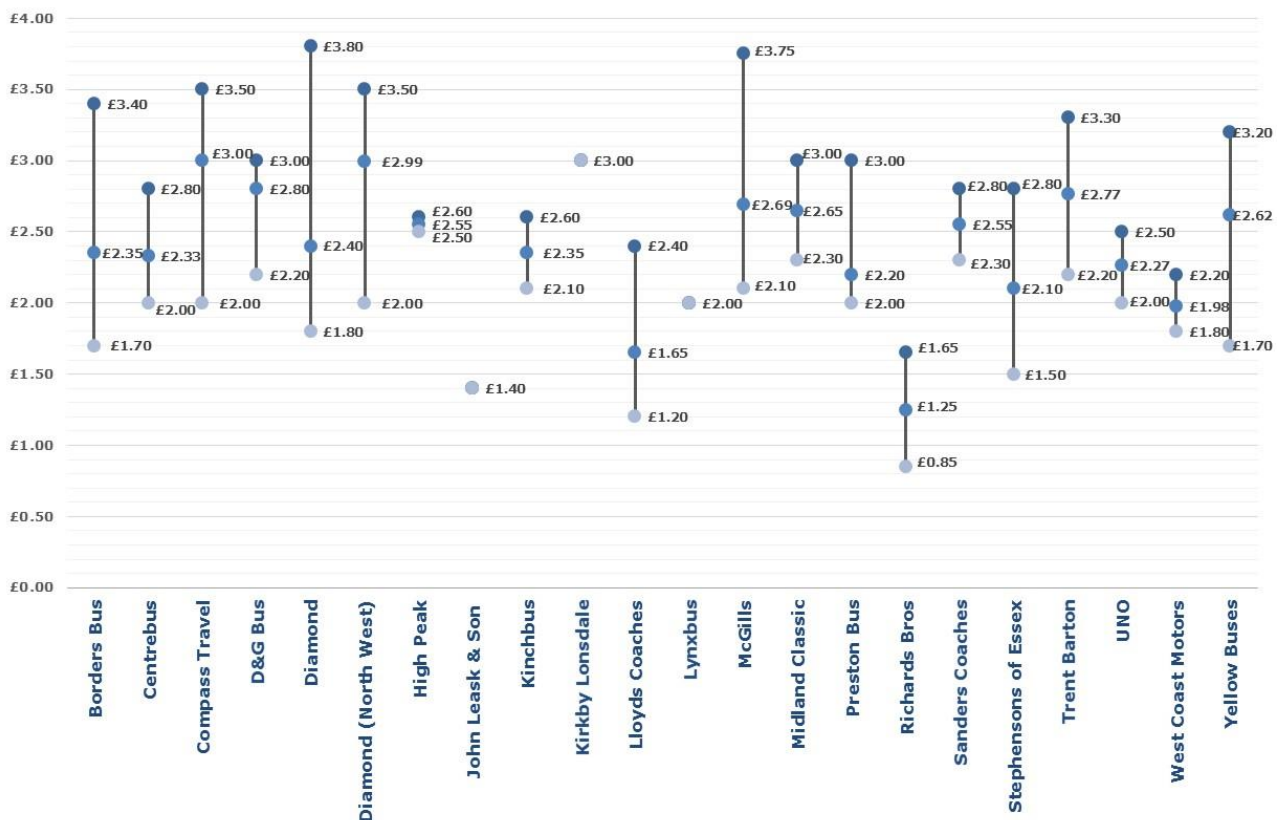


Figure T: Independent Operators' Day Tickets

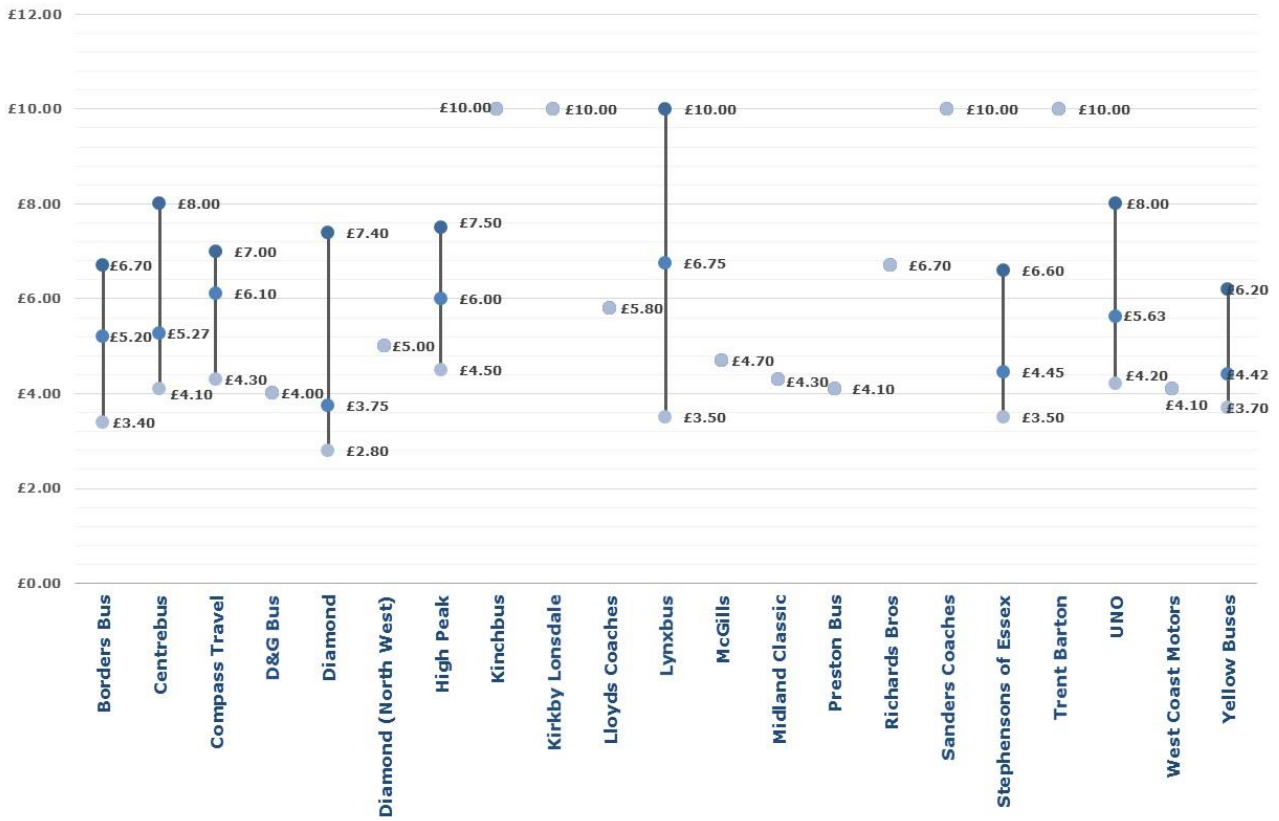
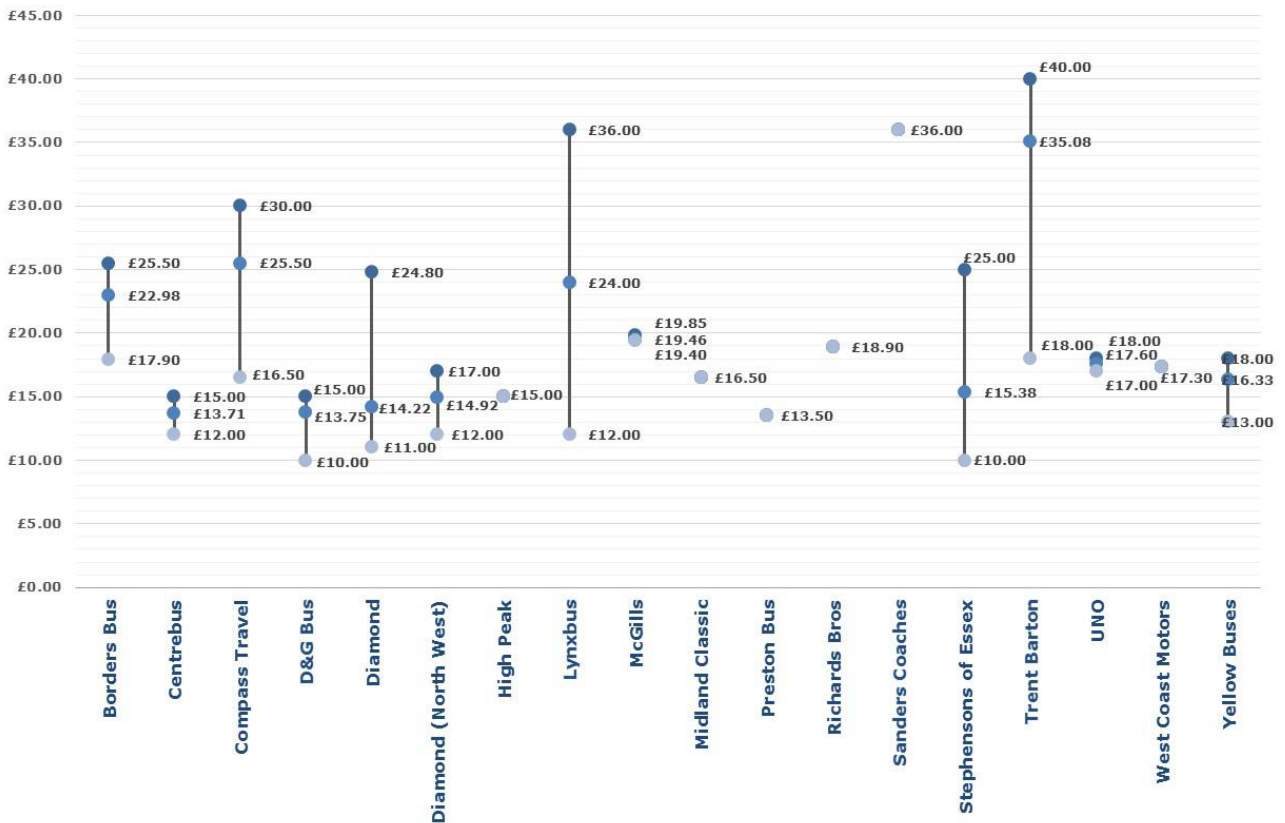


Figure U: Independent Operators' Weekly Tickets



5.11 Municipal Operators

5.11.1 Figure V to Figure X illustrate the range of municipal single, day and weekly fares by operator.

- Whilst the number of municipal operators has declined in recent years, some of those that remain have expanded beyond their traditional boundaries leading to a wide range of fare values reflecting the increasing mix of urban and interurban services;
- The highest mean single fare is Courtney Coaches (£2.80) reflecting its origins as an independent. The lowest other than the Lothian 'flat fare' is at Newport (£1.90);
- Lothian's £1.70 city flat fare, a bargain by any measure, and the size of its operation brings the average of this sector down, otherwise it varies little from the big groups;
- Although some operators' 'country' operations bring in day tickets at over £5, the norm is somewhere around £4;
- Warrington's £5.95 for a relatively small network seems steep but reflects the fact that it has no 'town network' ticket.
- Lothian (and its East Coast Buses and Lothian Country subsidiaries), Nottingham and Reading do not offer network wide weekly tickets for on-bus purchase;
- Of those which offer a full range of weekly tickets on bus, Warrington offers the least expensive (£12) and Courtney the most expensive (£25.50).

Figure V: Municipal Operators' Single Fares

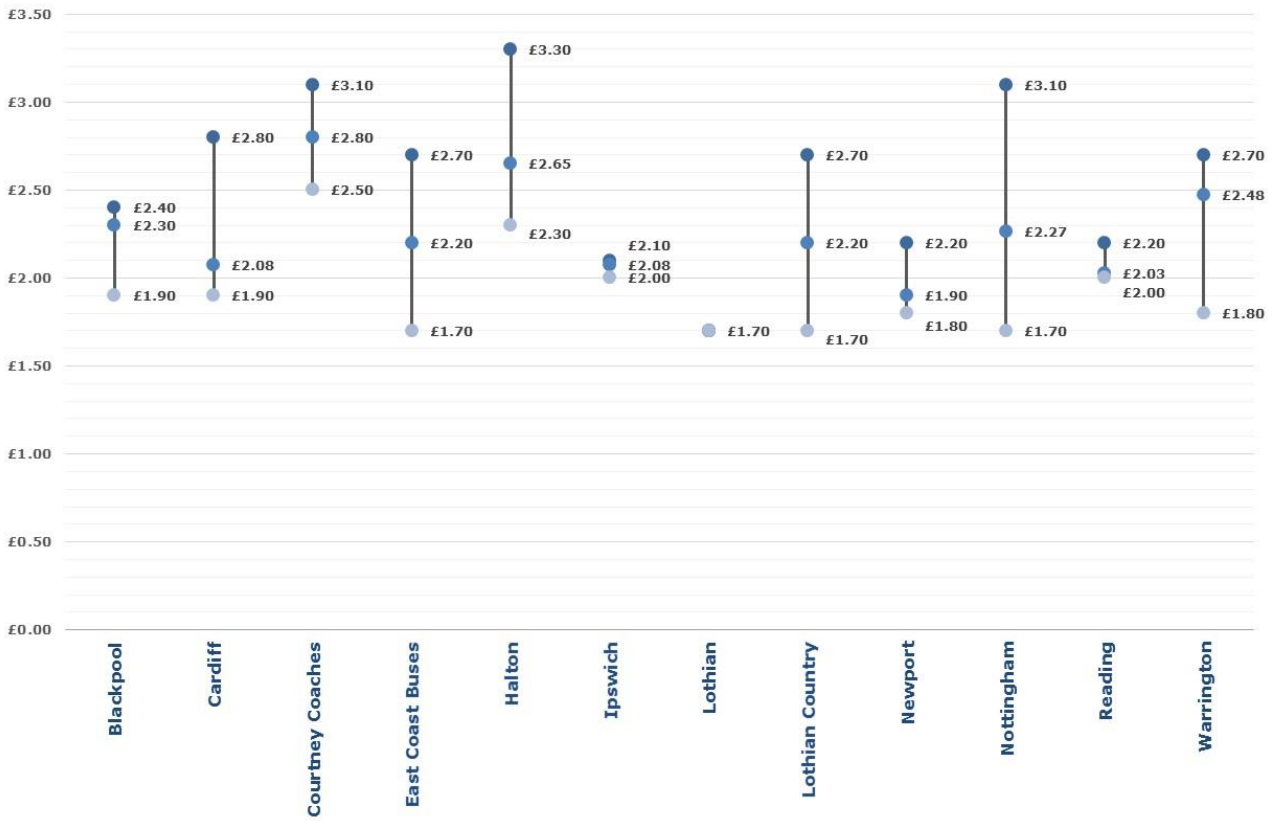


Figure W: Municipal Operators' Day Tickets

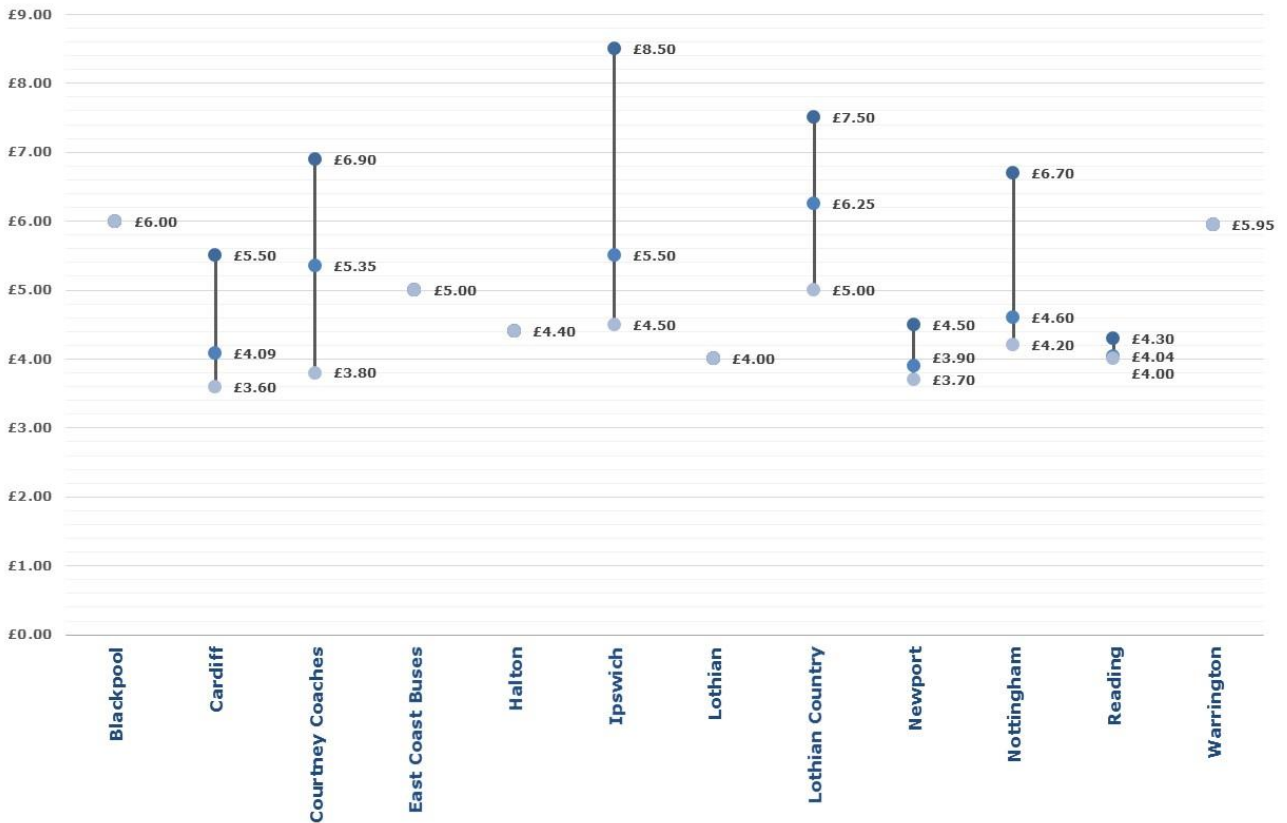
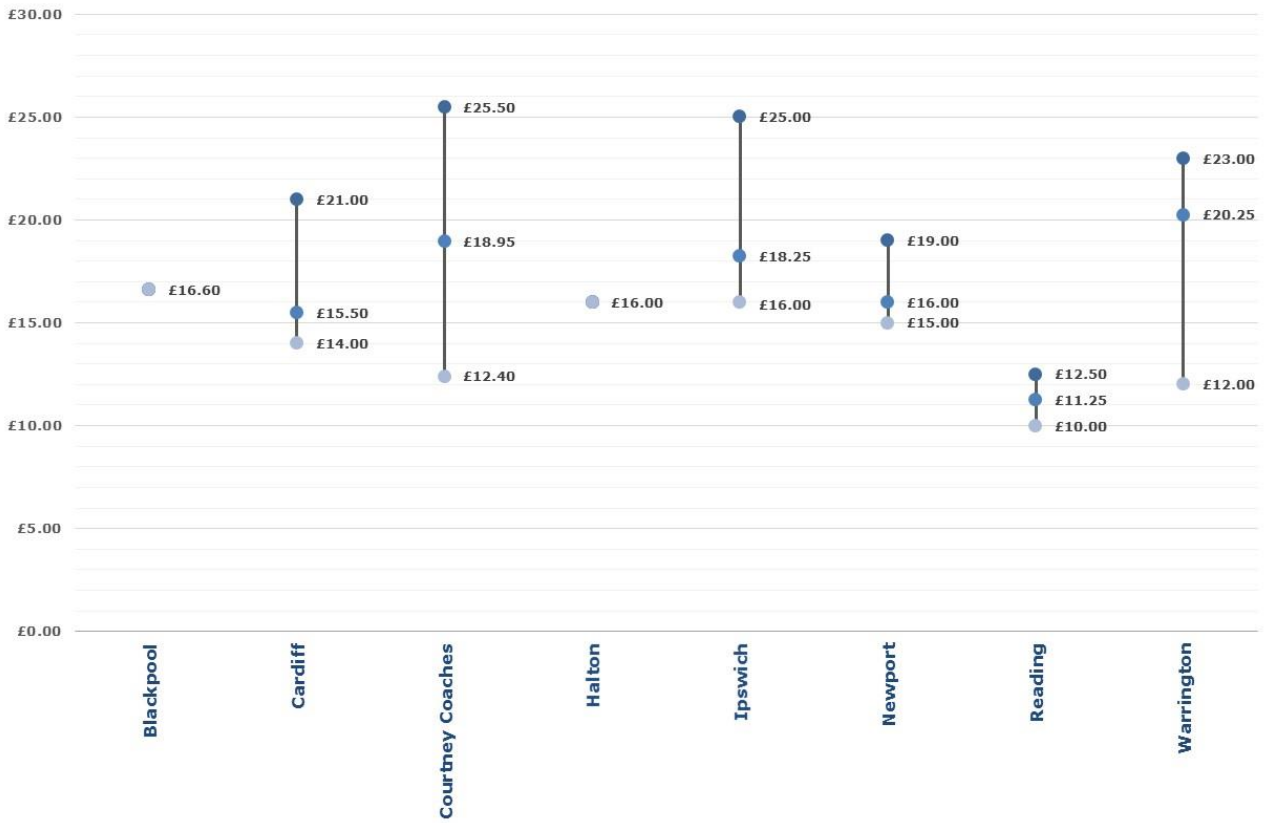


Figure X: Municipal Operators' Weekly Tickets



5.12 Stagecoach

5.12.1 Figure Y to Figure AA illustrate the range of Stagecoach single, day and weekly fares by operator.

- Almost all operators have a wide range of single fares for the same distance (although for Busways, Thames Transit and Yorkshire Traction the range is less than £1),
- Seven operators have a mean single fare around the £2.50 mark whilst Fife Scottish is the only one below £2;
- Some single fares only have 'wider network' day and weekly alternatives; the most expensive £12.40 option at North Scotland covers a local journey with an equivalent single fare of £2.45. Hardly a realistic alternative but is down to its zonal tickets being based on travel to and from Inverness rather than points in between. Stagecoach North Scotland sells twelve-journey tickets at reduced prices to compensate;
- Eight of the operators have an average day ticket of £5 or less, whilst all but Cambus and North Scotland have an average weekly price under £20. Busways, Cleveland Transit and Greater Manchester stand out as areas with much lower multi-journey fares; all three having similar urban network characteristics with two of them being PTE area operators.
- Cheapest weekly ticket is at South (£7) and the most expensive weekly ticket is £30.30 at North Scotland, with another five operators with similarly priced network wide weekly tickets.

Figure Y: Stagecoach Single Fares

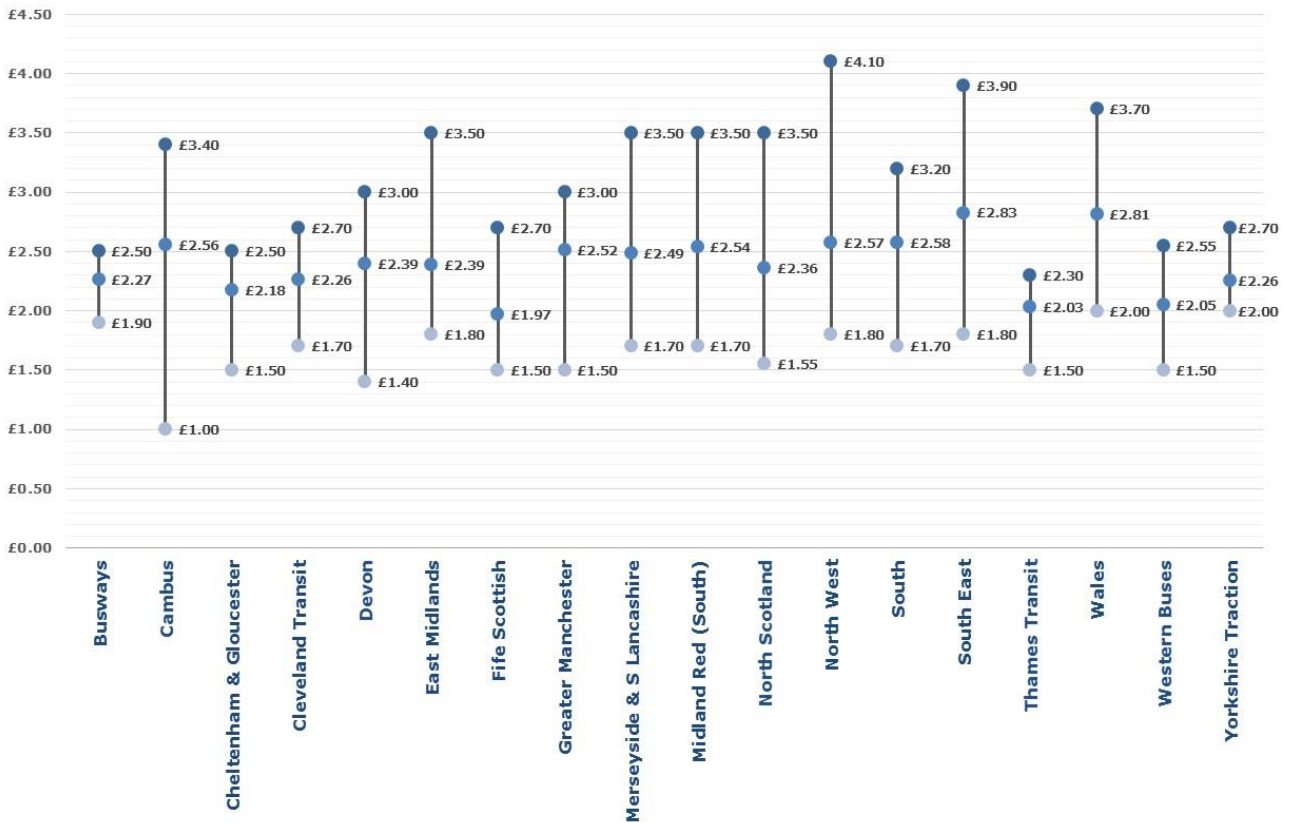


Figure Z: Stagecoach Day Tickets

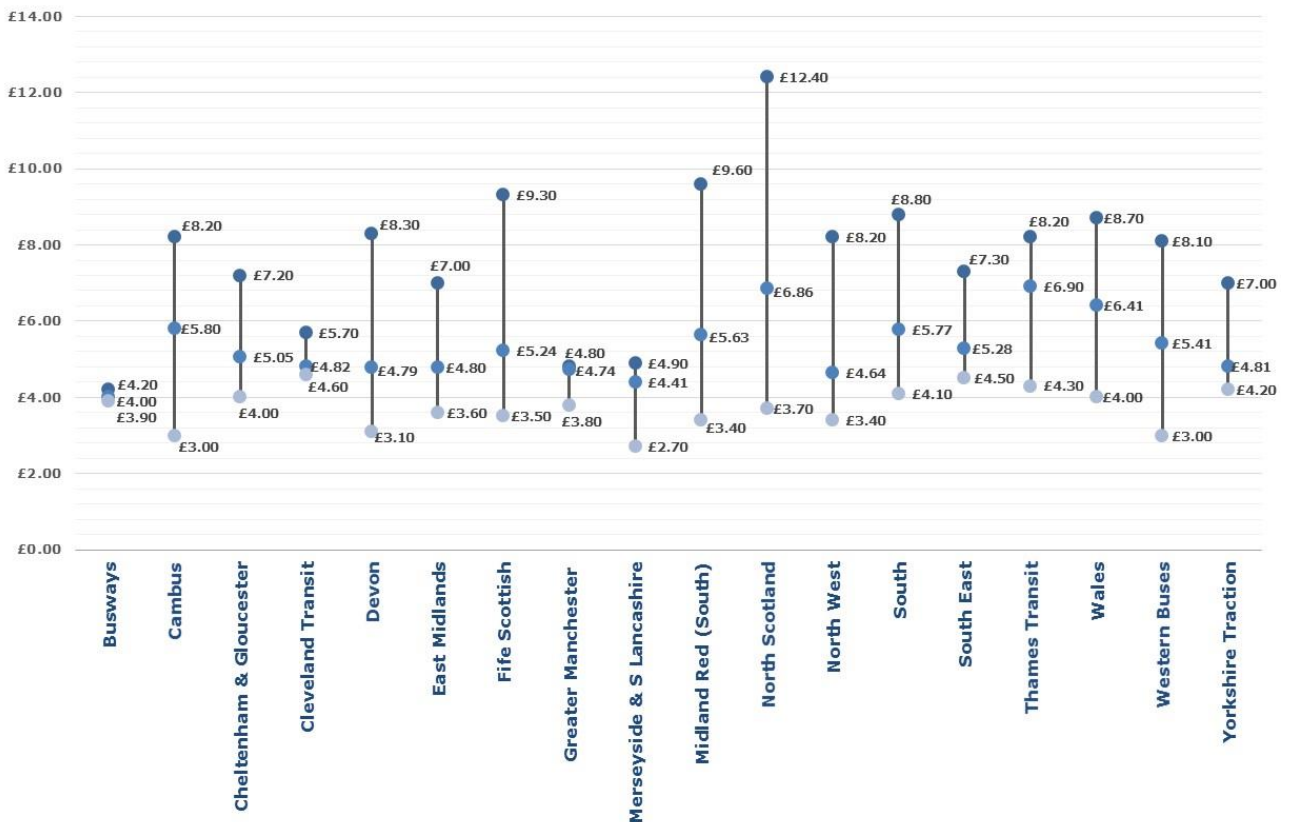
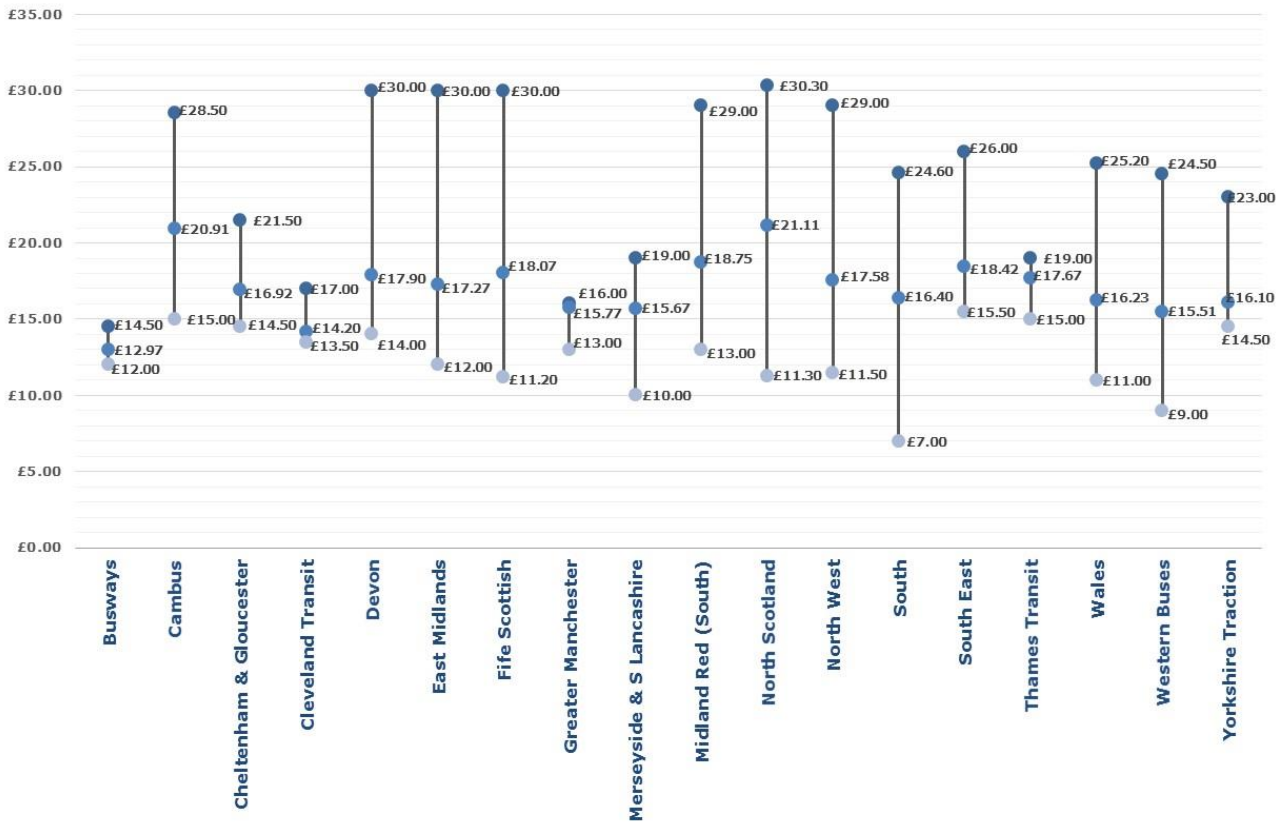


Figure AA: Stagecoach Weekly Tickets



5.13 Transdev

5.13.1 Figure BB to Figure DD illustrate the range of Transdev single, day and weekly fares by operator.

- The range in single fares tends to be wider on the operators which cover the larger areas;
- The highest mean single fare is at Harrogate (£3.43) and the lowest at Blackburn (£2.83);
- Coastliner distorts the overall picture for day and weekly tickets but nonetheless day tickets are more highly priced than other operators on average, while weekly tickets vary little from the norm;
- Four of the operators have an average day ticket priced under £6, whilst half have an average weekly ticket under £20. Partly this relates to the areas covered by the lowest priced tickets (such as Burnley) being too small for the samples and towns such as Ripon being outside any local ticketing areas.

Figure BB: Single Fares on Transdev



Figure CC: Day Tickets on Transdev

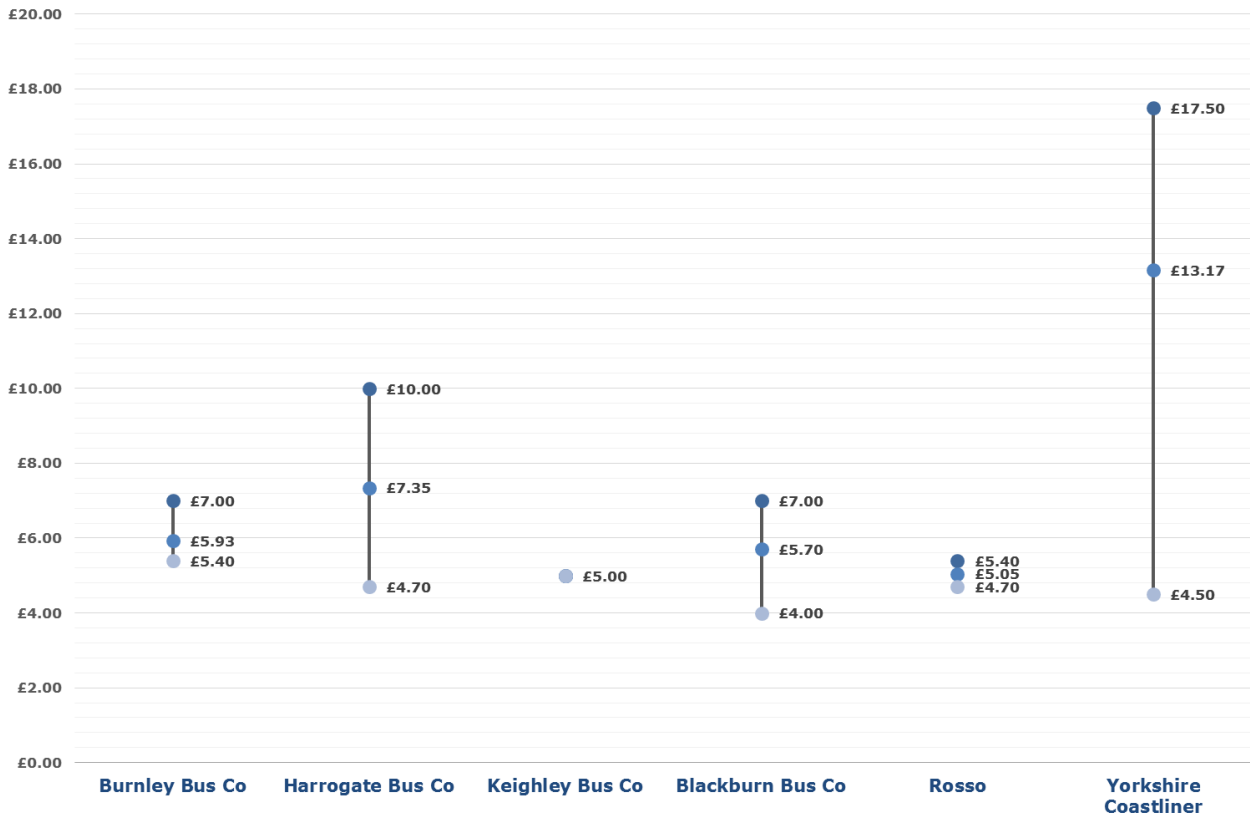
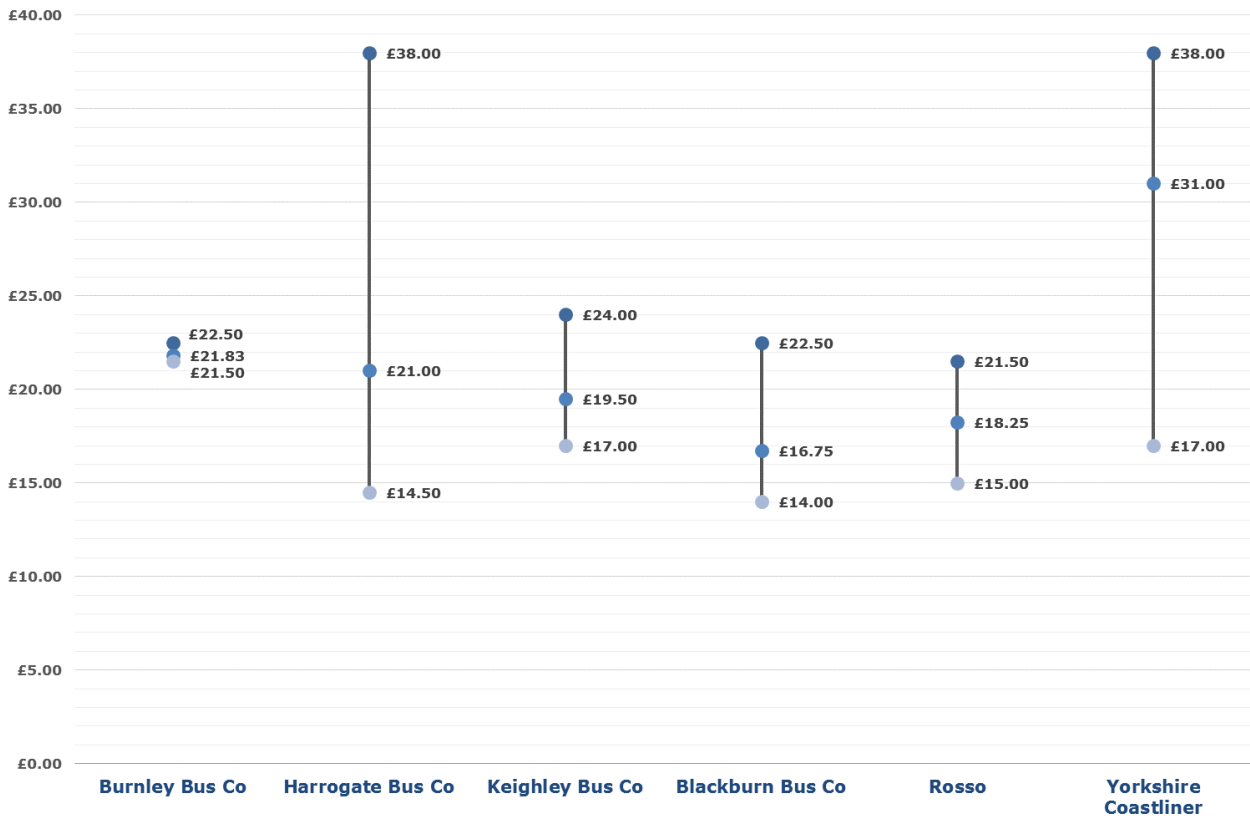


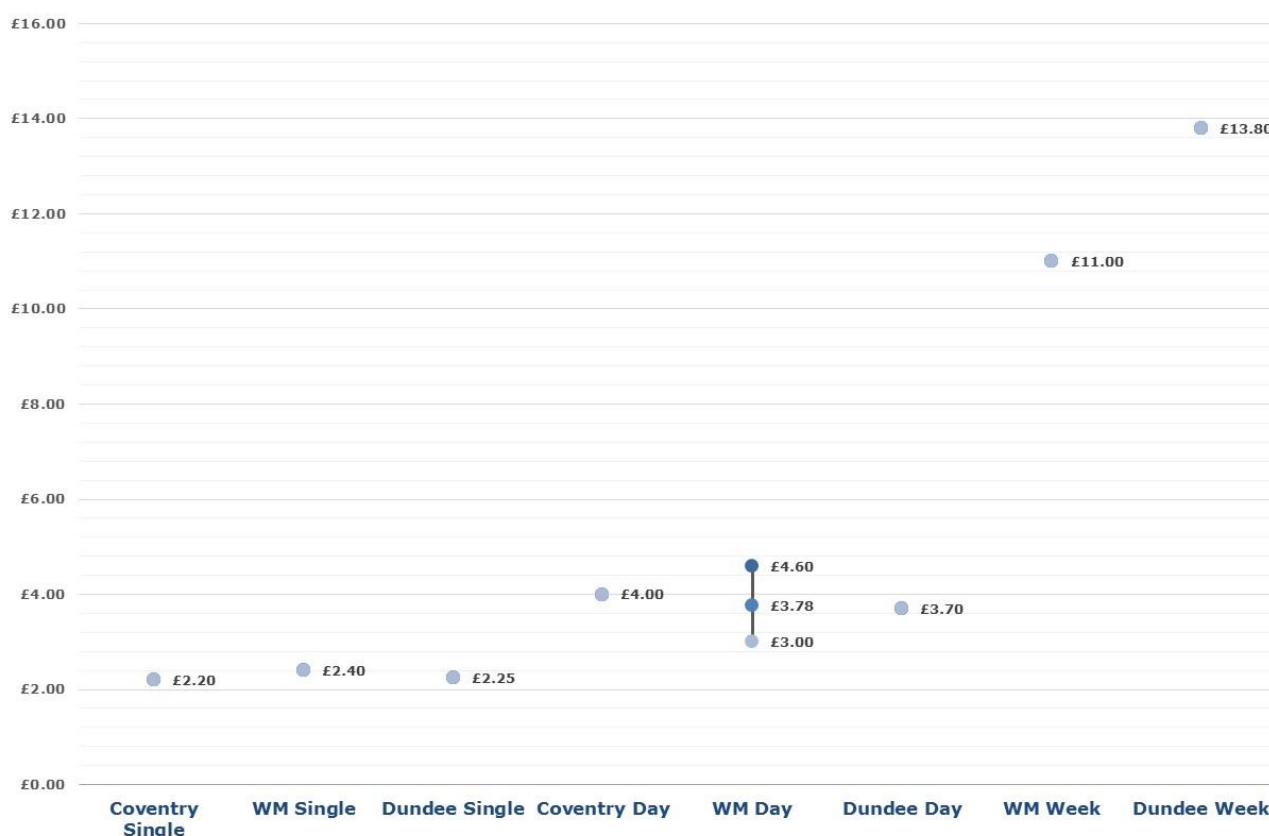
Figure DD: Weekly Tickets on Transdev



5.14 National Express

5.14.1 Due to the small number of operators within this group, we have shown single, day and weekly tickets on the same chart (Figure EE). As can be seen the flat fare in the West Midlands is £0.20 higher than in Coventry, however the Coventry day ticket is not as cheap as the local area day ticket in the West Midlands despite the area covered by some of these being a similar size. The Dundee week covers the whole of the Xplore Dundee network whilst the West Midlands network weekly is not available on bus so distorts the price quoted, which is only for the local area tickets.

Figure EE: Single, Day and Weekly Tickets on National Express



5.15 Summary

5.15.1 In the tables below we summarise the lowest and highest priced single tickets, the lowest priced day and weekly tickets together with operator and their location. With regard to single tickets, just missing out on the top five were 23 tickets from fourteen operators all priced at £1.50. Similarly there were eight weekly tickets from eight different operators priced at under £11.

5.15.2 Note that comparison of the most expensive day and weekly tickets would be unfair as most of these cover a far wider area than the sample journey.

Table 8: Lowest and Highest-Priced Single Fares over 3 Miles

Rank	Value	Group	Operator	Place
Lowest Price				
1	£0.85	Independent	Richards Bros	Fishguard
2	£1.00	Stagecoach	Cambus	Cambridge
3	£1.20	Independent	John Leask & Son	Shetland x2
4=	£1.40	Independent	Lloyds Coaches	Aberystwyth
4=	£1.40	Independent	Lloyds Coaches	Porthmadog
4=	£1.40	Stagecoach	Devon	Torbay
Highest Price				
1	£5.00	First	SW – Kernow	Falmouth
2	£4.20	Arriva	Kent & Surrey	Sevenoaks
3	£4.10	Stagecoach	North West	Lancashire
4=	£4.00	Arriva	Kent & Surrey	Camberley
4=	£4.00	First	Beeline	Windsor
4=	£4.00	First	Hampshire & Dorset	Southampton
4=	£4.00	First	Hampshire & Dorset	Fareham x2
4=	£4.00	First	SW – BoS	Highbridge
4=	£4.00	First	SW – BoS	Yeovil
4=	£4.00	First	SW – Kernow	Camborne & Redruth
4=	£4.00	First	SW – Kernow	Falmouth

Table 9: Lowest-Priced Day Tickets

Rank	Value	Group	Operator	Place
Lowest Price				
1	£2.50	First	West of England	Weston-Super-Mare
2	£2.70	Stagecoach	Merseyside & South Lancs	Chester
3	£2.75	Go-Ahead	East Yorkshire	Beverley
4	£2.80	Independent	Diamond	Redditch
5=	£3.00	Go-Ahead	GEA – Konectbus	Dereham
5=	£3.00	National Express	Travel West Midlands	Longbridge
5=	£3.00	National Express	Travel West Midlands	Sandwell & Dudley
5=	£3.00	National Express	Travel West Midlands	Sutton Coldfield
5=	£3.00	National Express	Travel West Midlands	Walsall
5=	£3.00	Stagecoach	Cambus	Newmarket
5=	£3.00	Stagecoach	Western Buses	Irvine
5=	£3.00	Independent	Diamond	West Midlands

Table 10: Lowest-Priced Weekly Tickets

Rank	Value	Group	Operator	Place
Lowest Price				
1	£7.00	Stagecoach	South	Guildford
2=	£8.00	First	Hampshire & Dorset	Southampton
2=	£8.00	Go-Ahead	GSC – Bluestar	Southampton
4	£9.00	Stagecoach	Western Buses	Irvine
5	£9.40	Stagecoach	Western Buses	Ardrossan

Please note, due to an error during the data collection process, the original version listed Stagecoach Fife's Kirkcaldy Megarider at the child price of £8.30. This has now been rectified.

6.1 Introduction

6.1.1 This section contains our analysis of the 2019 survey data by operating market for each route within the database. These comprise the following four categories:

- City – routes from networks which primarily serve cities which are not part of the PTE areas (e.g. Bristol);
- Interurban – routes which primarily link towns and cities (e.g. Nottingham to Derby);
- PTE – routes which primarily operate within PTE (Metropolitan) areas; and
- Shire Towns – routes which primarily start or terminate in towns within the Shire counties.

6.2 London

6.2.1 Although we did not include TfL fares in this fares survey it is perhaps worth including for comparison in this section and the following regional analysis. The cap for bus only contactless payments as of October 2019 was:

- Single = £1.50 (against a rest of the UK average of £2.48)
- Day = £4.50 (rest of the UK average of £5.21)
- Weekly = £21.20 (rest of the UK average of £18.03)

6.2.2 Single fares are very low when compared to all other markets, they are even £0.20 lower than the flat fare offered by Lothian. However the day cap is higher than the average price of a day ticket in both the city and PTE markets.

6.2.3 London's weekly cap is significantly above the average weekly price of all markets except Interurban, and that is only by 4p. It is over £5 more expensive than the average weekly ticket in a PTE area.

6.3 I can go anywhere in London for £1.50, Why is my local fare over £3?

6.3.1 The difference between the £1.50 flat fare in London and fares elsewhere is often raised and queried. There is fundamental link between the level of fares and demand. There are many and very clear reasons for the difference between London and elsewhere, including:

- Population density – bus demand is intrinsically linked to population density and London has the highest by far. The average population density in Greater London is 14,550 per sq. km. The highest outside London is Portsmouth at 5,326. The figure for Northumberland is 64;
- Car ownership – another key driver of bus use. Greater London has broadly half the proportion of car-owning households than the rest of the UK;
- Parking – parking in central London is limited and very expensive;
- Congestion charge – motorists pay to drive into central London;
- Financial support – London Buses received £720m in support for 2018/19.

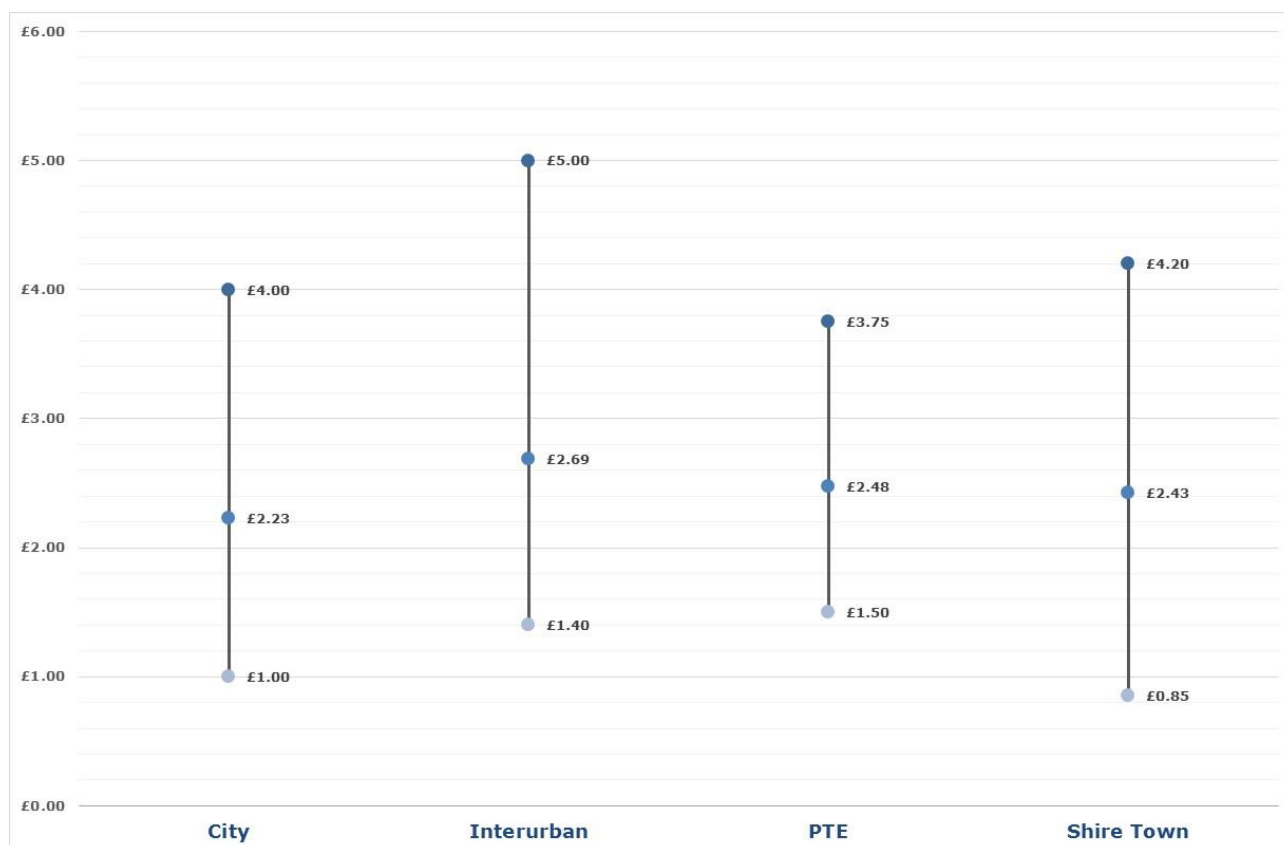
6.3.2 A passenger can indeed travel by bus as far as they like for £1.50 in London, but *ONLY* by bus. Buses in London are notoriously slow and some three mile trips can take around an hour. The Tube and TfL Rail operate a zonal fare system which produces much higher fares. A Tube journey of broadly 3 miles costs £2.90 with Oyster or £4.90 for cash.

6.4 Single Fares

6.4.1 The range of adult single fares by market is shown in Figure FF which shows that:

- The City market has the lowest mean single fare (£2.23); this is influenced strongly by the £1.70 fare of Lothian and the similar level of its fellow Edinburgh operators;
- The interurban market has the highest mean single fare (£2.69) and the highest single fare within the 2019 survey database (£5.00);
- The Shire Town market has the lowest overall single fare (£0.85);
- Mean fares in shire towns and PTE areas are broadly similar;
- The range of fares in all markets is considerable although lowest in PTE areas.

Figure FF: Range of Single Fares by Market, 2019

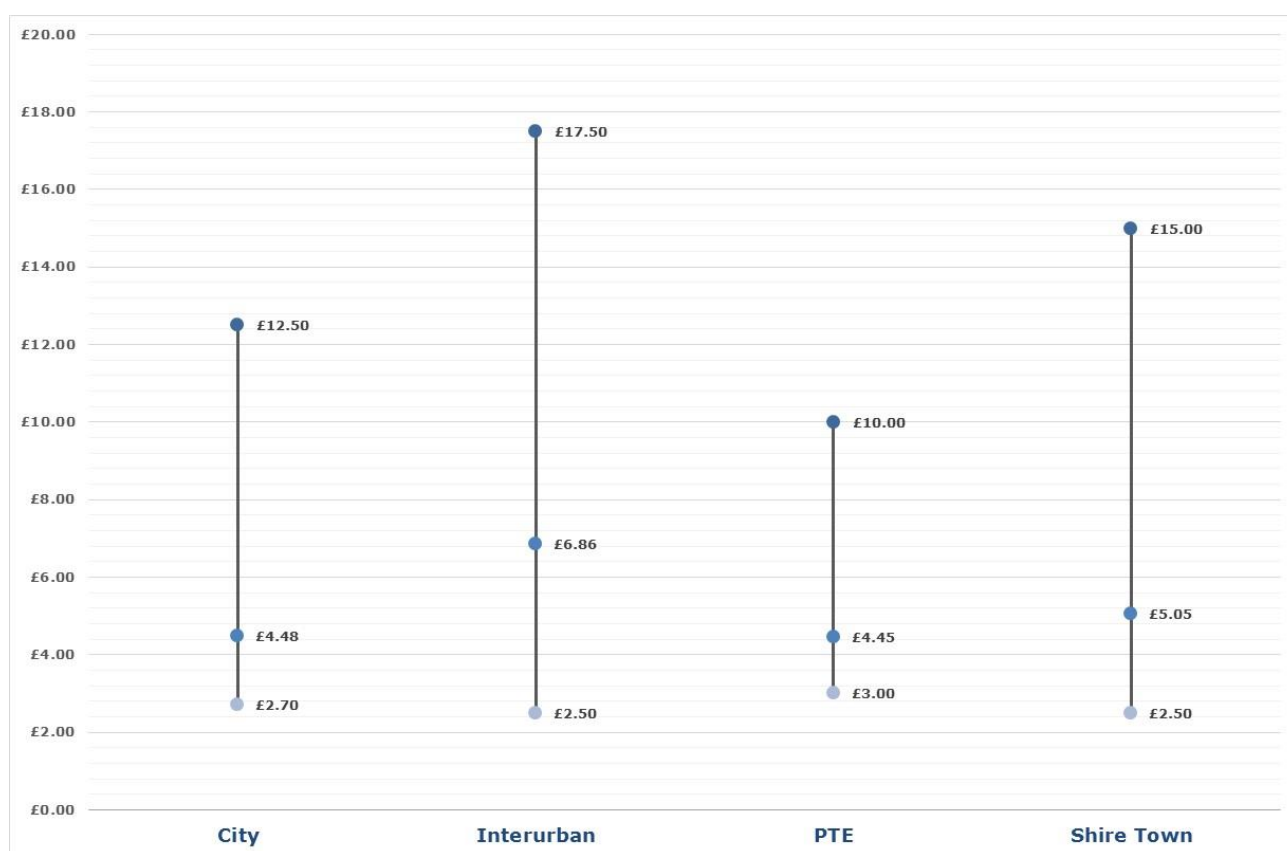


6.5 Day Tickets

6.5.1 Figure GG illustrates the day ticket prices by market. Our analysis shows that:

- The interurban market had both the highest (£17.50) and joint lowest (with the Shire Town market) priced day ticket (£2.50);
- The interurban market has the highest mean day ticket price at £6.86, but this includes tickets which cover a very wide area;
- City and PTE markets have very similar average prices, which are roughly the same as the TfL cap. PTE has the smallest range due to the similar nature of the products offered across the areas.

Figure GG: Range of Day Ticket Prices by Market

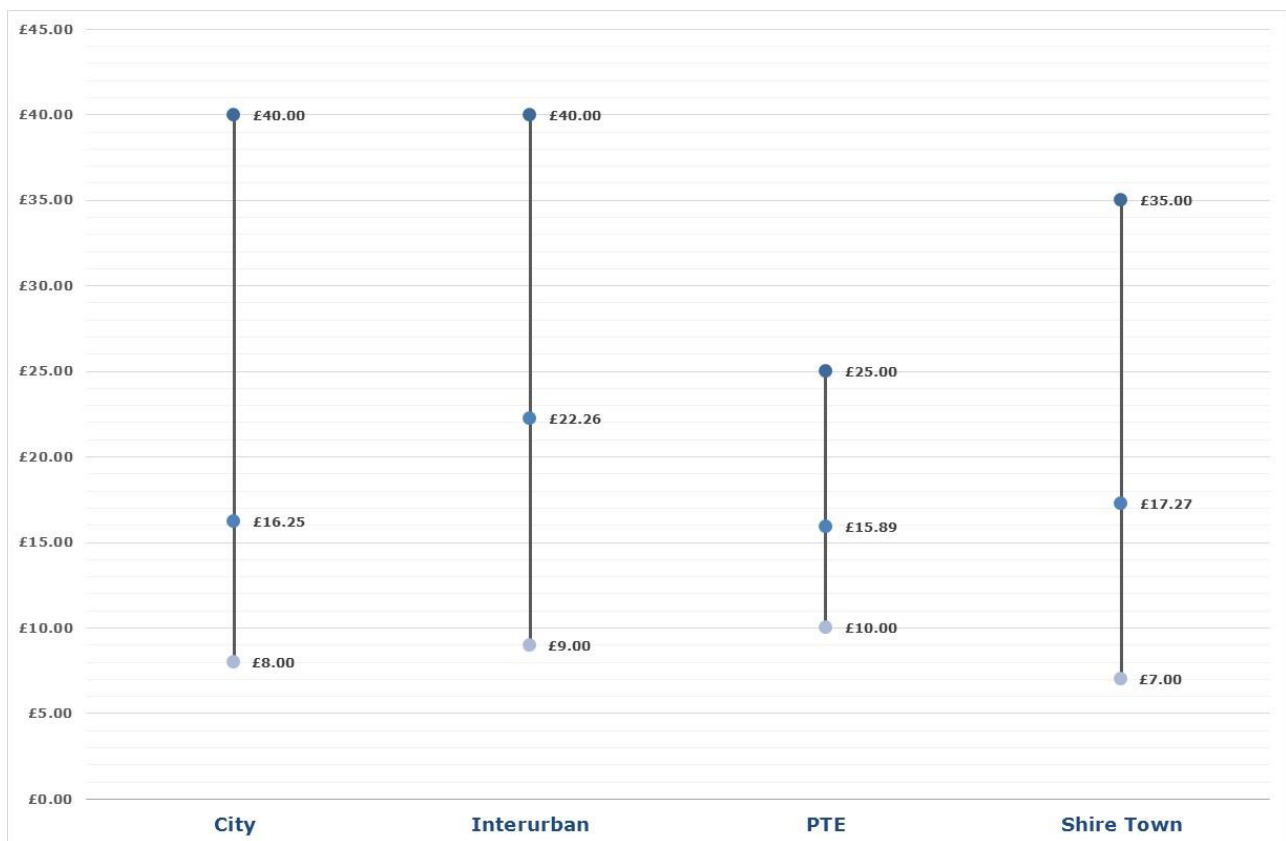


6.6 Weekly Tickets

6.6.1 Figure HH illustrates the range of weekly ticket prices by market:

- The most expensive weekly ticket is shared by the city and interurban markets, the former due to the lack of a dedicated area weekly ticket;
- The cheapest (£7.00) is in the shire town market, competition has a part to play in this along with the lowest city market price;
- Mean price is again much higher in the interurban market, the only one over £20;
- Mean prices in City and PTE markets are broadly similar with PTE having the smallest range and both well below the TfL weekly cap.

Figure HH: Range of Weekly Ticket Prices by Market



7.1 Introduction

7.1.1 This section contains our analysis of fares data by region. The regions represent the former Government Office Region (GOR) boundaries, of which there were nine in England, alongside Scotland and Wales. Greater London is excluded from our analysis.

7.2 Regional Overview

7.2.1 Figure II summarises the average single, day and weekly fare by region without division into urban and non-urban. The North East and Scotland have the joint lowest average single fare at £2.21, whilst the South East is the highest at £2.68. The West Midlands has the lowest average day fare at £4.10 against the South West’s £6.40 which is the highest. This is due to multi-journey products in the latter generally covering a larger area than the former. West Midlands again has the lowest average Weekly fare at £14.79, although this is artificially low due to the lack of a network wide weekly for National Express West Midlands. The East Midlands has the highest average Weekly fare of £22.10, but this is distorted by particular products.

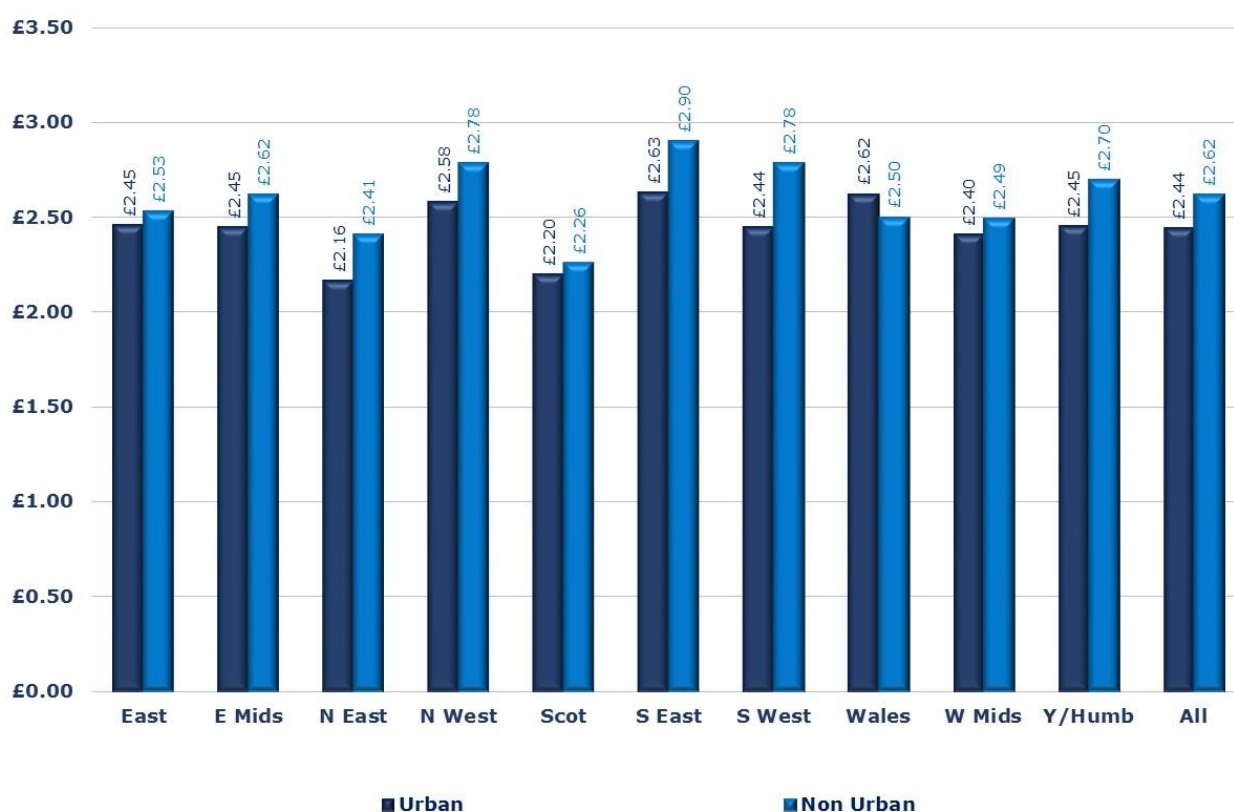
Figure II: Mean Single, Day and Weekly Ticket Prices by Region



7.3 Single Fares

- 7.3.1 Mean single fares by region are shown in Figure JJ and further sub-divided into urban and non-urban fares. The South West has the largest difference between non-urban and urban fares (13.9%). Only Wales has a higher urban than non-urban average fare. Five regions have an average urban single fare of between £2.40 and £2.45.
- 7.3.2 There is significant variation by region, in both urban and non-urban fares, with mean fares in the South East highest of all (£2.63 and £2.90 respectively). The North East has the lowest urban fare at £2.16 whilst Scotland has the lowest non-urban single fare at £2.26.

Figure JJ: Mean Single Fares by Region

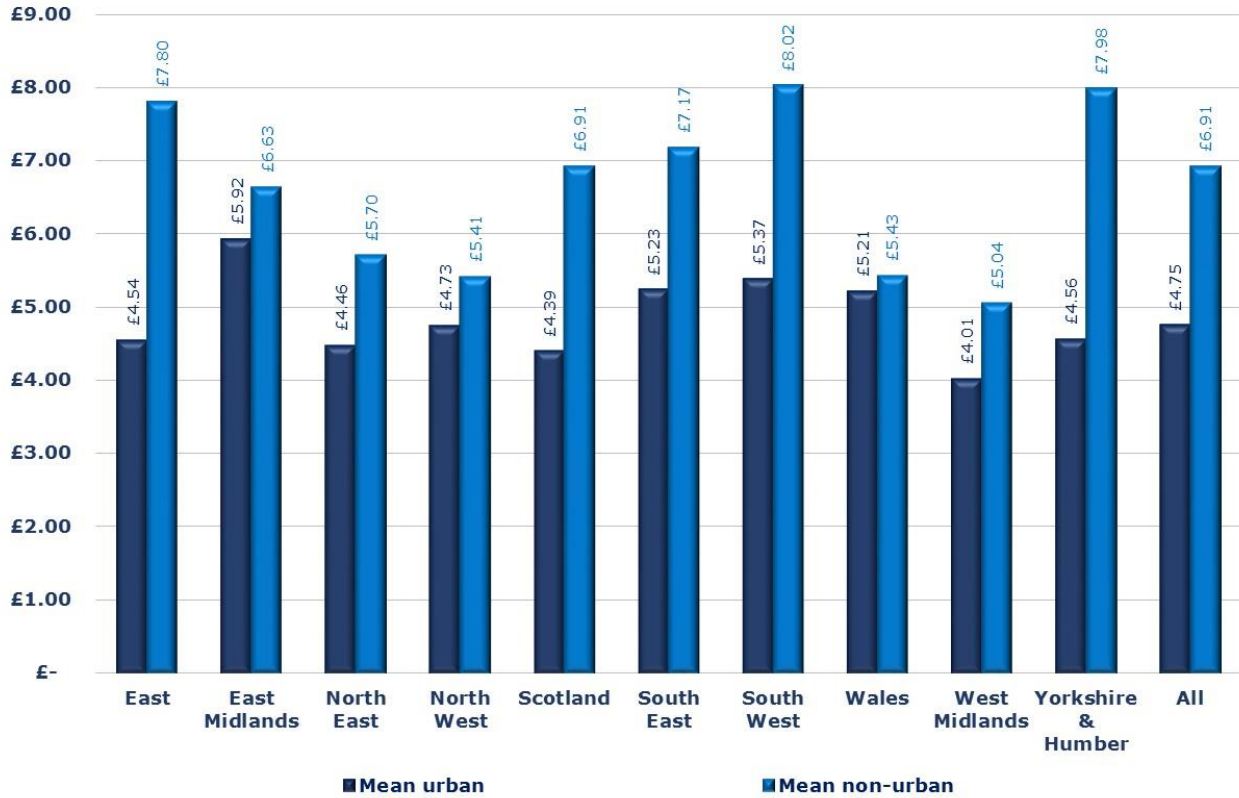


7.4 Day Tickets

- 7.4.1 Figure KK shows mean day ticket prices by region and again split by urban and non-urban. There is a greater difference here between urban and non-urban as non-urban day tickets tend to be geared to longer (and hence more expensive) journeys. Wales has the smallest difference between urban and non-urban prices (£0.22) whilst Yorkshire and Humber has the largest (£3.42).
- 7.4.2 The West Midlands has the lowest overall average day ticket at £4.10, with the North East, North West and Scotland also having an average of under £5. Five

regions have an average day ticket price at or below TfL’s cap level. The South West has the highest at £6.40 with the East of England also averaging over £6.

Figure KK: Mean Day Ticket Prices by Region

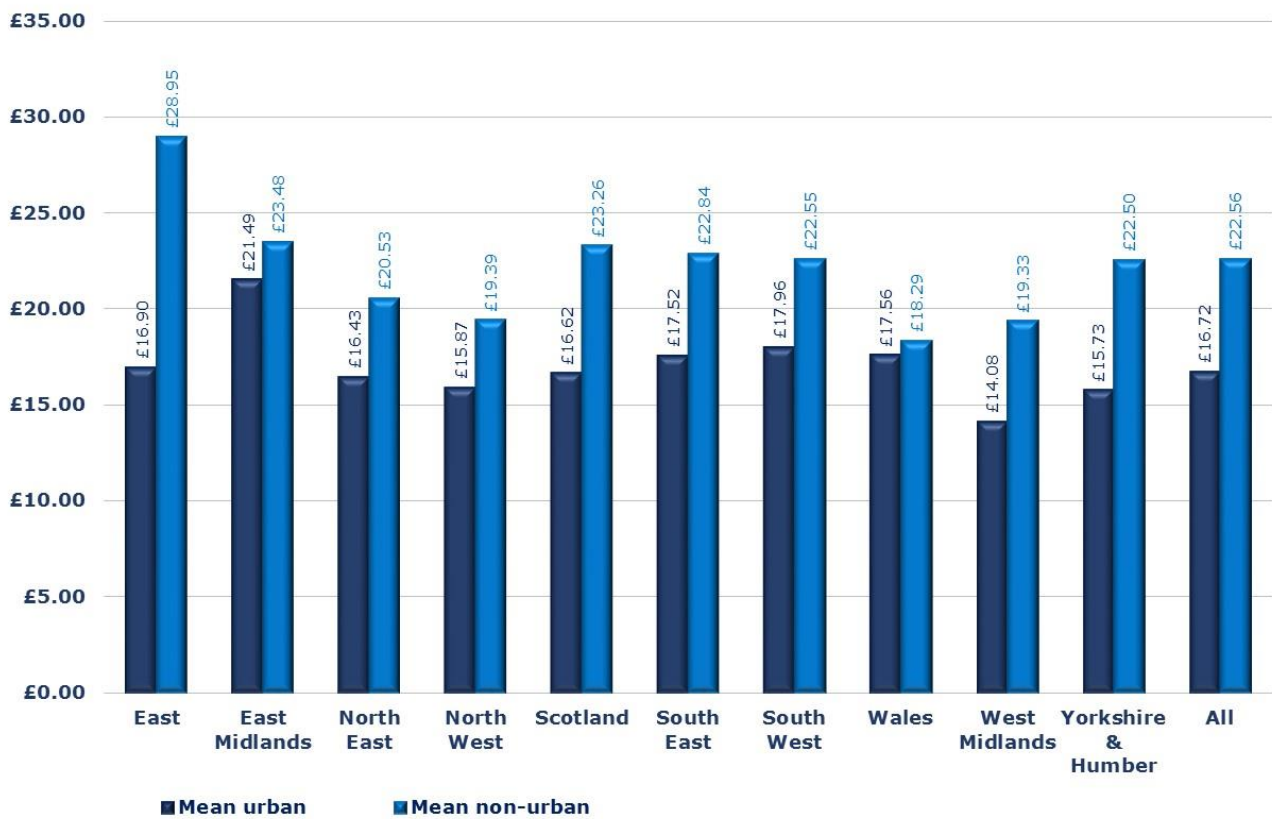


7.5 Weekly Tickets

- 7.5.1 Figure LL shows mean weekly ticket prices by region and again split by urban and non-urban. There is not as great a difference here between urban and non-urban as there was for day tickets, but there is still a premium to be paid by non-urban passengers, Wales perhaps being the exception to that rule with only a £0.73 difference. The highest difference is in the East of England at £12.05. Urban averages in all regions except East Midlands are well below TfL’s weekly cap.
- 7.5.2 Although the North East and North West have very similar average prices, there is little evidence of any north-south divide in weekly ticket pricing. The West Midlands has the lowest overall mean weekly price at £14.79, this is perhaps due to the fact that the Travel Coventry and Travel West Midlands network wide tickets (accounting for 66% of their combined samples) are not sold on bus (£16 online and £17.50 from the Travel Shop or App).
- 7.5.3 The East Midlands has the highest average at £22.10. This is, however, distorted by the only available weekly tickets priced at £38 or £40 for some

trips and that Nottingham's cheaper weekly ticket (£18) cannot be bought on bus. The East of England is the only other region with an average of over £20.

Figure LL: Mean Weekly Ticket Prices by Region



8.1 Introduction

- 8.1.1 This being our sixth fares survey it is possible to look at trend figures since the first survey in 2009. Table 11 below shows the results for the six successive surveys. As can be seen weekly tickets have increased the least over the last two years while day tickets have increased the least since 2009. This is reflected in the fact that the average day ticket now represents 2.10 average singles against 2.69 in 2009, whilst the average weekly represents 3.46 average days against 2.92 in 2009.
- 8.1.2 It will be noted that year to year increases between 2011 and 2013 were much higher than in other periods. This was a result of operators increasing fares in reaction to the government's reduction in Bus Service Operators' Grant in 2012.

Table 11: Trend in Average Fares Since 2009

	2009	2011	2013	2015	2017	2019	Increase since 2009	Increase since 2017
Average Single	£1.75	£1.91	£2.11	£2.21	£2.33	£2.48	41.5%	6.3%
Average Day	£4.72	£4.52	£4.75	£4.83	£4.92	£5.21	10.4%	5.9%
Average Weekly	£13.77	£15.16	£16.67	£16.74	£17.09	£18.03	30.9%	5.5%

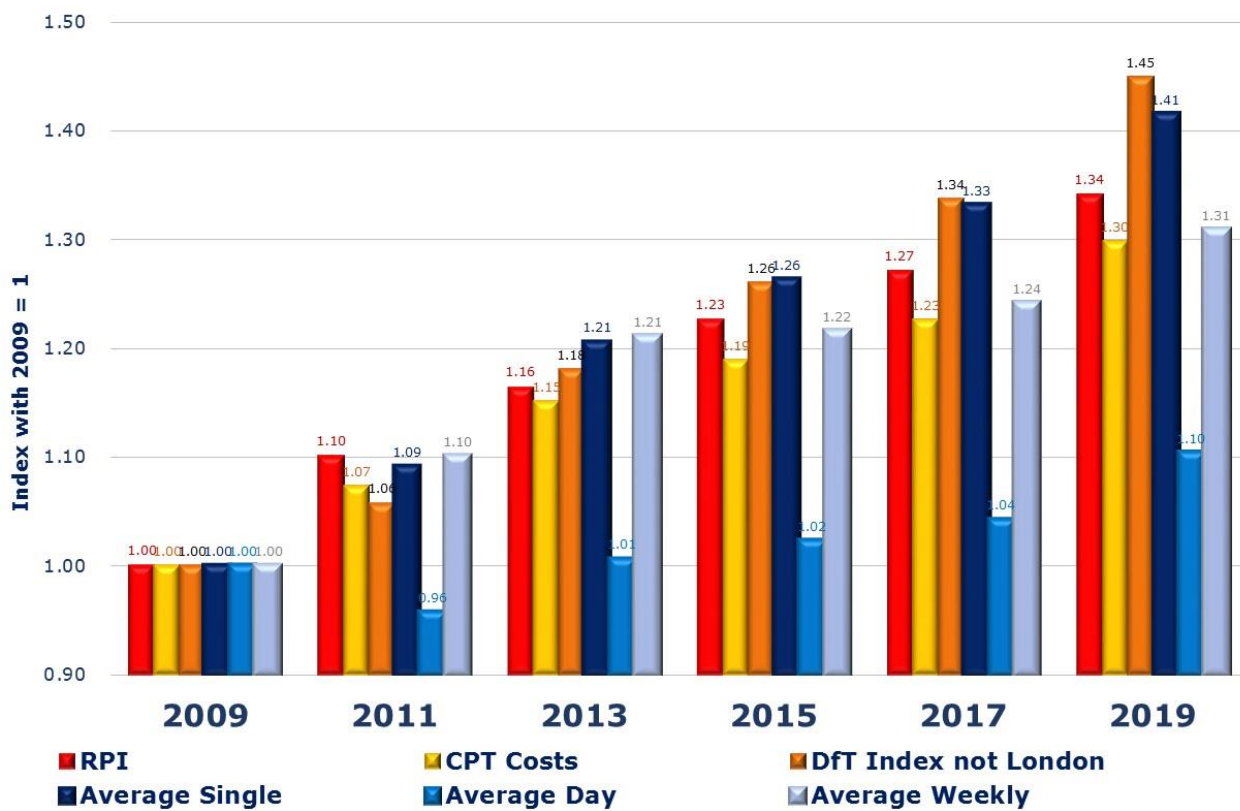
8.2 Benchmarking

- 8.2.1 Bus operating costs and hence bus fares do not sit in a World isolated from other aspects of the economy. They react to external influences. Figure MM below indexes the changes to average fare against the increase in Retail Price Index, the CPT's reported increases in unit bus operating costs and the DfT's fares index for English fares outside London.
- 8.2.2 Since 2017 single fares have risen 1.3% ahead of RPI (compared to 1.7% above RPI between 2015 and 2017), whilst day and weekly tickets have risen 0.9% and 0.5% above RPI respectively (both were below RPI rises in 2017). The DfT index follows increases in single fares most closely, while overall we show a somewhat slower rate of increase.
- 8.2.3 Over comparable periods, regulated rail fares set by the DfT have increased by 52.6% since 2009 (30.9% for bus weeklies) and 12.1% since 2017 (5.5% for bus weeklies).
- 8.2.4 The CPT cost index has increased 0.4% above inflation since 2017 meaning that day tickets increased at cost and weekly tickets increased below cost. This implies that far from seeking to pocket excess profits, bus operators are

seeking to keep hold of passengers by suppressing price increases on multi-journey products.

- 8.2.5 The main driver of this cost increase is traffic congestion, which has a pernicious effect on bus operations. Buses are slower and hence less attractive to users, causing passenger loss while at the same time needing more resource (buses and drivers) to provide the same level of service. One of the main reasons cited by Oxford Bus for withdrawing the service X90 between Oxford and London in January 2020 was "worsening congestion ... [with] bus speeds falling by 8% on the London road corridor in two years"⁶. All this offers (well-reported) difficult trading conditions.

Figure MM: Changes Relative to 2009



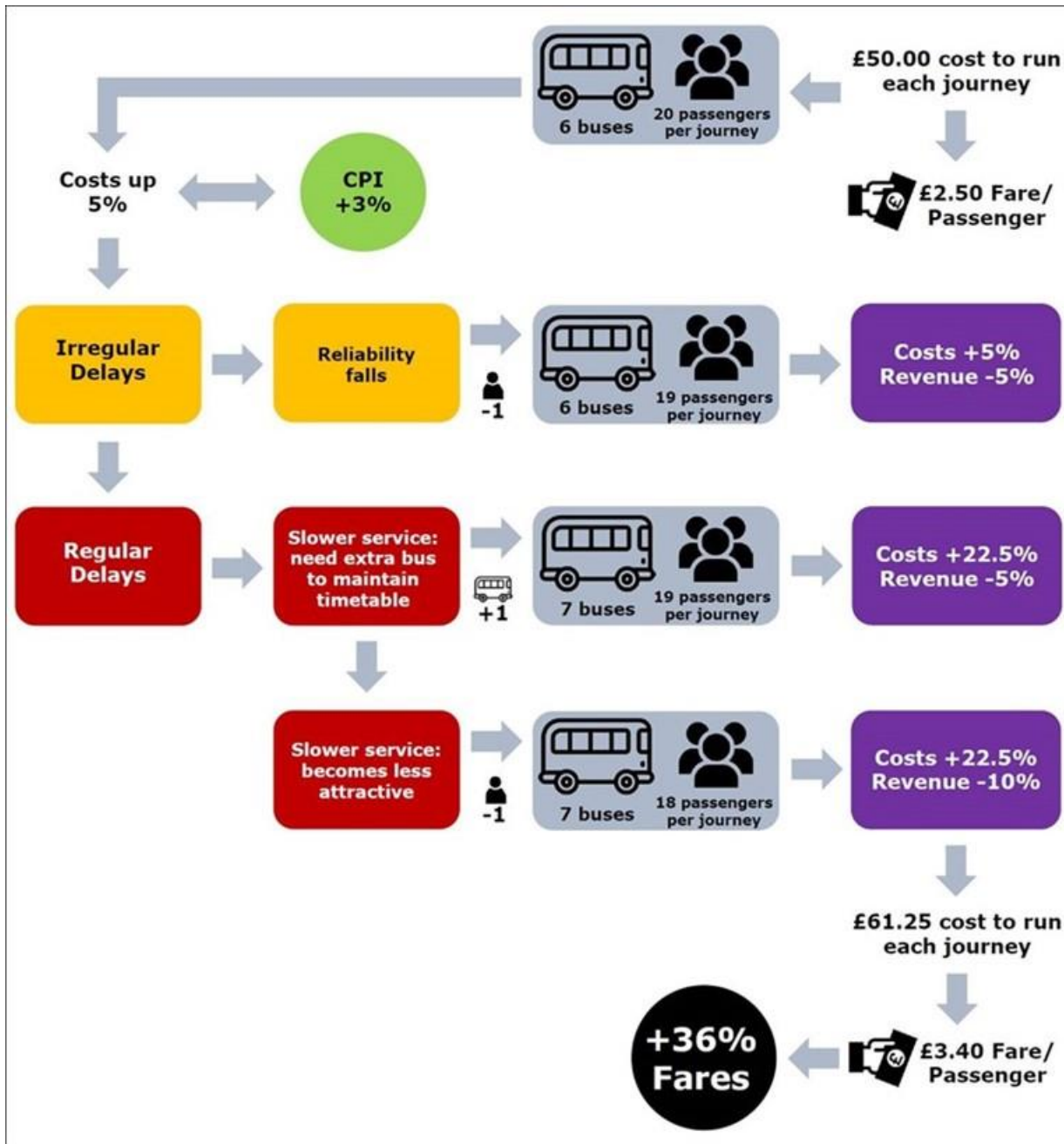
8.3 Why Fares Increase above Inflation

- 8.3.1 Figure NN is a graphic often used in TAS reports to explain why fares increase above the rate of inflation. As can be seen, congestion requires an increase in resources whilst also reducing patronage, this means that costs go up as passengers and revenue come down. To counteract this fares are increased to bring in more revenue, however this in turn will reduce patronage if the fares increase is above the level deemed acceptable. Lothian Buses have also produced a very good graphic to illustrate where the major costs lie⁷.

⁶ <https://x90.oxfordbus.co.uk/withdrawal/>

⁷ <https://www.lothianbuses.com/news/2020/01/lothian-fare-review-2020/>

Figure NN: Why Fares Increase Above Inflation



8.4 Change by Group

- 8.4.1 Figure OO to Figure QQ show trends by operator group for the mean single, day and weekly ticket prices. While single fares have risen steadily across most operators, the same cannot be said of day and weekly tickets which in some cases have barely risen in price at all between some years. The large jump in average single fare at Transdev appears to be down to the addition of Rosso with its average single price of £3.10.
- 8.4.2 The largest increases occurred almost universally between 2011 and 2013 after the cut in BSOG. Many operators have restructured their fare bands and

ticket areas over the years. This is mainly shown in the volatile pattern of the multi-journey tickets.

- 8.4.3 Figure RR gives a more accurate representation of changes from 2017 with Figure SS showing this in percentage change form. This is done by comparing only those samples which are for the same journey in each database, each sample having a unique reference number thus allowing an easy comparison. There has been a very small increase across the board in single and day tickets, apart from National Express which continues to trial low price local area tickets. Weekly tickets have seen the largest increase except at Go-Ahead where the average price has reduced slightly.

Figure OO: Change in Mean Single Fares by Operating Group Since 2009

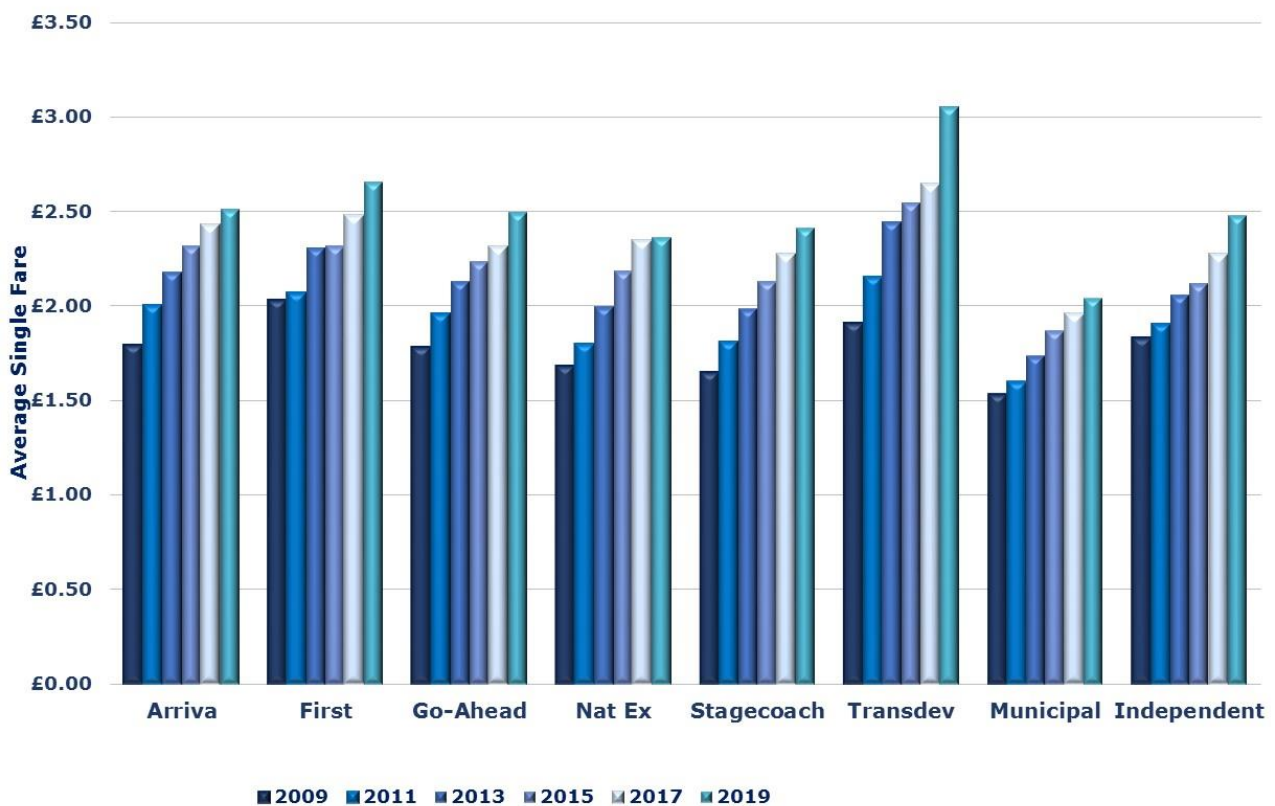


Figure PP: Change in Mean Day Ticket Prices by Operating Group Since 2009

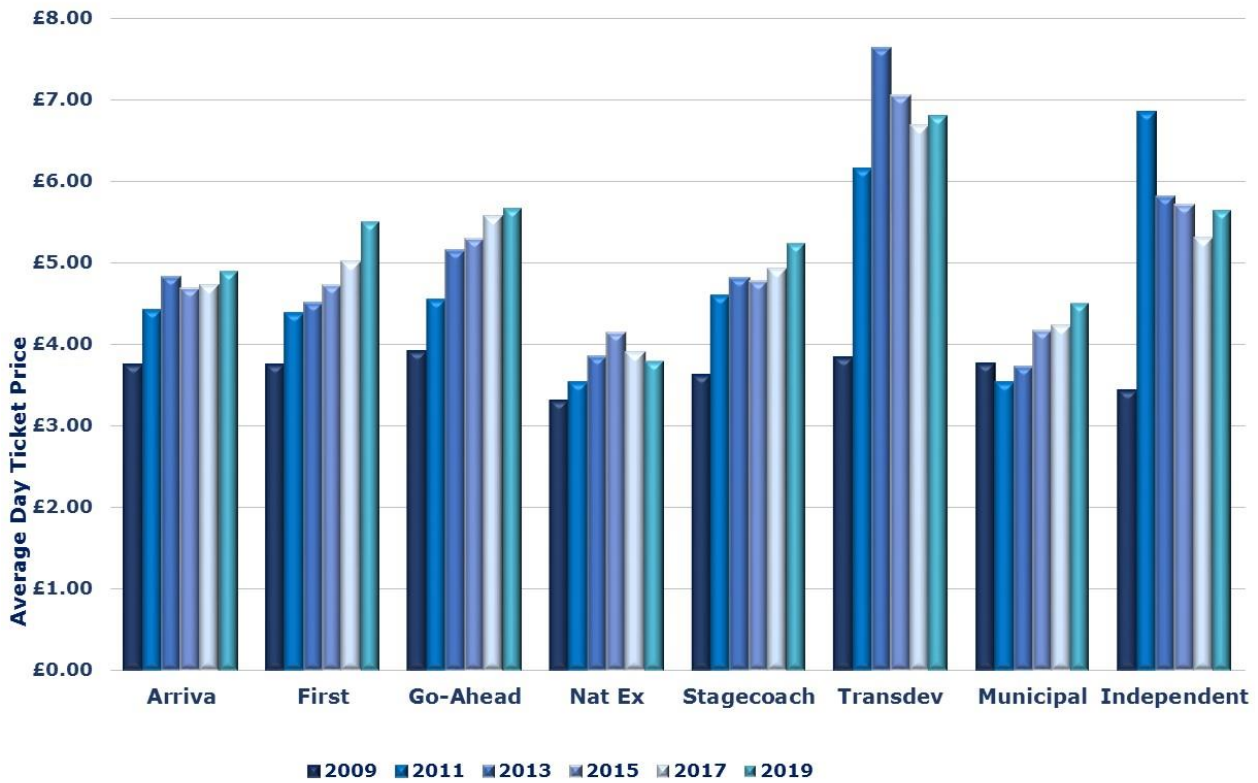


Figure QQ: Change in Mean Weekly Ticket Prices by Operating Group Since 2009

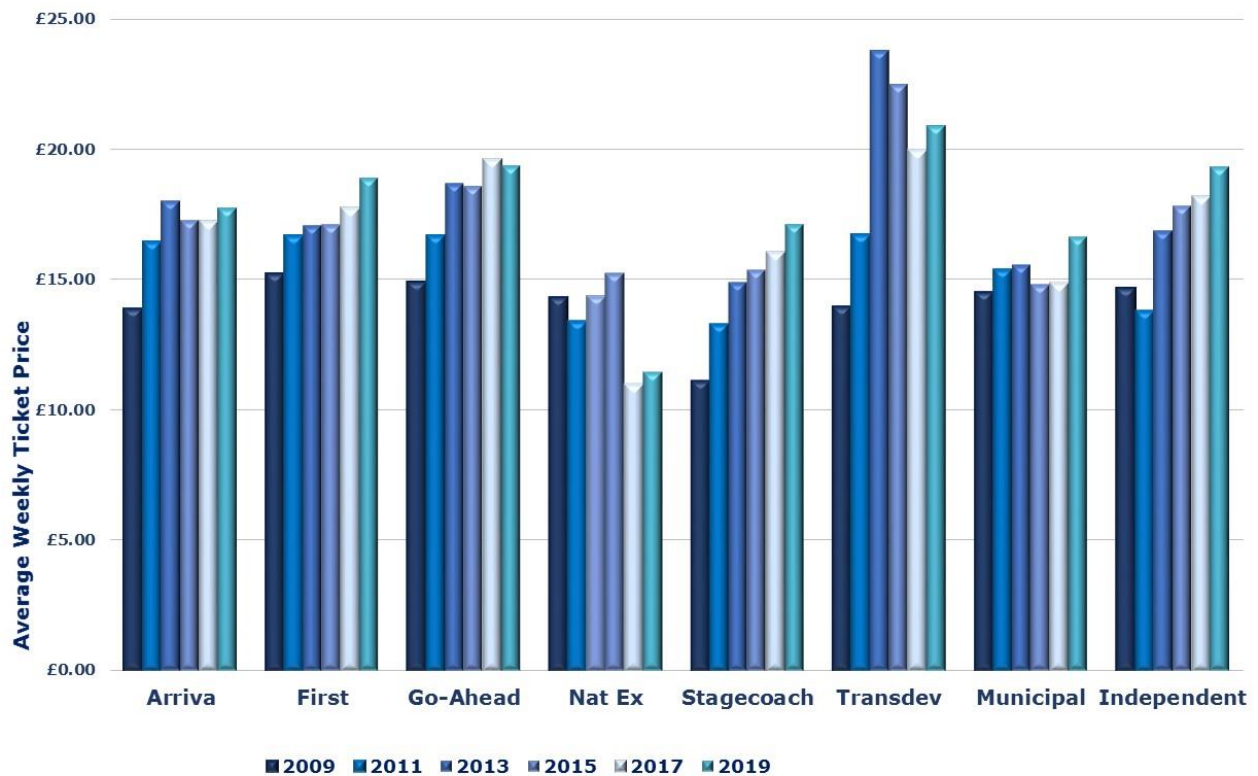


Figure RR: Changes in Mean price Like for Like

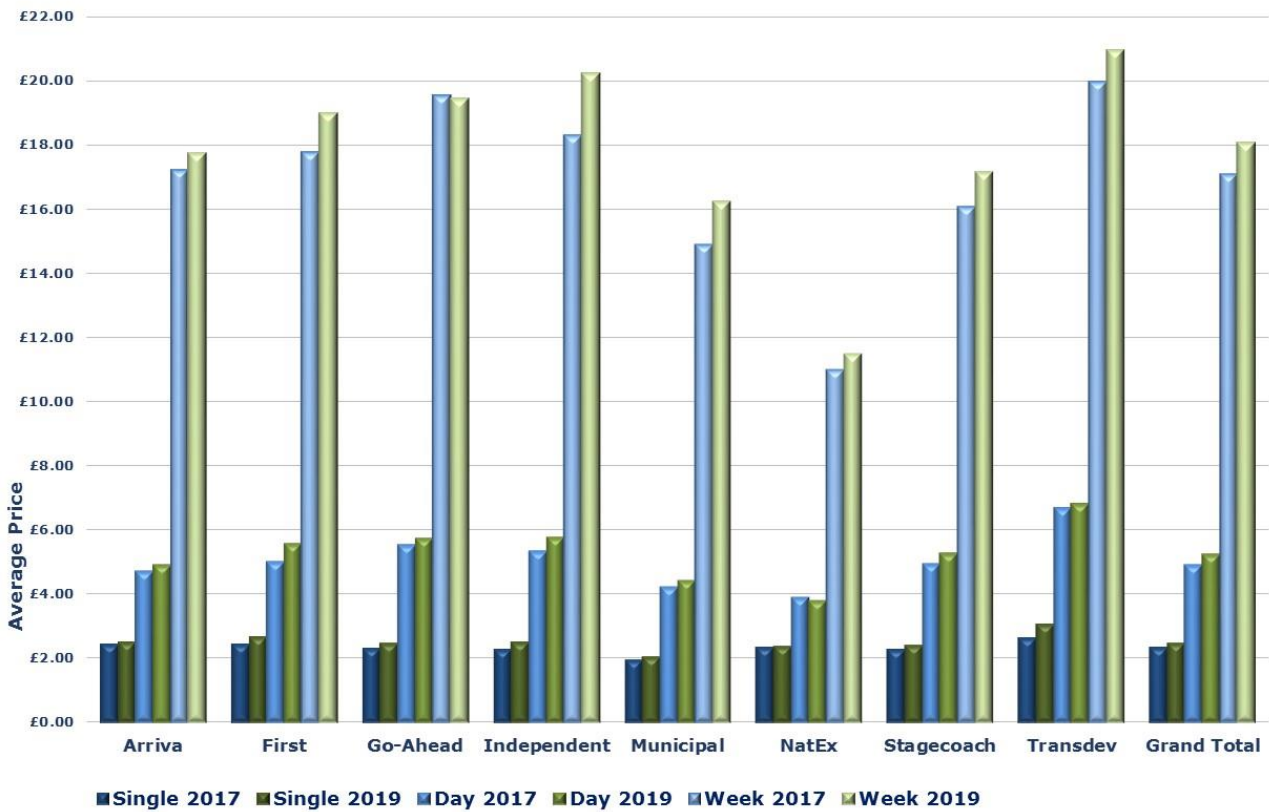
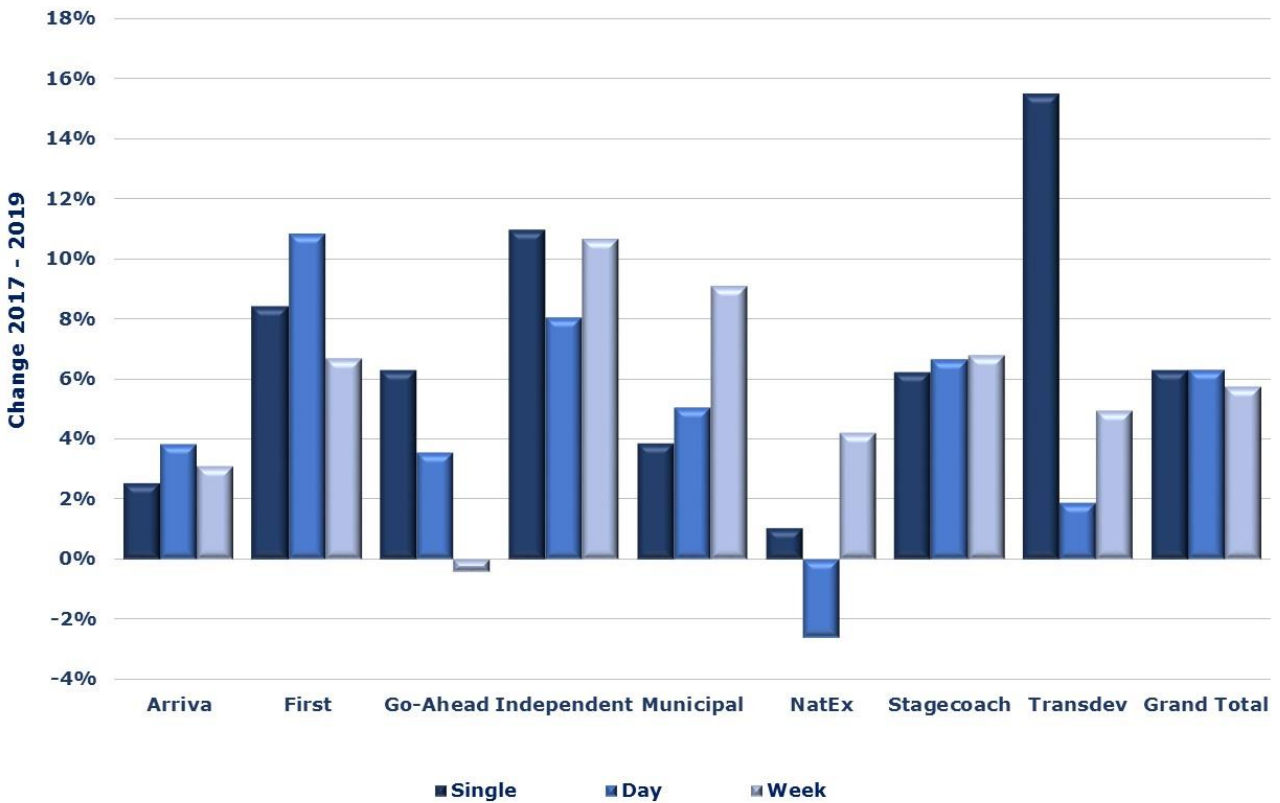


Figure SS: Percentage Changes in Mean price Like for Like

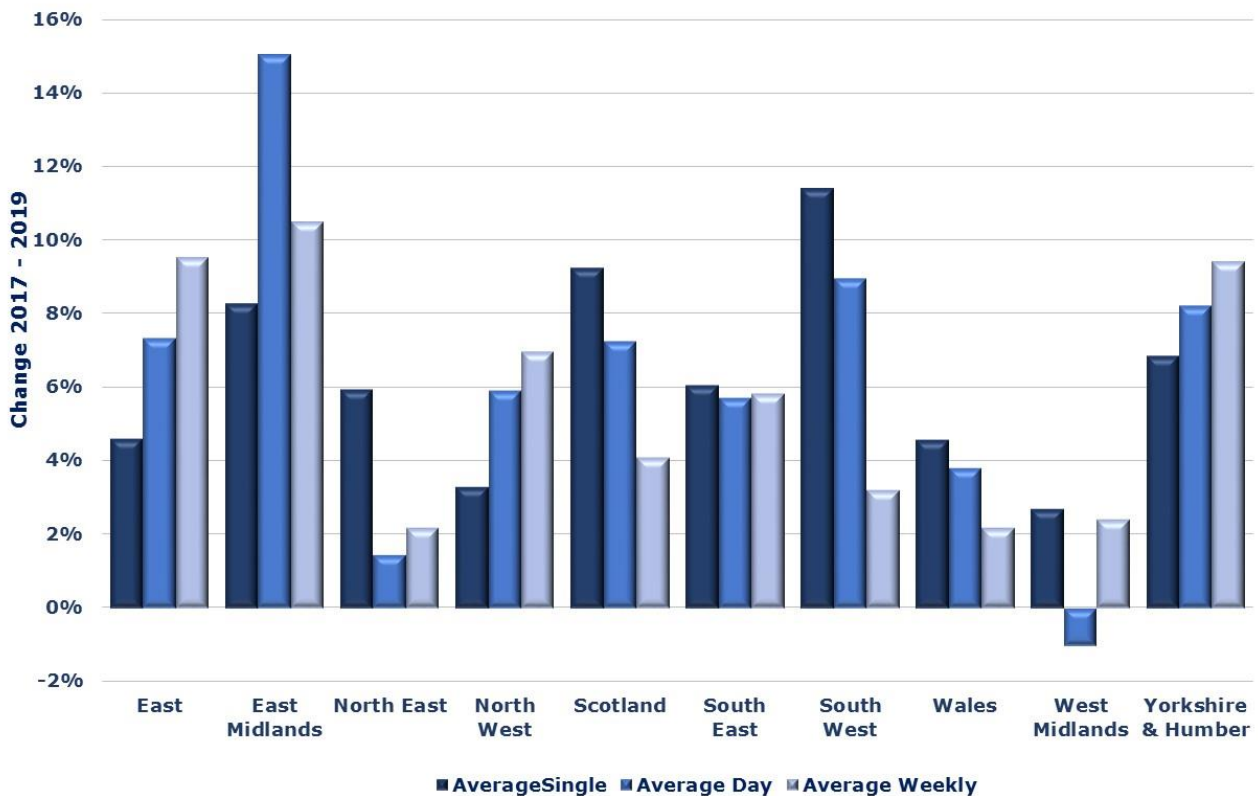


8.5 Change by Region since 2017

8.5.1 Figure TT shows the percentage change in average single, day and weekly tickets between 2017 and 2019 by region.

- The West Midlands has the smallest increase in average single and day prices at 2.7% and -1.0% respectively;
- The North East has had the smallest increase in average weekly ticket prices at 2.2%;
- The South West has the largest increase in average single prices at 11.4%; and
- The East Midlands has the largest increase in average day and weekly prices at 15.1% and 10.5% respectively.

Figure TT: Percentage Change by Region 2017 to 2019



9.1 Introduction

- 9.1.1 As part of the survey we researched whether there was a multi-operator ticket available covering the trip included as a sample as a simple yes/no flag. The availability of multi-operator tickets is often talked down for political purposes but in truth many of these products have been available for years.
- 9.1.2 There is of course a fundamental question in relation to multi-operator tickets and that is simply if there is only one operator there is no reason to have, nor is there demand for a multi-operator ticket.

9.2 Analysis

- 9.2.1 Overall, **77% of the sample trips had a multi-operator alternative** (a 5% increase on 2017), but this does vary by market, operating group and region:
- **There is 100% availability of multi-operator tickets in PTE areas;**
 - And 89% in the West Midlands region;
 - But only 65% in the East Midlands, although this has increased by 7% since 2017; and
 - For only 52% of trips in the interurban market;
 - National Express is the only group to offer 100% multi-operator ticketing.

Details are shown in Figure UU to Figure WW below:

Figure UU: Percentage Availability of Multi-Operator Tickets by Market

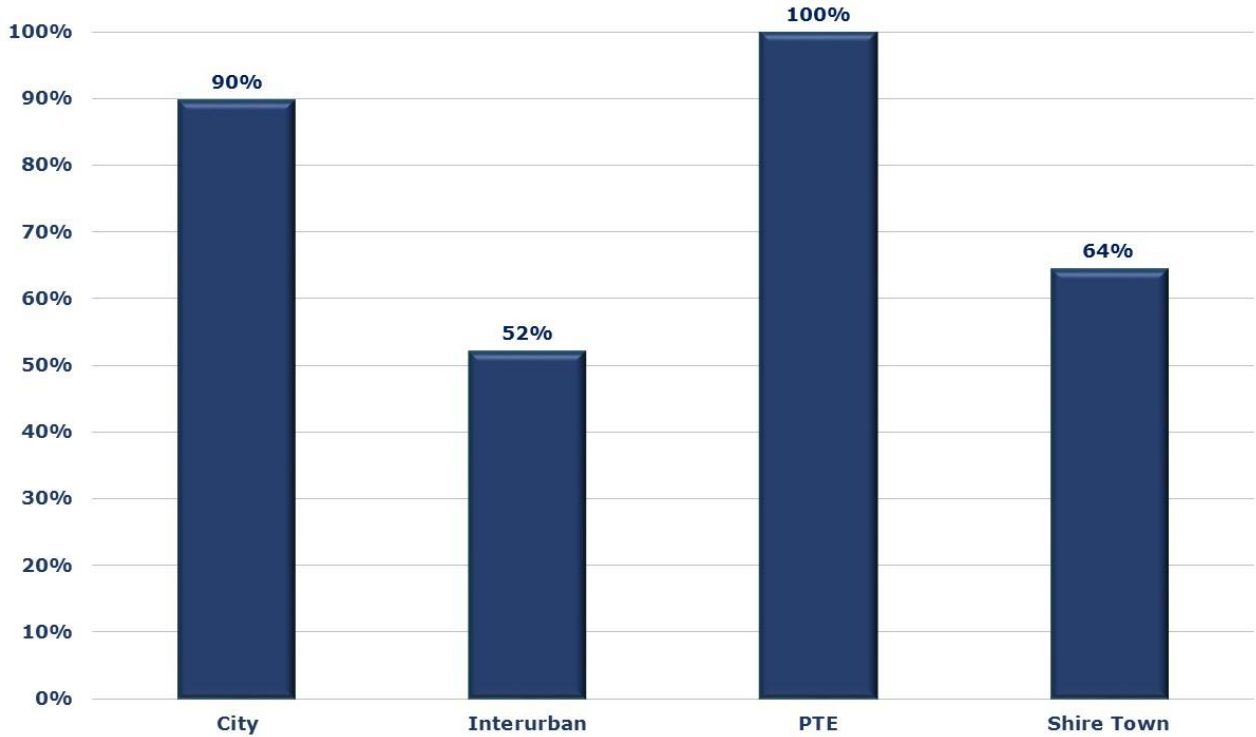


Figure VV: Percentage Availability of Multi-Operator Tickets by Region

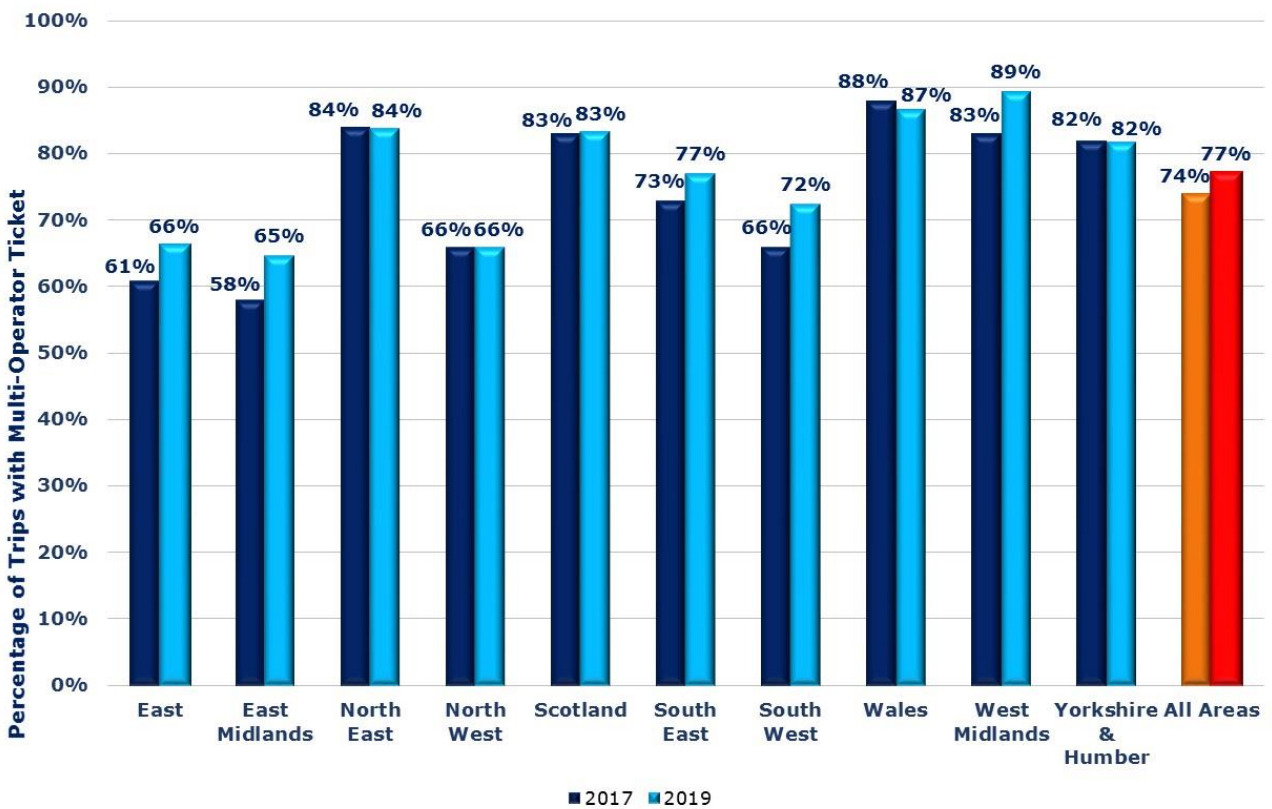
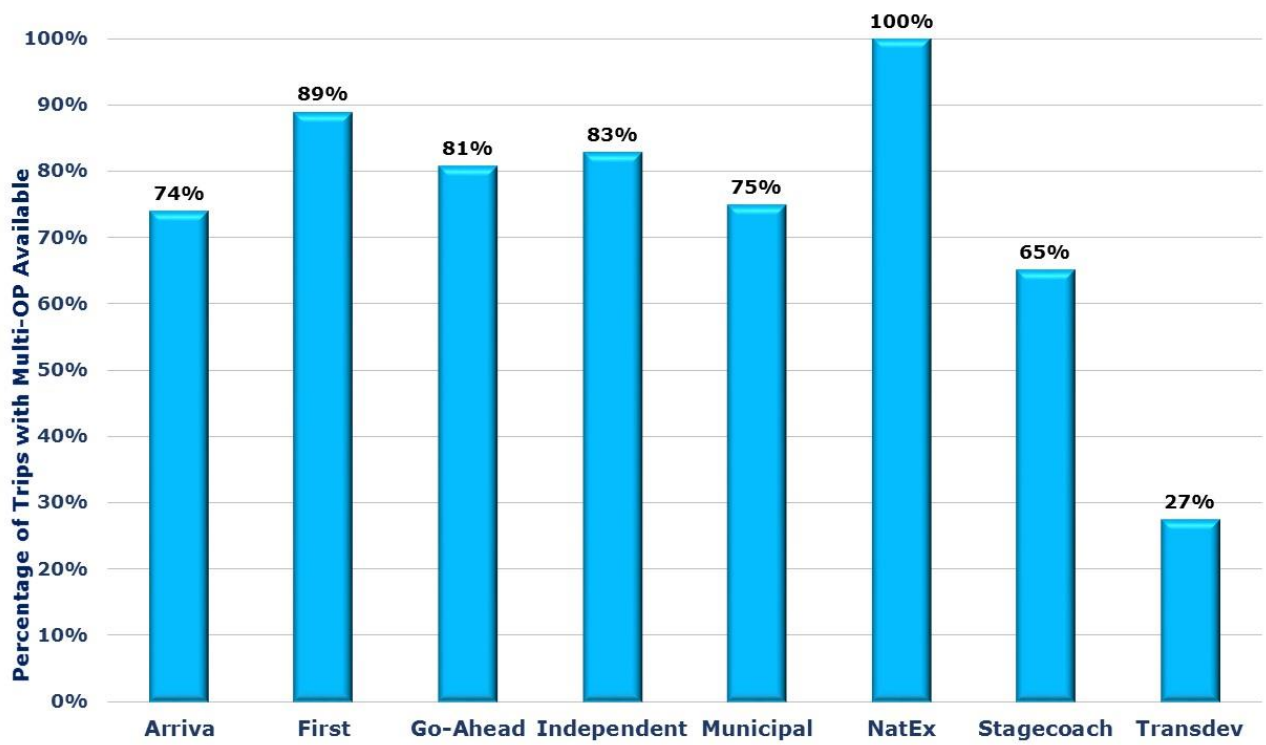


Figure WW: Percentage Availability of Multi-Operator Tickets by Operating Group



10.1 Introduction

- 10.1.1 The purpose of this section is to look at the availability of smartcards, M-Tickets and contactless payment. Smartcard availability includes those developed by other organisations such as PTEs as well as the operators themselves. M-Tickets are still principally operator led, with local authority-driven schemes remaining largely faithful to the smartcard, despite a growing volume of opinion that they are yesterday's technology.
- 10.1.2 In this section, contactless ticketing is new for this year. It has come a long way since the last NFS thanks to the roll out of new or updated ticket machines by some of the larger operators and in reaction to the widespread use of contactless for other smaller retail purposes. Both M-tickets and contactless are easier forms of smart ticketing for smaller operators to adopt than smartcards.

10.2 Analysis

- **Overall out of the 1,093 sample:**
- **922 sample trips (84%) had a smartcard as a ticketing option,**
- **1,032 (94%) had an M-Ticket as a ticketing option and**
- **1,052 (96%) could have been paid for by contactless.**

This compares to 76%, 92% and 30% respectively in 2017. Contactless has grown the fastest since 2017 whilst M-Tickets have stagnated, but they had risen by 42% between 2015 and 2017 to near market saturation point.

- 10.2.2 Some operators have been long-term users of smartcard technology including Nottingham City Transport, Cardiff and TrentBarton. Go-Ahead and Stagecoach have developed smartcards for use on their rail franchises as well as bus operations. Some operators have however moved away from smartcards, East Yorkshire withdrew its long standing 20% Discount stored value card when new Ticketer machines were purchased which enabled contactless payment and QR codes on mobile and paper tickets to be read.
- 10.2.3 As can be seen from Figure XX, Arriva and First have developed mobile ticketing as their main smart ticket platform. Go-Ahead has looked to provide both options across its operations, although some operations only offer the one choice. The only Arriva operation not to offer mobile ticketing is Yorkshire Tiger. Arriva has started to roll out the Arriva Connect Smartcard across a number of its operating companies and contactless payment across all

companies. The effect of this can be seen in Figure ZZ which shows how rapidly contactless payment has been rolled out across the bus industry.

- 10.2.4 Stagecoach and National Express are the only groups to offer 100% availability of smartcard, M-Ticket and Contactless options. First, Go-Ahead and Transdev are at 100% for M-Ticket and Contactless.
- 10.2.5 Figure ZZ shows the difference by market type of the availability of smart ticketing. Strathclyde is the only 'PTE' which does not offer its own smartcard product including bus travel (although there is the Glasgow Tripper smartcard which covers some of the SPTE area), First is the only major operator in the Strathclyde area to not offer a smartcard, but three out of four offer m-tickets. In Manchester, the multi-operator and multi-modal 'Get Me There' ticket is used in smartcard form on the bus and Metrolink but m-ticket is only currently valid on Metrolink trams.
- 10.2.6 The promotion of each type of smart ticketing by the groups has an effect on the regional penetration of each type as can be seen in Figure AAA. The East Midlands is the only region where smartcards outnumber M-Tickets, this is mainly due to TrentBarton retaining the Mango smartcard as its smart-ticketing platform, however, since October 2019 it has started to roll out contactless capping.

Figure XX: Smart Ticketing Coverage by Operating Group

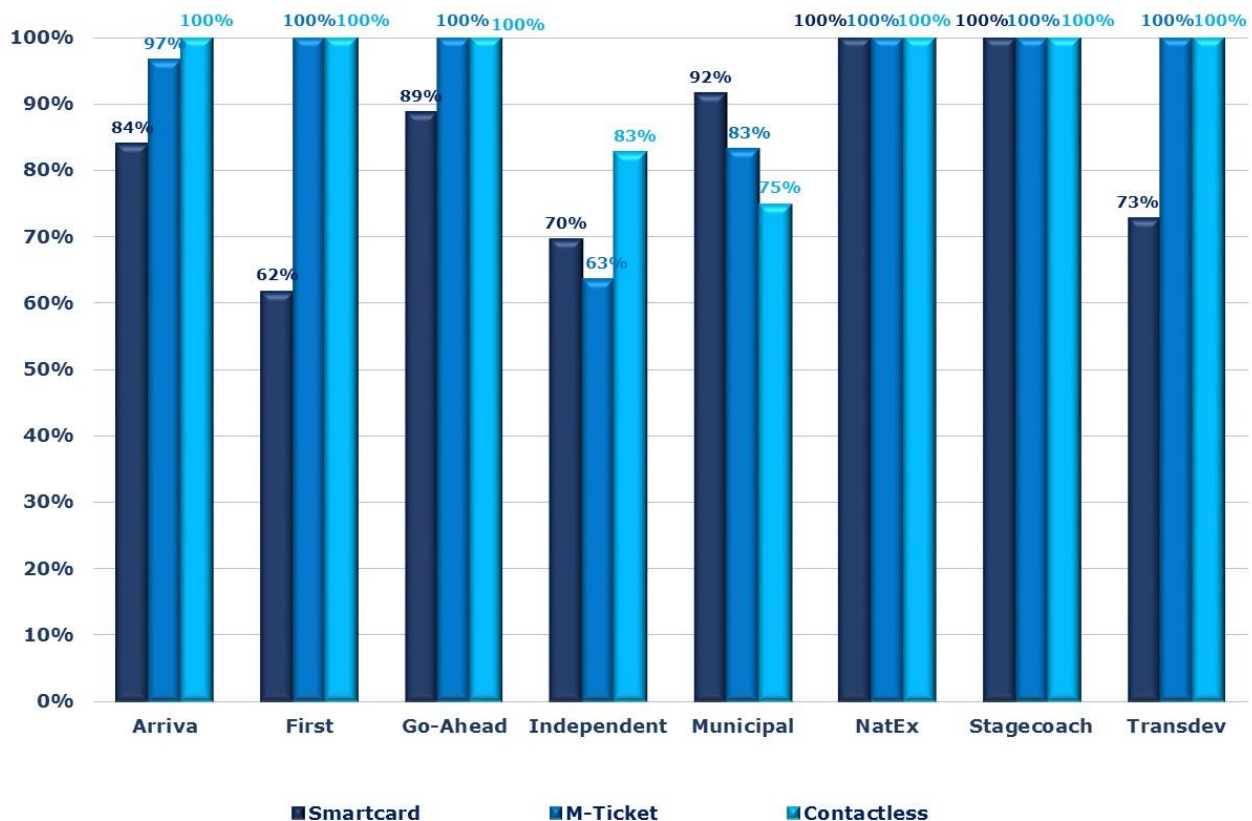


Figure YY: Changes in Smart Ticketing Coverage by Operating Group

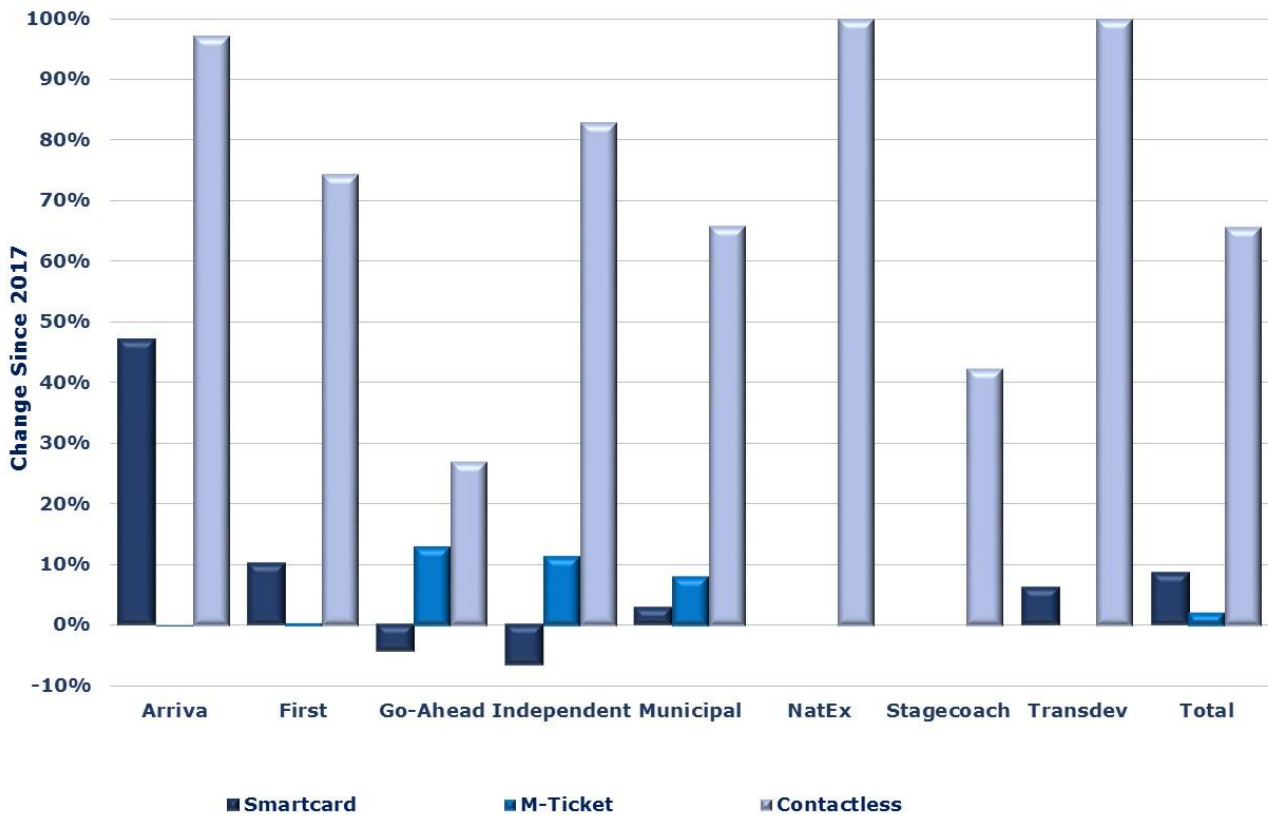


Figure ZZ: Smart Ticketing Coverage by Market

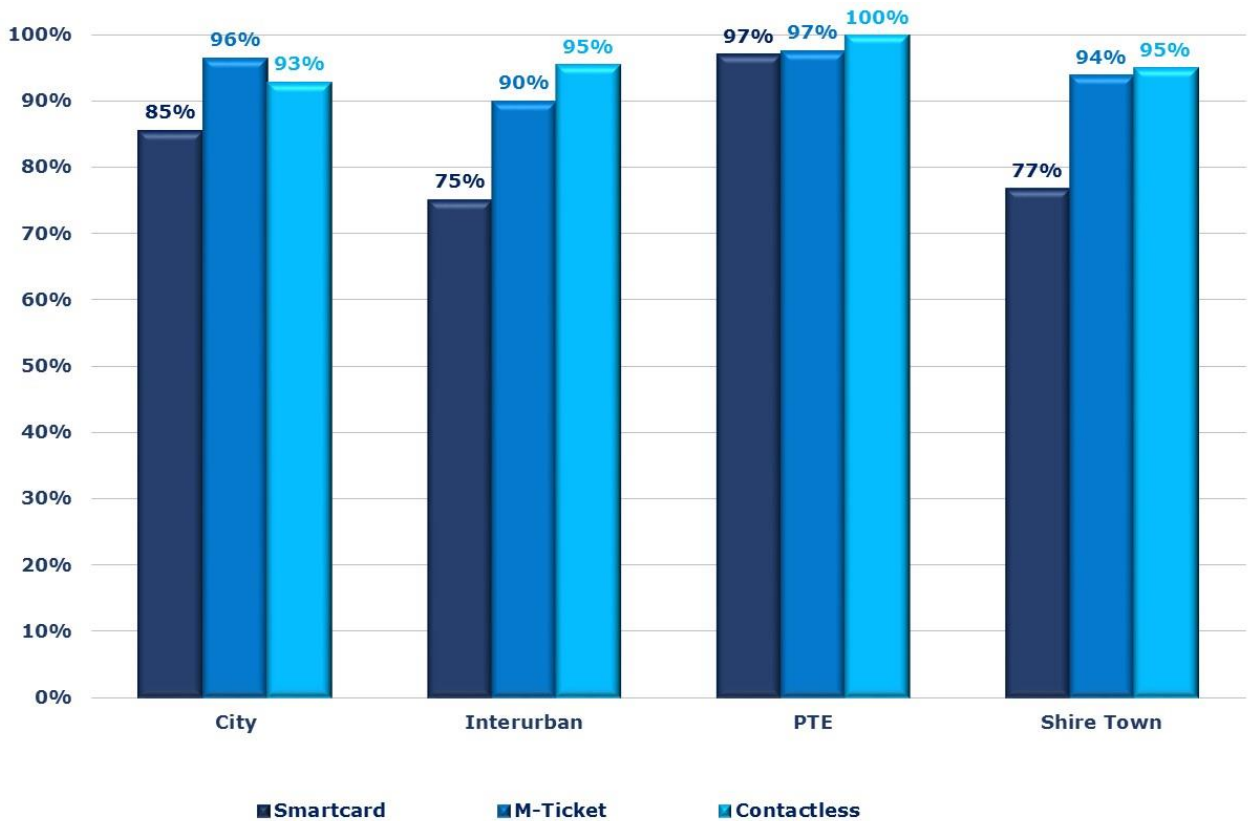
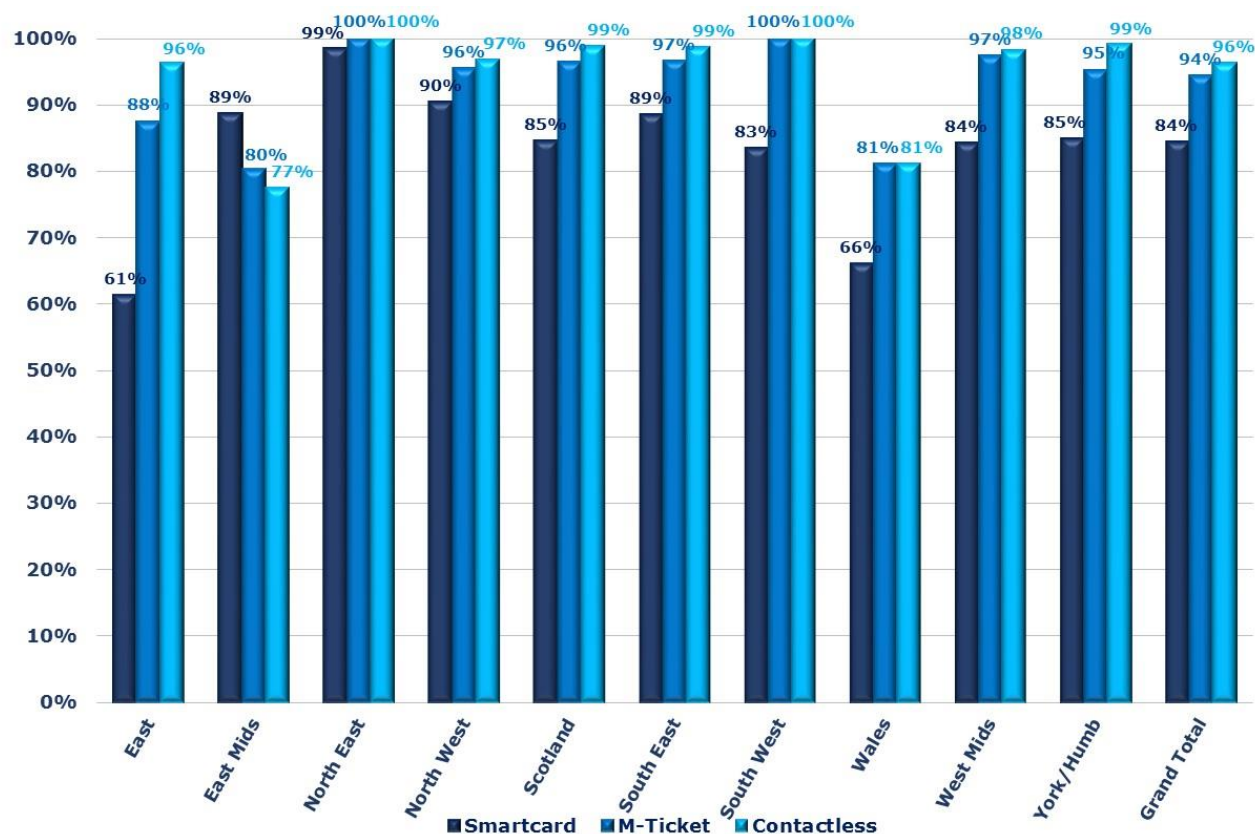


Figure AAA: Smart Ticketing Coverage by Region



10.2.7 A small number of operators including First and National Express are now rolling out contactless capping systems, something that will be covered in the 2021 National Fares Survey when we expect it will have become more established. The widespread public expectation now that ‘wave and pay’, or in truth more usually ‘press, wait and pay’, is the norm for even small transactions will undoubtedly place pressure on more bus operators to follow suit.

10.2.8 There is a major risk if operators transferred to solely electronic payment of fares. At the end of 2019 (i.e. the time of this survey):

- 21% of over 18s did not own or have access to a smartphone⁸, down only 4% from 2017;
- 1.2m people over 16 had no bank account⁹ down by 0.5m since 2017,
 - ◆ Many bank accounts for under 16s have restricted debit cards,

⁸ <https://www.finder.com/uk/mobile-internet-statistics>

⁹ <https://www.theguardian.com/money/2019/apr/22/britons-without-bank-account-pay-poverty-premium>

- 24% of debit and credit cards in circulation were not 'contactless'¹⁰, down 3% from 2017.

10.2.9 There is anecdotal evidence that people are being put off travelling by bus in London due to the inability to buy from the driver. As more operators appear to make period tickets smart product only and not allow first purchase on bus (although fewer operators are preventing on-bus renewals) this effect could begin to emerge outside of London.

¹⁰ <https://www.finder.com/uk/credit-card-statistics> and <https://www.statista.com/statistics/488043/number-of-contactless-debit-credit-cards-united-kingdom/>

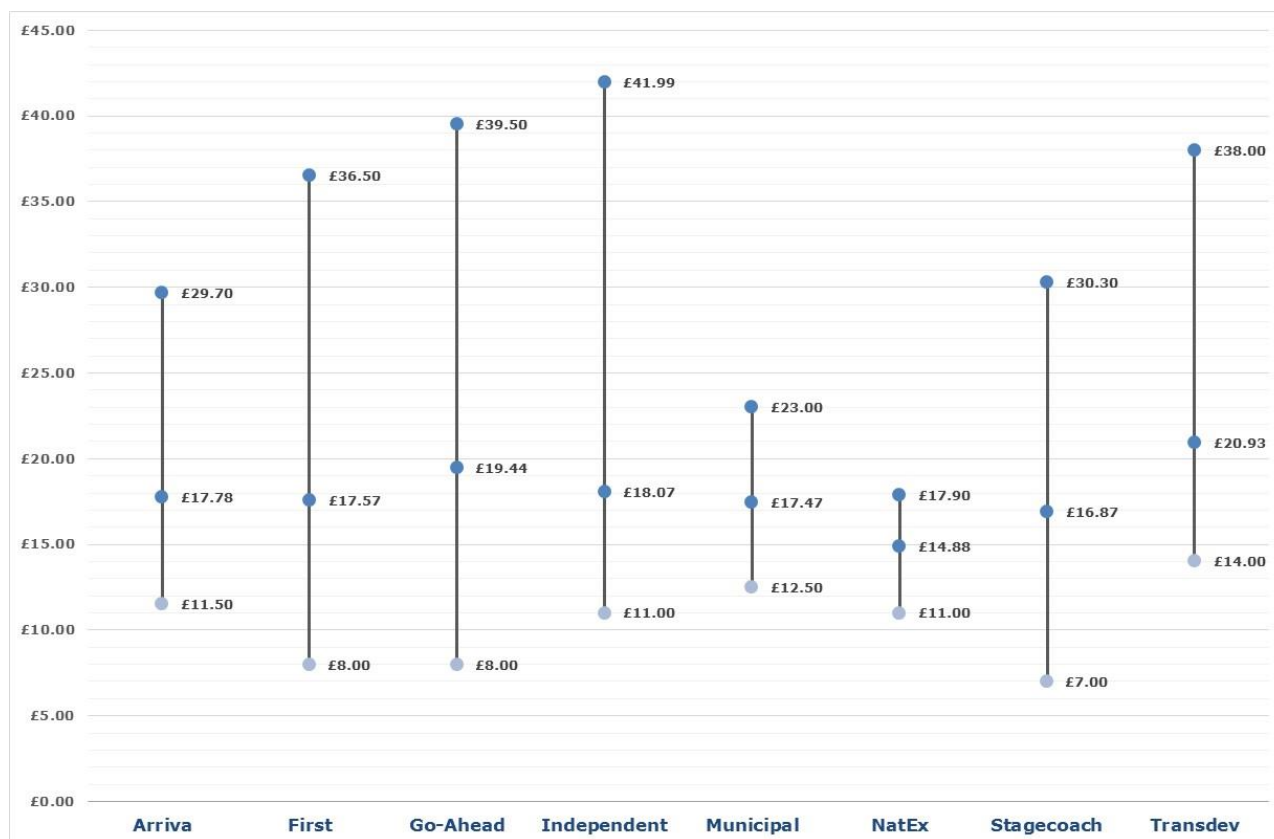
11.1 Introduction

- 11.1.1 This is a new section for the 2019 fares survey. Mobile tickets, whilst being seen as an off bus purchase method, have fewer barriers to purchasing than smartcard based ticketing. A mobile ticket can also be theoretically purchased whilst waiting at the bus stop or even when boarding the bus (although this is not recommended).
- 11.1.2 The aim of this section is twofold:
- a) To give a broader comparison of weekly ticket prices than available in the main survey;
 - b) To compare the level of discount applied where applicable to buying a mobile ticket compared to on bus.

11.2 Mobile Ticketing – Weekly Price

- 11.2.1 Figure BBB shows the maximum, minimum and mean price of M-Tickets by group. It should be noted that, even though they sell weekly tickets on bus both Nottingham City Transport and Lothian only offer less than weekly tickets on their app. The main findings are:
- Transdev has the highest average ticket price and the only one over £20;
 - National Express has the lowest average ticket price and the only one below £15;
 - Go-Ahead has the largest range in prices;
 - The five cheapest M-Tickets are the same as those listed in Table 10; and
 - The two most expensive tickets, Borders Buses at £41.99 and East Yorkshire at £39.50, are network wide weekly tickets only available as an M-Ticket,
 - ◆ Indeed East Yorkshire offers a range of multi-journey tickets only available on its app.

Figure BBB: Range of Mobile Weekly Ticket Prices by Group

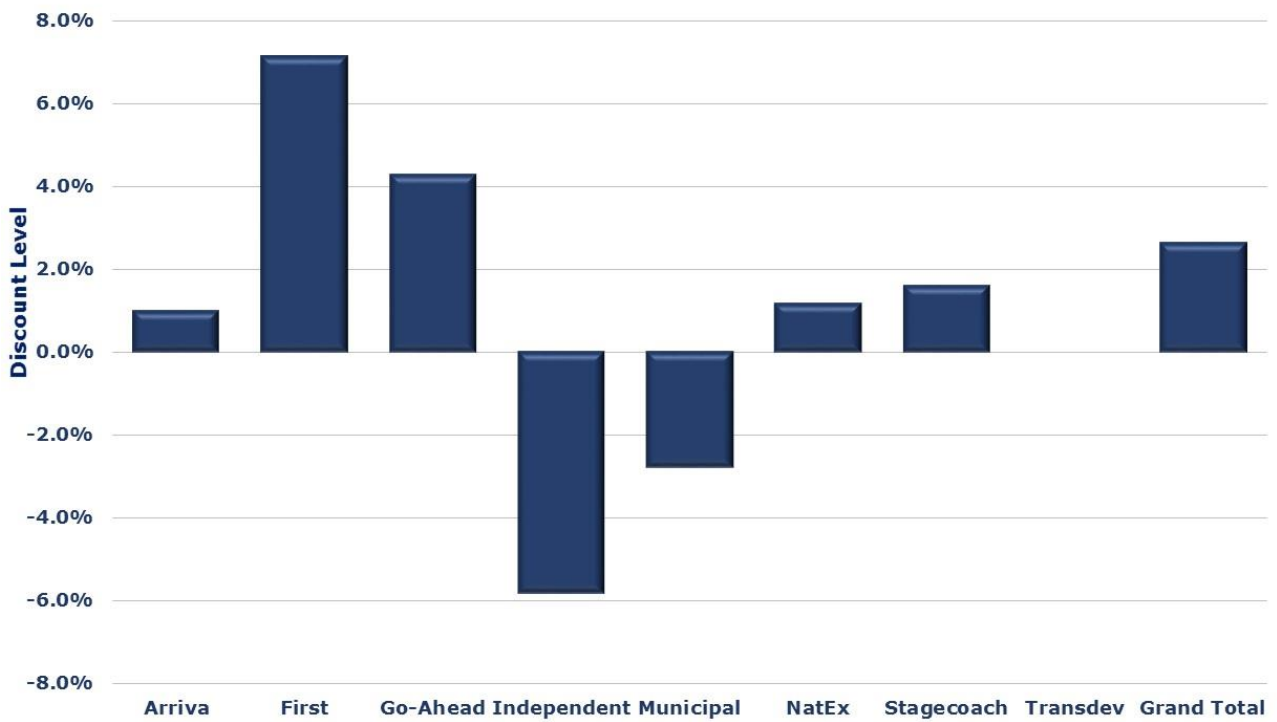


11.3 Mobile Ticketing – Discount over On Bus Price

11.3.1 Many operators are now seeking to discourage on bus ticket purchases (especially for multi-journey tickets) by making them cheaper off bus, particularly via their app. Figure CCC shows average discount offered by group, the M-Ticket price is only included where there is a on bus weekly available. The main points that determine this are:

- First’s high discount rate is driven by Kernow offering local area weekly tickets only on the app at £14 against £30 for the network weekly;
- The large negative discount for Independent is caused by Yellow Buses charging a £1 and £2 premium for its 7 Day SuperSaver and 7 Day Period ticket respectively when purchased on the app;
- The negative discount for municipal is driven by the small sample size and the fact that Reading Buses’ Simply Bracknell 7 days is only available on bus, app users would have to purchase the Simply Wokingham & Bracknell 7 days which costs £16 more; and
- Transdev does not offer any discount whilst Arriva and Stagecoach only offer discount in certain areas or on certain products.

Figure CCC: Average M-Ticket Weekly Discount against On Bus Weekly



11.3.2 Table 12 shows the top ten weekly mobile tickets by discount level over purchasing on bus.

Table 12: Top Ten Weekly Mobile Ticket Discounts

Rank	Group	Operator	Ticket	On-bus Price	Mobile Price	Discount £	Discount %
1	Stagecoach	Merseyside & S Lancs	Merseyrider Plus	£15.00	£12.00	£3.00	20.0%
2	Go-Ahead	Morebus	Zone A Weekly	£17.00	£14.00	£3.00	17.6%
3	Go-Ahead	Morebus	Zone AB Weekly	£20.00	£17.00	£3.00	15.0%
4	Independent	Centrebus	Leicester City Week	£15.00	£13.00	£2.00	13.3%
5	Go-Ahead	Go North East	GoZone 1 Zone 7 Days	£23.00	£20.00	£3.00	13.0%
6	First	Midland Bluebird	FirstWeek 2 Zones	£24.00	£21.50	£2.50	10.4%
7	Go-Ahead	Bluestar	Southampton Plus Week	£19.50	£17.50	£2.00	10.3%
8=	First	Cymru	FirstWeek Bridgend & County	£21.00	£18.90	£2.10	10.0%
8=	First	Cymru	FirstWeek Swansea Bay	£22.50	£20.25	£2.25	10.0%
8=	First	York	FirstWeek York	£17.50	£15.75	£1.75	10.0%
8=	First	Hampshire & Dorset	FirstWeek Weymouth	£15.00	£13.50	£1.50	10.0%
8=	First	Cymru	FirstWeek Cymru Clipper	£22.00	£19.80	£2.20	10.0%

12.1 Introduction

- 12.1.1 The main aim of this section is to determine whether there is a link between the average weekly wage and the price to purchase an average weekly ticket. Comparing locations allows for a picture of what could be determined as good and bad value for money and whether there is any clear indication of market pricing. Wage data is sourced from the Office of National Statistics (ONS) statistics on average weekly earnings by region and travel to work area.

12.2 Locations

- 12.2.1 Fifty locations were chosen from the ONS Travel to Work Area list. These were chosen based on having a substantial sample in the fares survey and many are served by multiple operators. Some locations such as Brighton and Reading have been discounted due to not being able to purchase a weekly ticket on the bus.
- 12.2.2 Figure DDD compares the average weekly ticket price against average weekly wage for all locations. The trend can be said at best to be weak and shows that the operator's pricing doesn't always directly match local wage levels.
- 12.2.3 Table 13 and Table 14 set out the five lowest waged locations and the five lowest ticket priced locations. Whilst the Huddersfield Travel to Work Area has the lowest average weekly wage, this is matched by having the 5th lowest average on-bus weekly ticket price – however Arriva Yorkshire does not sell network weeklies on bus thus resulting in a higher average weekly price for M-Tickets. Swansea on the other hand has a low average weekly wage but quite a high average weekly ticket price, the discount offered for buying on the app rather than from the driver is noticeable here.
- 12.2.4 Dudley benefits from being in a National Express West Midlands low fare area and Diamond Buses Value area. Hull's figures are distorted by the fact that East Yorkshire does not sell wider area weeklies on bus, using the M-Ticket price the average weekly fare for the Hull Travel to Work Area would be £21.29.
- 12.2.5 The effect of adding in M-Tickets is noticeable in Table 15 which sets out the five lowest ticket priced locations. Whilst Dudley keeps hold of the top spot and Dundee and Swindon both reduce in price, Hull and Huddersfield are replaced by Sunderland and Exeter. Figure EEE shows how the discount provided on M-Tickets has shifted the proportion of average weekly wage to the left.

Figure DDD: Plot of Average Weekly Ticket Price vs Average Weekly Wage



Table 13: Lowest Average Weekly Wage Locations

Travel to Work Area	Weekly Wage	Weekly Ticket	Ticket Rank	Ticket as % of Wage	Weekly M-Ticket	M-Ticket Rank	M-Ticket as % of Wage
Huddersfield	£449.20	£14.75	5	3.3%	£17.17	27	3.8%
Swansea	£460.40	£22.50	48	4.9%	£20.25	47	4.4%
Blackpool	£460.60	£16.60	21	3.6%	£15.60	12	3.4%
Plymouth	£461.20	£16.33	18	3.5%	£16.33	19	3.5%
Middlesbrough & Stockton	£470.00	£15.95	15	3.4%	£15.95	17	3.4%

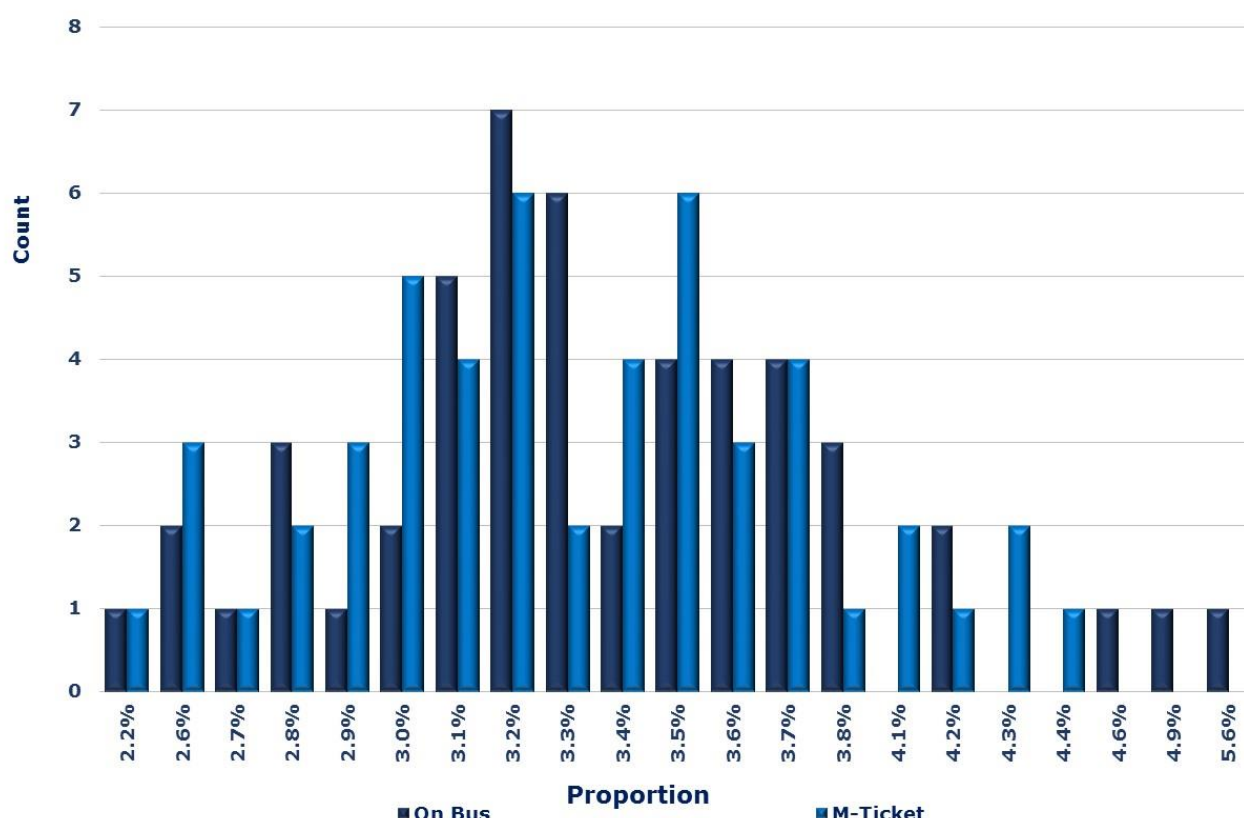
Table 14: Lowest Average On-Bus Weekly Ticket Prices and Wages

Travel to Work Area	Weekly Ticket	Weekly Wage	Wage Rank	Ticket as % of Wage
Dudley	£11.00	£490.50	17	2.2%
Hull	£13.00	£496.00	21	2.6%
Dundee	£13.18	£487.20	15	2.7%
Swindon	£14.50	£548.70	39	2.6%
Huddersfield	£14.75	£449.20	1	3.3%

Table 15: Lowest Average M-Ticket Weekly Ticket Prices and Wages

Travel to Work Area	Weekly M-Ticket	Weekly Wage	Wage Rank	Ticket as % of Wage
Dudley	£11.00	£490.50	17	2.2%
Dundee	£12.73	£487.20	15	2.7%
Swindon	£14.17	£548.70	40	2.6%
Sunderland	£14.19	£486.10	14	3.1%
Exeter	£14.90	£476.40	9	3.1%

Figure EEE: Ticket as Proportion of Weekly Wage by Purchase Method



12.3 Regions

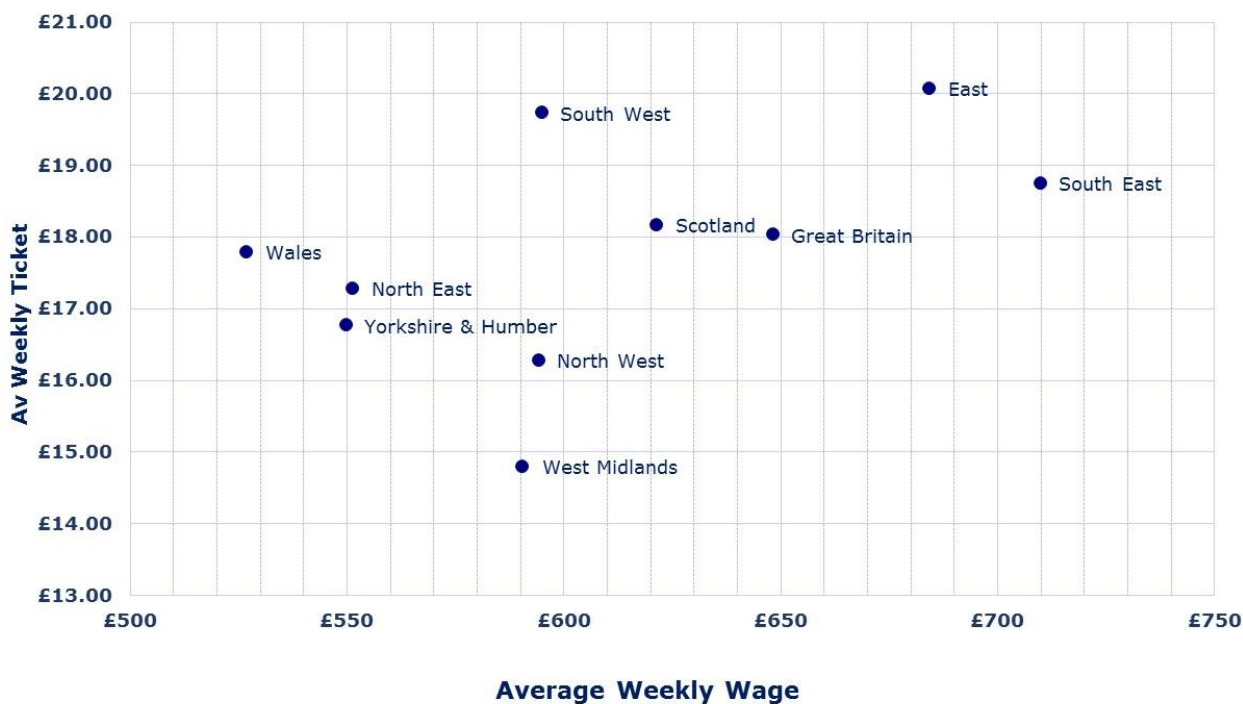
12.3.1 Table 16 below looks at the results by region from the ONS EARN05 statistics. This is sorted by weekly ticket as a proportion of weekly wage (on-bus purchase). The West Midlands is affected by the largest operator not offering its network wide ticket on the bus whilst it would be difficult for operators to raise their prices in the South East to match the GB average proportion.

12.3.2 In Figure FFF, the only anomaly is the East Midlands where one operator’s fare zones create a higher than normal average weekly ticket price. If we accept Scotland and Wales as outliers containing areas with multiple characteristics, then the bottom left to upper right north to south trend in England is notable.

Table 16: Results by Region

Region	Regional Average Weekly Wage	Average of Weekly Ticket Price	Proportion of Wage
West Midlands	£590.64	£14.79	2.5%
South East	£710.04	£18.74	2.6%
North West	£594.50	£16.28	2.7%
Great Britain	£648.37	£18.03	2.8%
Scotland	£621.65	£18.16	2.9%
East	£684.52	£20.07	2.9%
Yorkshire & Humber	£550.06	£16.76	3.0%
North East	£551.45	£17.27	3.1%
South West	£595.02	£19.73	3.3%
Wales	£527.00	£17.78	3.4%
East Midlands	£583.59	£22.10	3.8%

Figure FFF: Regional Comparison Weekly Wage by Weekly Ticket



12.4 Comparison with Other Living Costs

12.4.1 Overall, weekly bus travel forms a comparatively small part of a person's weekly wage. For example, based on a 4.5 week month where applicable, the figures for Leeds¹¹ would be as shown in Table 17:

Table 17: Cost of Living Comparisons for Leeds

Item	Average Weekly Spend	Percentage of Wage
Average Weekly Wage	£538.10	100%
Average Weekly Ticket	£16.96	3.2%
One-bed flat rent (suburbs)	£111.46	20.7%
One bed flat utilities	£27.38	5.1%
Broadband and TV Licence	£15.11	2.8%
Weekly Food Spend	£52.90 ¹²	9.8%
Car running cost inc. finance	£86.32 ¹³	16.0%

12.5 Summary

12.5.1 It is difficult to establish a clear link between average wages in a city or town and the price of a weekly bus ticket based on figures from individual places. There is little direct association between places with the lowest or highest average wages and lowest or highest ticket prices. However, there is a much clearer alignment once results are aggregated at a regional level.

12.5.2 There could be many reasons for this:

- Although our sample of fares is fairly comprehensive, the number of fares in the database for any particular Travel to Work area will be small. Thus one particular ticket could skew the average (as is the case, for example, in Nottingham);
- The town or city economy can exist in pockets of differing economic activity. There may be, for example, large numbers of commuters into a big city, leaving a lower-waged 'local' economy;
- Average bus usage might be low and thus fares are correspondingly higher to cover costs; and
- At regional level the outliers in terms of price are nullified.

¹¹ <https://www.numbeo.com/cost-of-living/in/Leeds> - updated Jan 2020

¹² <https://www.moneyadviceservice.org.uk/blog/how-does-your-household-food-spend-compare> - July 2019

¹³ <https://www.thecarexpert.co.uk/average-car-costs-more-than-160-per-month-to-run/>

13.1 Summary

- 13.1.1 As in previous surveys, there is a large variation in sample three mile single bus fares between £0.85 and £5.00; a range which is slightly wider than the 2017 survey. The spread of fares is fairly continuous therefore we are happy with the use of mean values to represent a 'typical' fare. However, it remains our assertion that there has never been a 'standard bus fare' across GB for a three mile journey and this continues to be the case.
- 13.1.2 There is still a tendency to find higher fares in less urban areas. Municipal operators tend to charge lower-than-average for single fares, but provide less discount for period-based tickets; and of the major bus operators, Arriva, First and Stagecoach generally offer the greatest discounts for day and weekly tickets. The challenge for all operators is to maintain acceptable profitability levels given the likely continuing fall in ridership (caused, amongst other things, by increased congestion, the shrinking High Street and political unwillingness to negatively affect car drivers) and the relentless increase in total operating costs.
- 13.1.3 It would be reasonable now to suggest that the 'Day' ticket has long exceeded its target of replacing return fares. As can be seen from our analysis – except with National Express and Arriva – more trips are generally expected from a Day ticket than the two we use to benchmark the level of discount against purchasing multiple single fares. The DfT's concessionary fares toolkit suggests 3.5 trips as typical for a day ticket – our analysis suggests that pricing is some way off this level but now somewhat greater than twice the single – except of course, that day tickets are likely to cover wider areas where their value is higher against higher single fares.
- 13.1.4 Weekly tickets can have their limitations based on journey purpose and timings. Our survey focuses on the majority of journeys that go from A to B and back. In most cases, those who travel at least four days per week make savings by moving to a weekly product. Other beneficiaries, of course, are those making regular trips using more than one service. Day tickets represent particularly good value for these travellers too.
- 13.1.5 If there are two areas of ticketing where operators come under political pressure it is for introduction of smartcards and multi-operator tickets. It is becoming more apparent, not least as a result of the opinion of TfL, that the smartcard is yesterday's technology, but nonetheless were available for 76% of all samples. M-Tickets have risen to 94% availability.
- 13.1.6 Contactless payment is now available on 96% of all sample journeys – an impressive rise of 66% in two years and now at the point where its availability is almost a default.

- 13.1.7 Multi-operator tickets are available for all trips in PTE areas and high numbers of areas outside too. Although there are areas, often those highlighted by the CMA investigation back in 2011, which could still benefit from multi-operator tickets, in the majority of cases the lack of a multi-operator ticket is merely a reflection of the lack of a second operator. The number of sample journeys on which a multi-operator product could be used has risen by 3% to 77%.
- 13.1.8 With significant pressures on public sector revenue expenditure on local bus services – including the total withdrawal of supported services in some areas and continued pressure on BSOG to mitigate the full cost of fuel – and the benefits that car drivers have continued to have through lower fuel and duty prices, the bus industry faces a challenging short- to medium-term future in keeping bus fare levels that are both affordable in the context of living costs and competitive against private transport.
- 13.1.9 The problem the bus has is in comparisons of generalised cost when other factors are taken into account. Looked at simply, a weekly bus ticket can represent only 3% of the weekly wage whilst the cost of owning and running a car can represent 16%, without any form of congestion charge.
- 13.1.10 In the end, however, income must exceed operating cost and with a decreasing amount of public spending and a squeeze applied to concessionary reimbursement, those costs increasingly have to be borne by the farepaying passenger.

13.2 Looking Ahead

- 13.2.1 Part of the requirement of the Bus Services Act 2017 in England is for operators to provide open data about fares and tickets above and beyond what they currently do. The Department for Transport has stated that it aims for this to be implemented in 2021. In theory, therefore, the next Fares Survey in 2021 will not need us to contact any operator but we can be forgiven for being a little cynical about this.
- 13.2.2 The challenge here is enormous. There is a traditional disconnect between faretables and timetables for perfectly legitimate historical reasons. Historically fares were related to distance and farestages fell wherever a particular mileage was achieved; timing points, on the other hand, were logically set at popular points where there were lots of passengers.
- 13.2.3 Many faretables have resisted the passage of time and long gone pubs, shops, roads and even collieries continue to be farestage names. Translating these into NaPTAN equivalents to generate a stop to stop table of single fares is a challenge in itself, then add in issues of where return fares are or are not available, which multi journey tickets cover which parts of the route, a myriad of different rules and regulations for children and young people and concessionary enhancements and it becomes a mammoth exercise.

- 13.2.4 Most of the operating groups covered here have UK-wide coverage – so there is a reasonably strong likelihood that whatever needs to be developed within the English bus market to meet new statutory requirements will almost certainly be rolled out to Scotland (as part of its recently passed legislation) and Wales as a result of economies of scale. Indeed Traveline Cymru already publishes single fares for some operators within Wales, whilst Stagecoach’s web based journey planner includes the range of tickets available for the journey requested.
- 13.2.5 Contactless capping is the area of ticketing technology which is likely to be rolled out across much of Great Britain before the next survey in 2021. Whilst it is easy to implement in locations with a flat fare, sometimes at a discounted rate, it will be the spread of the Tap-on Tap-off element which will be the most interesting to see. Roger French rightly points out that people may be put off using this payment method due to the *"continued confusion over what tapping and paying really does mean. Some industry standards are needed before too many taps are turned off."*¹⁴
- 13.2.6 What is likely, however, is that there will almost certainly be a continuing role for cash payment and the paper ticket at least until the passenger market is willing to fully embrace new ticketing options and technologies. A very significant proportion of bus passengers do not have a bank account, many of those who do have an account are yet to receive or are unwilling to use contactless-enabled bank cards and a similar proportion do not possess smartphones.

¹⁴ *Inside Track: Tapping into the Future by Roger French, Buses February 2020 (Issue 779)*