The TAS Partnership Limited
Passenger Transport Specialists

7th TAS National Bus Fares Survey: 2022

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Forewords

David Sidebottom, Director, Transport Focus

"People want to see value for money in everything – and bus fares are no different. Transport Focus has been promoting the interests of bus and coach passengers in England outside London since 2010, listening to what passengers want from bus services and how they can be improved.

Transport Focus is delighted to support the publication of the 2022 National Fares Survey by the TAS Partnership. We hope its insight and analysis helps the industry navigate the challenges and seize the opportunities lying ahead.

It is interesting to note that the average single fare for an adult has decreased by 0.1 per cent since 2019. One of the few products in life that appears to have dropped in price! Although from a bus passenger perspective, there has been a 41.3 per cent increase from 2009.

Cornwall led the way on cheaper fares with its 'bus fares pilot' launched last year backed by £23.5m Government funding. This has had a clear impact by making bus an easier choice for travellers.

Ease is key and contactless is available on 100 per cent of journeys sampled. Research at Transport Focus shows that cost and convenience are the two main factors considered when using public transport. No longer having to faff about with coins or have the right change are steps in the right direction.

Our research shows what simplified, cheaper fares can do through the £2 bus fare cap introduced over the past few months. Value for money has always been a priority for passengers and many now face financial challenges. Making the bus more attractive, reducing the cost for those relying on the bus, the £2 fare is an encouraging step.

We asked passengers what they thought about the £2 fare. Seven per cent said they are already using the bus more and 32 per cent say they might use buses more but haven't yet. 53 per cent said they were aware of the £2 fare and at least two thirds of regular bus users were aware.

The impact is clear in our continuous Bus User Survey report which found 73 per cent of bus passengers were satisfied with value for money in our February 2023 report, the highest since the survey began.

In January we launched our latest survey of bus passenger satisfaction, Your Bus Journey, which looks at how satisfied passengers across England and Scotland are with their bus journey. The survey will be used to make the case for future improvements and identify good practice. This will help transport authorities, bus operators and governments to invest in the things that matter most to current and future bus passengers.

Passengers want to be able to travel with confidence. They want to be able to board any bus and for the fare to be affordable and the best ticket to either be simple to identify or capped, particularly where multiple operators are involved. Building confidence in what to expect will help passengers use the buses more and encourage non users to give it a go."

Graham Vidler, Chief Executive Officer, Confederation of Passenger Transport (CPT)

"*The publication of the National Fares Survey is an important date for all of us with an interest in the facts about buses. CPT's thanks go to colleagues at the TAS Partnership, passenger transport specialists, who have completed their seventh comprehensive study for 2022.*

This independent report provides a timely reminder that buses offer great value for money for people, especially during a cost-of-living crisis. It confirms that average day and weekly tickets have risen well below inflation (between 6 and 7%) and the average single fare has, in fact, marginally fallen over the last three years – led by low fare schemes in Cornwall, West of England, Manchester, Merseyside and West Yorkshire.

It also highlights that bus travel is far cheaper than running a car, with a weekly bus ticket representing just under 3% of the weekly wage and a private vehicle, over 9%.

The increasing use of technology by operators is another prominent feature of the survey. The results show the industry is well on its way to adapting to digital payments, with every fare sampled being payable by contactless and 98% available as mobile phone tickets. Looking ahead, the report suggests that 'Contactless Capping' (Tap-on Tap-off) is set to be the new growth area, with over a third of fares already covered and rapid progress towards increasing availability further.

In summary, the report is a must read for those interested in transport and how fares work. CPT will use its findings as part of our work to make the case to UK governments and devolved bodies for a stable, long-term funding settlement to deliver for passengers and encourage more people to choose the bus."

The 2022 Survey Headline Figures 1

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 2022 against data from the six previous TAS National Fares Surveys (2009, 2011, 2013, 2015, 2017 and 2019).

1.2 Survey Sample

1.2.1 Against our survey target of 1,250 fares, this report's sample contains:

- 1,242 different adult single fares;
  - **1,231 of which had an equivalent day ticket and**
  - **1,096 of which had equivalent weekly tickets which could be purchased from the driver.**

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 in previous surveys 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 £0.90 to £4.50; a range which is rather smaller than the 2019 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 £2.47;
- The minimum single fare was £0.90,
  - This was on Brodyr Richards in Fishguard;

- The maximum single fare was £4.50,
    - This was on Stagecoach East Midlands in Clowne, Stagecoach North West in Garstang and Stephensons of Essex in Maldon.

1.3.3 Table 1 compares overall findings from the 2022 survey with our previous surveys. The average single fare has reduced by 0.1% during the past three years thanks to low fare schemes, and increased by 41% during the 13 years since our survey started. Whilst each fare will be dependent on very local circumstances, in 2022 both the maximum and minimum are for journeys included in the 2019 survey. The 2019 maximum fare was reduced as part of the Cornwall low fare scheme.

Table 1: Mean Single Fares: Current Prices, 2009-2022

Measure	2009 Fare	2011 Fare	2013 Fare	2015 Fare	2017 Fare	2019 Fare	2022 Fares	2022 vs 2019	2022 vs 2009
Average	£1.75	£1.91	£2.11	£2.21	£2.33	£2.48	**£2.47**	**-0.1%**	**+41%**
Minimum	£0.50	£0.70	£0.80	£1.10	£1.20	£0.85	**£0.90**	**+5.9%**	**+80%**
Maximum	£3.50	£3.85	£5.00	£4.00	£4.20	£5.00	**£4.50**	**-10%**	**+29%**
Sample (n)	804	1,073	1,155	1,028	1,047	1,093	**1,242**		

1.3.4 Figure A shows the distribution of single fares by price for the 2022 survey. Just under 75% of £2 single fares can be attributed to low fare schemes. As shown in Figure B, this has also affected the cumulative distribution of fares.

Figure A: Distribution of Single Fares, 2022

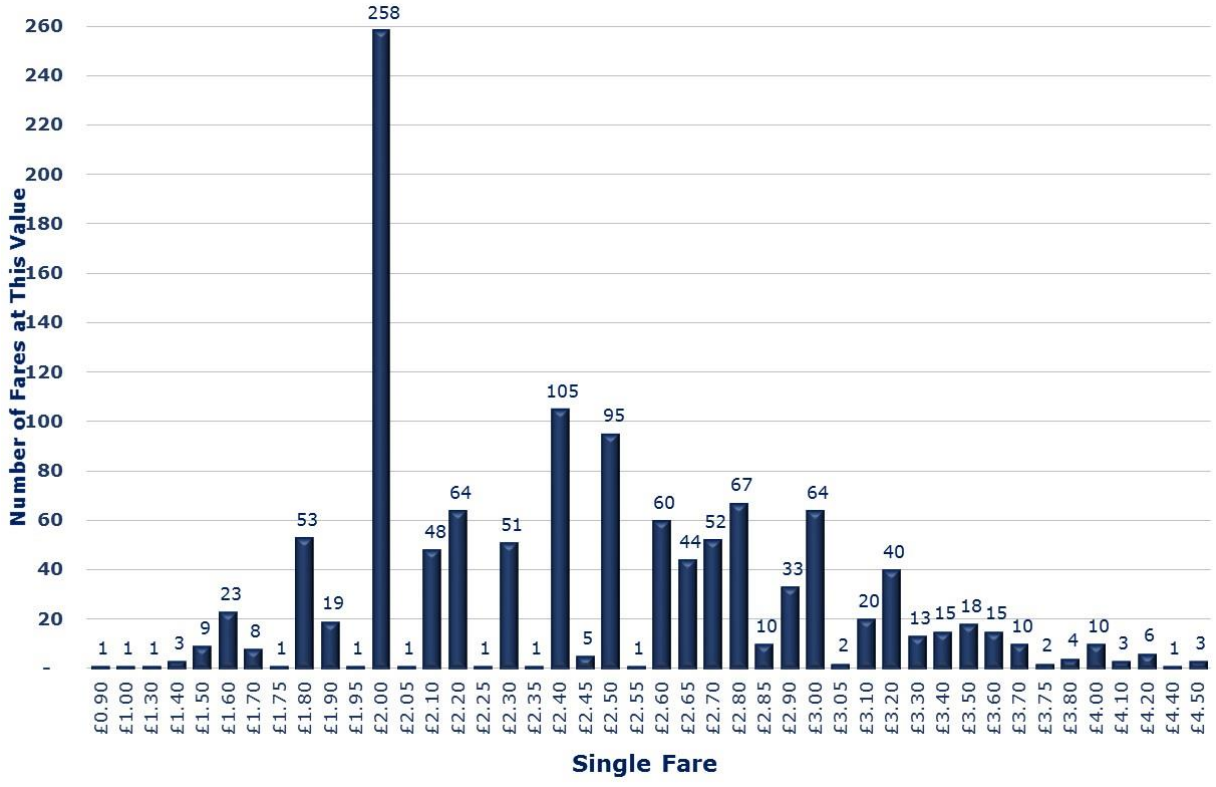
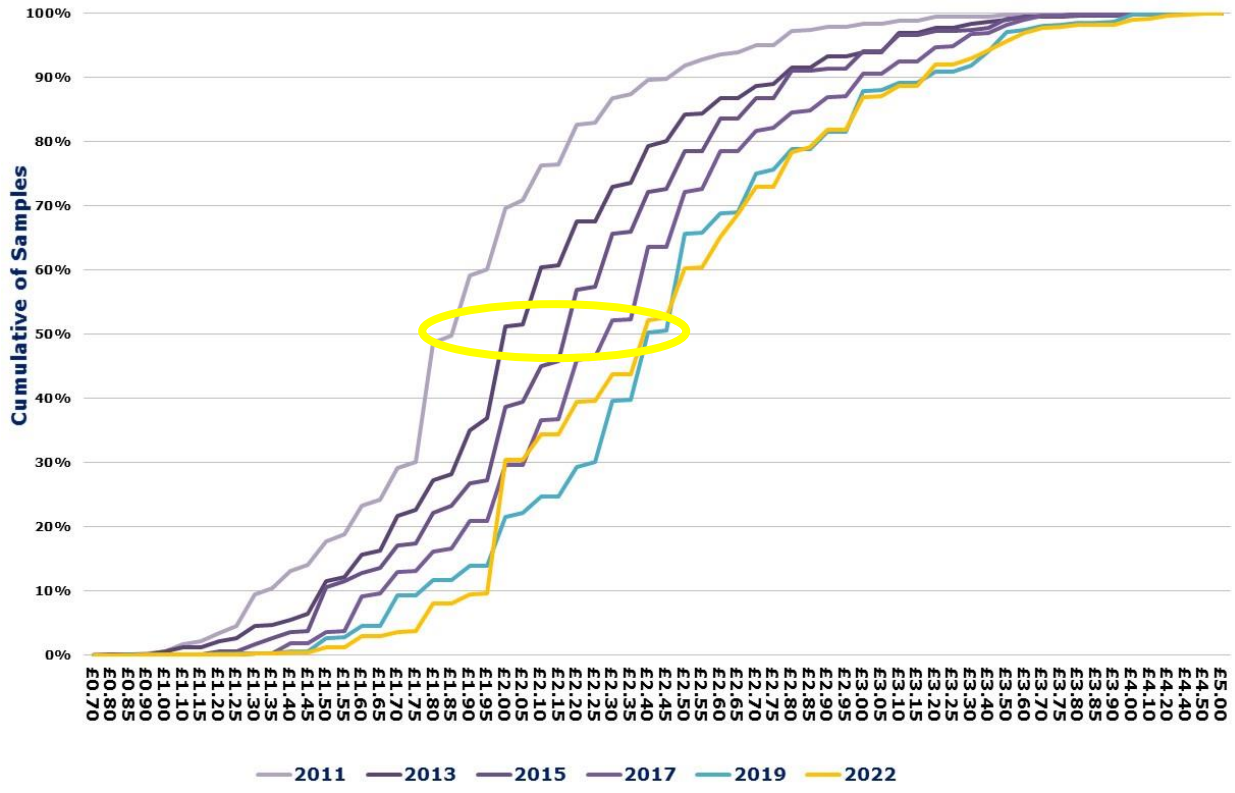


Figure B: Cumulative Percentage of Survey Sample, 2011-2022



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 £5.29,
  - (Note that this is 7% higher than twice the average single price);
- The minimum day ticket price in the sample was £2.50,
  - First Kernow and Go Cornwall 'town' day tickets;
- The maximum day ticket price in the sample was £19.00,
  - Transdev Blazefield 'Daytripper Plus' ticket (on Yorkshire Coastliner).

Note, however, that the latter equates to a single fare of £3.50 so in practice passengers making a simple return journey would not even contemplate buying the day ticket.

1.4.2 Table 2 compares 2022 day ticket prices with those from the previous surveys. The average day ticket has risen by 6% over the past three years and by only 12% since the first survey in 2009. The rise in the minimum since 2017 is

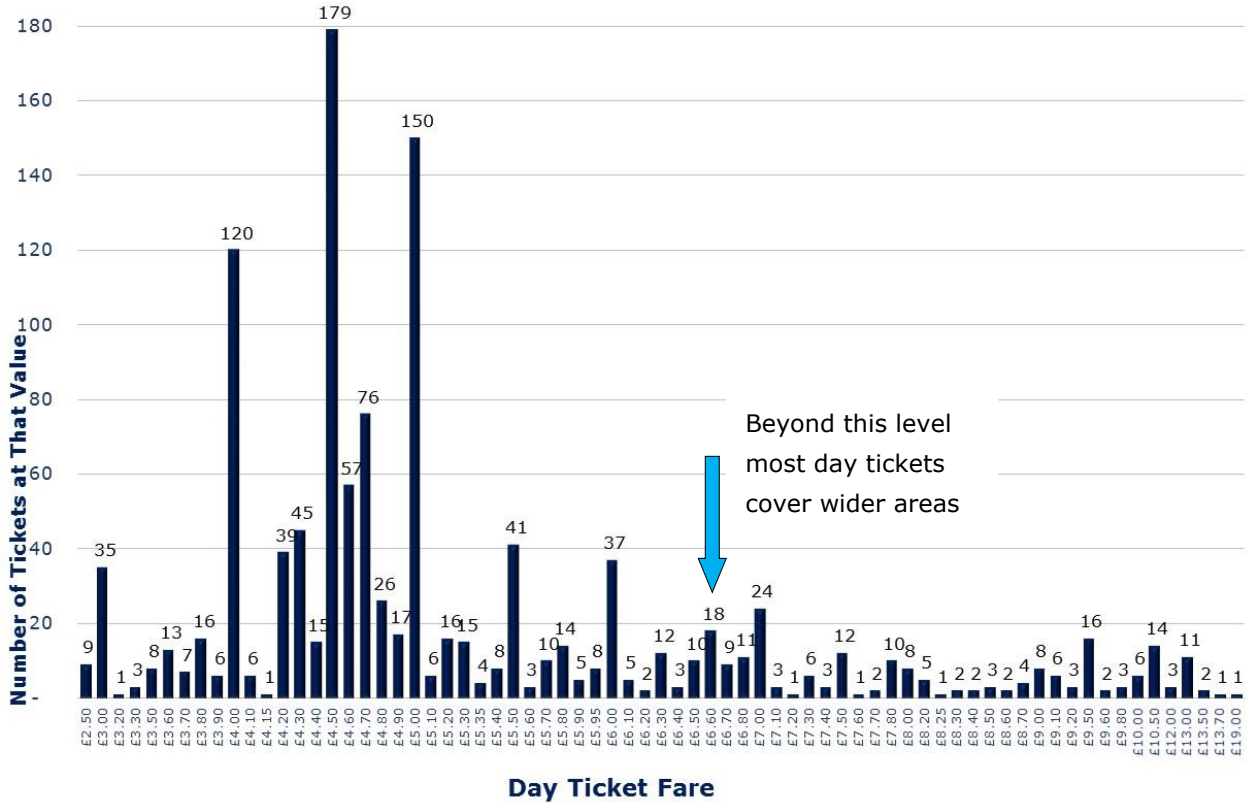
affected by a change in fare structure at First West of England, whilst the 9% rise in the maximum is down to a fare increase on the same product.

Table 2: Mean Day Ticket Prices: Current Prices, 2009-2022

Measure	2009	2011	2013	2015	2017	2019	2022	2022 vs 2019	2022 vs 2009
Average	£4.72	£4.52	£4.74	£4.83	£4.92	£5.21	**£5.29**	**+1.6%**	**+12%**
Minimum	£1.70	£2.00	£2.40	£2.00	£2.40	£2.50	**£2.50**	**0%**	**+47%**
Maximum	£14.00	£15.00	£15.00	£15.30	£16.00	£17.50	**£19.00**	**+8.6%**	**+36%**

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 2019, thanks partly to low fare schemes) 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 £19.37,
  - Slightly over 7.8 times the average single fare;
  - And notably well below TfL's weekly cap level;
- The minimum weekly ticket price in our sample was £9.60,
  - Stagecoach North Scotland's Peterhead MegaRider;
- The maximum weekly ticket price in our sample was £43.00,
  - Trentbarton's 'trentbartonland saver7' tickets. But as with day tickets (above) this relates to a range of single fares between £2.40 and £3.50, thus even at the highest value passengers need to make more than twelve trips per week to justify purchasing a weekly ticket.

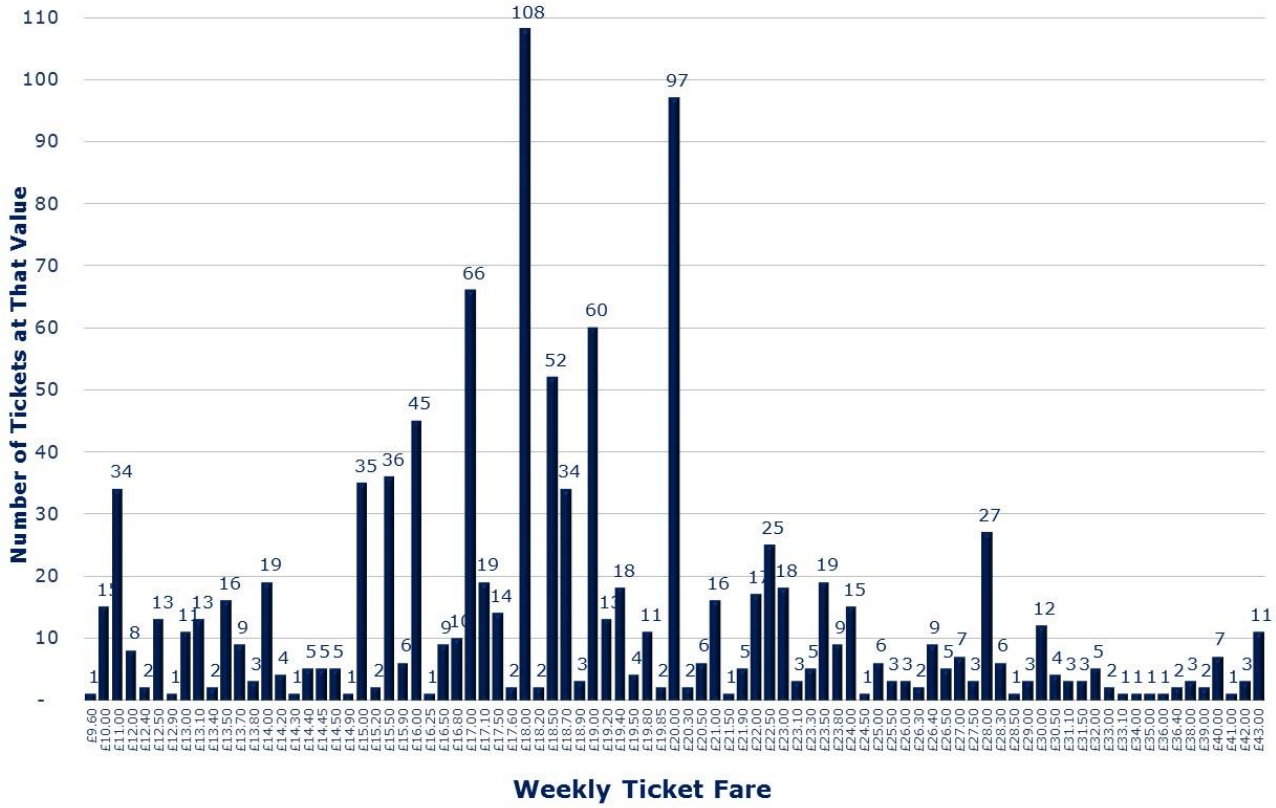
1.5.2 Table 3 compares 2022 weekly ticket prices with those from previous surveys. With low fare schemes not directly affecting weekly tickets, the average increase seems high compared to single and day fares. The minimum price increase is affected by the lack of some special promotional weekly tickets in the 2022 survey which existed in 2019, the maximum increase is in line with the average increase.

Table 3: Mean Weekly Ticket Prices: Current Prices, 2009-2022

Measure	2009	2011	2013	2015	2017	2019	2022	2019 vs 2017	2019 vs 2009
Average	£13.78	£15.16	£16.64	£16.74	£17.09	£18.03	**£19.37**	**+7.5%**	**+41%**
Minimum	£5.00	£6.00	£7.50	£5.00	£6.00	£7.00	**£9.60**	**+37%**	**+92%**
Maximum	£30.00	£35.00	£42.00	£39.00	£35.00	£40.00	**£43.00**	**+7.5%**	**+43%**

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. Tickets priced at £12 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 £18. The former perceived cut off price of £25 now seems to have shifted slightly to the right.

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 2022 was £2.47 – a decrease of 0.1% since the previous survey in 2019 but increased by 41.3% since our first survey in 2009; while RPI over the same periods has increased by 19.7% and 60.5% 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 low proportion of passengers who pay single fares – in urban areas this used to be well below 10%, however the wide availability of contactless payment has seen this increase again, as has the £2 fare cap.
- In our sample, the average day ticket cost £5.29 – up 1.6% from £5.21 in 2019 and increased by only 12.1% since 2009, well below the 60.5% growth in RPI.

- The average weekly ticket in our sample cost £19.37 – up from £18.03 in 2019, an increase of 7.5%, and has increased by 40.7% since 2009.

    - And regular users get a very good deal from most operators with an average discount of 22% applying to weekly tickets against ten singles.

1.7 Increases Relative to Other Factors

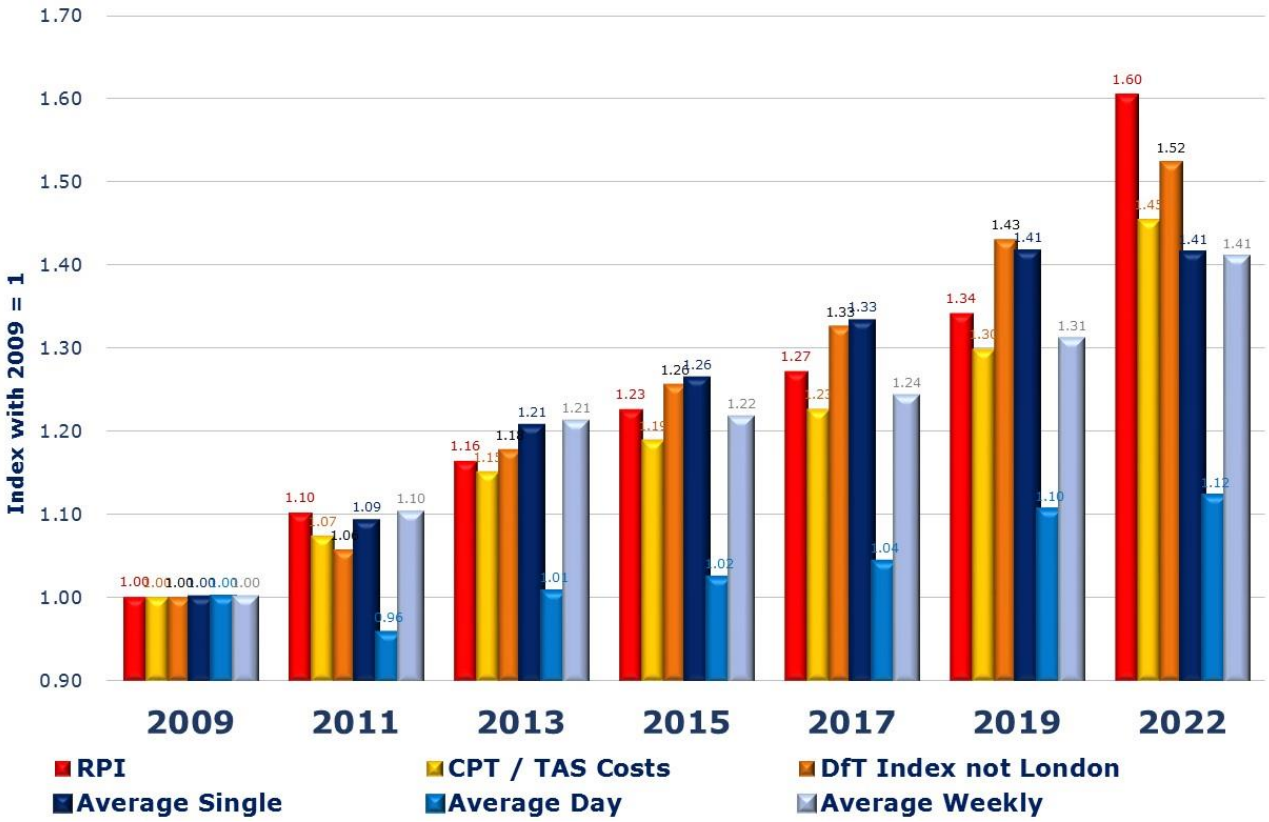
1.7.1 Figure E below indexes the changes to average fare against the increase in Retail Price Index, the CPT's reported increases in bus operating costs and the DfT's fares index for English fares outside London. The DfT index follows increases in single fares most closely, while overall we show a somewhat slower rate of increase.

1.7.2 Office of Rail Regulation data shows that **regulated rail fares** have increased 71.1% since 2009 (40.8% for bus weeklies) and 18.6% since 2019 (7.6% 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. For 2022 we had to use a sample of operator accounts in place of the CPT Cost Index, which is currently suspended pending recalculation.

1.7.4 Using the sample operator accounts, 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 supressing price increases on multi-journey products.

Figure E: Changes Relative to 2009



1.8 Multi Operator Tickets

1.8.1 Overall, 79% of the sample trips had a multi-operator alternative (up 2% 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 64% in East Midlands and
- Only 60% 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:

- **85% had a smartcard as a ticketing option (up 1% from 2019),**
  - This varied from 99% in the North East region to 59% in the East of England;
- **98% had an M-Ticket as a ticketing option (up 4% from 2017),**
  - This varied from 100% in five regions to 84% in Wales;
- **All samples could have been paid for by contactless payment (up 4% from 2019),**
- **37% had tap-on tap-off contactless payment as an option,**
  - This varies from 79% in the West Midlands to 0% in the North East.

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 most expensive weekly ticket is only available via the relevant operator's app, this being Borders Buses' Borderless Weekly at £46.19.

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 2.2% for purchasing via an app rather than from the driver;
- Transdev offered the highest overall average discount at 7.3%, mainly thanks to an app only local tickets in West Yorkshire;
- Go North East's 'Tyne & Wear 7 Days' ticket offers the highest individual product discount at 19% for purchasing via the app;
- First offered the highest discount for a 5 day carnet against five separate day tickets at 25%, National Express the lowest at 5%;
- Stagecoach offered the highest discount for a 10 day carnet against 10 separate day tickets at 30%, Go-Ahead the lowest at 8%.

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 ticket price as a proportion of average weekly wage varied between 2.1% and 5.4%;
    - **On average across the UK, a weekly ticket uses 2.6% 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.

Introduction and Structure 2

2.1 Introduction

2.1.1 This Report is our seventh 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, 2017 and 2019.

2.1.2 This seventh survey was due for completion in late 2021. However, this would have given a false picture due to the Covid period when fares increases were withheld or restricted to CPI or RPI as a condition of receipt of continued government support. For the most part[1] by September 2022 these artificial restrictions on fare increases had been removed. As normal market-pricing has returned, there has been a range of increases, with some including an element of 'catch-up' and being larger than would be expected. Inflationary pressure is also driving fares up – this is the first NFS where general inflation has been a key underlying factor. However, several operators have restricted themselves to sub-inflation increases, reflecting a sensitive and volatile market.

2.1.3 A further factor influencing single fare level has been the introduction of a cap on single fare level, which currently applies in five combined authorities and a small number of other areas. These were implemented prior to the announcement of the England-wide scheme and, notably, are not receiving funding through that scheme[2].

2.1.4 Data for the 2022 survey were collated from details correct at September 2022 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).

2.1.5 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.

2.1.6 Our objective was to collect a sample of around 1,250 single fares using a sample size for each operator in relation to its fleet size, with subsidiaries of the 'big groups' treated as separate entities. For operators with simple fares structures (e.g. flat fare scales) and large fleets this means including repeated sample fares at the same price.

[1] *With the exception of Wales, where Bus Emergency Support runs until end of June 2023*
[2] *Except in Cornwall, where additional funding has reduced the fare cap to £2.*

2.1.7 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.

2.1.8 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. With profound changes to working patterns following the pandemic, there has been a change to the market shares of different ticket types too, with more of an emphasis on single fares and day tickets as the five-day-a-week commute reduces.

2.1.9 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).

2.1.10 We note that there is a 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.

2.1.11 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 now few in number anyway.

2.1.12 Our report is structured as follows:

- **Section 1** presents our headline analysis of bus fares in England, Scotland and Wales in 2022;
- **Section 3** Outlines the Survey Methodology;
- **Section 4** provides an historical perspective on bus fares including the emergence of non-cash payment;
- **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** looks at smartcards, mobile tickets and contactless; while
- **Section 11** compares bus fare levels with wage levels and **Section 12** concludes with a summing up.

2.2 Acknowledgements

2.2.1 This survey has been part funded by Transport Focus, The Association of Local Bus Company Managers (ALBUM), the Confederation of Passenger Transport (CPT), FirstGroup and Go-Ahead. 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 such support 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, and the Bustimes.org website for its fares data extracted from the Bus Open Data Service.

Survey Methodology 3

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 subsequently.

3.1.2 Use of the Bus Open Data Service to provide or extract fare information has improved since 2019. Operators must supply fare information in a prescribed format but translating this into a useable data format appears to be challenging, although some websites are showing how it is done, ironically usually by converting the BODS data format back into a standard fare matrix. We have used BusTimes.org for a number of (mainly small) English operators as well as Traveline Cymru for a number of small Welsh operators.

3.1.3 Adult point-to-point single fares are still 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.

3.1.4 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.

3.1.5 Covid has undoubtedly changed travel patterns, probably for good, as workers who are able to adapt to hybrid working patterns, attending the office on limited days per week and even then not necessarily at the same times. This will have changed the make-up of the market for tickets, if not to the same radical degree as has affected the rail industry. We suggest that the bus market is made up of far more people who must physically attend work and is far less reliant on 'nine 'til five' office-based workers.

3.1.6 This shift will, over time, lead to differences in ticket pricing. However, this survey has never included any estimates of the market share of different ticket types, which is considered to be commercially-sensitive information, but concentrates on the publicly (or supposedly publicly) available pricing information.

3.2 Survey Sample

3.2.1 The size of the sample for each operator is proportionate to fleet size to achieve the desired weighted sample size overall. For large operators such as Lothian and National Express West Midlands which adopt a flat fare system we use multiple repeated samples to reflect the size of the operation. The samples are adjusted to align with changes in fleet size in subsequent years and, if possible, when moved across to new owners as the structure of the industry changes. In areas where a fare cap applies a similar principle has been adopted in that we retain multiple samples at the capped value.

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;
- The September fares have included areas with a fare cap in operation independent of the 2023 national scheme. In the main this is a £2 cap for any single trip within a defined area but different arrangements applied in some areas – for example Cornwall and the West of England.
    - It should be noted that almost no capping applies to cross-boundary trips, thus passengers living near to a local authority border have a capped fare one way but not in the other, even if the two adjoining areas have fare caps in place.
- Despite the predominant use of broadly distance-based fares structures by GB bus operators, very few have set distances between farestages. As a result, the three-mile fare shown here can also apply to 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. With the increased use of smartcards, EMVs and QR codes,

operators have greater knowledge of actual trip rates per ticket rather than relying on assumptions or broad calculations.

3.2.4 Against a survey target of 1,250 fares, the sample contained:

- 1,242 adult single fares;
  - Only eleven 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, Small Groups, Stagecoach or Transdev);
  - Note that, we have split the previous 'independent' group in to two categories:
    - Small Groups – operators belonging to non-international operating groups: Centrebus, McGill's, Rotala, Wellglade and West Coast Motors.
    - Independent – all other operators.
- **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: 2022 Survey: Summary of Sample Size by Category

REGION		OPERATOR		MARKET	
Category	**Sample**	**Category**	**Sample**	**Category**	**Sample**
E England	**90**	Arriva	**157**	City Route	**225**
E Midlands	**83**	First	**244**	Inter-Urban	**346**
NE England	**72**	Go-Ahead	**150**	PTE	**388**
NW England	**178**	Independent	**38**	Shire Town	**283**
Scotland	**187**	Municipal	**97**	**Total**	**1,242**
SE England	**176**	Nat Express	**78**		
SW England	**126**	Small Groups	**113**		
Wales	**64**	Stagecoach	**333**	**Category**	**Sample**
W Midlands	**122**	Transdev	**32**	Urban	**972**
Yorks/Humb	**144**			Non-Urban	**270**
Total	**1,242**	**Total**	**1,242**	**Total**	**1,242**

3.3 Changes since the 2019 Survey

3.3.1 We aimed, as far as possible; to obtain fares detail for the same services as in 2019 and we were broadly successful although roughly equivalent services were substituted if networks had changed. There have however been some significant changes to operators in the past three years:

- Arriva has sold its Cannock area operations to Chaserider, part of Centrebus-owned D&G ('Small Group');
- First has sold its Midland Bluebird / Scotland East operation to McGill's ('Small Group');
- Go South West ('Go Ahead') has taken on significant extra work in Cornwall that was previously run by First Kernow;
- Go South Coast ('Go Ahead') has expanded in Bournemouth and Poole following the cessation of Yellow Buses ('Independent');
- Halton Transport ('Municipal') ceased trading;
- Arriva sold Yorkshire Tiger to Transdev (trading as Team Pennine);
- Rotala's new Diamond East Midlands operation acquired Midland Classic ('Small Group');
- Xplore Dundee was sold by National Express to McGill's ('Small Group');
- Stagecoach South expanded in Guildford to replace Arriva;
- Courtney Buses was renamed Thames Valley ('Municipal'); and
- J & D S Halcrow ('Independent') replaced John Leask as operator on our Shetland sample.

3.3.2 Samples from Newbury & District ('Municipal'); Wellglade owned TM Travel ('Small Group'); and 'Independent' operators Celtic Travel (Powys), Ensignbus (Essex), P&O Lloyd (Flintshire), Reliance (York) and Southdown PSV (Surrey) are included in this year's fares survey for the first time, although since the survey Ensignbus and Southdown PSV have been sold to First and Go-Ahead respectively.

3.4 What 'Average'?

3.4.1 A sample size above 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 distant 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 Somerset, 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 might be a multi-operator 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 £19.00 day ticket as the 'equivalent' day ticket for a £3.50 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:

  *Discount = (Single Fare*2 – Day Price) / Single Fare*2*

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

  Multiplier = Day Ticket Fare / 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 buyable on-bus 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:

  *Discount= (Adult Single*10 – Weekly Price) / Adult Single*10*

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

  Multiplier = Weekly Ticket Price / 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.

Background to Bus Fares and Ticketing 4

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 2023 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 just to 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 fare table. Great efforts were made in a number of areas to ensure that different operators charged the same fares between common points and the Traffic Commissioners took the view that there was a 'primary' operator for a given section of route which would set the fare to be charged by other operators.

4.4.3 Thus, 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 each operator is free to set any fare it likes.

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, often significant in the beginning, but as inflation affected prices, the effect of these surcharges diminished.

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' to maintain 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) and complex faretables

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 £6.5m at 2022 prices using the BoE calculator). At the time Bristol Omnibus already received around £1m per year in revenue support.

4.4.7 Conversely, local authorities often expected that their own 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 operating profitably 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 values or stages, 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 because they had always been so.

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 had not increased since the early 1970s.

4.6 The Transport Act 1980

4.6.1 The Transport Act 1980 led to 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 network 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% fare 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 unless the price equation changes radically;
- **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 prior to the advent of online sales.

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 Until 2022 pricing trends continued to encourage the sale of day, weekly and longer period tickets as opposed to single and return tickets. The trend was towards day and period tickets being encouraged by bus operators through the pricing structure, where the multiple between the average single fare and day and weekly prices constantly reduced. The most important aspect of this was that single fares formed an ever-decreasing percentage of farepayers. However, the widespread availability of contactless payment is changing this round, with some contactless users preferring to pay for separate trips, even where capping is in place. Fare caps have also altered the balance between single fares and day or weekly tickets. The downside of such a move is seen in increased transaction time.

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 were initially set at a fixed rate per mile (by the service route) starting at £1.50 and increasing by multiples of £1 every three miles.

4.8.7 Simplicity 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. The 2022 fare progression at First West of England is £2.30/£3.30/£3.70 and the urban areas have moved to flat fare.

4.8.8 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 The Role of Technology

4.9.1 The last few years has seen unprecedented development 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 at first relatively slow to migrate towards new types of payment system. Largely this was because of the low average fare, high transaction costs and slow transaction times, which are less of an issue in a shop till than on a stationary bus. The solution was to establish businesses that handled many small transactions and bundled them together, removing the need for the bus to connect directly with the bank. TfL drove the main initiative in the use of bank cards as a bus ticket and 'contactless payment'.

Hardware

4.9.2 Ticket issuing hardware had always imposed limitations on the range of available 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.

4.9.4 Electronic ticket machines first appeared in volume in the early 1980s – notably with the 'Timtronic' used by both NBC and SBG and subsequent models spread to most of the industry by the middle of the decade. Their advantage was chiefly in expanding the range of tickets and in providing better data, rather than leading to any great restructuring of fares.

The 'Mag Stripe'

4.9.5 The first widely-adopted add-on to ticket machines themselves was a card ticket equipped with a railway-style magnetic stripe. These were used for period tickets and to expand the range of carnet tickets. The potential was also there to use cash value stored on the ticket from which each fare was deducted. However, the cards were flimsy and could be temperamental and they extended, rather than reduced, boarding times and their reign was short.

Smartcards

4.9.6 Following the success of Oyster in London, smartcards began to be developed in the rest of the UK. The growth of smart ticketing did not generally lead 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 customer information.

4.9.7 Overall, the most consistent factor surrounding the smartcard product is inconsistency. TfL withdrew all of its traditional ticket sales methods in favour of Oyster and the use of bank cards (see below) but this principle was not followed anywhere outside London. Some operators with smartcards stopped the sale of paper period tickets but retained the bus as point of sale.

4.9.8 The most obvious progression was 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.

4.9.9 The timescale involved in introducing a smartcard system is usually measured in years. It is probably a matter of regret, with hindsight, that there was not a

national development of a standard smartcard, rather than a proliferation of separate schemes developed separately by local government and operators.

4.9.10 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 smartcard versions of tickets but the level of this discount varies significantly.

4.9.11 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, payment, 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.

4.9.12 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 provided 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.

4.9.13 The death of the smartcard is imminent. TfL has acknowledged the need for an Oyster replacement and Go-Ahead has announced the winding down of 'The Key' which was its primary smartcard product. Others will no doubt follow.

4.9.14 It is perhaps a shame that as the market progressed rapidly to mobile and bank card systems and TfL announced that Oyster is outdated, so much time, effort and very significant sums of money continued to be expended in developing individual smartcard schemes with varying degrees of success and out-of-touch politicians, who are not known as a high bus-using group, continue to push for new smartcards and 'Oyster-style ticketing' in other areas.

Mobile Ticketing

4.9.15 M-Ticketing, Near Field Communications and EMV contactless bankcard payment have rapidly overtaken smartcard systems and are now the dominant players in ticketing. 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.

4.9.16 Mobile ticketing has proven quick to introduce (months rather than years) and was 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, then went on to launch M-ticket equivalents (e.g. Stagecoach and Nottingham).

4.9.17 Transaction time is not an issue generally with M-tickets; effectively in most cases these replaced a paper ticket shown to the driver with an electronic equivalent. 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.

The Adoption of QR Codes

4.9.18 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

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

4.9.19 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.

4.9.20 A paper ticket including a QR code offers most of the advantages of smartcards without the associated hardware and back-office systems and, for the passenger, offers instant purchase.

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.

Use of Bankcards and Mobile Phones for Payment

4.9.22 The biggest growth in ticketing medium over the past couple of years has been in the acceptance of bank cards and banking apps on phones for payment of fares – so-called 'contactless' transactions. This has rolled out at a phenomenal rate in the last three years, especially across the big groups. It is a prerequisite whenever an operator renews ticket machines. To many, the ability 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.

4.9.23 Use of bank cards and phones for payment, 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 or handling agencies 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, there is still significant passenger / driver interaction and the effect on transaction times is minimal.

4.9.24 A big unknown is what effect contactless payment has on fares elasticity. Is the removal of a direct cash transaction likely to reduce resistance to fare increases?

Tap-on, Tap-off

4.9.25 Tap-on, tap-off is the obvious development of the use of bank cards and phones to buy tickets. A second reader is (usually) installed at the exit door and records the alighting stage so the appropriate fare can be calculated. It improves transaction times because there is no need for passenger and driver to interact and the 'tap off' can often be done while the bus is in motion.

4.9.26 There was an assumption by some that tap-on, tap-off would only be feasible on buses with multiple doors, but it has been shown to work more than adequately with one door. Indeed, single-door buses offer the alternative of tapping out on the main ETM if there is some malfunction.

4.9.27 There are some disadvantages – the passenger gets no ticket and has to take it on trust that the operator will collect the correct fare. If the user forgets to tap off, the fare defaults to the end farestage so that can impose a significant penalty for users of long routes.

Fare Capping

4.9.28 Outside London, where it has been functioning for ten years now, contactless fare capping is slowly becoming more widespread. With capping, the cost of the number of journeys made by contactless payment is capped at certain values – usually at either the appropriate cost of daily or weekly tickets. Note that some weekly capping applies over a set week (e.g. Sunday to Saturday) rather than a week from the first journey made.

4.9.29 This can take two forms:

- Flat fare tap-on – this is the simple one where passengers tap on and are charged a flat fare for a single journey no matter the distance travelled, but still benefit from day and week capping ,
  - The downside is that passengers miss out on short hop discounts whilst a flat fare is impractical for longer distance routes outside metropolitan areas; but this removes the need for tapping off and separate tap-off devices.
- Tap-on Tap-off – this is the more complex but more common system. Trentbarton was the only company pre-contactless to have this system for a smartcard. The back office software calculates the right fare for the journey and the point where the cap is reached,
  - 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).
  - Almost all tap-on, tap-off systems are limited to a single operator;
- First has a pilot scheme in Bridgend where tap-on, tap-off is used to charge fares on the basis of distance travelled (i.e. without penalty for needing to change bus).
- There are, as yet, just two multi-operator capping systems – in Leicester and in Nottingham, although the latter (for now) excludes Trentbarton. The DfT's Project Coral aims to achieve this in more pilot areas.

What Future for Cash and The Disenfranchised

4.9.30 As long ago as the end of 2019 Stagecoach announced that Contactless transactions accounted for a third of on-bus revenue with 15% year-on-year growth[3] and First stated that non-cash payments (contactless and M-Tickets) had overtaken cash as preferred payment method of customers for all ticket transactions[4].

4.9.31 By late 2022 contactless was making up 45% of transactions at Trentbarton and between 60 and 65% at Go South Coast, while at First the proportion of cash transactions was down to 20%[5].

4.9.32 In the above, Go South Coast reported that only 10% of contactless trips used tap-on, tap-off, while First reported mixed results, with higher levels in areas bordering London. This seems to be a fairly universal finding and there seems to be some public resistance to tap-on, tap-off for whatever reason. Perhaps we are just conditioned to buy a bus ticket from the driver?

[3] https://www.stagecoach.com/media/news-releases/2019/2019-09-23.aspx
[4] https://www.bbc.co.uk/news/uk-scotland-scotland-business-50419261
[5] https://www.route-one.net/features/cashless-is-king-the-shifting-landscape-of-ticketing/

4.9.33 It would seem, therefore, that the proportion of cash transactions is set to steadily decline to the point where cash handling may be no longer worthwhile. However, set against this, the operators above in 4.9.31 all report something of a switch back to use of cash in the post-pandemic, cost of living crisis World.

4.9.34 There are those who suggest that cash payment will die soon, but there is a major risk if operators transferred to solely electronic payment of fares. At the beginning of 2023:

- 16% of adults in the UK did not own or have access to a smartphone[6];
  - And in 2017, Ofcom reported that 20% of smartphone owners did not use it for applications such as ticketing;
- 6% of UK households have no internet access[7];
  - And in some cases where it is available, it is unaffordable – there is a pilot scheme in Southey Green in Sheffield to overcome 'internet poverty' by providing free access[8].
- In 2019, 1.3m people over 16 had no bank account[9],
  - And many bank accounts for under 16s have restricted debit cards,
- 17% of debit and credit cards in circulation were not 'contactless'[10].

4.9.35 These are sizeable subsets of the population to exclude if the decision was made to limit payment to electronic media – and possibly a greater proportion of the bus market than the population generally.

4.9.36 London made the switch to cashless several years ago. We simply don't know what effect this had on ridership, but remember that London is different because it has Oyster and its huge (and costly) retailing network as a back-up to contactless transactions. It is possible that outside London there may be a wide expansion of prepaid debit cards not linked to bank accounts, but this is an undeveloped area as yet.

4.9.37 Strathclyde Partnership for Transport has recently acknowledged this as part of its Ticketing and Information Policy which has been amended "to include reference to maintaining availability and access to non-digital forms of ticketing and information for people who do not have access to smart phones, mobile data plans and/or a bank account".

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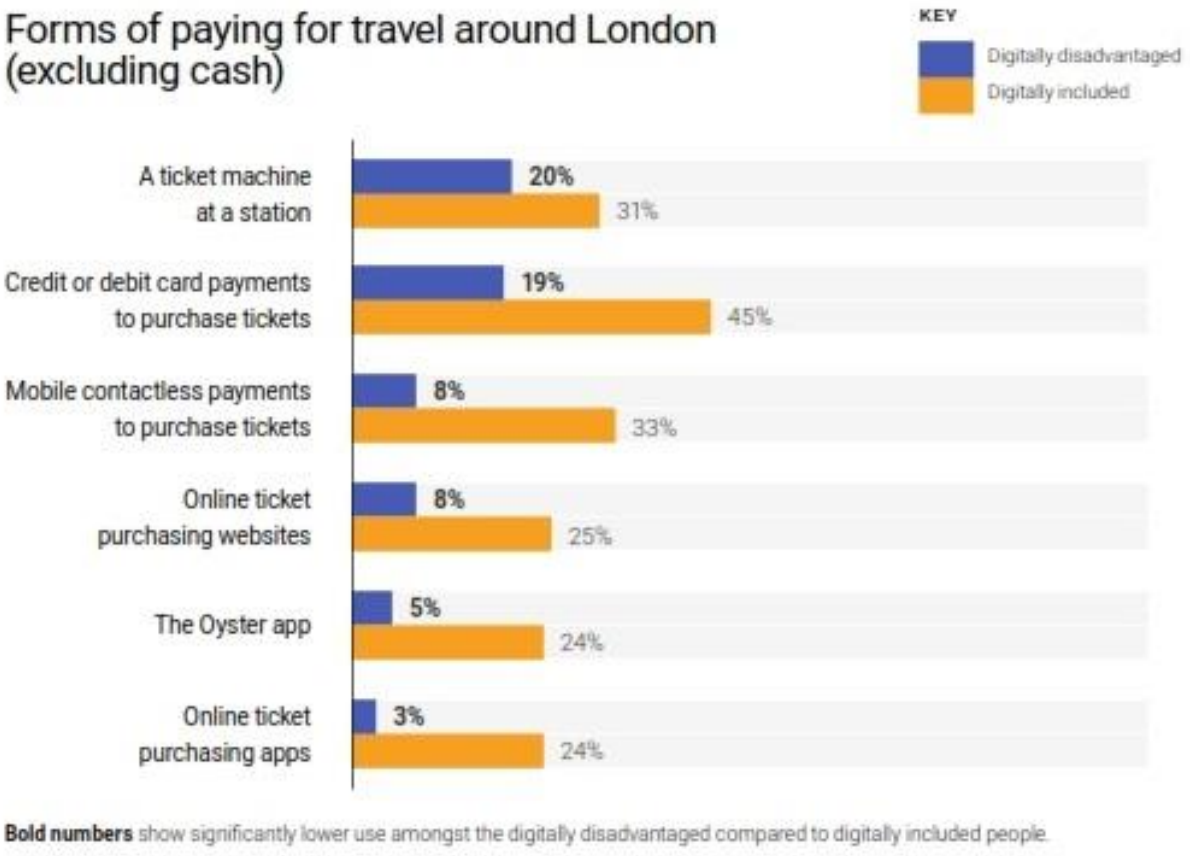
[6] https://www.finder.com/uk/mobile-internet-statistics
[7] https://www.finder.com/uk/mobile-internet-statistics
[8] https://www.yorkshirepost.co.uk/business/organisers-of-project-giving-free-internet-to-sheffield-council-estate-hope-scheme-will-be-national-blueprint-3935826
[9] https://www.theguardian.com/money/2019/apr/22/britons-without-bank-account-pay-poverty-premium
[10] https://www.finder.com/uk/credit-card-statistics and https://www.statista.com/statistics/488043/number-of-contactless-debit-credit-cards-united-kingdom/

4.9.38 Even in London, where London TravelWatch estimates that the 'digitally excluded' makes up around 9% of the population[11], there are fundamental differences in ways of paying for public transport between the digital 'haves' and 'have nots' as shown in the graph reproduced below in Figure F. The report makes interesting reading and perhaps should make all of us guard against assumptions.

Figure F: The 'Digitally Disadvantaged'



4.9.39 Fundamentally, if an omnibus lives up to its name and is 'for all', there should be no exclusions. Translink has explained this universal approach: ""*We have a responsibility to ensure social inclusion, and we will still provide options for those who do not have or do not want to use debit or credit cards. On that basis, we are striving further toward less cash in the system, rather than a transition to a completely cashless ticketing proposition*."[12]

A Question of Choice

4.9.40 Our experience of looking at ticket sales has shown us, with the expected exceptions, that smartcards simply switched one medium for another. As a generality, politicians seemed rather more enthusiastic about smartcards than were passengers. We might even question whether the millions of pounds of

[11] https://www.londontravelwatch.org.uk/campaigns/digital-exclusion/#:~:text=1.5%20million%20Londoners%20are%20being,a%20smartphone%20or%20internet%20connection.
[12] *Article by William McGookin of Translink in 'Intelligent Transport', 24 June 2022.*

public money invested in smartcard schemes could have been more wisely and beneficially spent.

4.9.41 Mobile ticketing caught 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 and is now more an expectation than an innovation. We can understand this, it requires no advance planning or advance purchase to travel, it is an instant sale.

4.9.42 Tap on, tap off is still in its development phase, but sufficiently established to learn that its uptake is not as high as perceived wisdom would say it should be and we don't yet know why.

4.9.43 Above all, customer choice is a consideration. Passengers vote with their bottoms on seats and if a significant proportion of them prefer to give notes and cash or hand a bank card directly to a driver in return for a paper ticket with or without a plastic wallet why send them elsewhere to buy it when they might just not bother?

4.10 The Pandemic and Politicians

4.10.1 The restrictions imposed during the Covid Pandemic in 2020 and 2021 brought about a number of changes.

- In the early period when knowledge about the way in which the Covid virus was transmitted was limited, operators, drivers and public alike were keen to reduce cash handling and this drove a fairly rapid move to contactless payments.
- It was important to reduce risk to drivers by reducing face to face contact and cab screens were hastily installed, to the detriment of transaction times.
    - In some cases access to the ticket machine is through a very restricted gap in the screen, which makes transactions physically awkward.
- Since Government measures and messaging were responsible for the collapse of patronage during the pandemic, maintenance of services required government funding and this came with fare-related 'strings'[13].
    - Initially, a condition of support was that there would be no increase while later funding allowed fare increases in line with general inflation.

4.10.2 The latter point is particularly important, since the link between operating costs and fares has now been broken for almost four years. This has been exacerbated by the need to increase drivers' wages to combat the labour

[13] Conditions and timings have varied in England, Wales and Scotland but the principles behind support have been similar.

shortage and the increased levels of sickness experienced since the pandemic. As it is, probably a majority of operators so far has increased fares below inflation in the face of a volatile and sensitive market, although at the time of writing two Scottish subsidiaries of Stagecoach have a 15% increase in fares planned while Lothian plans its first significant increase for some time.

4.10.3 Through a combination of post-pandemic financial support and mayoral funding there is now more political influence over bus fares than at any time since the early 1980s:

- Central government has limited fare rises and, in England, funded a £2 fare cap on adult single fares lasting six months from January to June 2023;
- Several combined authorities have funded their own fare caps (not always limited to single fares)
- The Scottish Government's provision of free travel for under-22s has altered the fares dynamic in Scotland, while
- BSIP funding in parts of England will support several other reduced fare initiatives.

4.10.4 As well as fundamentally changing the point-of-sale pricing dynamic, leading to more individual transactions and a negative effect on boarding times, these all alter the farepayer / taxpayer balance. While the fare initiatives are generally welcome, they bring with them uncertainty in the medium to longer term and the possibility of excessive fare increases to return fare levels to 'normal' after funding runs out.

Analysis by Operator 5

5.1 Introduction

5.1.1 This section presents analysis of the 2022 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) collectively referred to as Small Groups;
- 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 2019. 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.

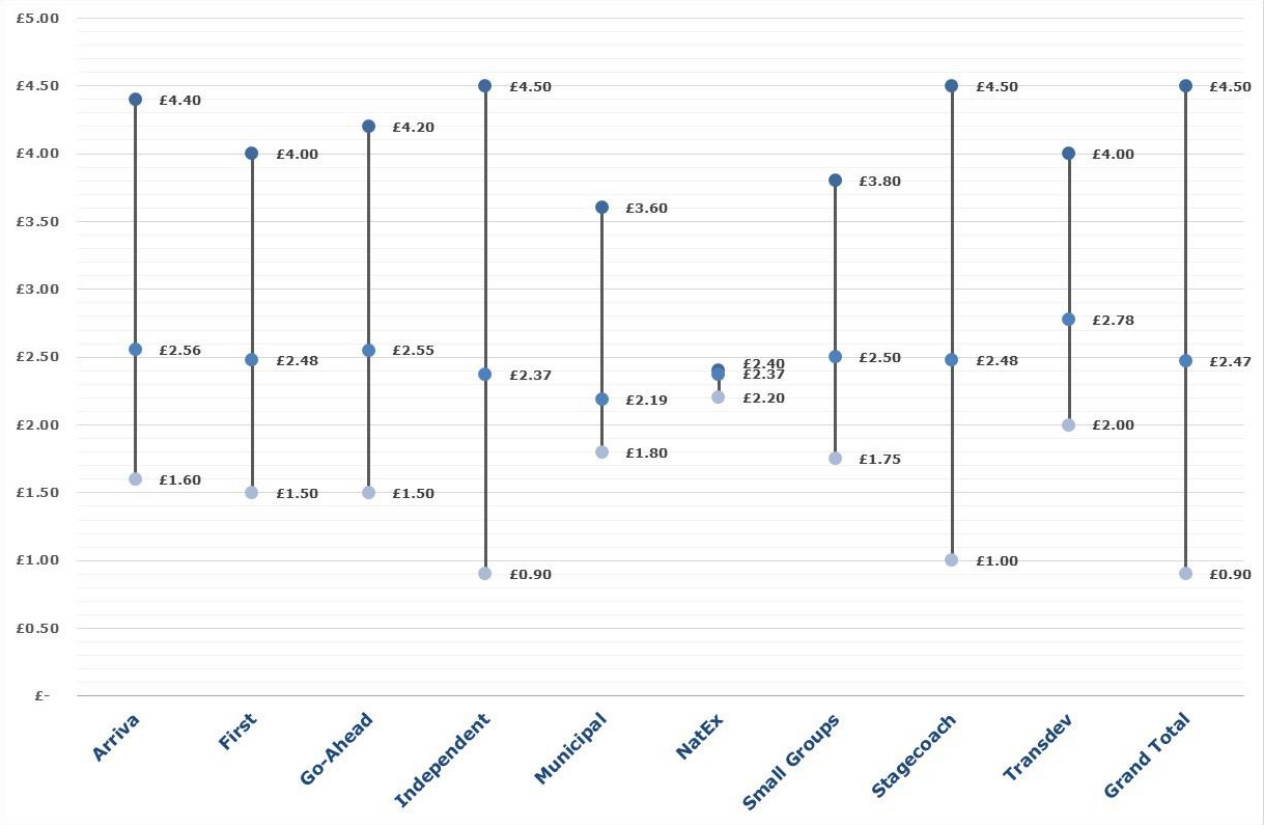
5.2 Single Fares

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

- The Municipal group of operators has the lowest mean single fare (£2.19);
  - This is driven by the low fare (£1.80) and size of the operation at Lothian.
- Transdev has the highest mean single fare (£2.78);
- The Independent group has the lowest adult single fare (£0.90),
- Four of the groups have a lowest fare of £1.50 or below;
- Independents and Stagecoach have the highest adult single fare (£4.50), 2019's maximum single of £5 was reduced through Cornwall's low fare scheme.

- All groups bar National Express charge a wide range of fares for a three mile journey.

Figure G: Range of Adult Single Fares by Operator

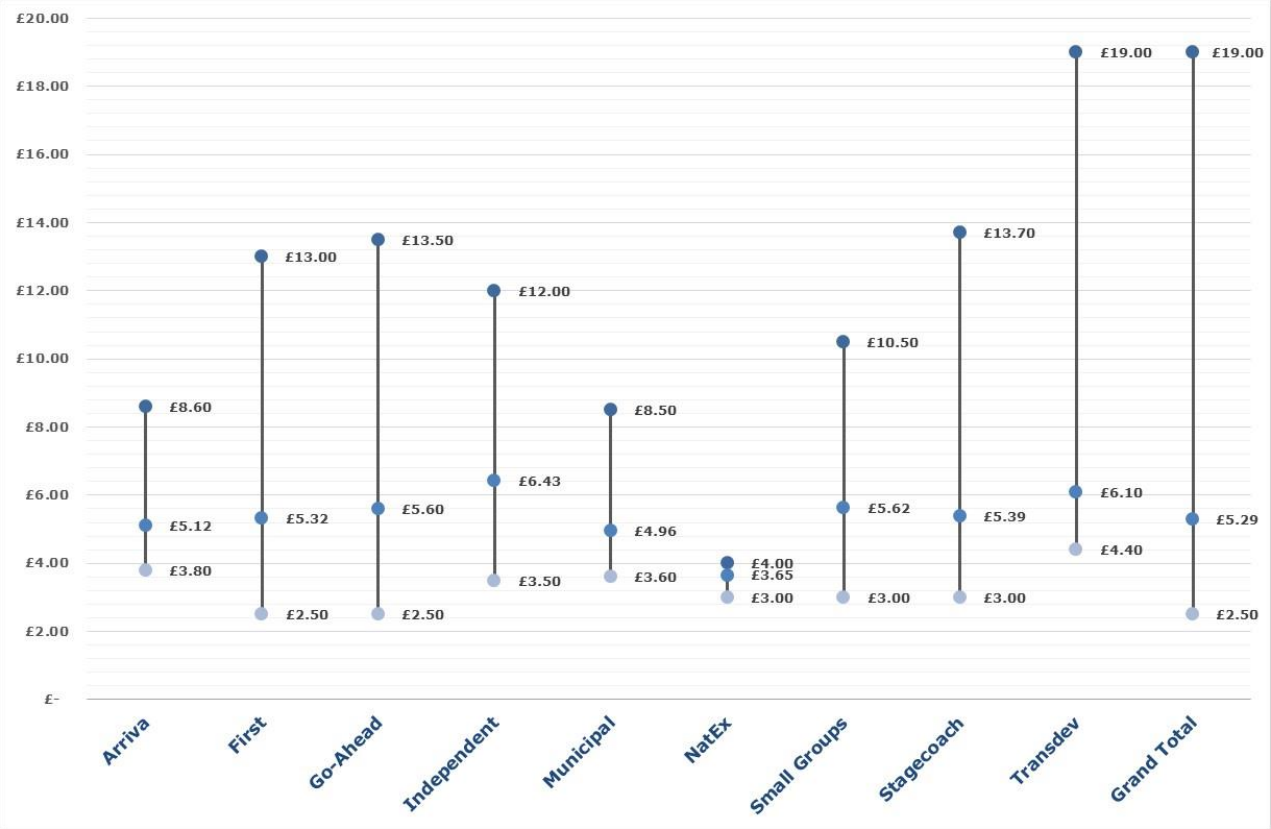


5.3 Day Ticket Prices

5.3.1 Our analysis shows that:

- In 2022, Independents have the highest average (£6.43) and
- National Express the lowest (£3.65) mean day ticket price
  - a difference of £2.78;
- First and Go-Ahead have the cheapest day ticket (£2.50), but the minimum price within all groups is below £4 except for Transdev.
- The mean values for First, Go-Ahead, Small Groups and Stagecoach are remarkably similar.

Figure H: Range of Day Ticket Prices by Operator



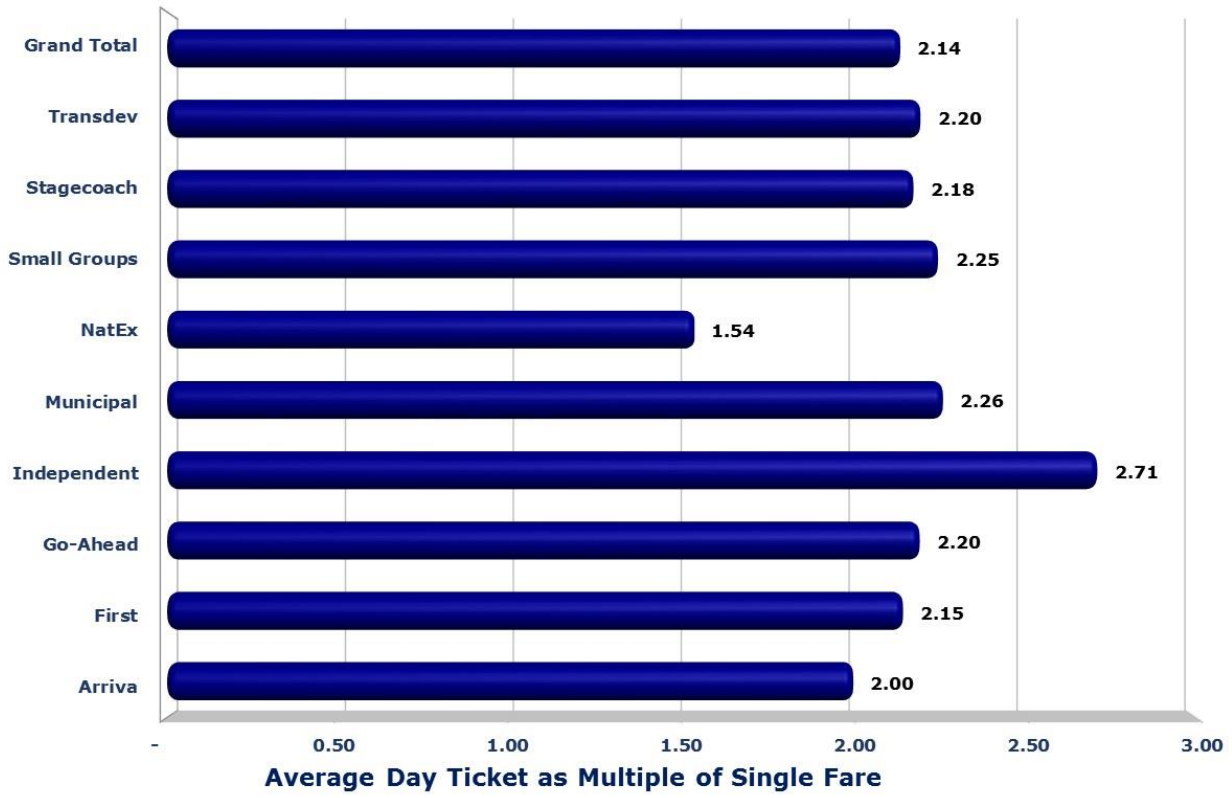
5.4 Day Ticket Multipliers

5.4.1 Figure I 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 2.14, i.e. an average day ticket costs 14% more than the cost of two three-mile singles

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

Figure I: Average Multipliers – Singles to Day Tickets



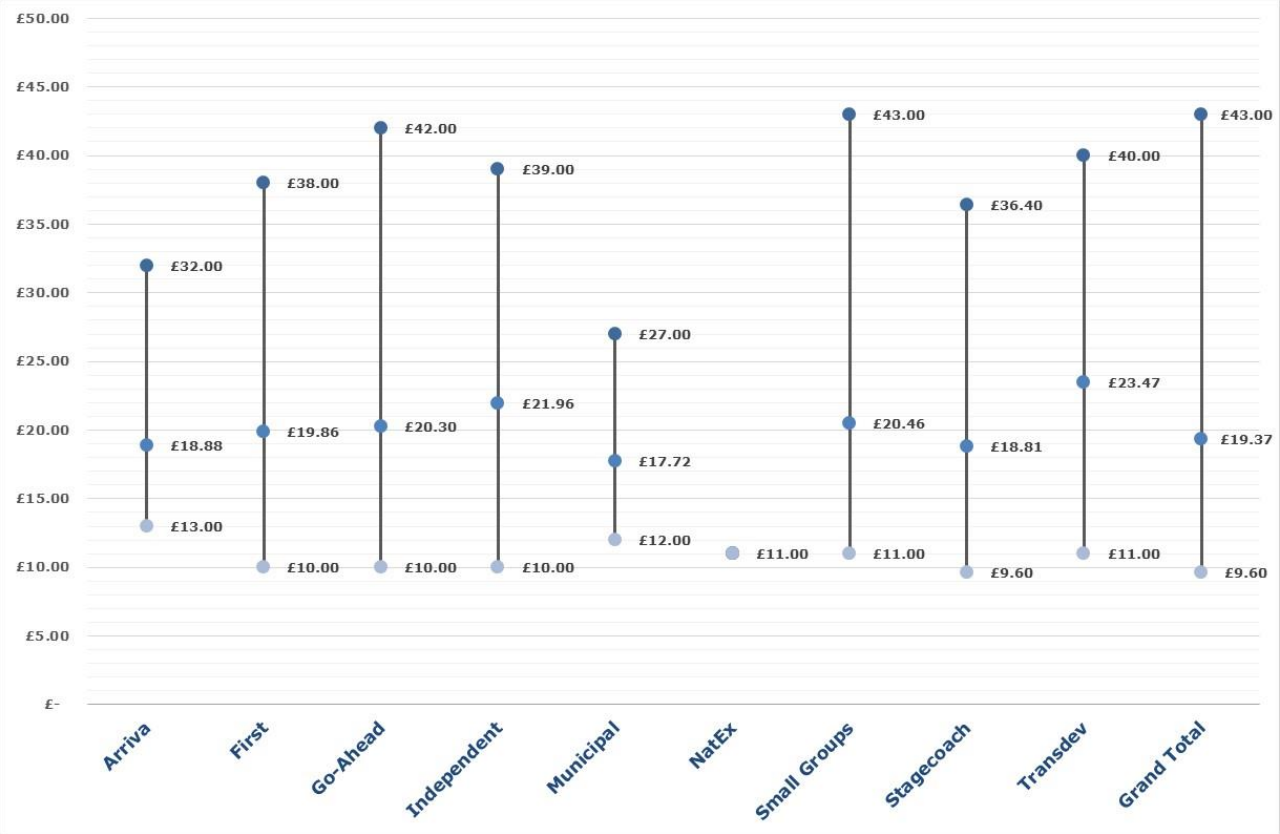
5.5 Weekly Tickets

5.5.1 Figure J shows that:

- In 2022, Transdev had the highest mean weekly ticket price at £23.47 and
- National Express the lowest mean at £11;
- Stagecoach has the lowest-priced weekly ticket at £9.60 and
- The Small Groups have the highest priced weekly ticket at £43;
- All bar National Express have 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. Just over 40% of survey samples for Municipals and just over 50% for National Express had weekly tickets available to buy on bus.

Figure J: 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.

- Arriva, NatEx and Stagecoach offer above average discounts.
- Only Independents' average weekly ticket price is higher than 8.5 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	7.38	26%
First	8.02	20%
Go-Ahead	7.96	20%
Independent	9.27	7%
Municipal	8.10	19%
National Express	4.63	54%
Small Groups	8.19	18%
Stagecoach	7.60	24%
Transdev	8.46	15%
Overall	**7.83**	**22%**

5.7 Arriva

5.7.1 Figure K to Figure M 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 (£3.70) and the lowest at Merseyside (£2.09);
- Some single fares only have 'whole network' day equivalents at £6 or more; but all of the operations have day tickets priced at £4.50 or under;
- Only Kent & Surrey has an average day ticket price significantly above the £4.50 to £5.50 range,
- The average weekly price has a greater range although all are under £25;
- Four operators have weekly tickets priced below £15, whilst both Kent operators have their most expensive ticket priced at £30 or over.

Figure K: Arriva Range of Single Fares by Operator

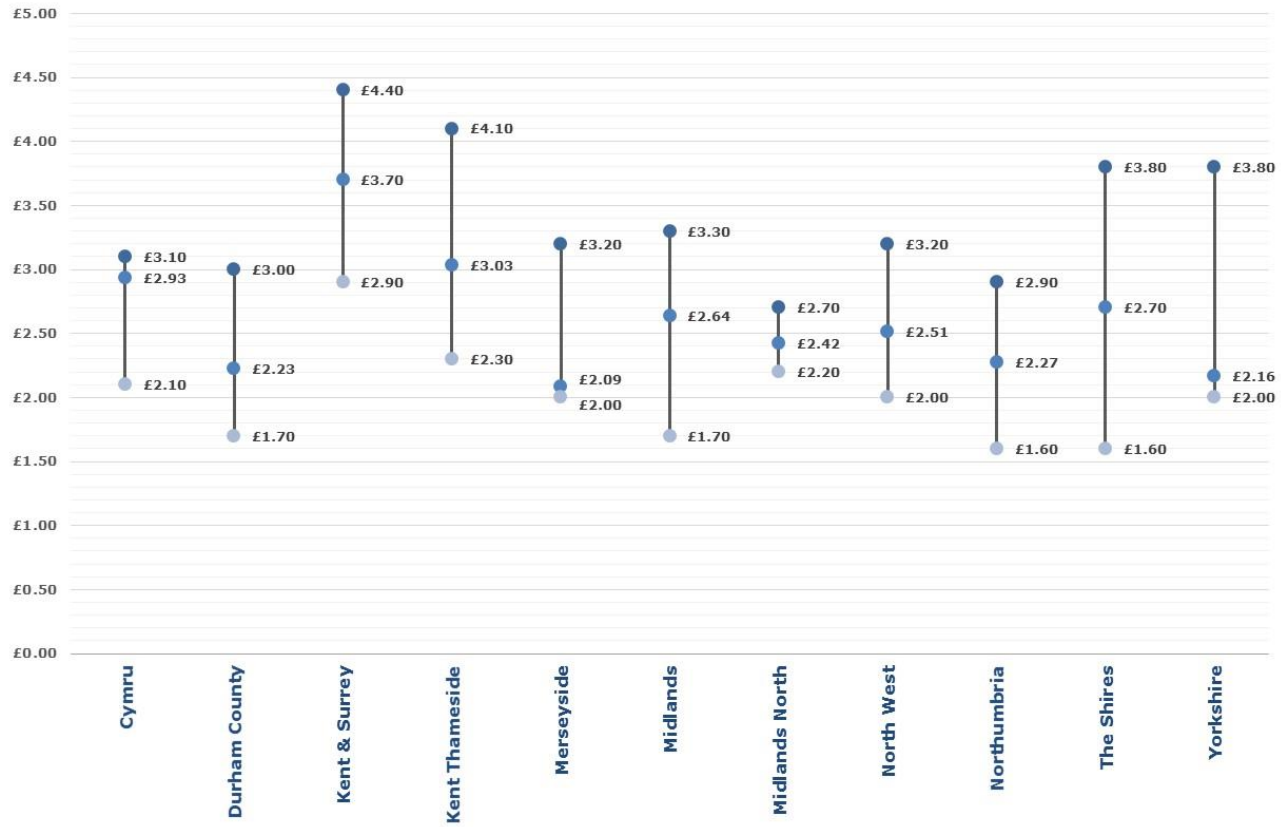


Figure L: Arriva Range of Day Tickets by Operator

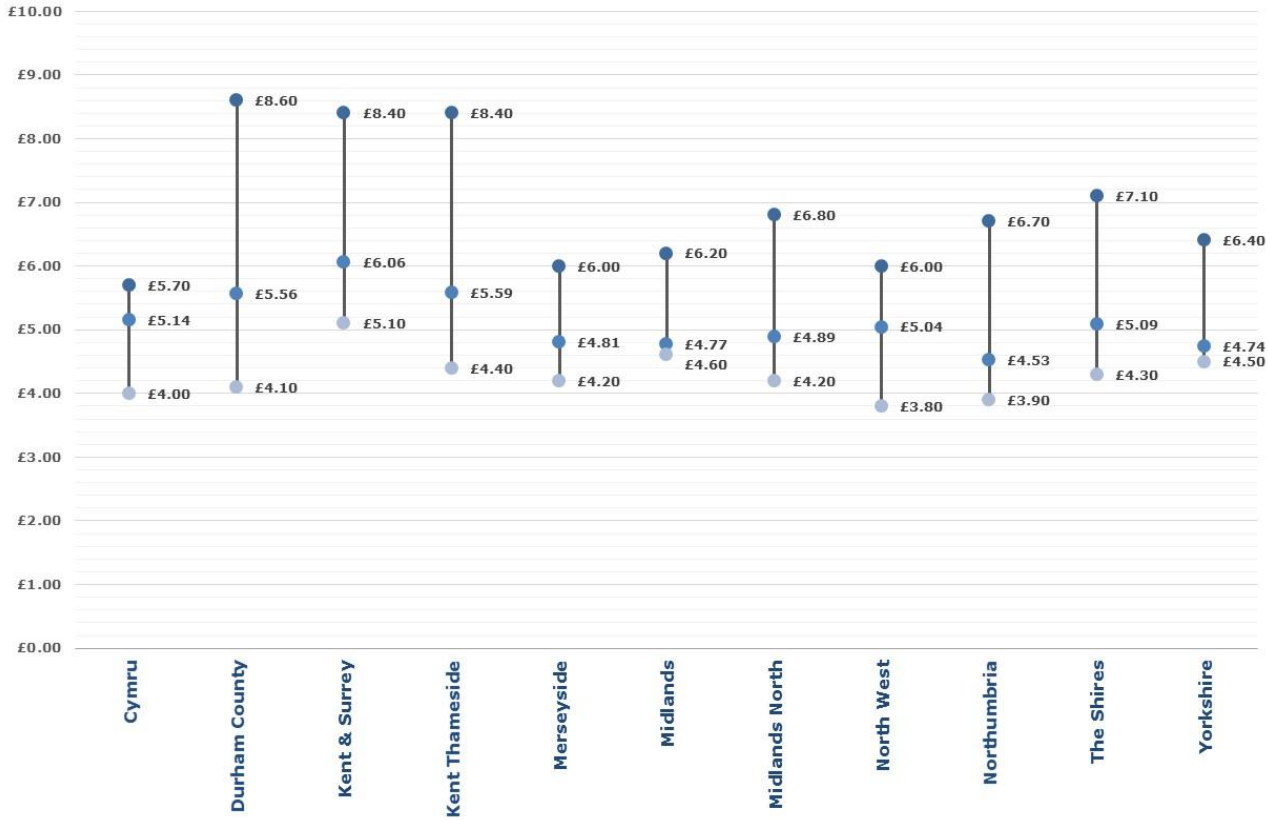
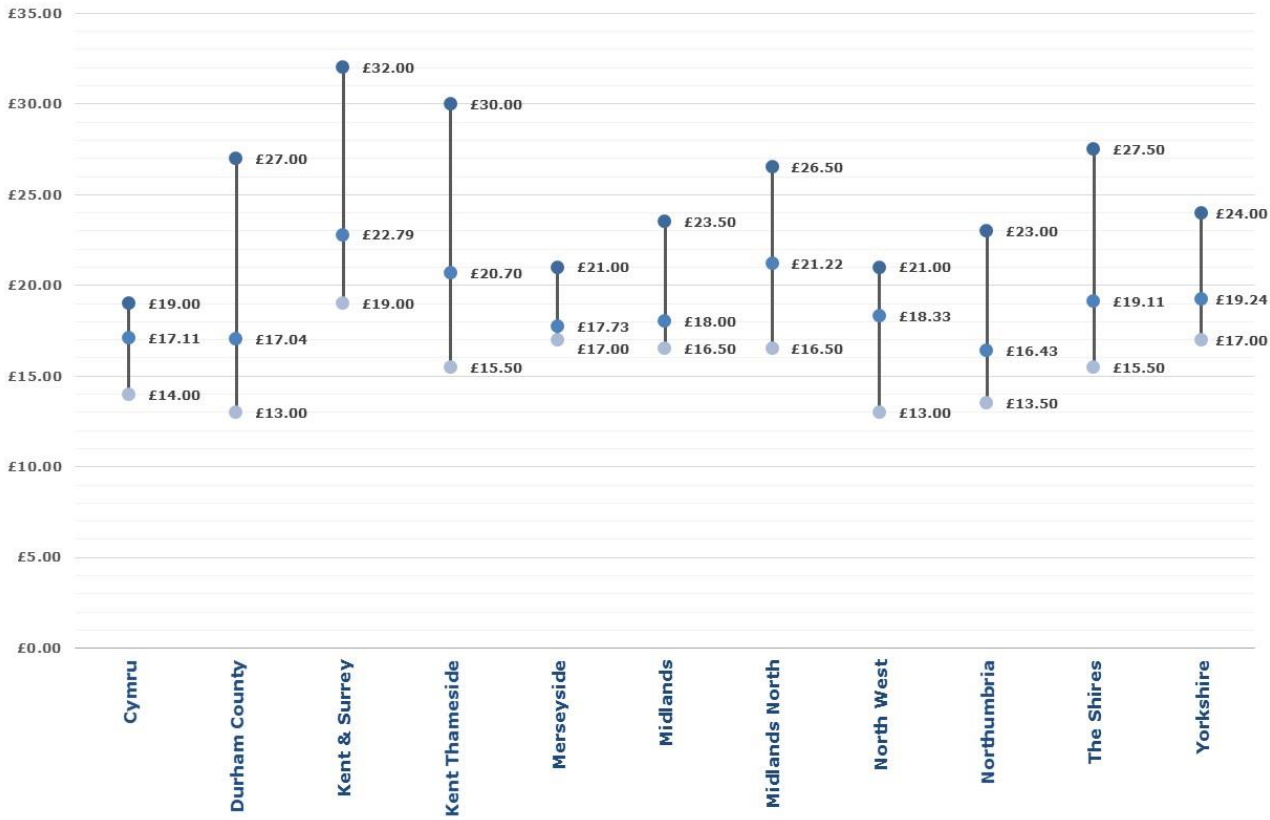


Figure M: Arriva Range of Weekly Tickets by Operator



5.8 First

5.8.1 Figure N to Figure P 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 West Yorkshire) to 100% difference (Hampshire & Dorset, South Yorkshire & West of England);
- The highest mean single fares are at Beeline (£3.67), and the lowest (excluding the flat fare areas), is at West of England (£2.05), although there are many in the range £2.30 - £2.50;
- Some single fares only have 'whole network' day alternatives at £6 or more; but all bar three have at least one day ticket priced below £5;
- Five operators have a single day ticket price and four operators with multiple tickets have an average day ticket price of over £5;
- All have an average or uniform weekly ticket price below £25;
- The cheapest weekly tickets are at Hampshire & Dorset and Kernow, but even the most expensive First weekly tickets are £30 or below with the exception of one Essex example.

Figure N: Range of First Single Fares by Operator

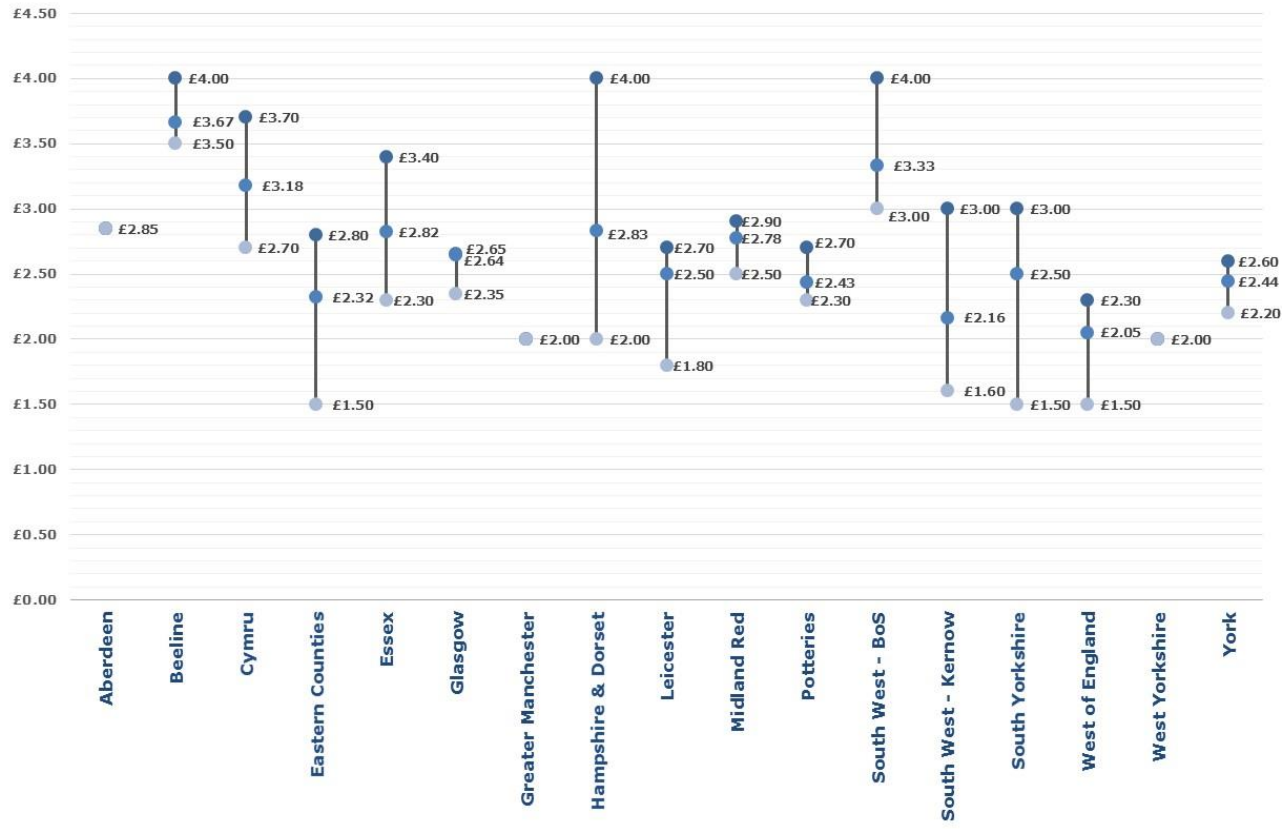


Figure O: Range of First Day Tickets by Operator

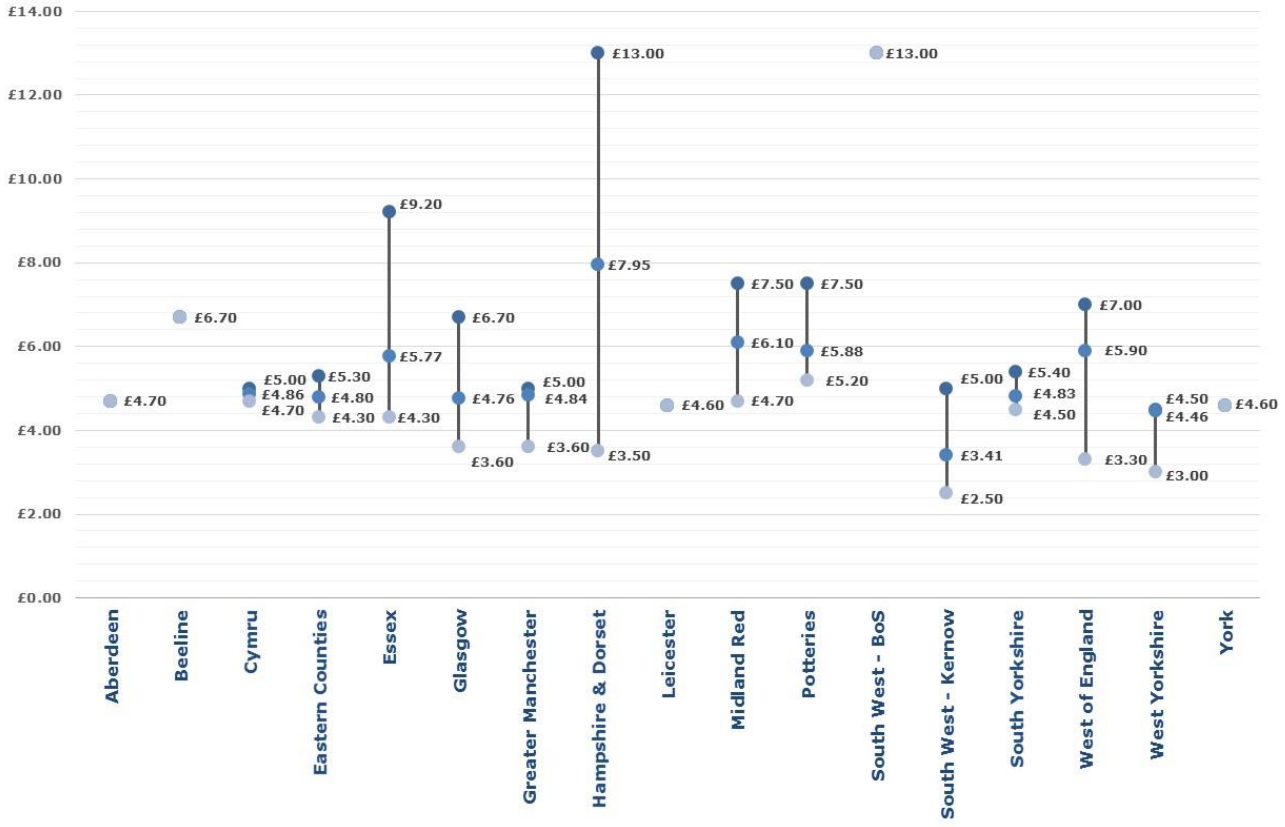
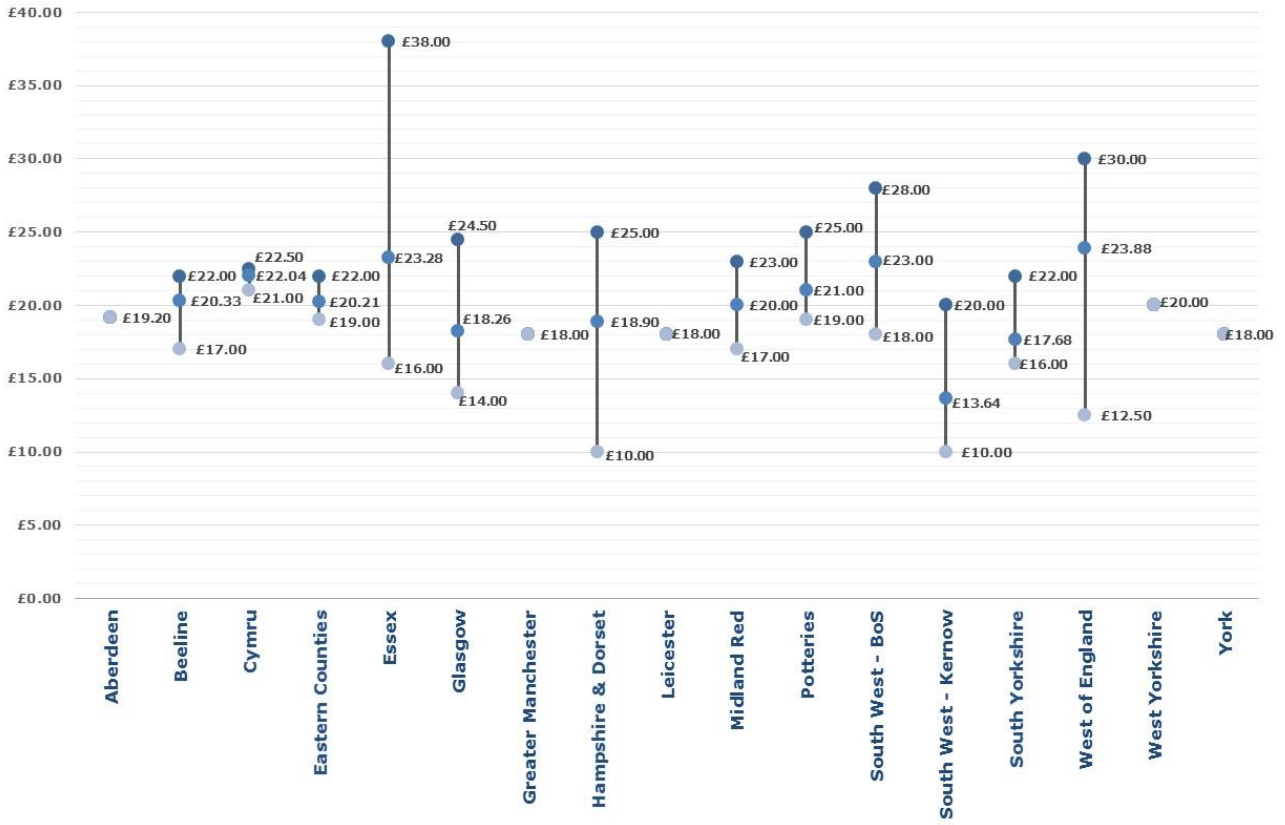


Figure P: Range of First Weekly Tickets by Operator



5.9 Go-Ahead

5.9.1 Figure Q to Figure S 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 (Hedingham) to over 160% difference (Go North West);
- The highest mean single fare is at Southern Vectis (£3.40) and the lowest at Go Cornwall (£1.97) being one of six with an average fare below £2.50;
- 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 second lowest and the highest priced day tickets reflecting the varied nature of its network;
- Seven operators have an average or flat day ticket price of around £5 or under whilst eleven have an average or consistent weekly price under £20;
- Cheapest weekly tickets are at Bluestar and Go Cornwall, whilst the most expensive is again at East Yorkshire.
- The Southern Vectis weekly at a very reasonable £28 is notable compared to a high average single fare (£3.40) and day ticket (£10). Uniquely for Go Ahead, you cannot purchase Brighton & Hove weeklies on the bus.

Figure Q: Range of Go Ahead Single Fares by Operator

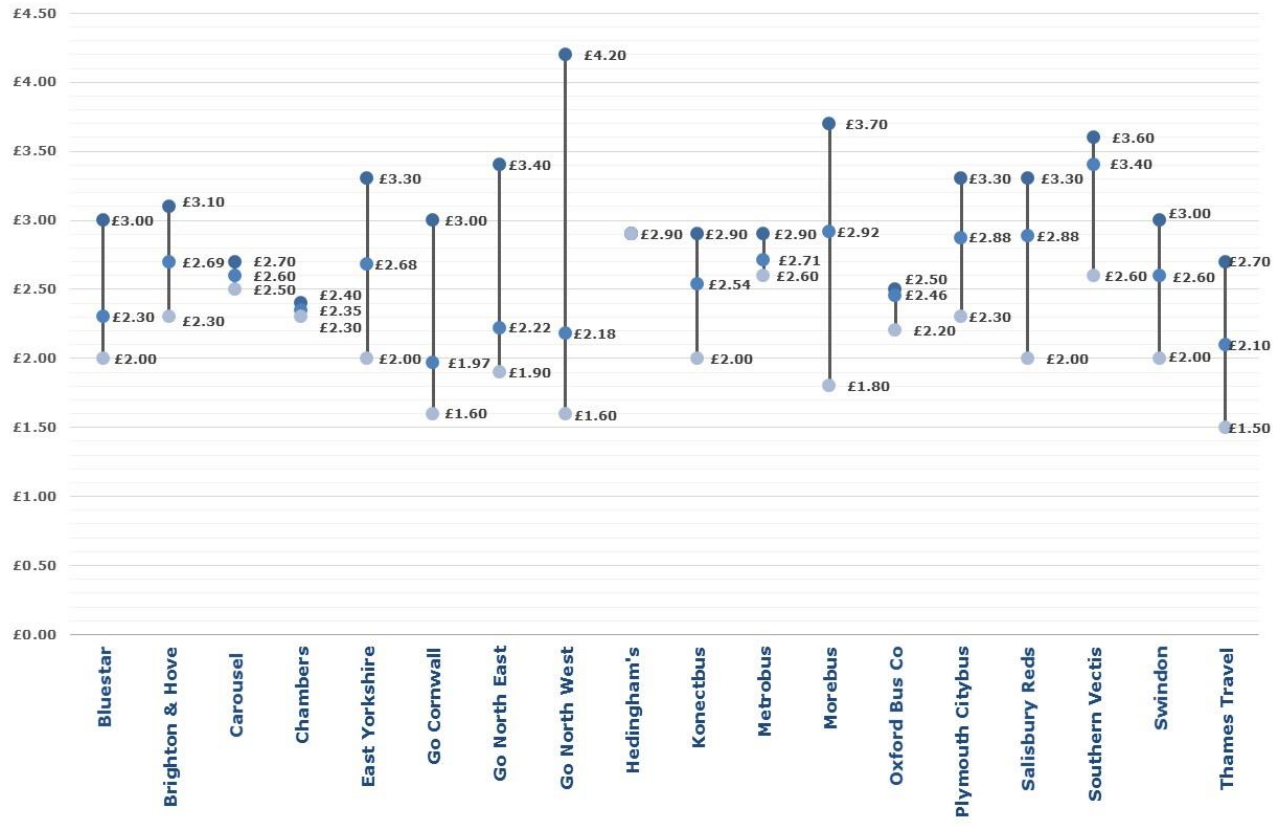


Figure R: Range of Go Ahead Day Tickets by Operator

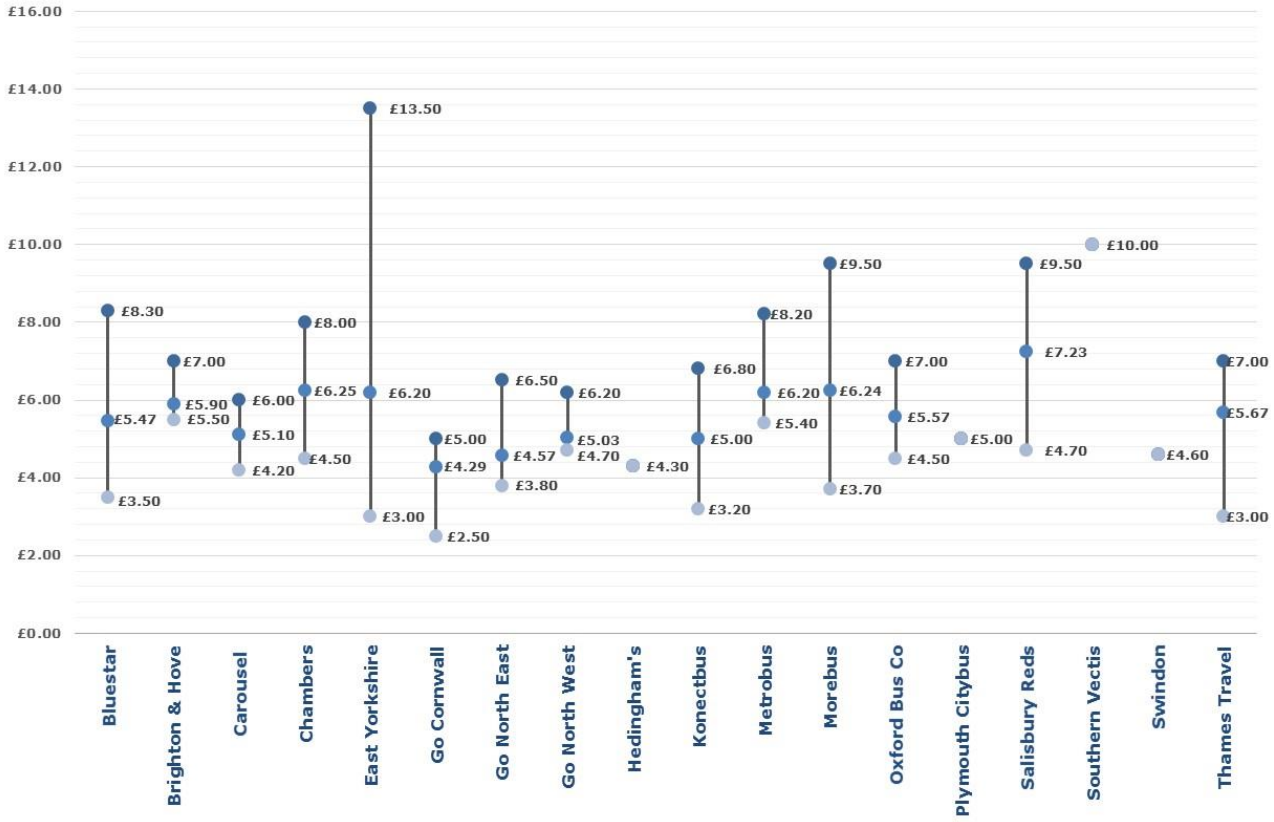
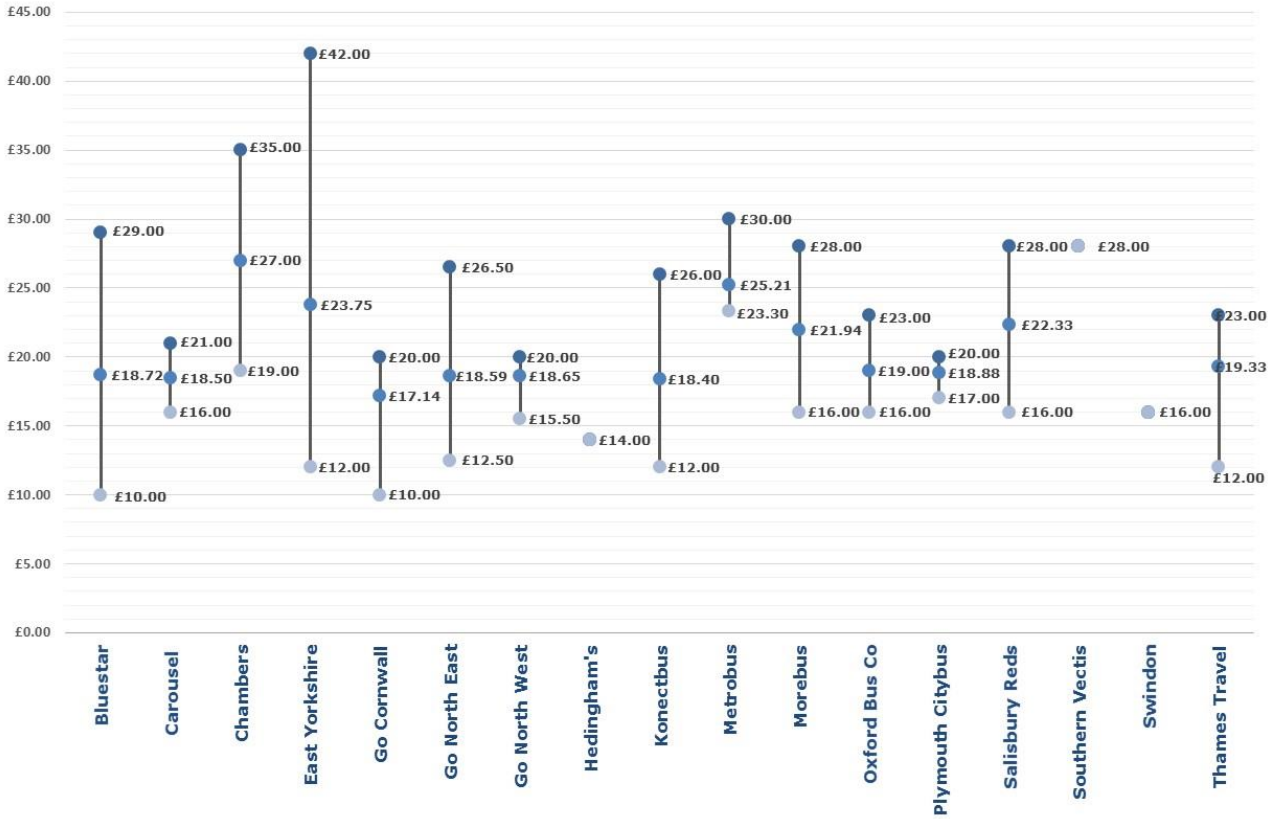


Figure S: Range of Go Ahead Weekly Tickets by Operator



5.10 Independent Operators

5.10.1 Figure T to Figure V 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 is at Compass Travel (£3.05) 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. 13 operators for sample single fares reduce to 12 for day tickets and just nine for weeklies.
- Sanders' only offer a network wide day and week, whilst a number of other independents have a multi-operator ticket as their day ticket. Six operators offer a day ticket price under £5 with all but one offering a weekly under £20.

Figure T: Range of Independent Operators' Single Fares

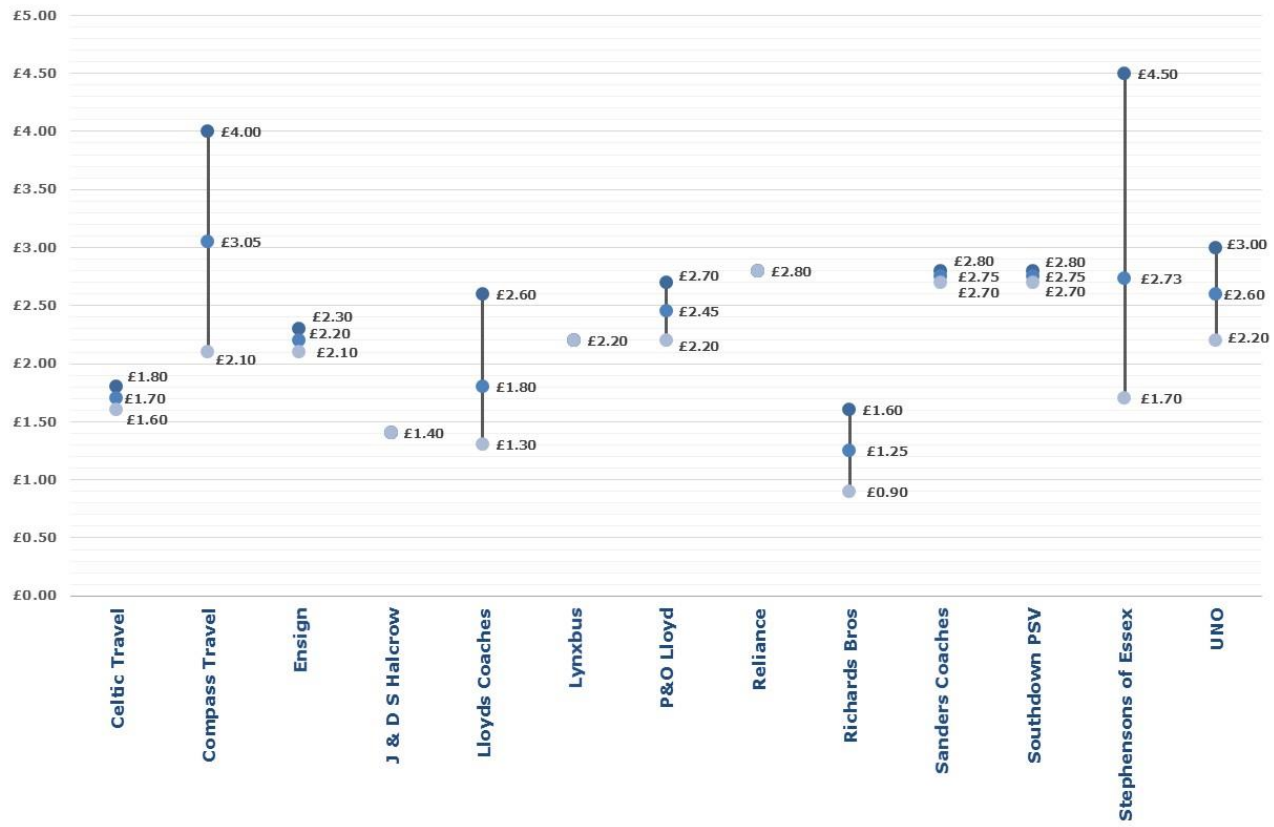


Figure U: Range of Independent Operators' Day Tickets

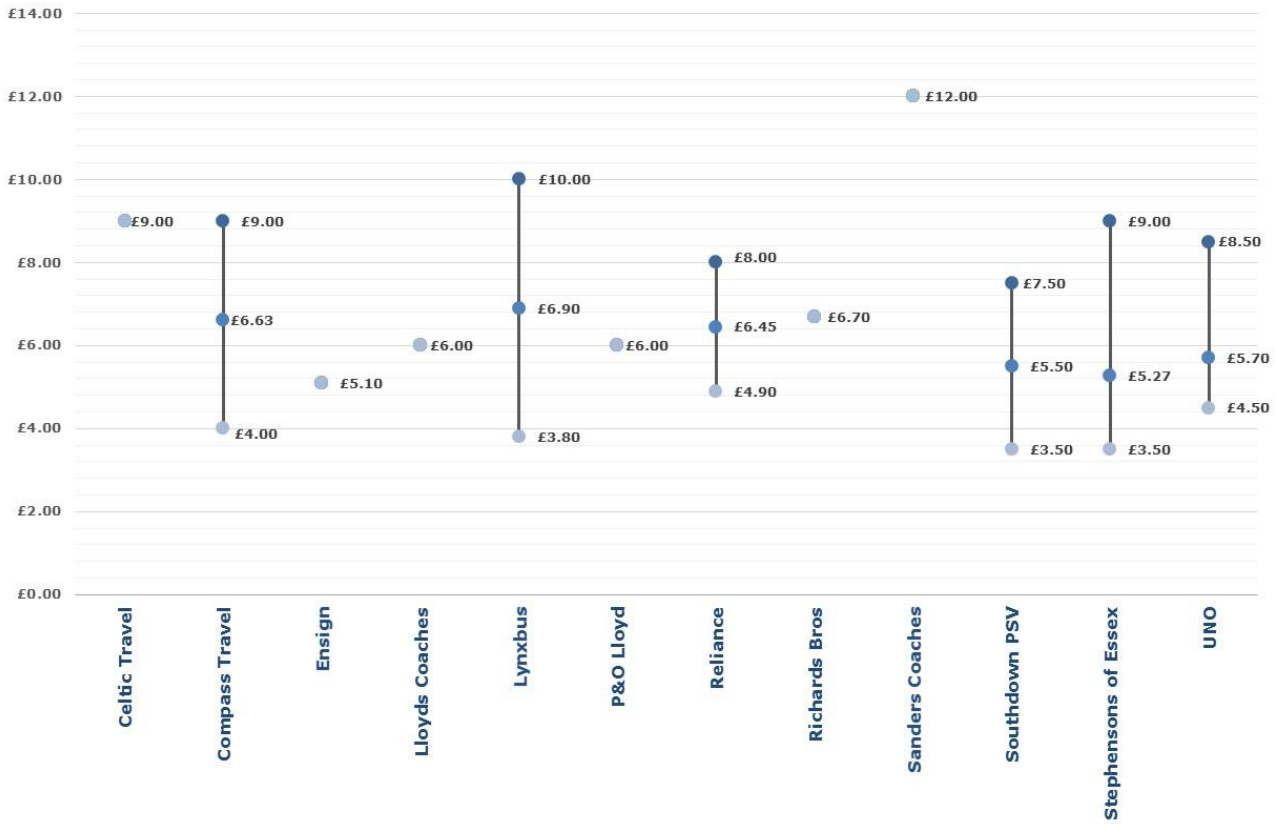
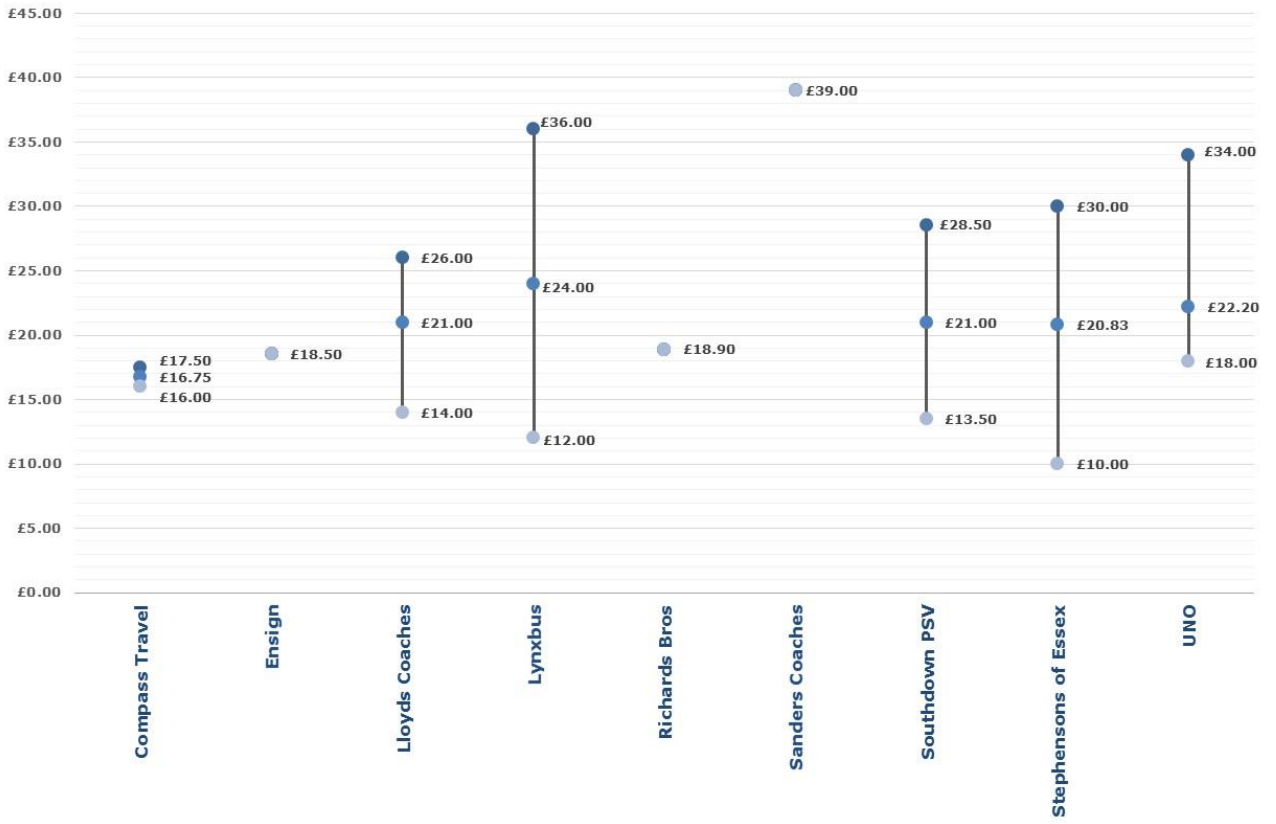


Figure V: Range of Independent Operators' Weekly Tickets



5.11 Municipal Operators

5.11.1 Figure W to Figure Y 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 at Thames Valley (£3.10) reflecting its origins as an independent. The lowest other than the Lothian flat fare is at Cardiff and Lothian Country (£2.05);
- Lothian's £1.80 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;
- Blackpool and Warrington are the only 'traditional' Municipals not to offer a day ticket at or below £5, although the latter benefits from the reduced price of the System One 1 Day Anybus ticket.
- Lothian, 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), but has the highest average price, and Ipswich the most expensive (£27).

Figure W: Range of Municipal Operators' Single Fares

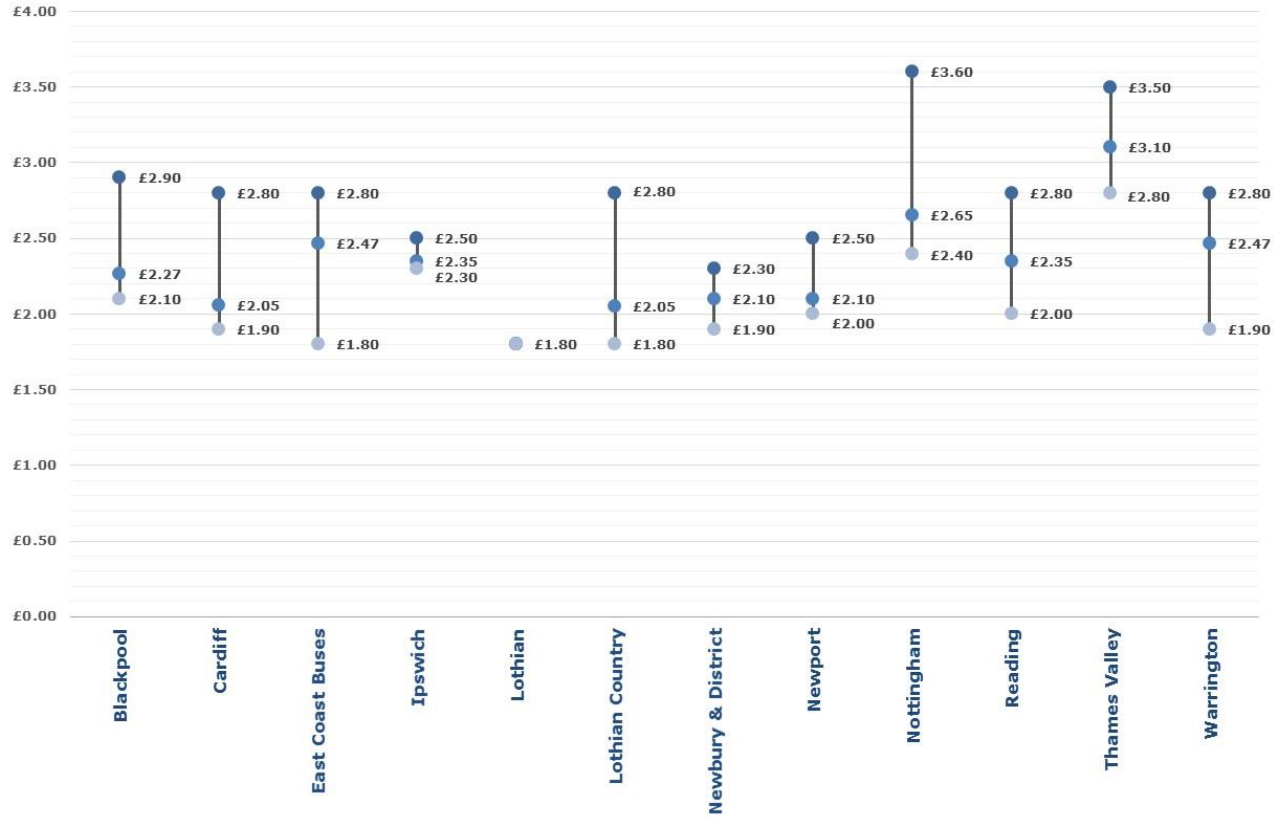


Figure X: Range of Municipal Operators' Day Tickets

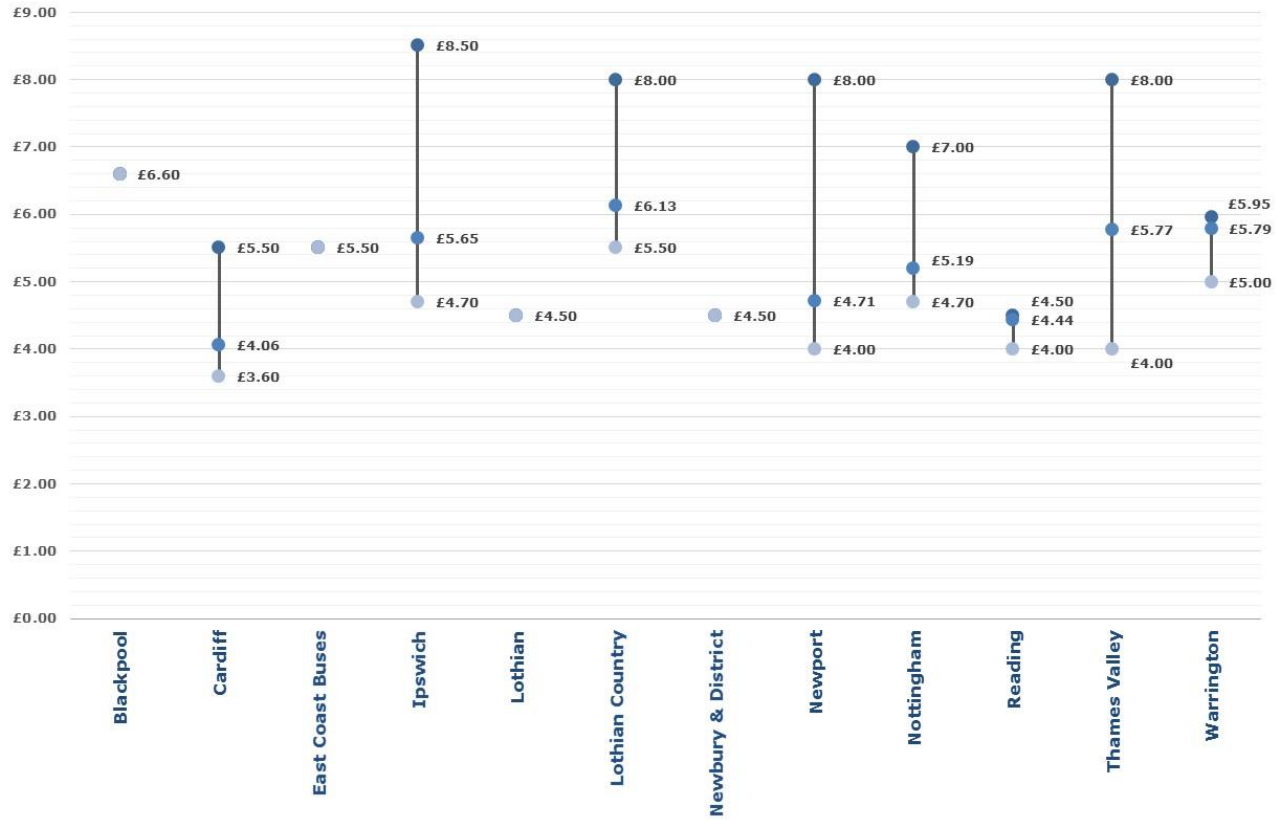
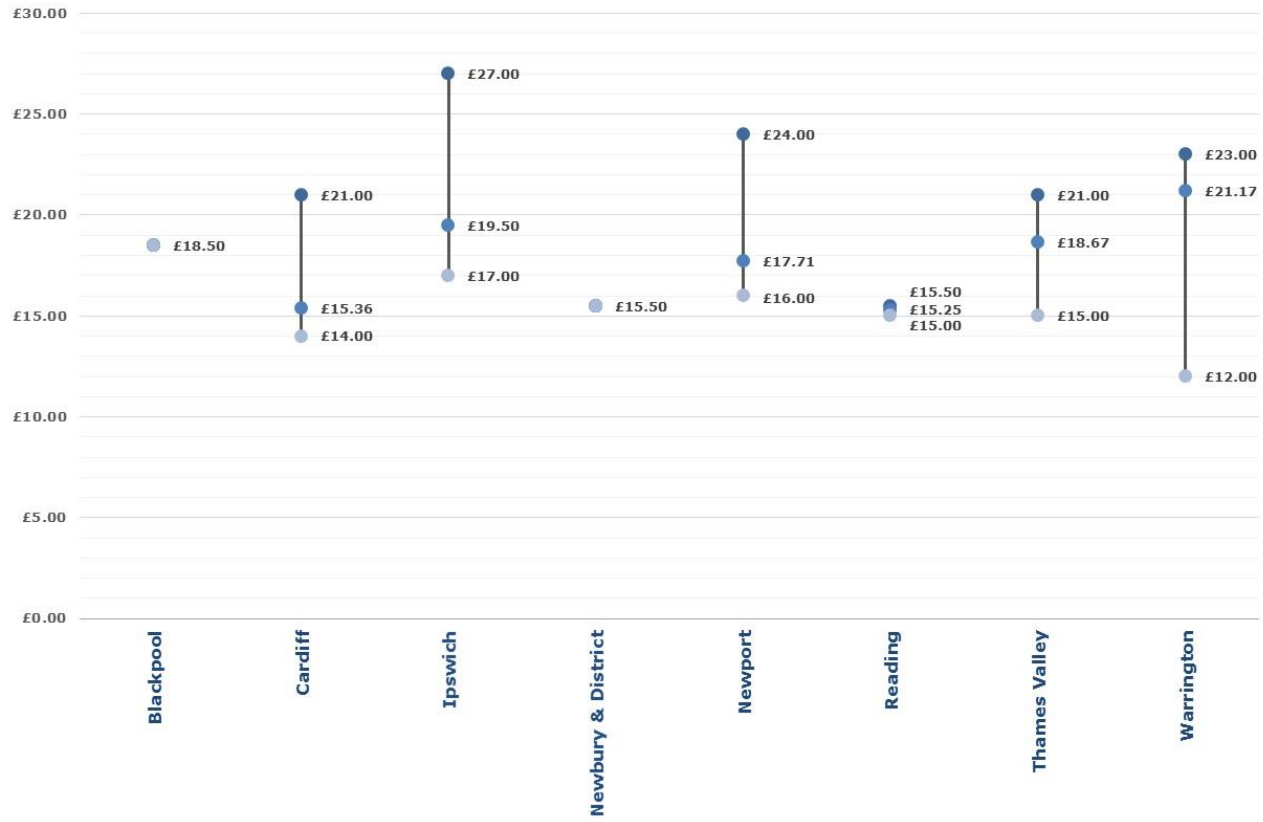


Figure Y: Range of Municipal Operators' Weekly Tickets



5.12 Small Groups

5.12.1 This has been split out from the Independent category to reduce its overall size and to reflect its increasingly 'big operator' nature. Figure Z to Figure BB illustrate the range of Small Group single, day and weekly fares by operator.

- McGill's Scotland East offers the lowest mean single fare of £1.98, with Trentbarton offering the highest at £2.88. Borders Buses offers the largest variation in single fare of 111%.
- Ten of the 17 operators have a flat or mean single fare below £2.50.
- Diamond West Midlands offers the cheapest day ticket (£3) and lowest average day fare (£3.80) whilst Kinchbus and Trentbarton have a joint network wide day ticket at £10.50, which is the only day ticket offered on bus by the former.
- The imbalanced nature of Trentbarton's multi-journey zones - having no equivalent in Derbyshire to that offered in Nottinghamshire skews its average day and weekly fare. This makes it and Kinchbus the only operators to not only offer a weekly ticket at over £30, but to also to not offer one priced below £20.

Figure Z: Range of Small Groups' Single Fares

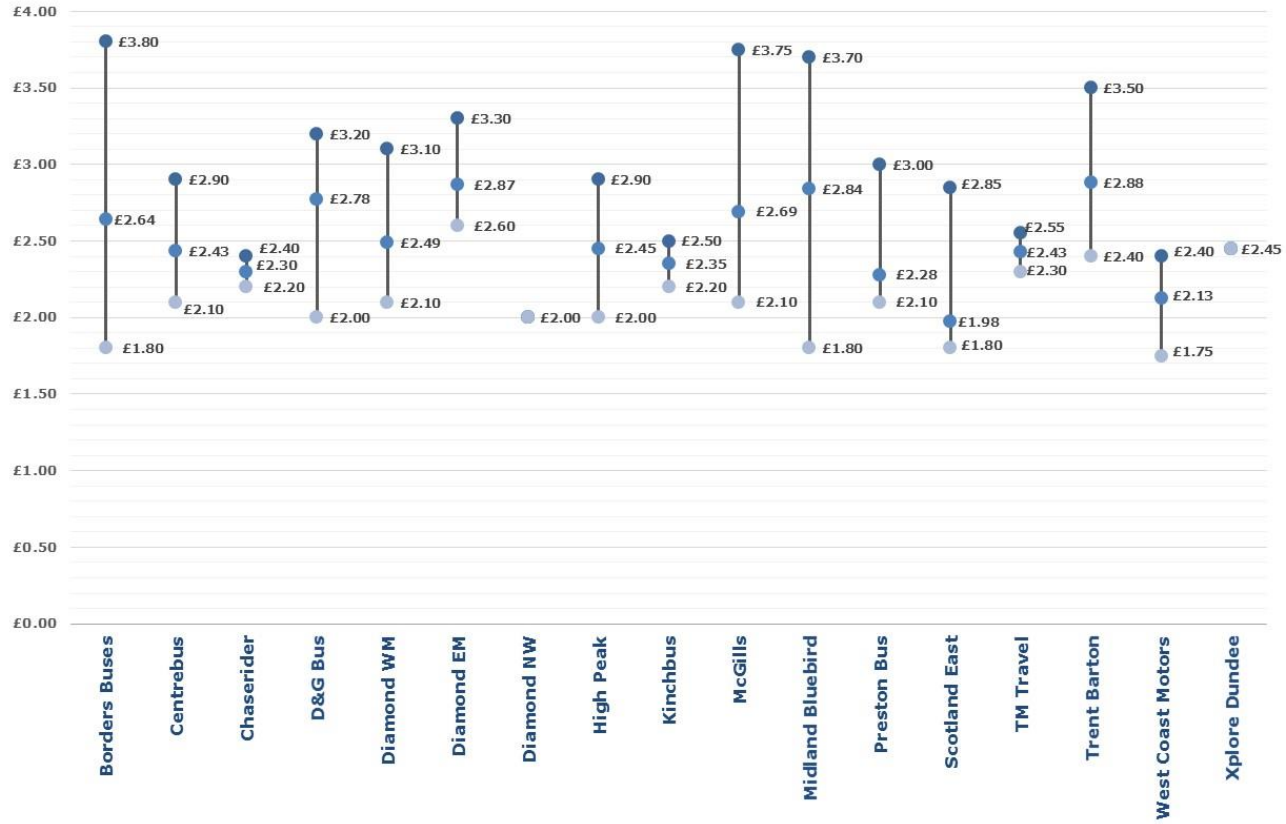


Figure AA: Range of Small Groups' Day Fares

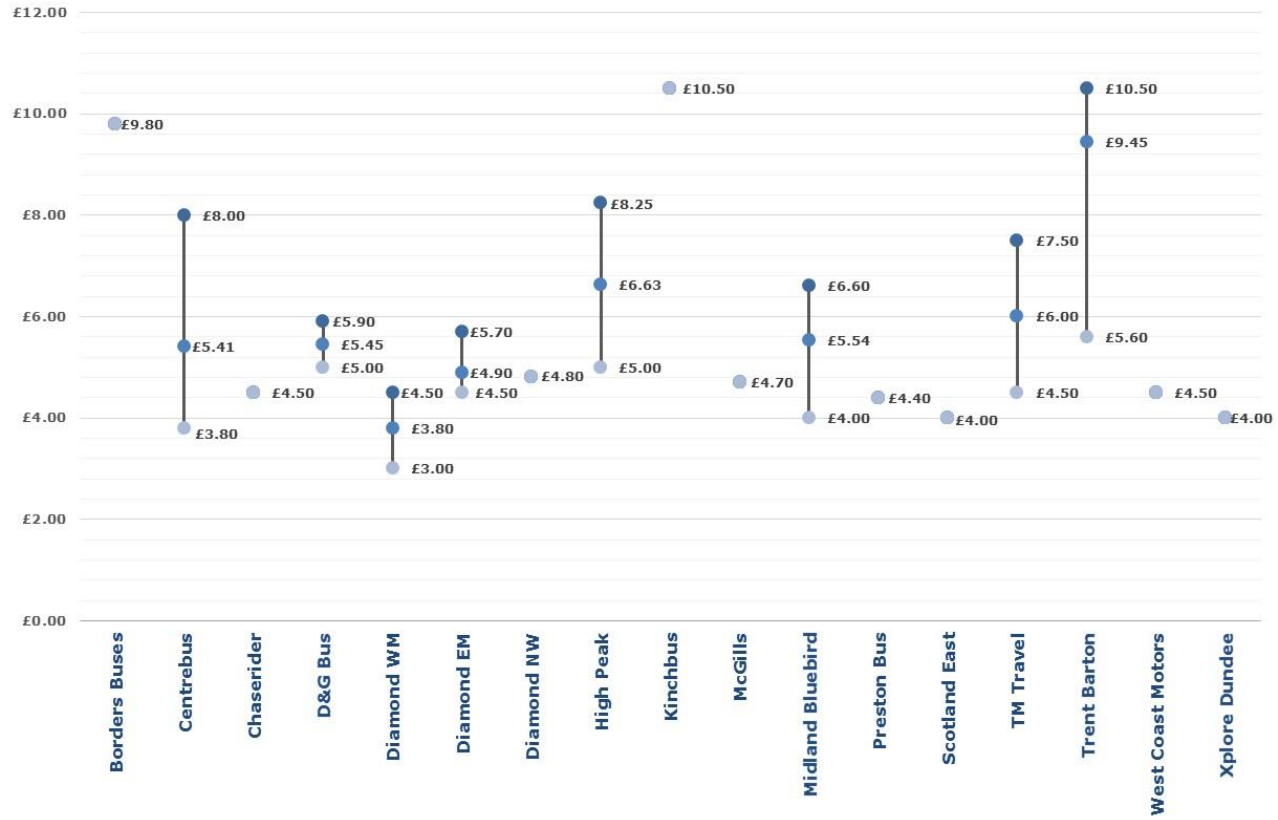
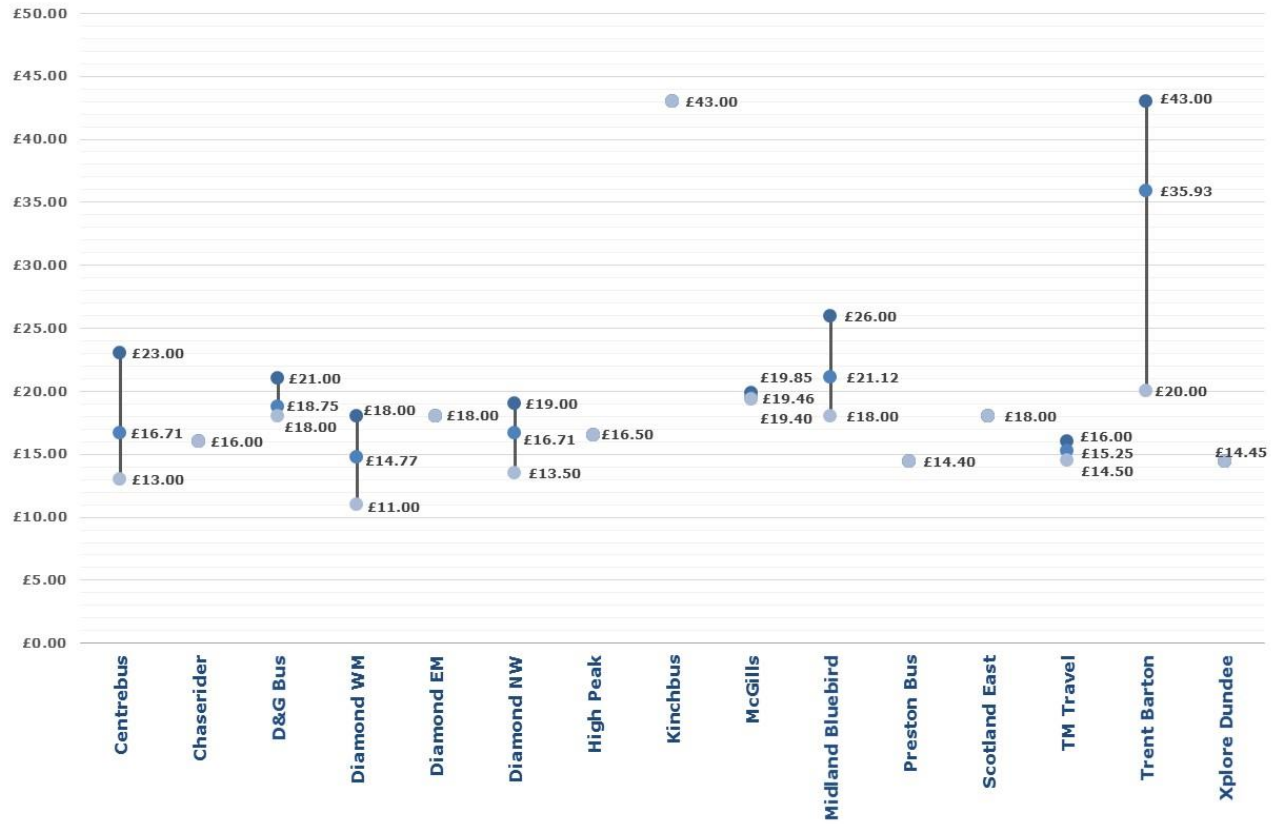


Figure BB: Range of Small Groups' Weekly Fares



5.13 Stagecoach

5.13.1 Figure CC to Figure EE 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, Greater Manchester and Thames Transit the range is less than £1),
- Eight operators have a mean single fare in the £2.25 - £2.50 range;
- Some single fares only have 'wider network' day and weekly alternatives; the most expensive £13.70 option at North Scotland covers a local journey with an equivalent single fare of £2.70. Hardly a realistic alternative but is down to its zonal day tickets being based on travel to and from Inverness rather than points in between;
- Eight of the operators have an average day ticket of £5 or less, whilst only North Scotland has an average weekly price significantly above £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 North Scotland (£9.60) and the most expensive weekly ticket is £36.40 at Midland Red South.

Figure CC: Range of Stagecoach Single Fares

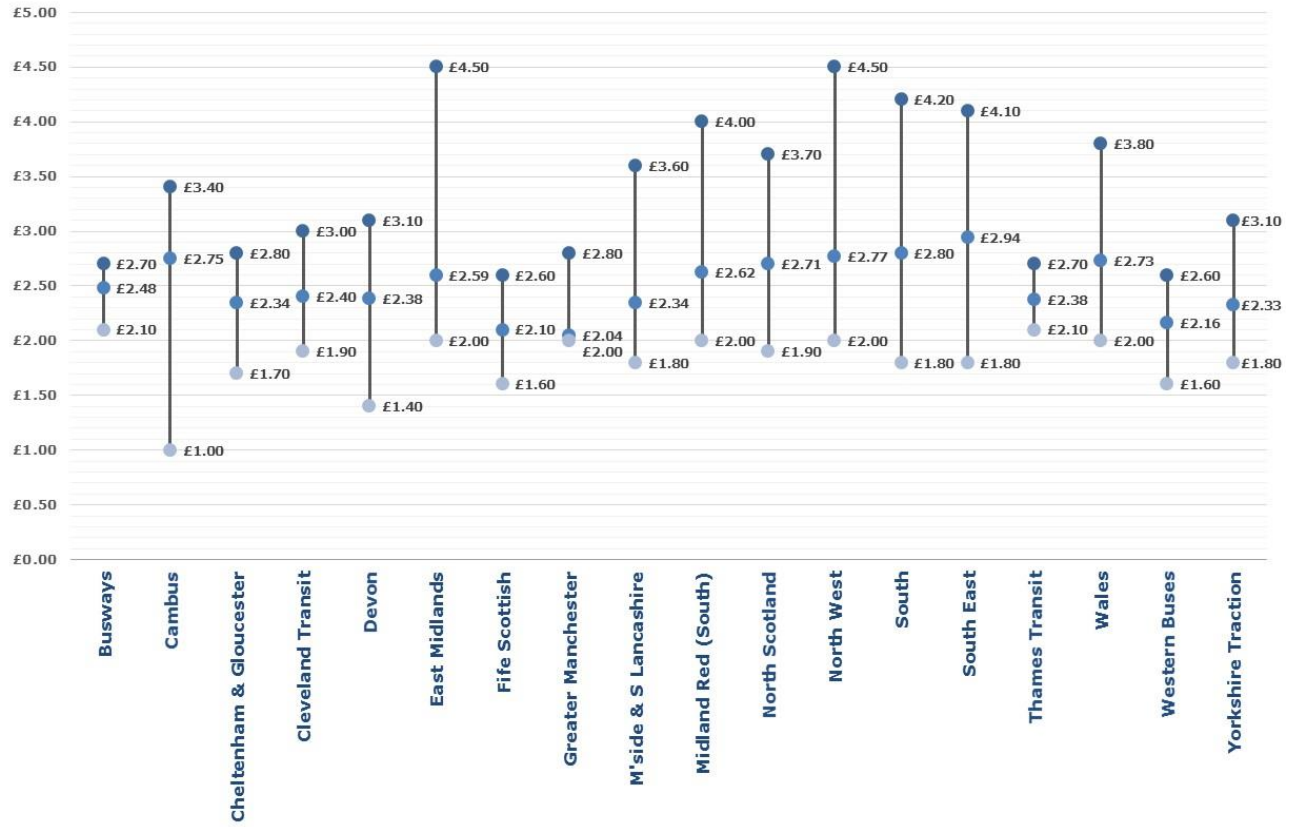


Figure DD: Range of Stagecoach Day Tickets

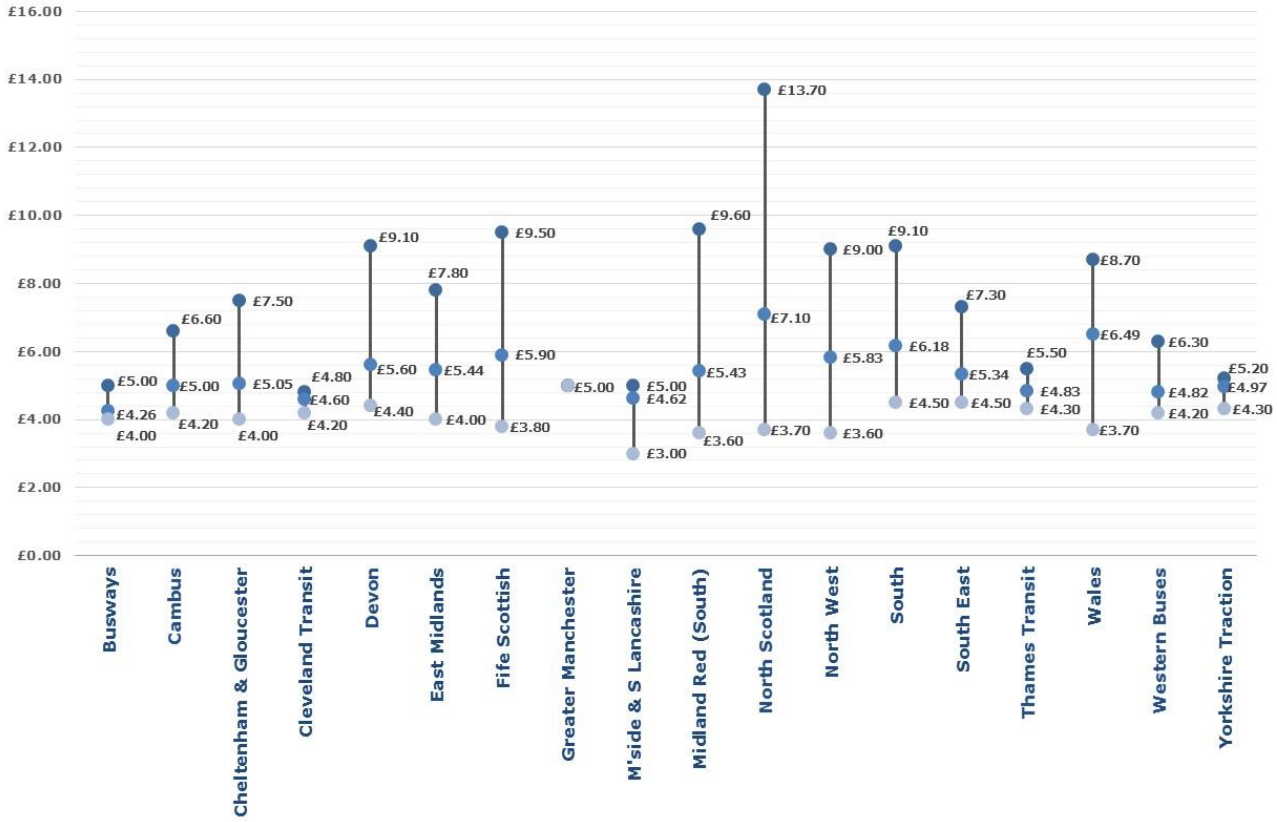
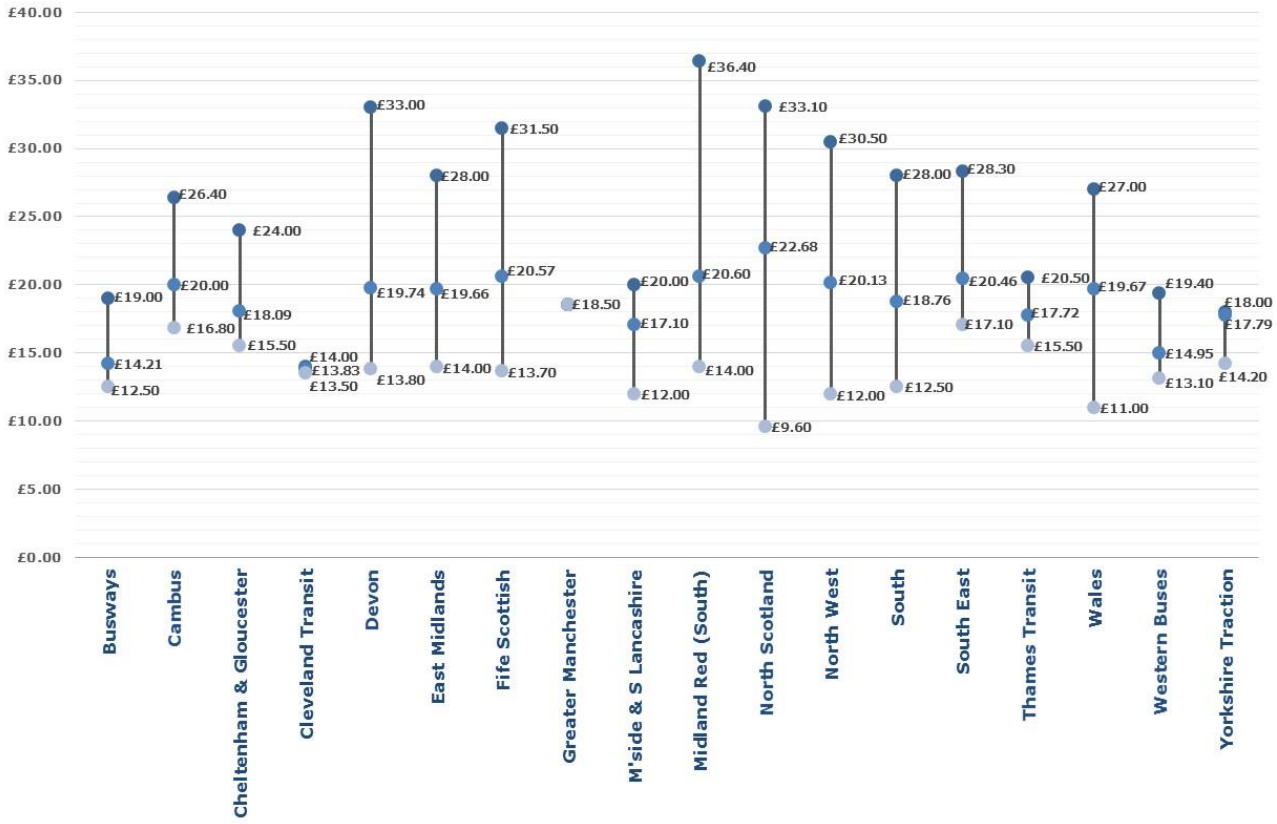


Figure EE: Range of Stagecoach Weekly Tickets



5.14 Transdev

5.14.1 Figure FF to Figure HH 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 Blackburn and Burnley (£3.20) and the lowest at Team Pennine (£2). Harrogate, Keighley, Rosso and Team Pennine all include the Greater Manchester and West Yorkshire low fare schemes in their samples;
- Coastliner distorts the overall picture for day and weekly tickets (but notably not for single fares), this makes it the only operator with an average day ticket fare of over £7. Team Pennine's weekly figure is distorted by the Team Pennine 7 ticket not being available to buy on the bus;
- Only two operators had an average weekly ticket under £20. Partly this relates to some key links being only covered by wider area tickets.

Figure FF: Range of Single Fares on Transdev

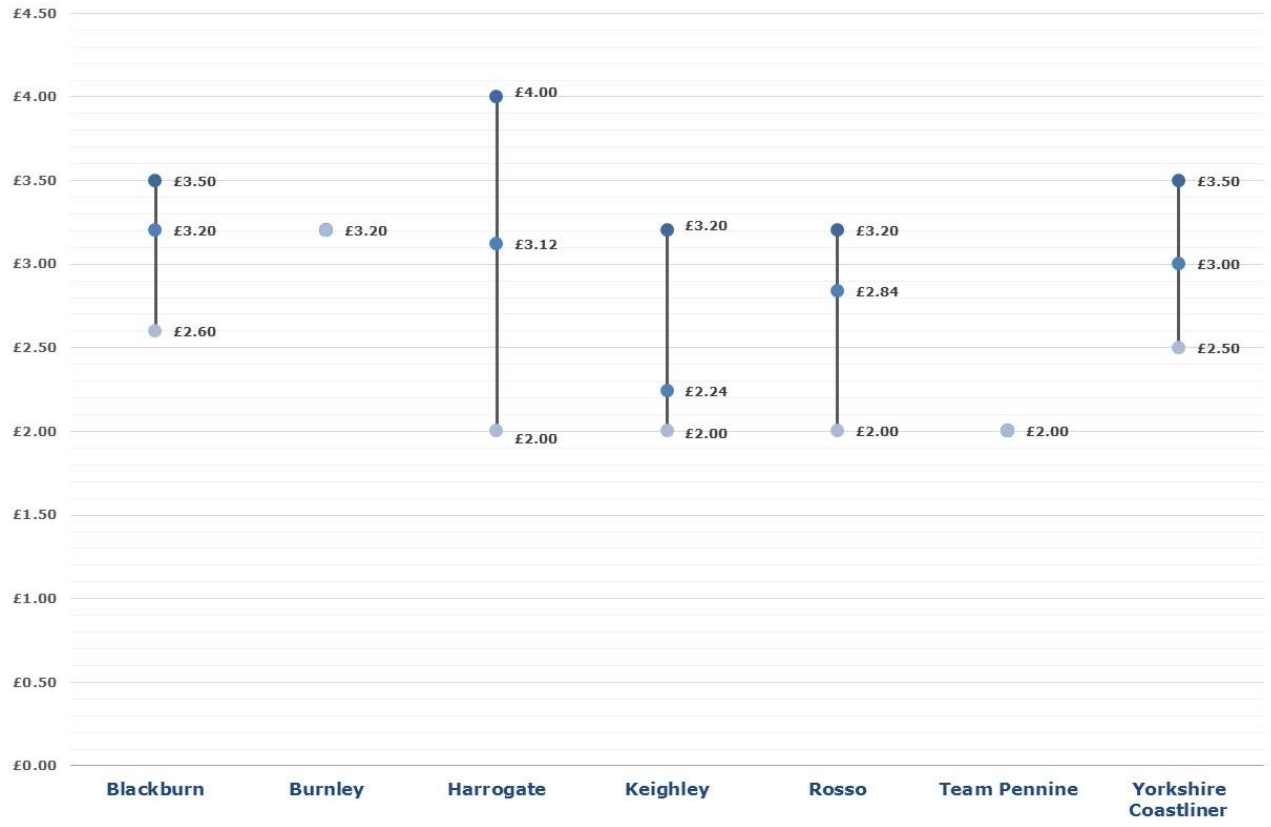


Figure GG: Range of Day Tickets on Transdev

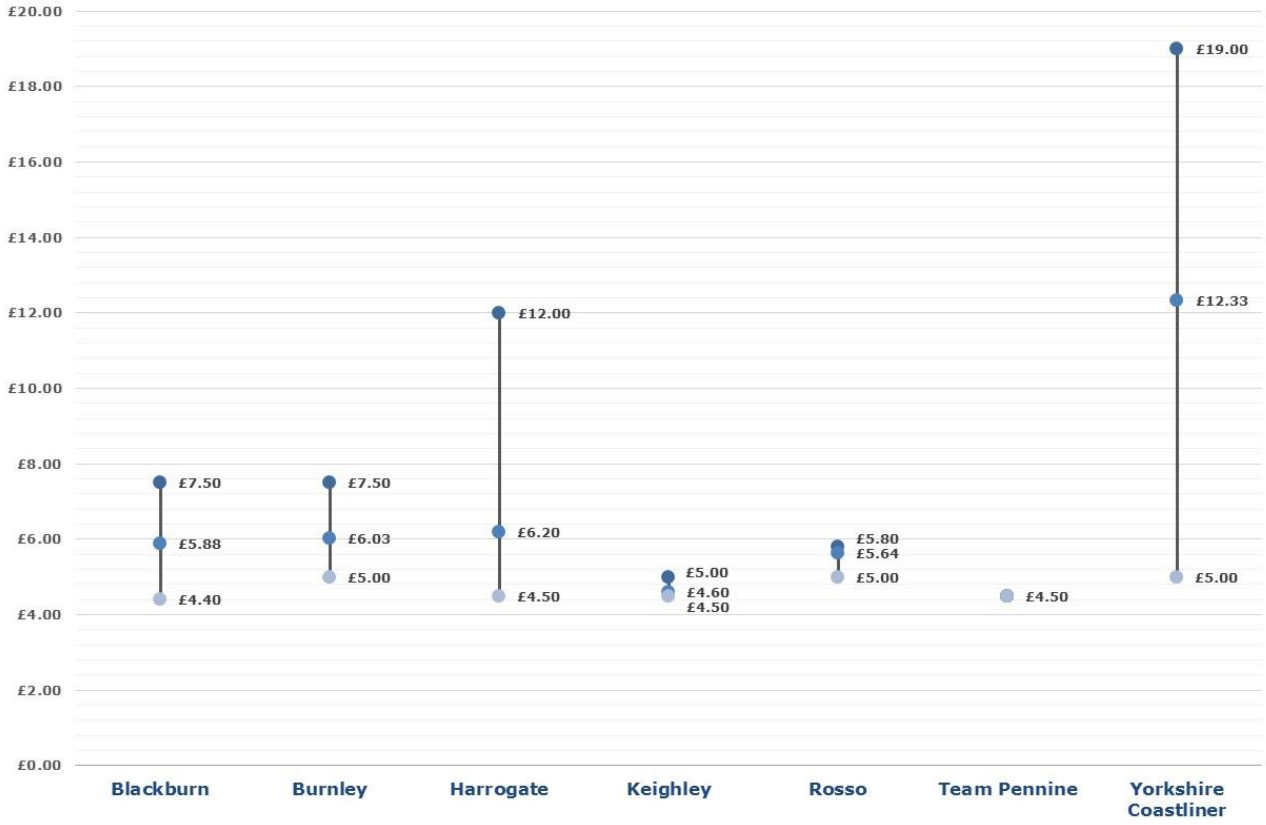
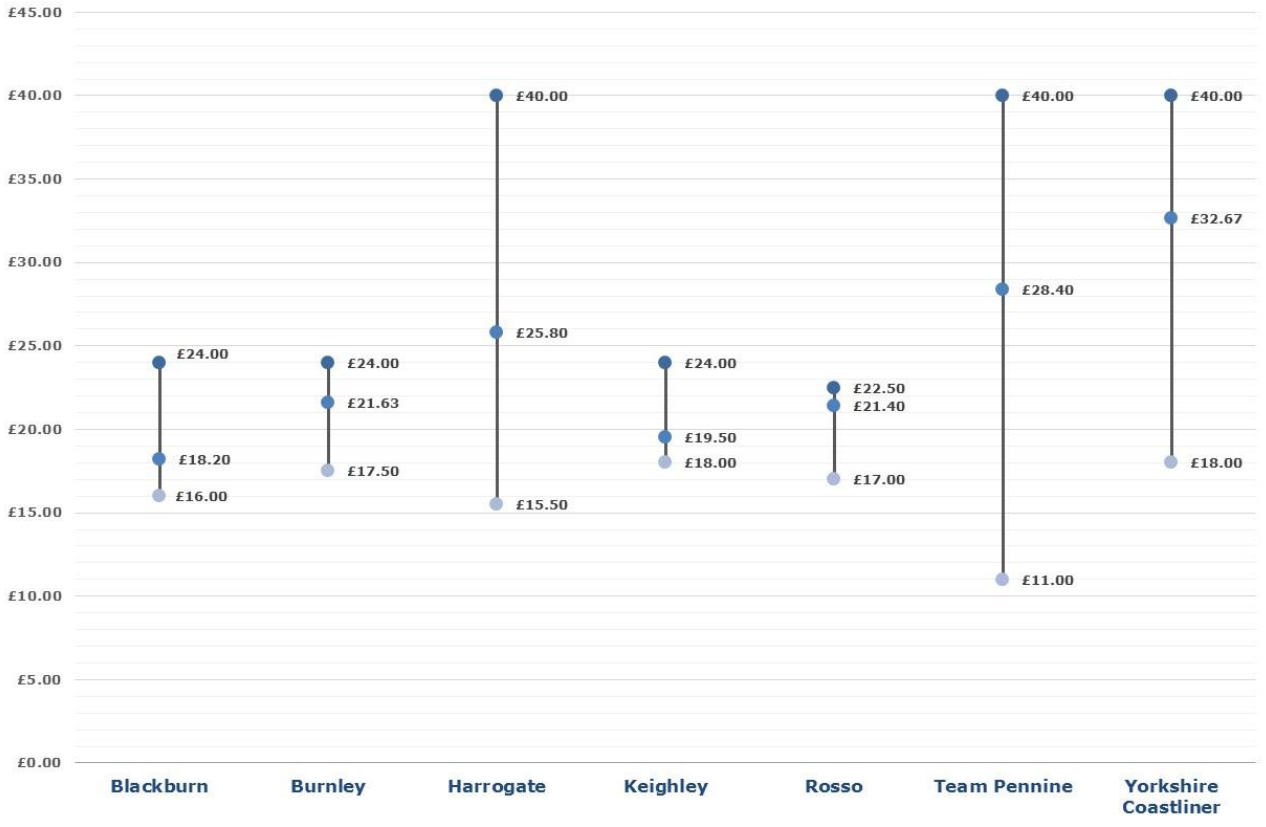


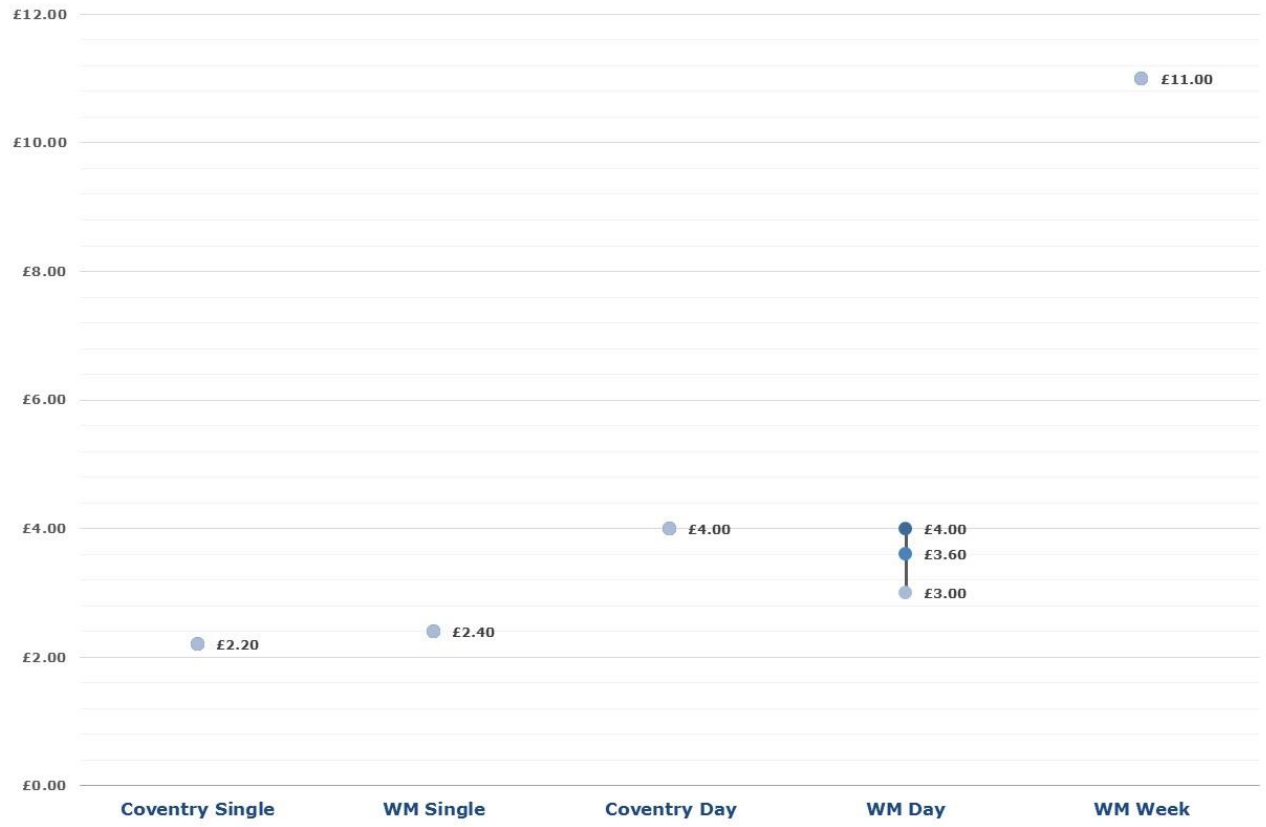
Figure HH: Range of Weekly Tickets on Transdev



5.15 National Express

5.15.1 Due to the small number of operators within this group, we have shown single, day and weekly tickets on the same chart (Figure II). 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 West Midlands network weekly is not available on bus so distorts the price quoted, which is only for the local area tickets.

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



5.16 Summary

5.16.1 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 from the the top five were nine fares from six different operators all priced at £1.50. Similarly there were six weekly tickets from four different operators priced at £11.

5.16.2 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	£0.90	Independent	Richards Bros	Fishguard
2	£1.00	Stagecoach	Cambus	Cambridge
3	£1.30	Independent	Lloyds Coaches	Aberystwyth
4=	£1.40	Independent	J & D S Halcrow	Shetland x2
4=	£1.40	Stagecoach	Devon	Torbay
Highest Price				
1=	£4.50	Stagecoach	North West	Lancashire
1=	£4.50	Stagecoach	East Midlands	Derbyshire
1=	£4.50	Independent	Stephenson's of Essex	Maldon
4	£4.40	Arriva	Kent & Surrey	Sevenoaks
5=	£4.20	Stagecoach	South	Camberley
5=	£4.20	Arriva	Kent & Surrey	Tunbridge Wells
5=	£4.20	Arriva	Kent & Surrey	Tonbridge
5=	£4.20	Arriva	Kent & Surrey	Medway x2
5=	£4.20	Go Ahead	Go North West	Warrington

Table 9: Lowest-Priced Day Tickets

Rank	Value	Group	Operator	Place
Lowest Price				
1	£2.50	First / Go-Ahead	Kernow / Go Cornwall	Cornish Towns x8
2=	£3.00	Stagecoach	Merseyside & South Lancs	Chester
2=	£3.00	Go-Ahead	East Yorkshire	Beverley
2=	£3.00	Small Group	Diamond	Sandwell & Dudley
2=	£3.00	Small Group	Diamond	West Midlands
2=	£3.00	National Express	NX West Midlands	Sandwell & Dudley
2=	£3.00	National Express	NX West Midlands	Walsall
2=	£3.00	First	West Yorkshire	Holme Valley
2=	£3.00	Go-Ahead	Thames Travel	Didcot

Table 10: Lowest-Priced Weekly Tickets

Rank	Value	Group	Operator	Place
Lowest Price				
1	£9.60	Stagecoach	North Scotland	Peterhead
2=	£10.00	First / Go Ahead	Kernow / Go Cornwall	Cornish Towns x8
2=	£10.00	Go-Ahead	GSC – Bluestar	Southampton
2=	£10.00	First	Hampshire & Dorset	Southampton
2=	£10.00	Independent	Stephenson's of Essex	Bury St Edmonds

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Analysis by Market 6

6.1 Introduction

6.1.1 This section contains our analysis of the 2022 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 September 2022 was:

- Single = £1.65 (against a rest of the UK average of £2.47)
- Day = £4.95 (rest of the UK average of £5.29)
- Weekly = £23.30 (rest of the UK average of £19.39)

6.2.2 Single fares are very low when compared to all other markets, they are even £0.15 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, even interurban. It is over £5 more expensive than the average weekly ticket in a PTE area.

6.3 I can go anywhere in London for £1.65, why is my local fare over £3?

6.3.1 The difference between the £1.65 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 per sq. km. The figure for Northumberland is 64;

- Car ownership – another key driver of bus use. Greater London has broadly only half the proportion of car-owning households compared to the rest of the UK;

- Parking – parking in central London is limited and very expensive;

- Congestion charge / ULEZ – motorists pay to drive into central London and face a fine for having a vehicle not up to ULEZ standards;

- Financial support – London Buses Ltd received £1,031.6m in support from TfL for 2021/22.

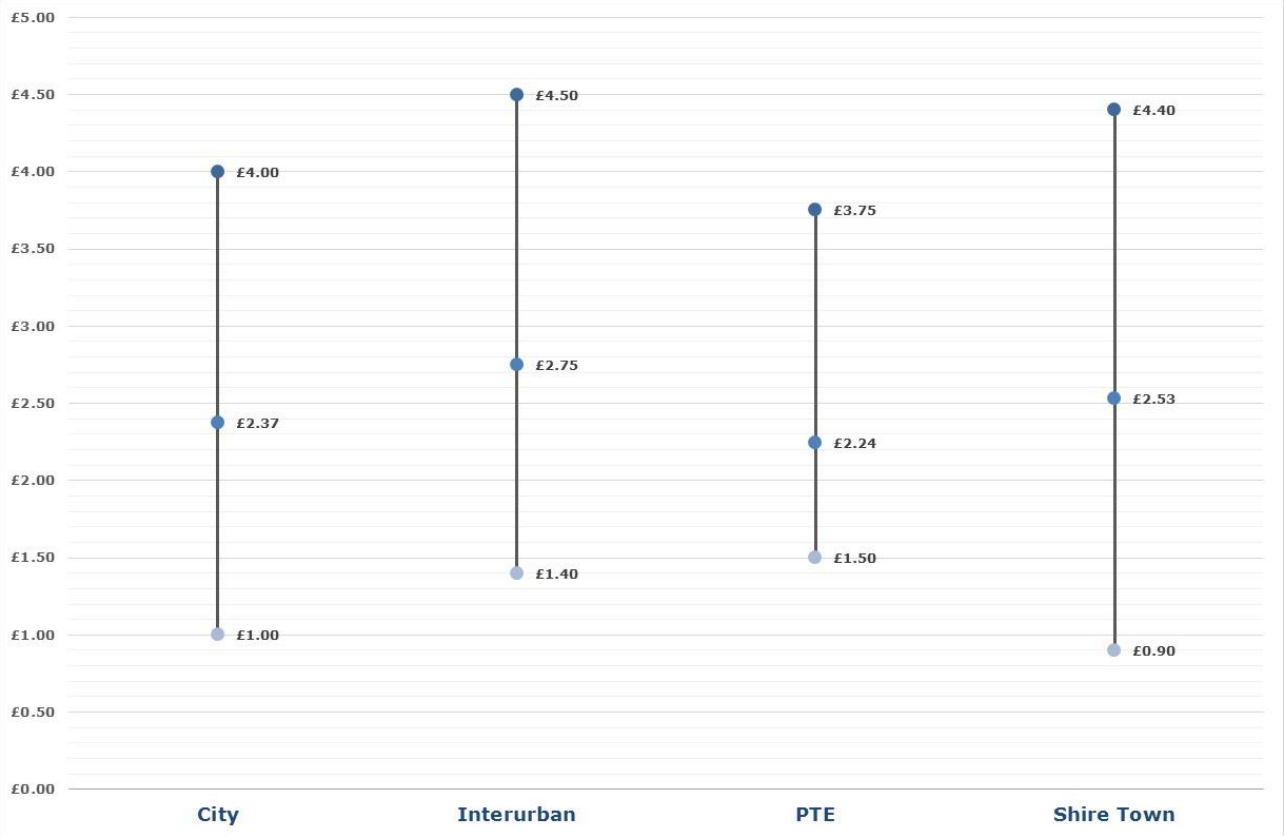
6.3.2 A passenger can indeed travel by bus as far as they like for £1.65 in London, but *ONLY* by bus and tram. Buses in London are notoriously slow and some three mile trips can take around an hour. The Tube and TfL Rail operate a zonal fare system which charges much higher fares. A Tube journey of broadly 3 miles from Euston Square to Liverpool Street Station costs £2.50 with Oyster / Contactless or £6.30 for cash.

6.4 Single Fares

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

- The PTE market has the lowest mean single fare (£2.24); this is influenced strongly by the 170 sample fares which were affected by the £2 price caps;
- The interurban market has the highest mean single fare (£2.75) and the highest single fare within the 2022 survey database (£4.50);
- The Shire Town market includes the lowest overall single fare (£0.90);
- The range of fares in all markets is considerable although lowest in PTE areas.

Figure JJ: Range of Single Fares by Market 2022

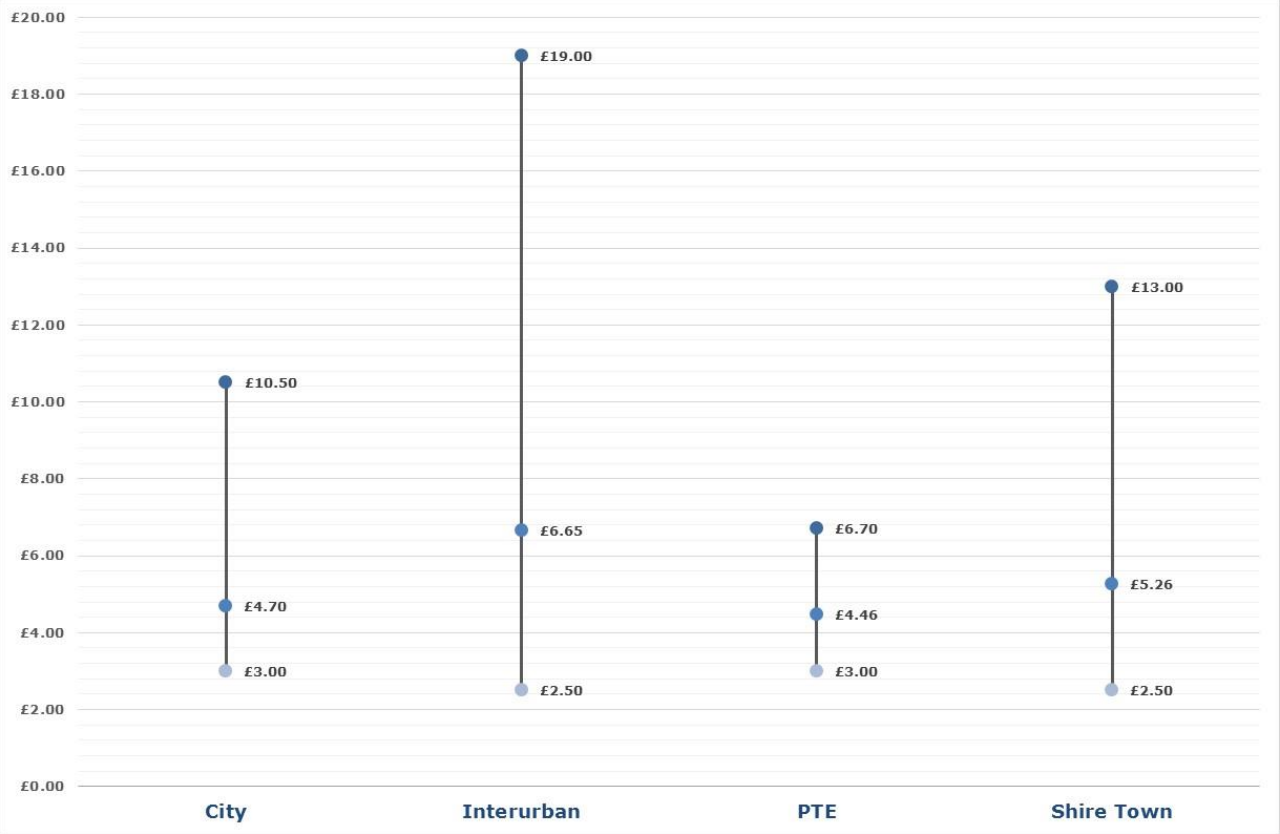


6.5 Day Tickets

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

- The interurban market had both the highest (£19) and joint lowest (with the Shire Town market) priced day ticket (£2.50);
- The interurban market has the highest mean day ticket price at £6.65, but this includes tickets which cover a very wide area;
- City and PTE markets have very similar average prices, which are below the TfL cap. PTE has the smallest range due to the similar nature of the products offered across the areas and the inclusion of day tickets in the Greater Manchester and West Yorkshire low fare schemes.

Figure KK: Range of Day Ticket Prices by Market

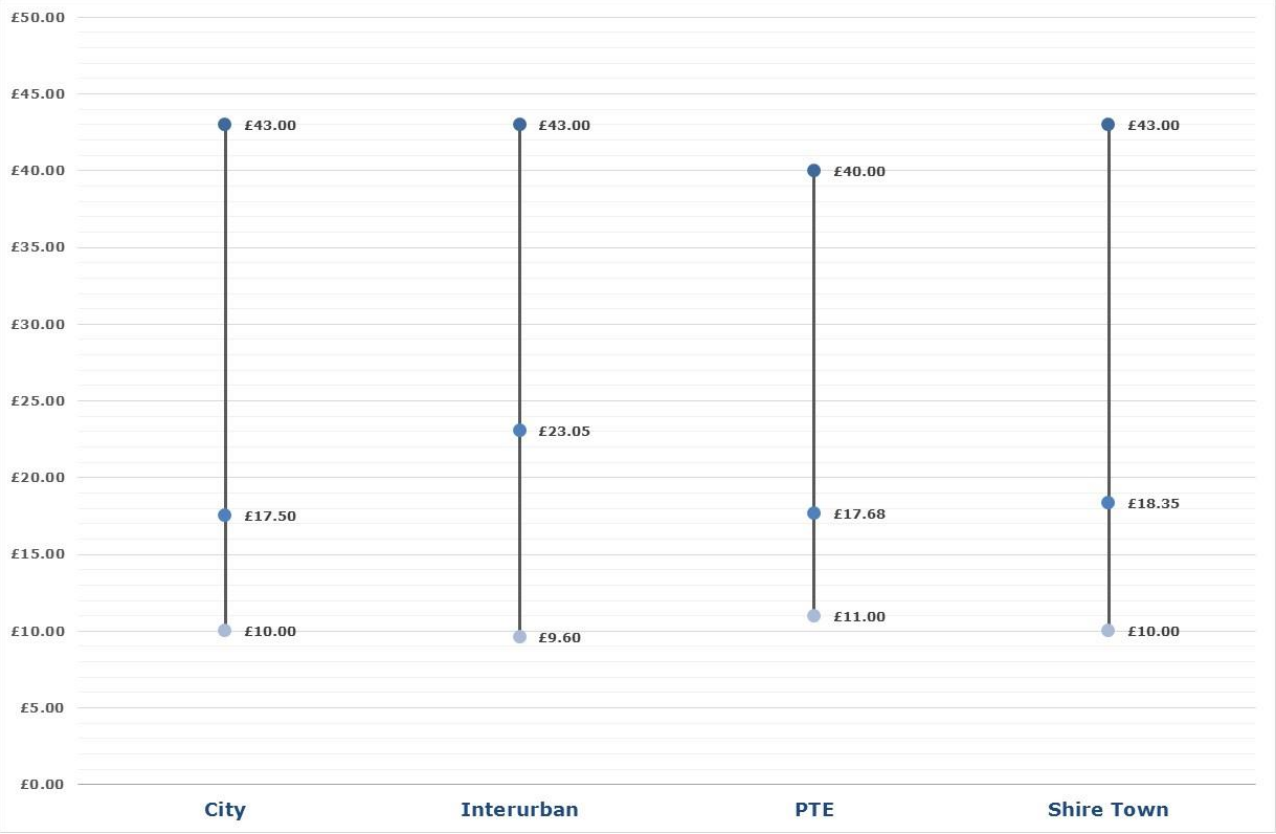


6.6 Weekly Tickets

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

- The most expensive weekly ticket is shared by the city, interurban and shire town markets, the former due to the lack of a dedicated area weekly ticket;
- The cheapest (£9.60) is in the interurban market due to the ticket being valid beyond the town's 'urban area';
- 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.
- The PTE's highest value is due to cheaper tickets only being available 'off bus'.

Figure LL: Range of Weekly Ticket Prices by Market



Analysis by Region 7

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 MM summarises the average single, day and weekly fare by region without division into urban and non-urban. The North East and North West have the joint lowest average single fare at £2.30, whilst the South East is the highest at £2.82. The West Midlands has the lowest average day fare at £4.07, only the North East being also below £5 average, against the East Midlands' £6.18 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 £15.60, 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 £23.83, but this is again distorted by network wide products.

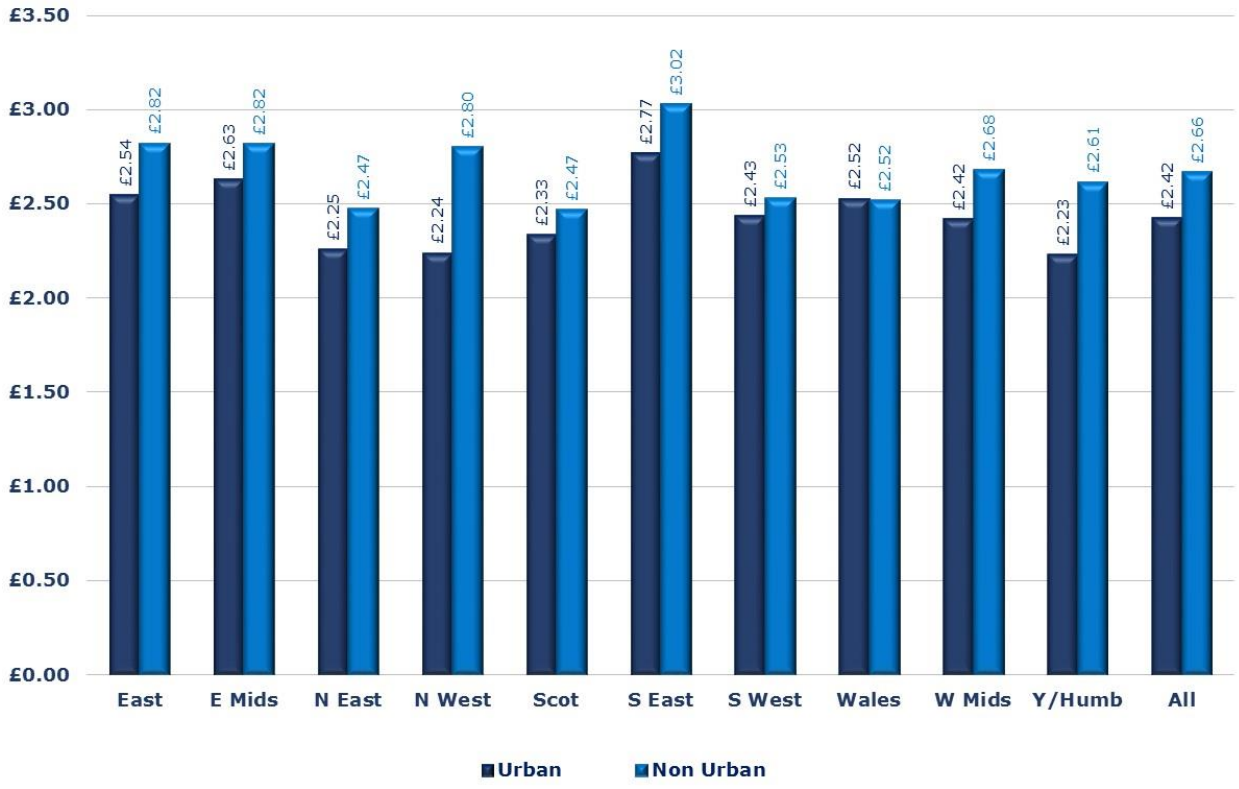
Figure MM: Mean Single, Day and Weekly Ticket Prices by Region

7.3 Single Fares

7.3.1 Mean single fares by region are shown in Figure NN and further sub-divided into urban and non-urban fares. Thanks to the £2 fare caps, the North West has the largest difference between non-urban and urban fares (25%). Only Wales has a higher urban than non-urban average fare (by 0.7p). Six regions have an average urban single fare of between £2.20 and £2.50.

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 (£2.77 and £3.02 respectively). Yorkshire & the Humber has the lowest urban fare at £2.23 whilst Scotland and the North East have the lowest non-urban single fare at £2.47.

Figure NN: Mean Single Fares by Region

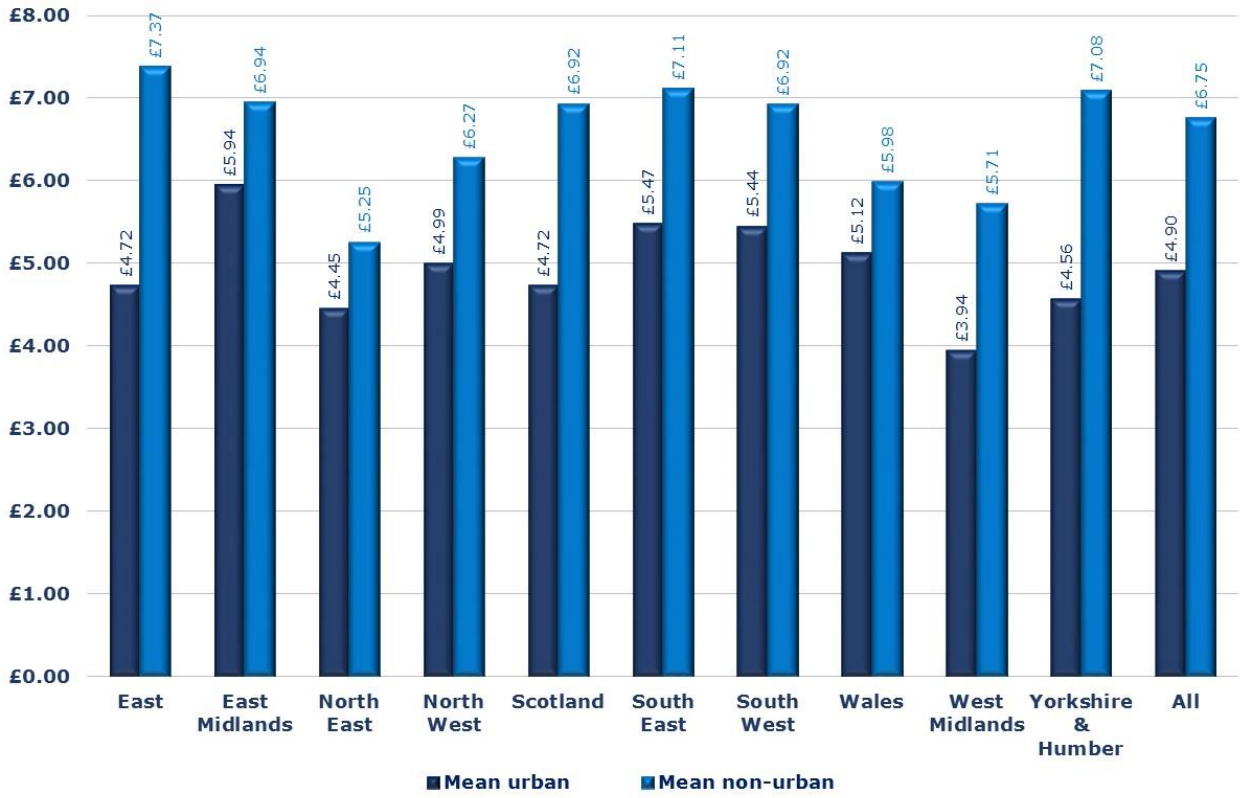


7.4 Day Tickets

7.4.1 Figure OO 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. The North East has the smallest difference between urban and non-urban prices (£0.80) whilst the East of England has the largest (£2.65).

7.4.2 The West Midlands has the lowest average urban day ticket at £3.94, with the East of England, North East, North West, Scotland and Yorkshire & the Humber also having an average of under £5. Five regions have an average urban day ticket price at or below TfL's cap level. The East Midlands has the highest urban day ticket at £5.94. The North East has the lowest average non-urban day ticket at £.25, one of only three regions below £6. Again three regions have an average non-urban day ticket of over £7, the East of England being the highest at £7.37.

Figure OO: Mean Day Ticket Prices by Region



7.5 Weekly Tickets

7.5.1 Figure PP shows mean weekly ticket prices by region and again split by urban and non-urban. The difference here between urban and non-urban is similar to day tickets, there is still a premium to be paid by non-urban passengers. The highest difference is in the East of England at £9.88, with Wales having the lowest at £1.40. Urban averages in all regions except East Midlands are well below TfL's weekly cap.

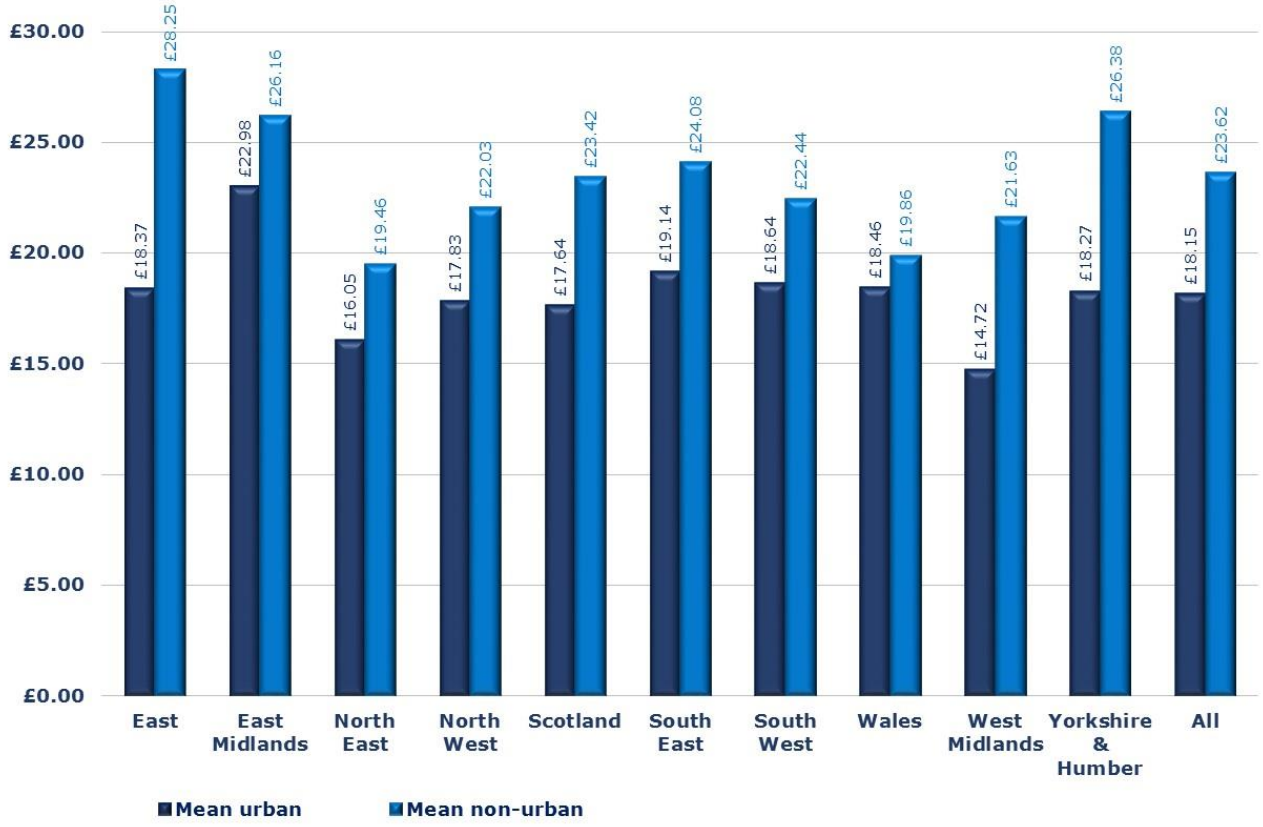
7.5.2 Although the North East and North West have very similar average prices, there is little evidence of any north-south divide in weekly ticket pricing. The West Midlands has the lowest overall mean weekly price at £14.72, this is perhaps due to the fact that the Travel Coventry and Travel West Midlands

network wide tickets (accounting for 66% of their combined samples) are not sold on bus (£15 online and App).

7.5.3 The East Midlands has the highest urban average at £22.98. This is, however, distorted by the only equivalent weekly tickets being priced at £43 for some trips and that Nottingham City Transport's weekly tickets cannot be bought on bus.

7.5.4 The North East has the lowest average non-urban weekly at £19.46, with Wales as the only other one below £20. The East of England has the highest average at £28.25, one of three above £25.

Figure PP: Mean Weekly Ticket Prices by Region



Trends 8

8.1 Introduction

8.1.1 This being our seventh fares survey it is possible to look at trend figures since the first survey in 2009. Table 11 below shows the results for the seven successive surveys. As can be seen single fares have increased the least over the last two years thanks to the introduction of low fare schemes, while day tickets have increased the least since 2009. This is reflected in the fact that the average day ticket now represents 2.14 average singles against 2.69 in 2009, whilst the average weekly represents 3.66 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	2022	Increase since 2009	Increase since 2019
Average Single	£1.75	£1.91	£2.11	£2.21	£2.33	£2.48	£2.47	41.3%	-0.1%
Average Day	£4.72	£4.52	£4.75	£4.83	£4.92	£5.21	£5.29	12.1%	1.6%
Average Weekly	£13.77	£15.16	£16.67	£16.74	£17.09	£18.03	£19.37	40.7%	7.5%

8.2 Benchmarking

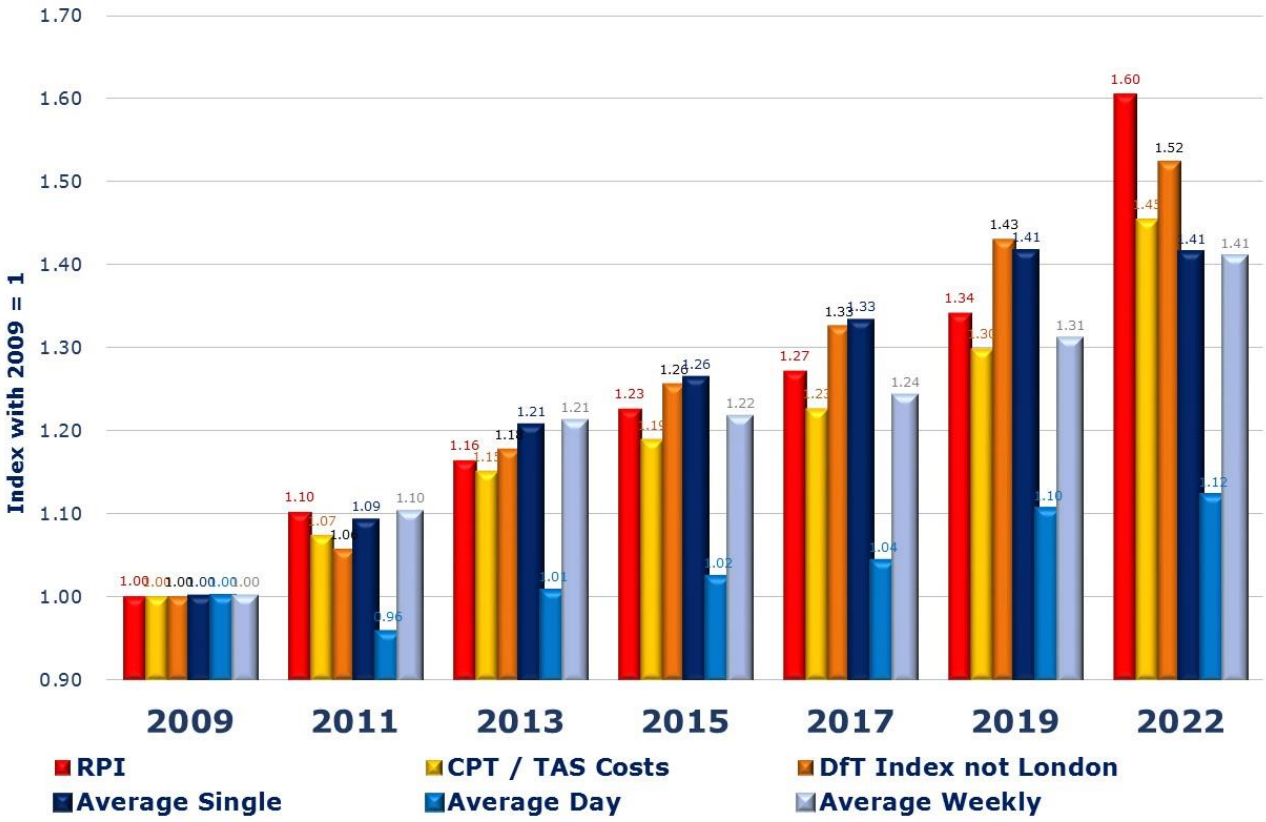
8.2.1 Bus operating costs and hence bus fares do not sit in a World isolated from other aspects of the economy. They react to external influences. Figure QQ below indexes the changes to average fare against the increase in Retail Price Index, the CPT's reported increases in unit bus operating costs and the DfT's fares index for English fares outside London.

8.2.2 Since 2019 single fares outside of low fare areas have risen by 5.3% which is 14.4% below RPI (compared to 1.3% above RPI between 2017 and 2019), whilst day and weekly tickets have risen 18.1% and 12.2% below RPI respectively (both had had above RPI rises in 2019). 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 71.1% since 2009 (40.8% for bus weeklies) and 18.6% since 2019 (7.6% for bus weeklies).

8.2.4 Unfortunately CPT stopped publishing its cost index during COVID so there is no figure for 2022, instead we have looked at the accounts of a number of operators from 2019 and 2022 to calculate a change in operating cost per employee and vehicle. This provided a figure for average increase in operating costs of 12%, but did not take into account the period from April to September 2022.

Figure QQ: Changes Relative to 2009

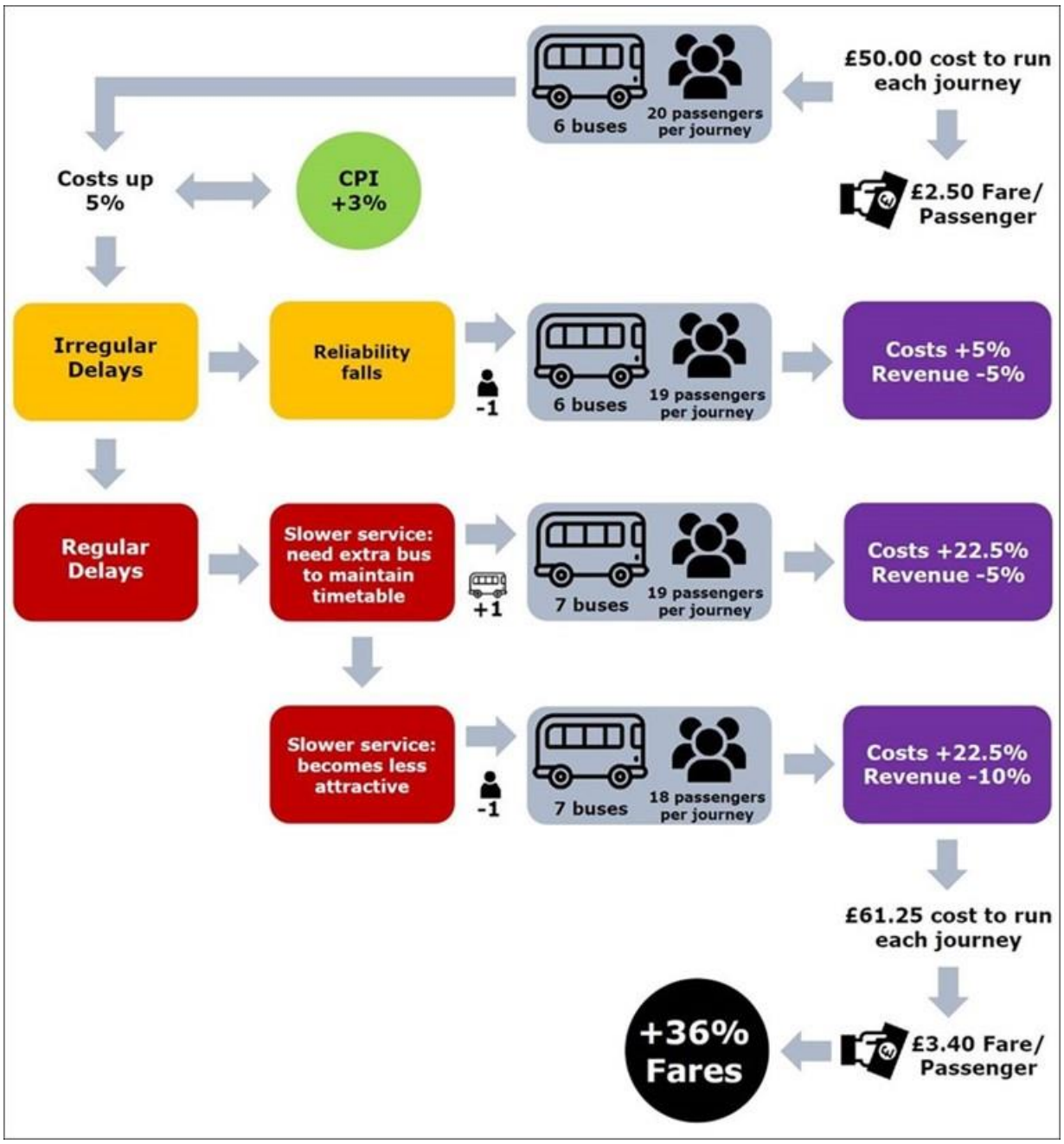


8.3 Why Fares Increase above Inflation

8.3.1 Although not applicable to 2022 given how high the increase in RPI has been, 2011 was the last time previously that fares had risen below inflation. Figure RR 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 has also produced a very good graphic to illustrate where major costs lie[14].

[14] *https://www.lothianbuses.com/news/2020/01/lothian-fare-review-2020/*

Figure RR: Why Fares Increase Above Inflation



8.4 Change by Group

8.4.1 For this section we have included the new 'Small Group' category operators within the 'Independent' category for consistency with previous surveys.

8.4.2 Figure SS to Figure UU 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 introduction of low fare schemes has had an impact, with both First and Transdev seeing a decrease in average fare (the latter significantly).

8.4.3 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.

8.4.4 Figure VV gives a more accurate representation of changes from 2019 with Figure WW 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. We have also removed companies which changed ownership group as these can have a significant effect. There is no real pattern that can be established for single and day fares, low fare schemes having their effect on many of the groups. However National Express is not affected by a low fare scheme but has shown a decrease in average day price and no change in single or weekly prices.

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

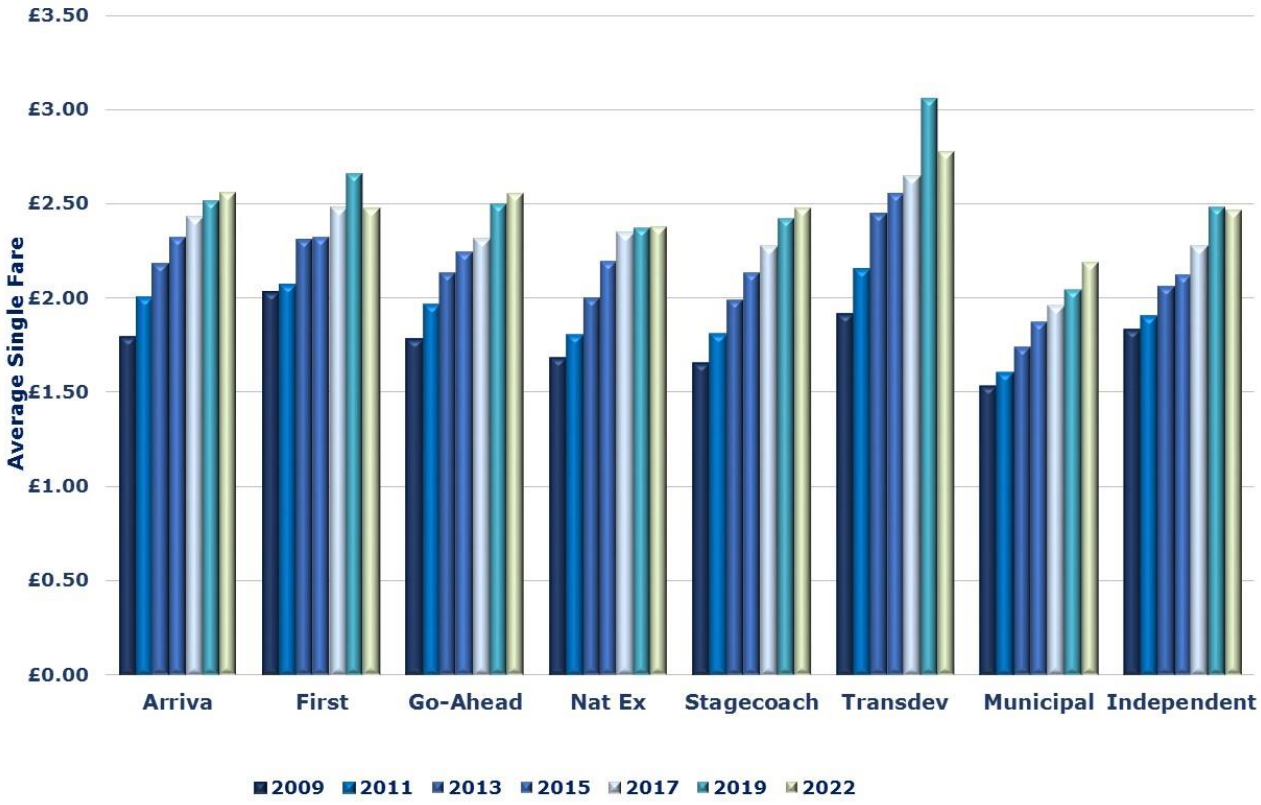


Figure TT: Change in Mean Day Ticket Prices by Operating Group Since 2009

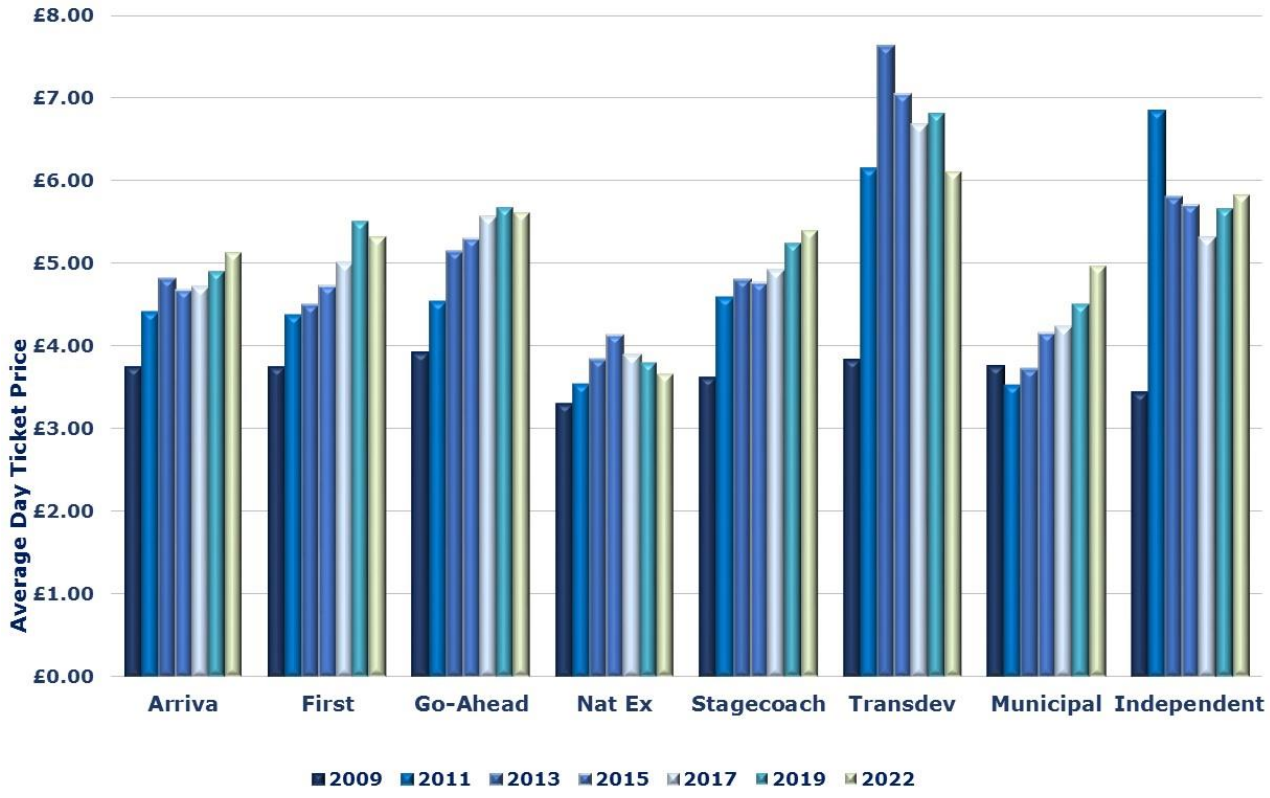


Figure UU: Change in Mean Weekly Ticket Prices by Operating Group Since 2009

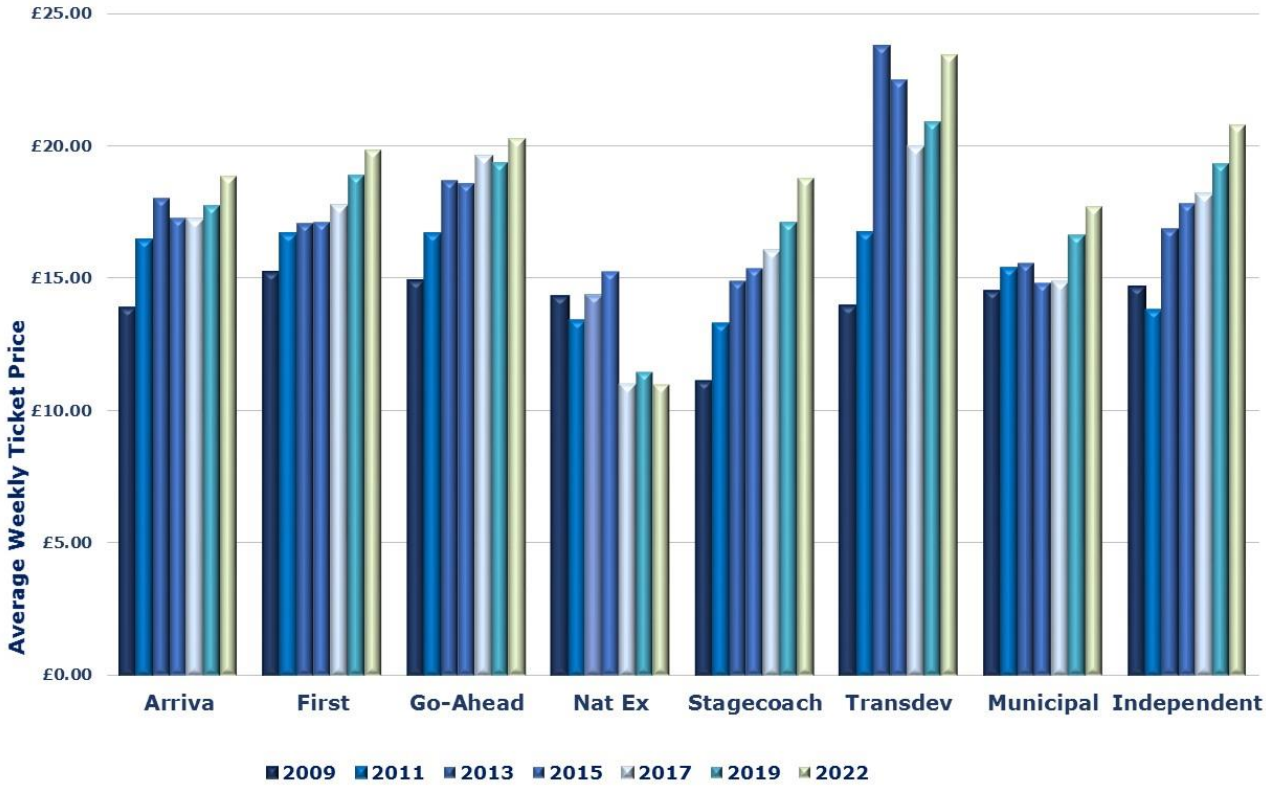


Figure VV: Changes in Mean Fare (Like for Like) by Group

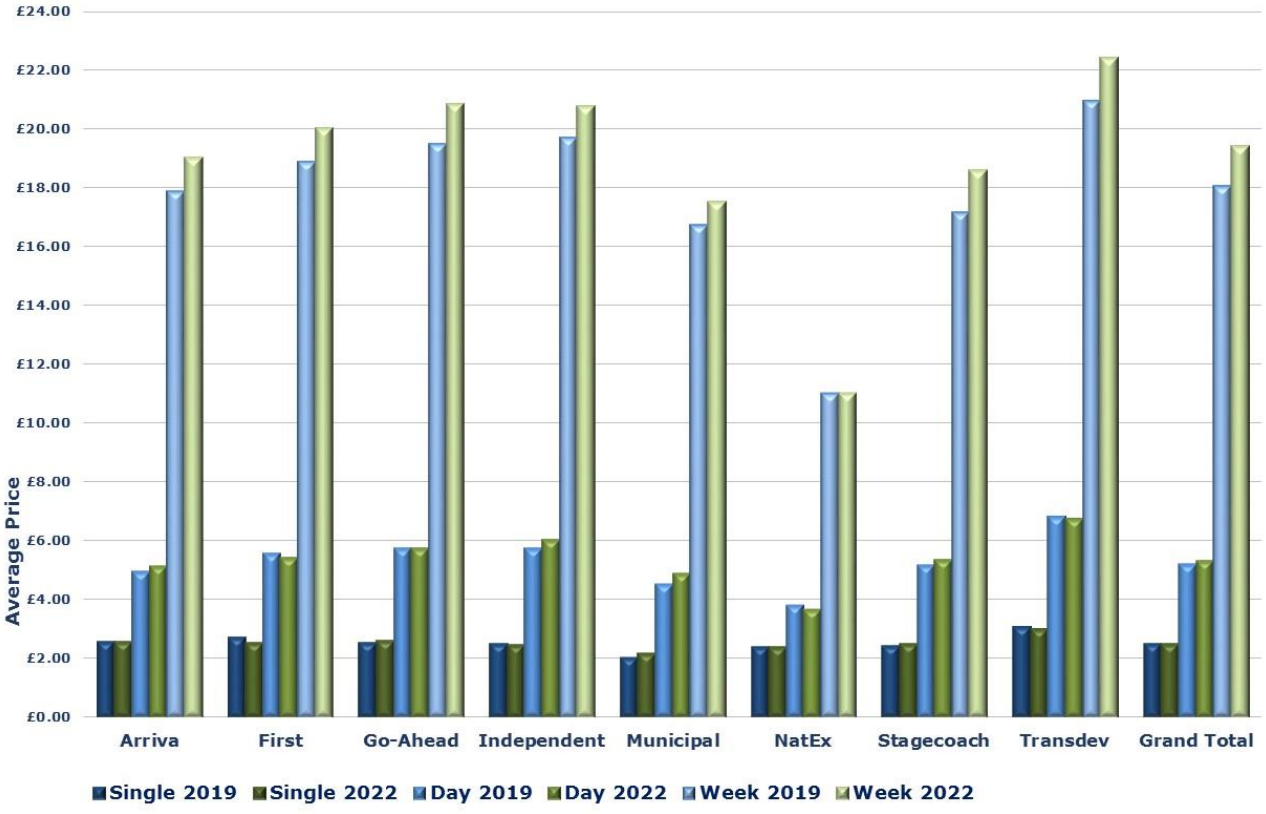
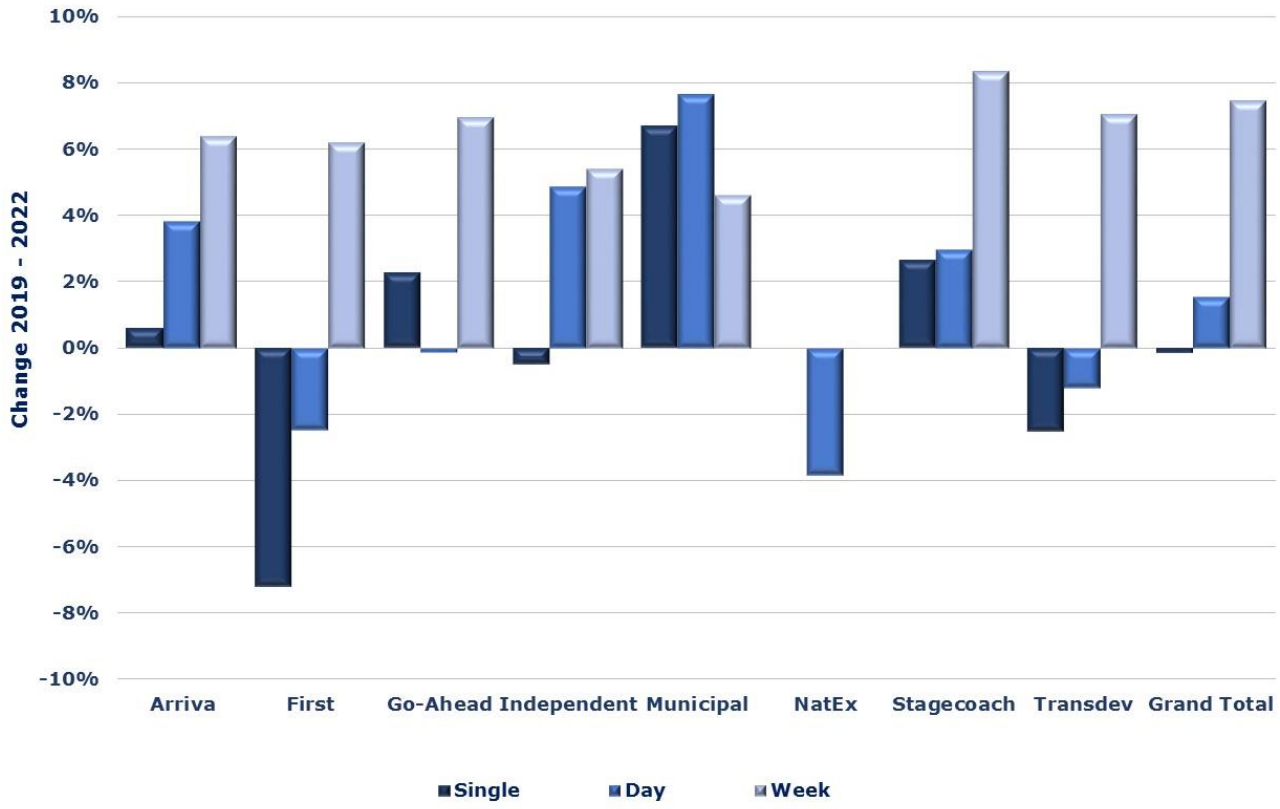


Figure WW: Percentage Changes in Mean Fare (Like for Like) by Group



8.5 Change by Region since 2019

8.5.1 Figure XX shows the percentage change in average single, day and weekly tickets between 2019 and 2022 by region. Figure YY shows this change on a like-for-like basis.

- Outside regions affected by the low fare schemes, Wales is the only one with a reduction in single fares of -3.8%, however on a like for like basis without this year's increased sample this would be an increase of 2.9%;
- Similarly the West Midland's -0.4% change in average day fare becomes a 0.2% increase on a like-for-like basis;
- The North East saw a decrease in average weekly ticket prices of -2.7%, even on a like for like basis this was an impressive -2.2% decrease;
- The North West had the highest increase in average day ticket price at 6.4%, reducing to a 5.9% increase on a like-for-like basis;
- Yorkshire and Humber saw a significant increase in average weekly price of 15.7% (or 19.1% like for like) due mainly to changes in tickets that can be purchased from the driver.

Figure XX: Percentage Change by Region 2019 to 2022

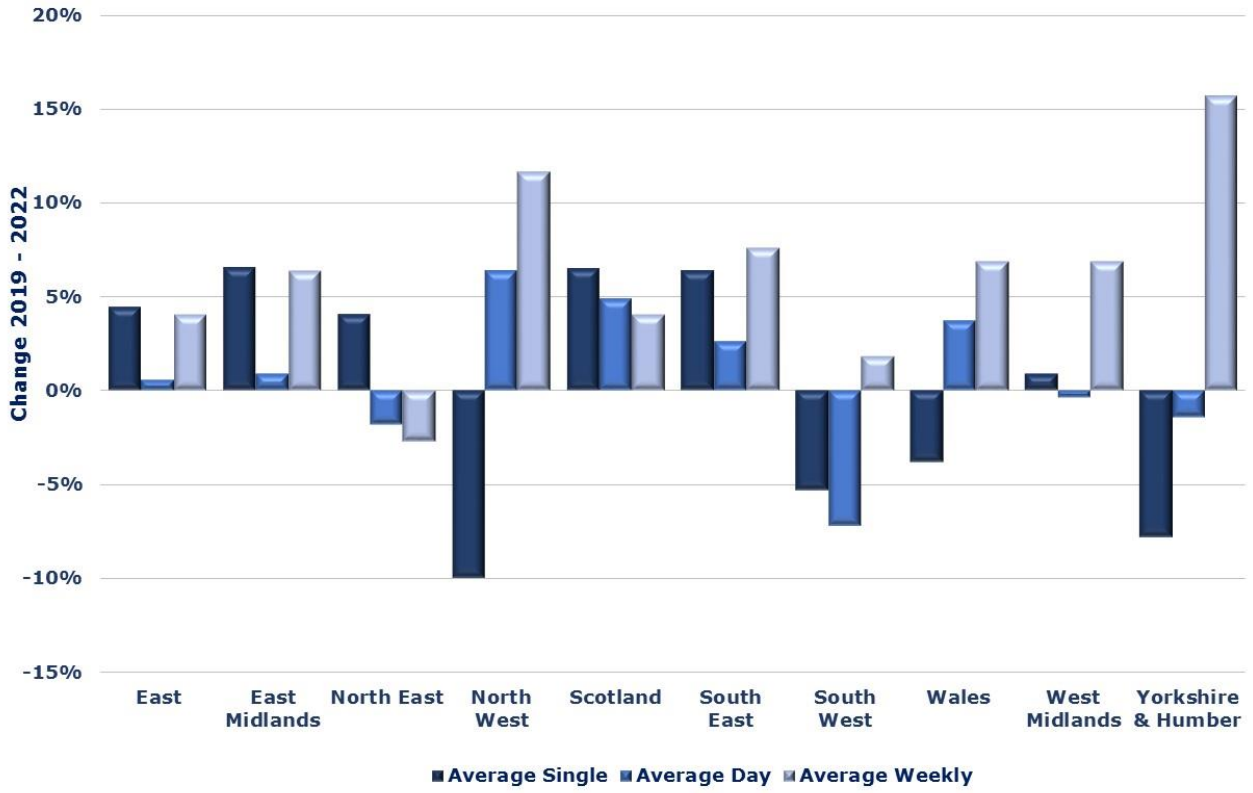
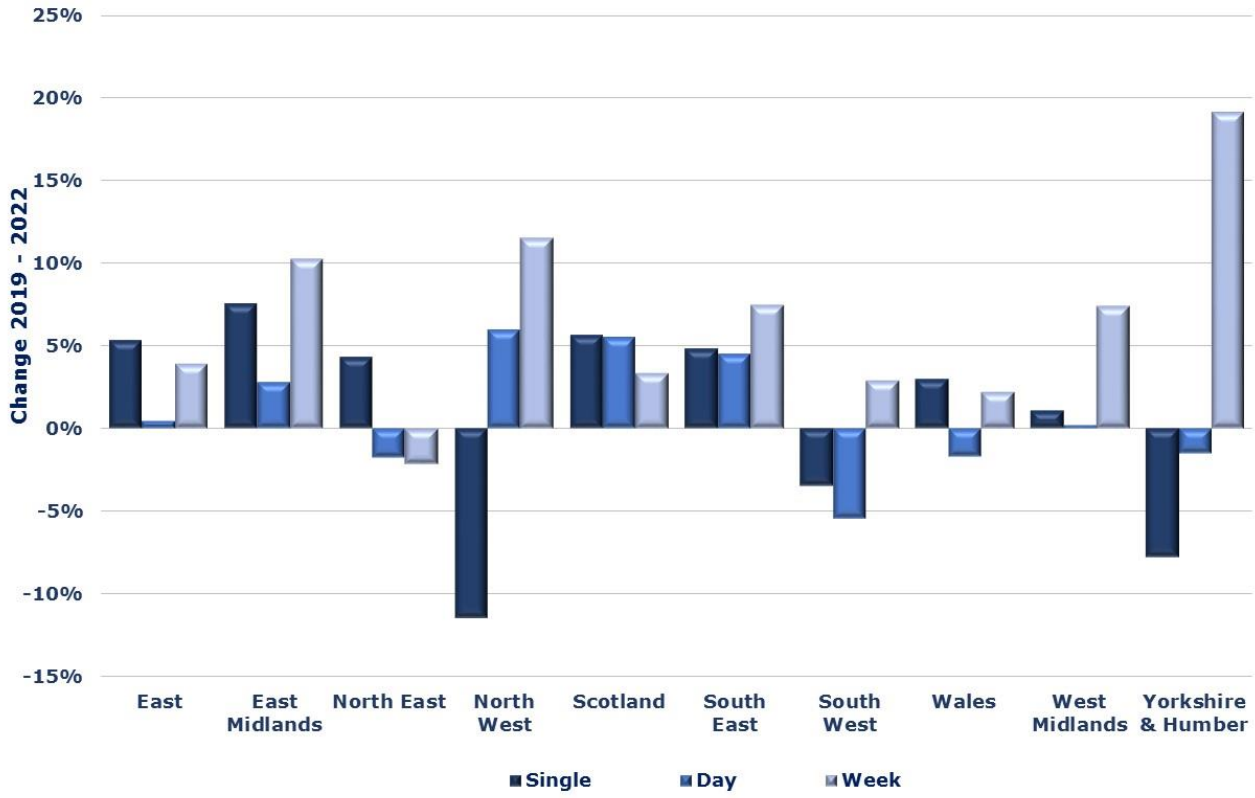


Figure YY: Like-for-Like Percentage Change by Region 2019 to 2022



8.6 The Effect of Low Fare Scheme Areas

8.6.1 Across the three regions of North West, South West and Yorkshire & Humber, there were five local or combined authorities with low fare scheme areas, these being: Cornwall, Greater Manchester, Merseyside, West of England and West Yorkshire.

8.6.2 Figure ZZ compares the percentage change in average single day and weekly tickets within and outside of the low fare scheme areas for the three regions affected. Outside of low fare scheme areas, Yorkshire & Humber saw the highest increase in average single and weekly fares, but the lowest increase in average day fares. The North West and South West saw similar changes in average fares outside of the low fare scheme areas.

8.6.3 Figure AAA gives more detail by low fare scheme area. The significant reductions in Cornwall reflects the high average prices of day (£14.30) and weekly (£30) tickets in 2019. Whilst, like Cornwall and West Yorkshire, Greater Manchester did include the day ticket in the low fare scheme, capping at £5 was not only 40p above the level of Arriva's and 20p above the level of Stagecoach's Greater Manchester day tickets in 2019; but the cheaper Stagecoach Wigan (£4.50) and Middleton (£3.80) Dayriders were no longer available in 2022. This compares to West Yorkshire where the day ticket is capped at £4.50, which in 2019 was the price for Arriva's Yorkshire Tiger day and First's Bradford and Leeds area day tickets, but crucially below the price of Arriva and First's West Yorkshire area tickets and Transdev's Keighley peak day ticket, all of which were £5.

Figure ZZ: Low Fare (LF) and Non-Low Fare Area Changes

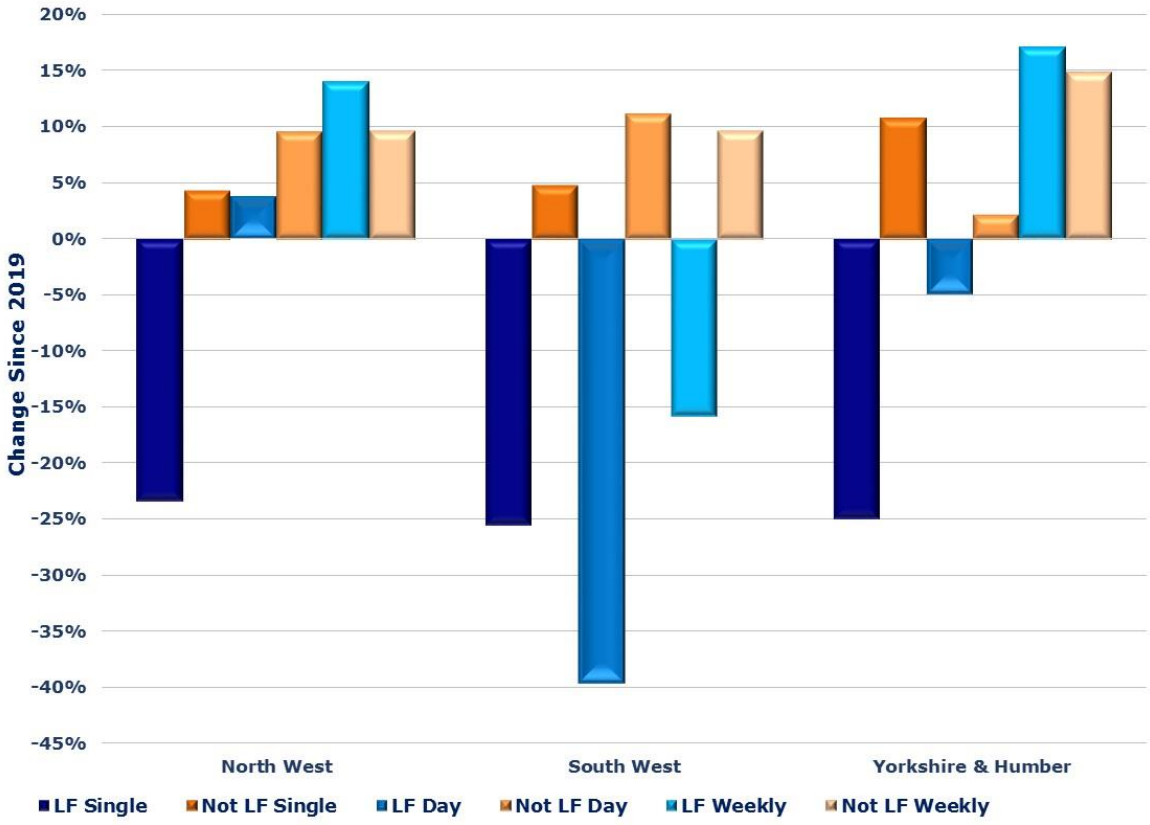
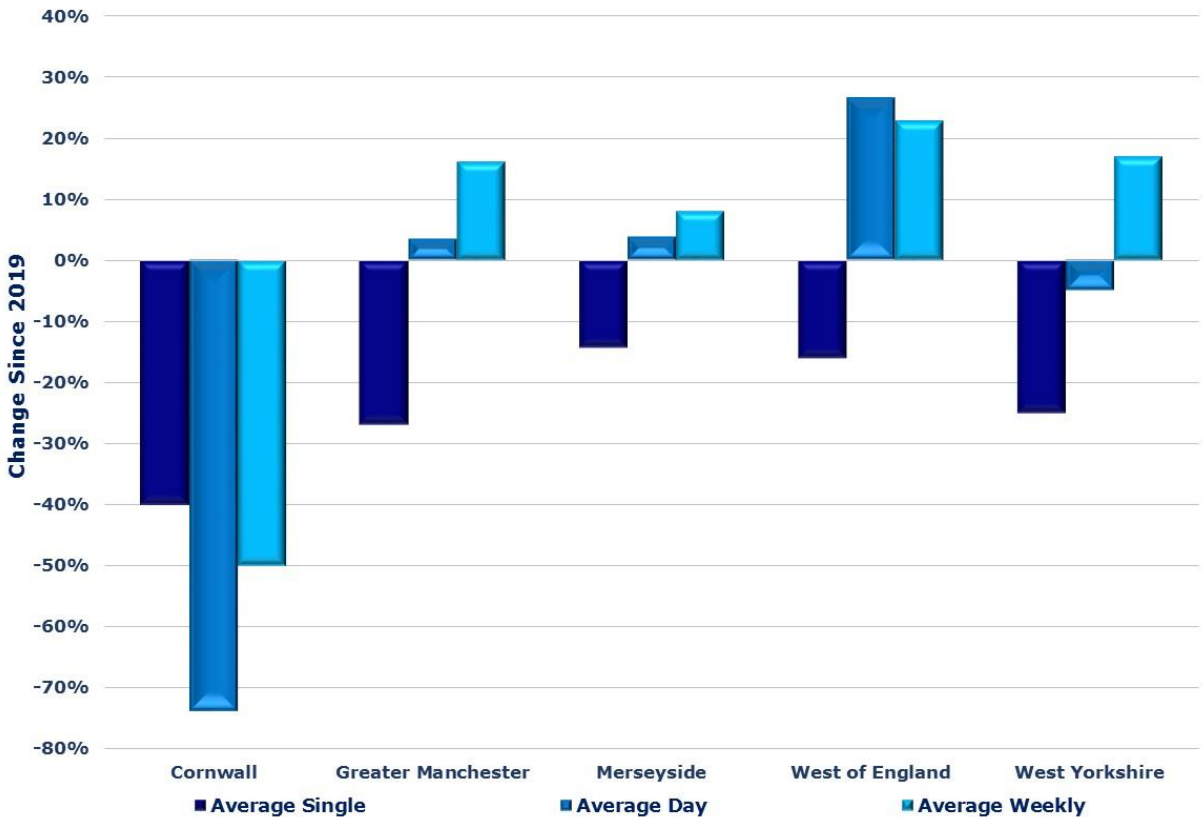


Figure AAA: Changes by Low Fare Scheme Areas



Multi Operator Tickets 9

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 many 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, **79% of the sample trips had a multi-operator alternative** (a 2% increase on 2019), but this does vary by market, operating group and region:

- **There is 100% availability of multi-operator tickets in PTE areas;**
- And now 97% in Wales thanks to the introduction of the 1Bws ticket;
- But only 64% in the East Midlands, this has actually decreased by 1% since 2019 due to changes in the sample; and
- For only 60% of trips in the interurban market;
- National Express is the only group to offer 100% multi-operator ticketing;
- But only 41% for Transdev due to the lack of multi-operator schemes in Lancashire and North Yorkshire.

Details are shown in Figure BBB to Figure DDD below:

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

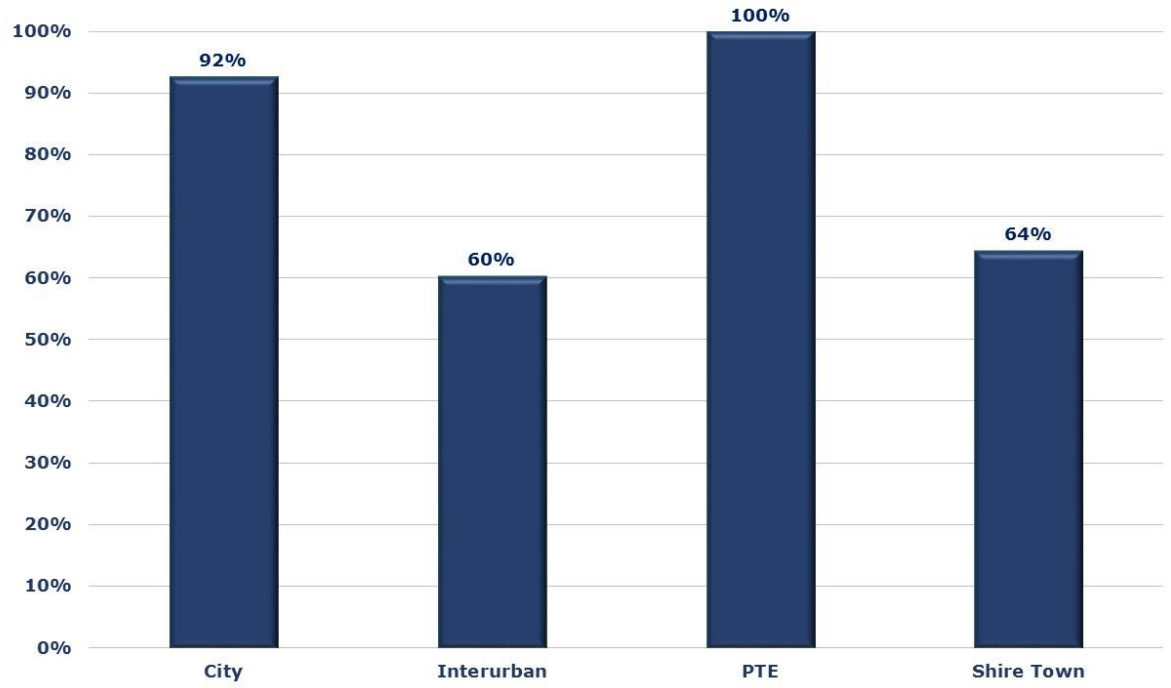


Figure CCC: %age Availability of Multi-Operator Tickets by Region

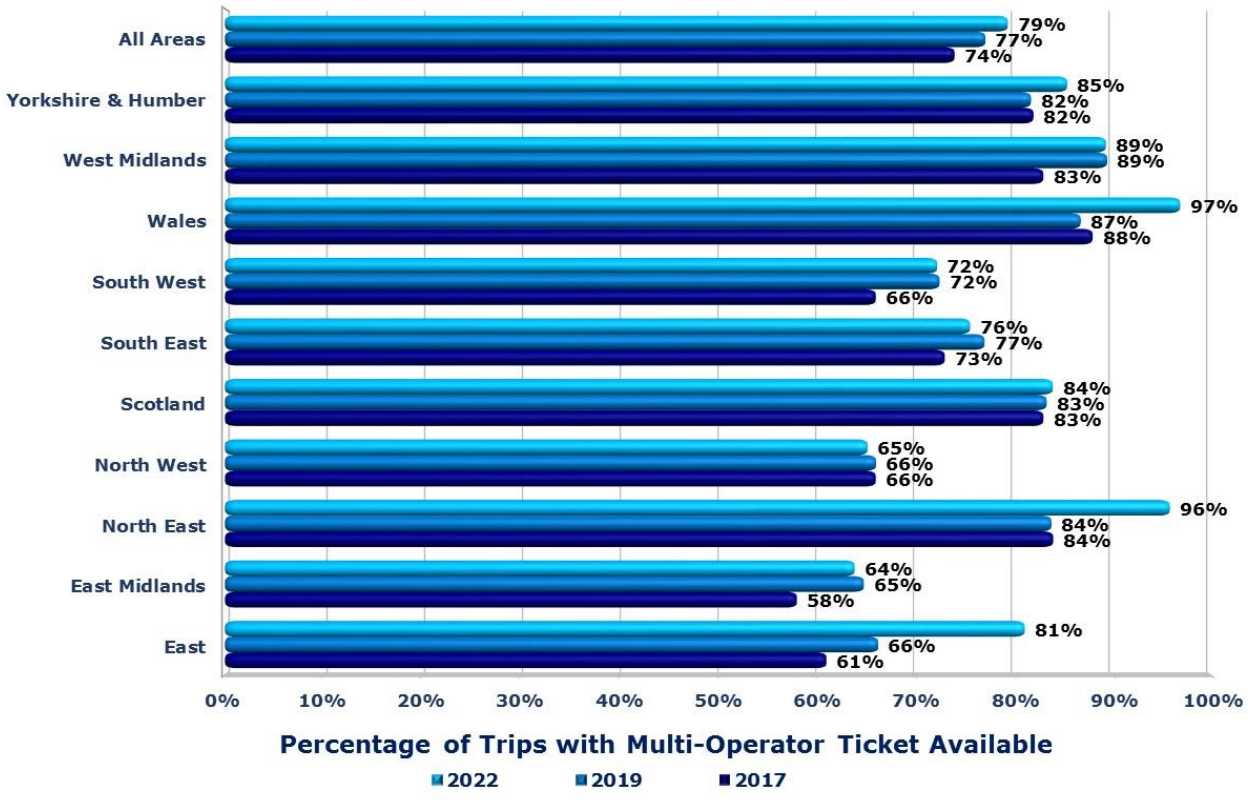
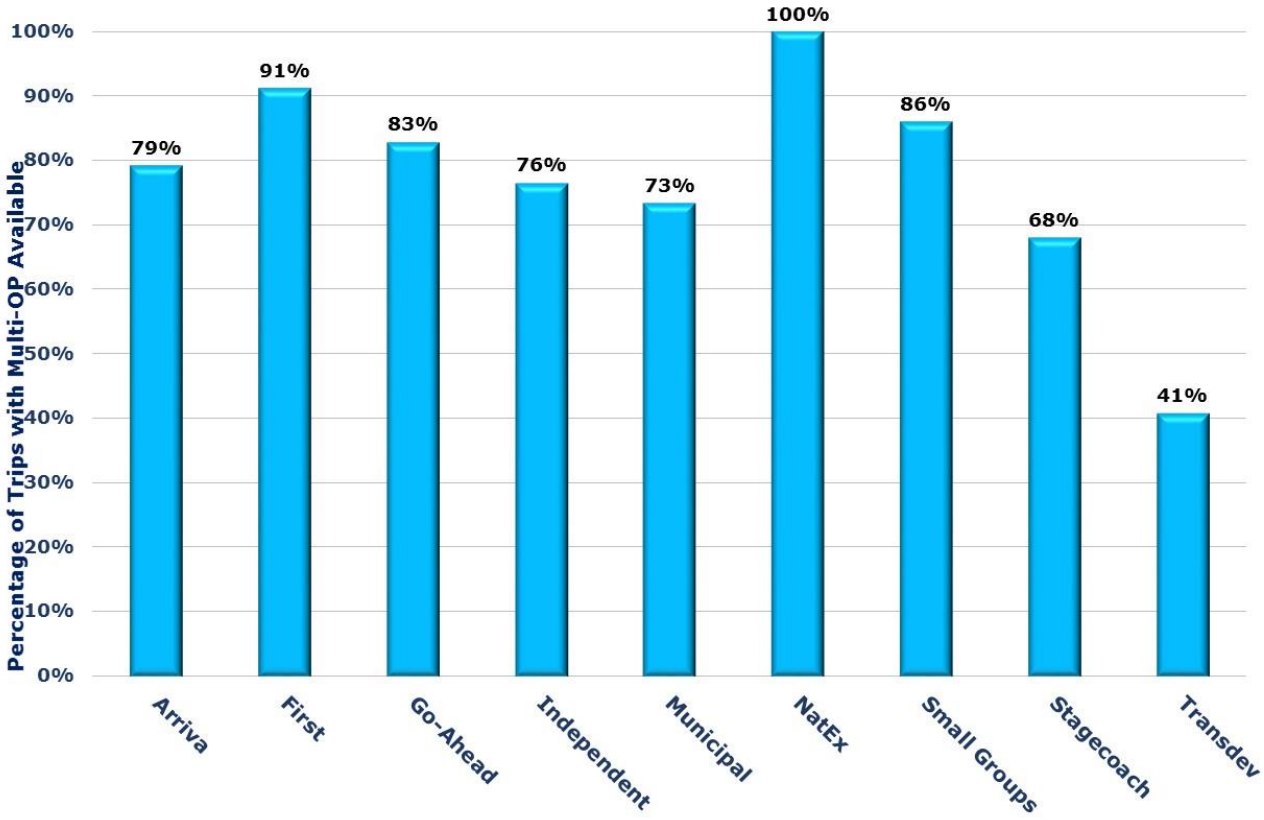


Figure DDD: %age Availability of Multi-Operator Tickets by Op Group



Smart Ticketing 10

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. In Scotland, there has been government financial support to spread the availability of contactless ticket sales to all operators.

10.2 Analysis

- **Overall out of the 1,242 sample:**
  - **1,056 sample trips (85%) had a smartcard as a ticketing option,**
  - **1,221 (98%) had an M-Ticket as a ticketing option,**
  - **All could have been paid for by contactless, and**
  - **461 (37%) had contactless capping.**

This compares to 84%, 94% and 96% respectively in 2019, when there was no capping other than on Trentbarton and a few small trails at other operators. M-Tickets and contactless are approaching near market saturation point and smartcards have stagnated. Contactless capping is a new category for this survey.

10.2.2 Some operators have been long-term users of smartcard technology including Nottingham City Transport and Cardiff. 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, Trentbarton has replaced its pioneering Mango Card with the Mango App.

10.2.3 As can be seen from Figure EEE, only independents and small groups do not have 100% M-Ticket availability. There are still some operators who do not offer contactless payment, but they are not included in our survey sample.

10.2.4 Arriva, Stagecoach and National Express are the only groups to offer 100% availability of smartcards. First, Go-Ahead and Transdev are seemingly moving away from that technology.

10.2.5 Figure FFF 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 GGG. Whilst the North East has no examples in our survey with contactless capping, Go North East did offer it on the QuayCity and Voltra branded routes at the time of the survey.

Figure EEE: Smart Ticketing Coverage by Operating Group

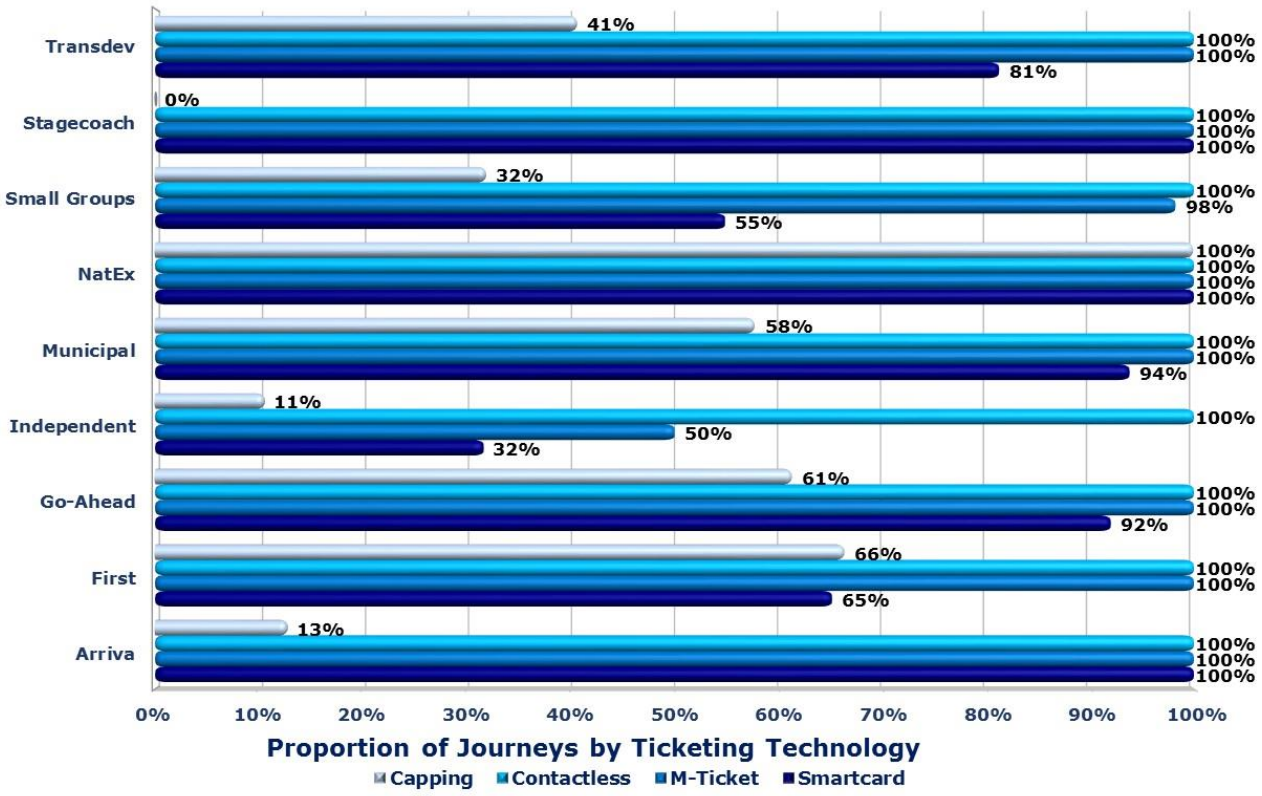


Figure FFF: Smart Ticketing Coverage by Market

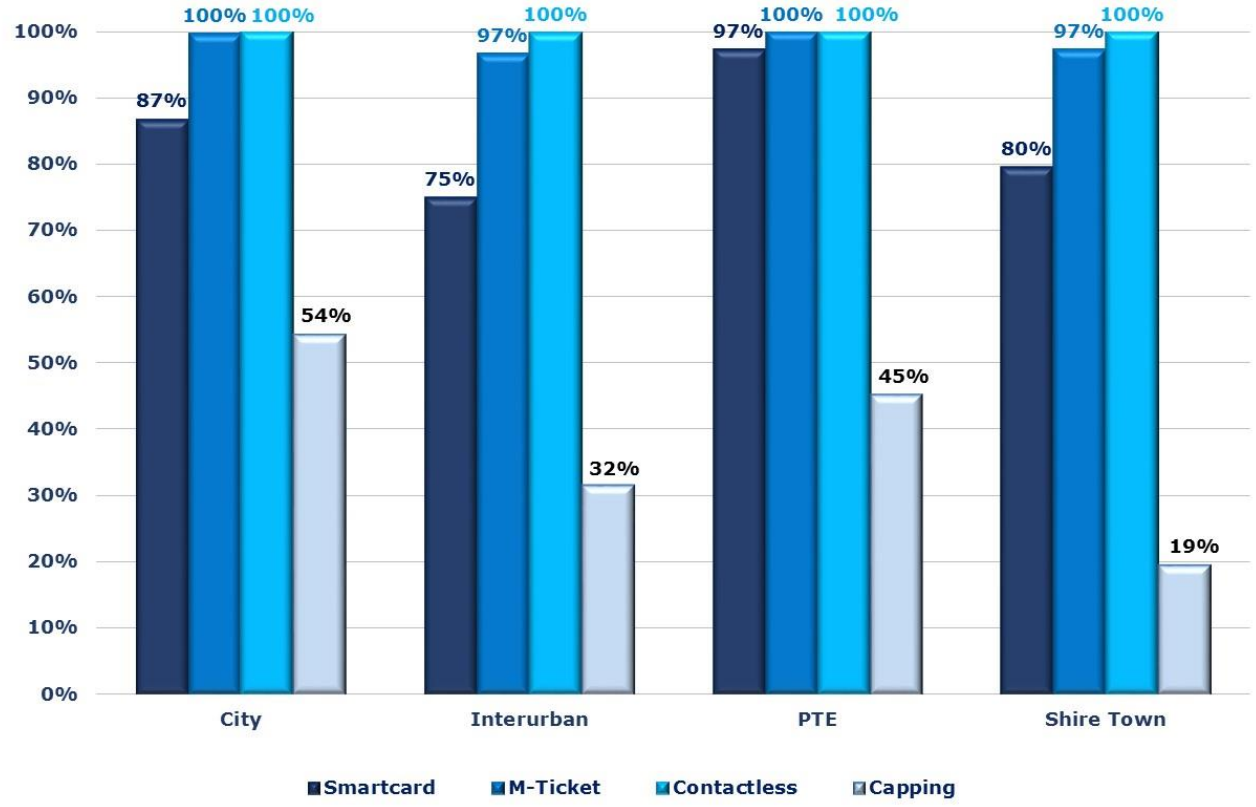
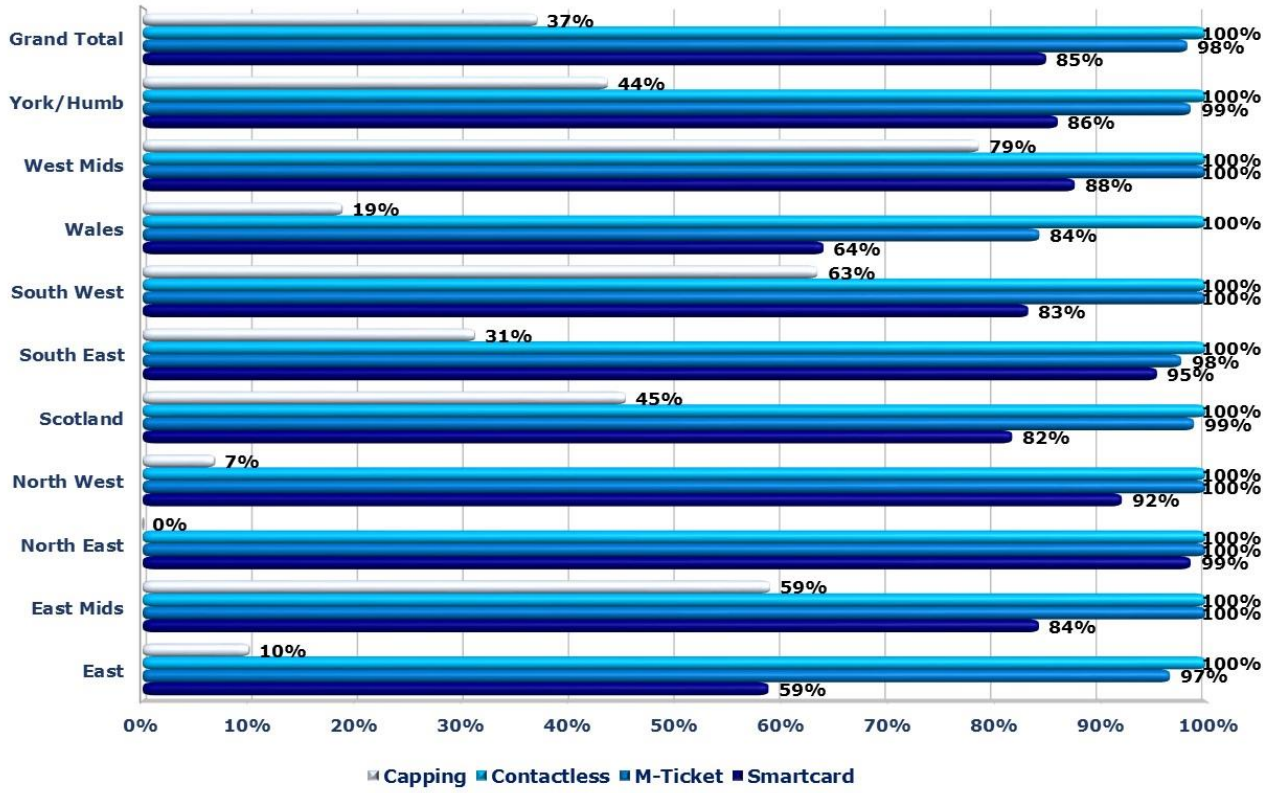


Figure GGG: Smart Ticketing Coverage by Region



10.3 Contactless Capping

10.3.1 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. Most English BSIPs included a commitment to at least encourage operators to, if not to actively introduce capping.

10.3.2 Most operators currently set contactless capping limits at the same level as their day and or weekly product which can be purchased on bus. This contrasts with the large range of discounts offered for M-Tickets in some cases. Some operators do offer a weekly cap whilst not offering an on bus weekly ticket, this includes:

- Brighton & Hove;
- East Coast Buses, Lothian and Lothian County; and
- First Essex (Colchester 'Inner Zone').

10.4 M-Tickets

10.4.1 Mobile tickets 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). Here we:

a) Give a broader comparison of weekly ticket prices than available in the main survey;

b) Compare the level of discount applied where applicable to buying a mobile ticket compared to on bus and

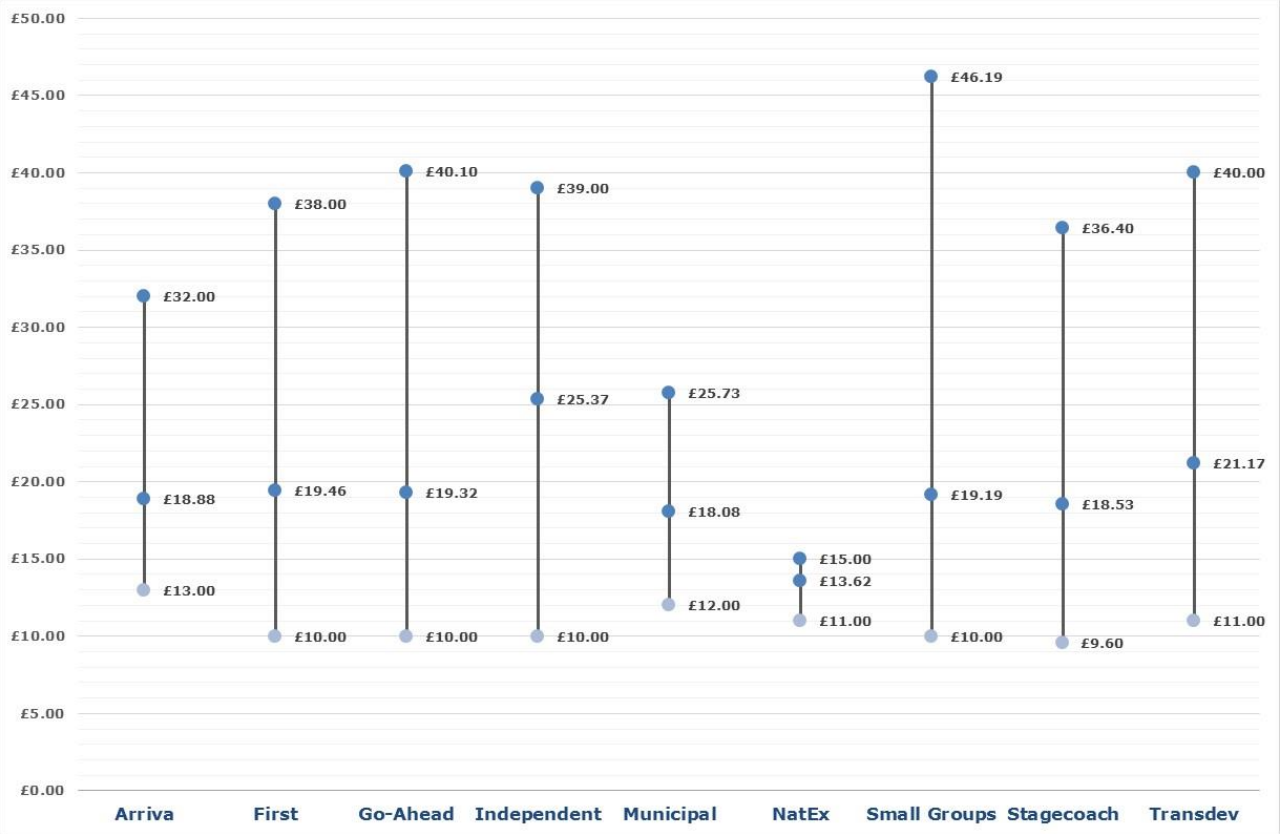
c) Give an overview of Carnet products.

10.4.2 Figure HHH 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:

- Independents have the highest average weekly ticket price, with Transdev as the only other group over £20;
- National Express has the lowest average weekly ticket price and the only one below £15;
- Small Groups have the largest range in prices;

- The five cheapest M-Tickets are the same as those listed in Table 10;

Figure HHH: Range of Mobile Weekly Ticket Prices by Group



10.5 Mobile Ticketing – Discount over On Bus Price

10.5.1 Many operators are now seeking to discourage on bus ticket purchases by making them cheaper off bus, particularly via their app. Figure III shows average discount offered by group, the M-Ticket price is only included where there is an on bus weekly available. The main points that determine this are:

- Go-Ahead's high discount rate is driven by some operators such as East Yorkshire offering local area day and weekly tickets only on the app whereas cash passengers would have to buy network wide tickets;
- Stagecoach and Transdev's day premium is down to the low fare schemes in Greater Manchester and West Yorkshire meaning that a multi-operator ticket is cheaper on the bus than the operator only mobile ticket;
- Transdev's large weekly discount is due to offering a weekly ticket for the Team Pennine network, whereas cash passengers would in theory have to buy the Transdev wide Gold ticket;
- Arriva does not offer any discount whilst Stagecoach only offers discount in certain areas or on certain products.

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

Figure III: Average M-Ticket Discount against On Bus

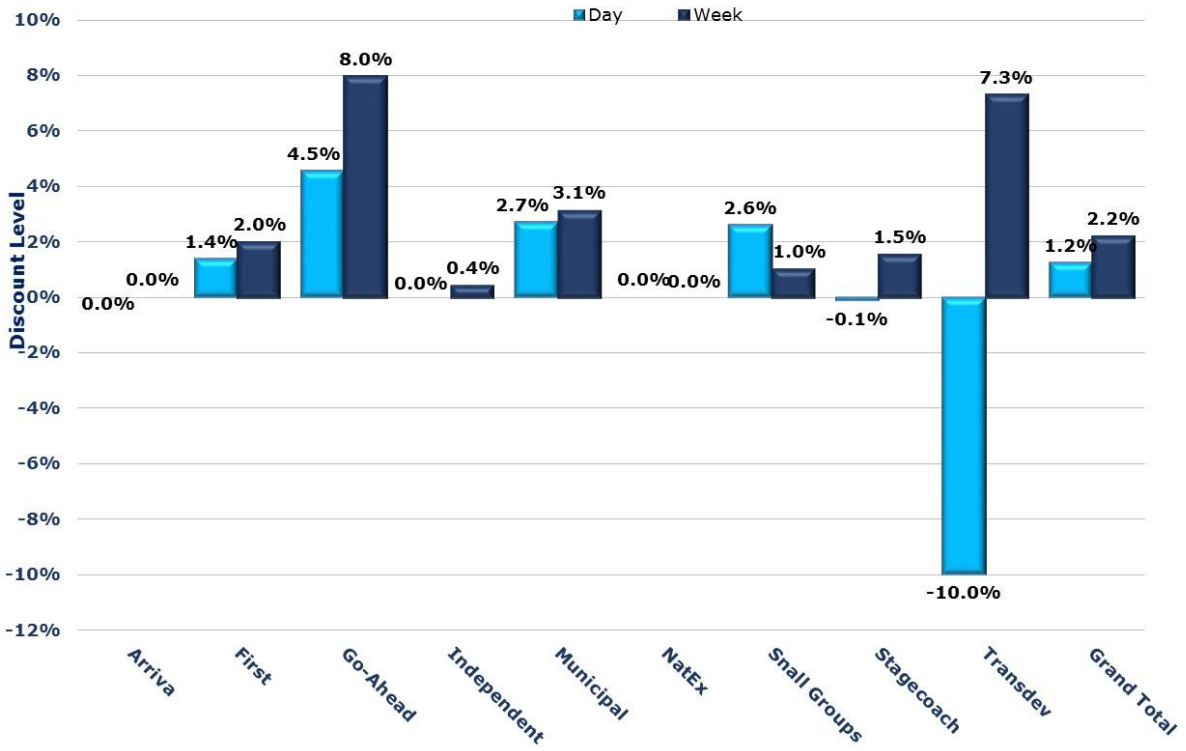


Table 12: Top Ten Weekly Mobile Ticket Discounts

Rank	Group	Operator	Ticket	On-bus Price	Mobile Price	Discount £	Discount %
1	Go-Ahead	North East	Tyne & Wear 7 Days	£26.50	£21.50	£5.00	18.9%
2	Go-Ahead	Morebus	Zone A Weekly	£19.00	£16.00	£3.00	15.8%
3	First	Cymru	Bridgend & County	£21.90	£18.90	£3.00	13.7%
4	Stagecoach	Devon	Plymouth inner 7 day	£16.00	£14.00	£2.00	12.5%
5	Stagecoach	Devon	Plymouth Outer 7 day	£18.20	£16.00	£2.20	12.1%
6=	Go-Ahead	North East	Sunderland 7 Days	£18.00	£16.00	£2.00	11.1%
6=	Go-Ahead	North East	Durham City & South Durham 7 Days	£18.00	£16.00	£2.00	11.1%
6=	Go-Ahead	North East	Gateshead 7 Days	£18.00	£16.00	£2.00	11.1%
6=	Go-Ahead	North East	North Durham 7 Days	£18.00	£16.00	£2.00	11.1%
10	Go-Ahead	Hedingham	Clacton Weekly	£14.00	£12.50	£1.50	10.7%

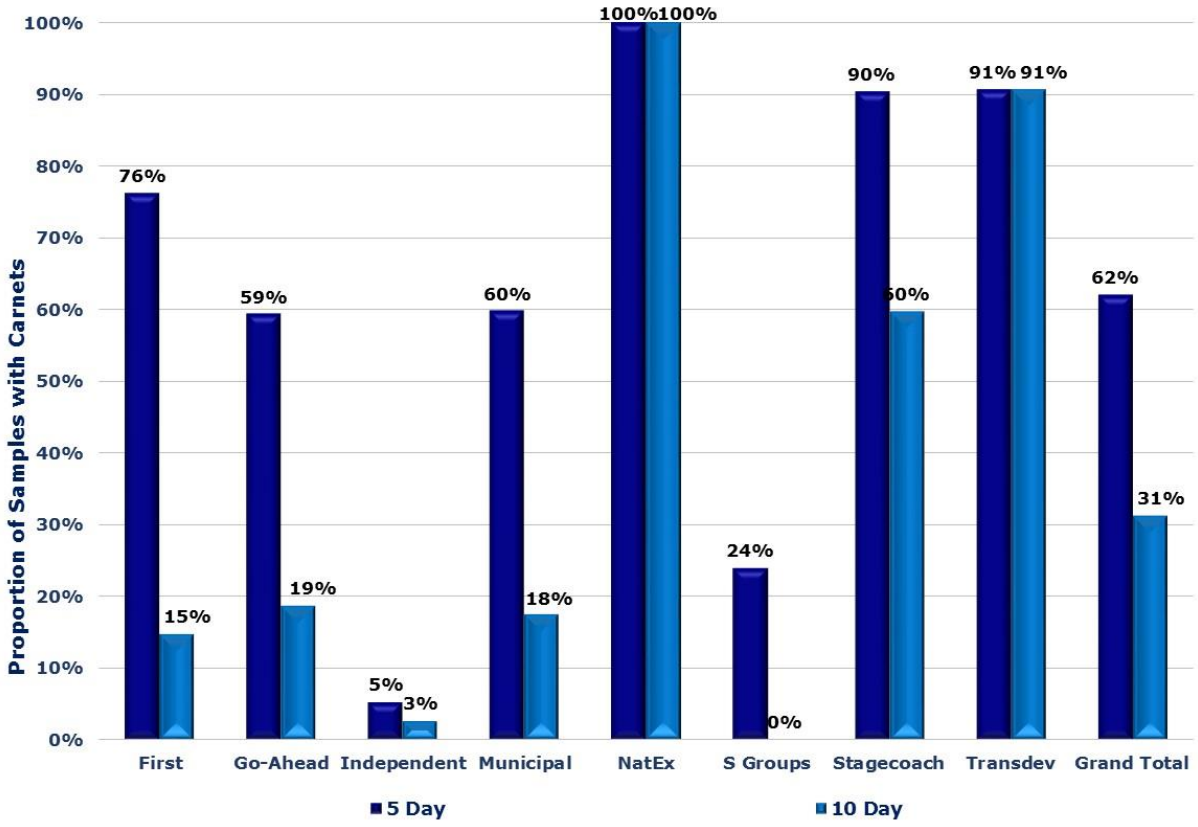
10.6 Mobile Tickets – Day Carnets

10.6.1 Carnet ticketing has become more prevalent post-COVID to reflect the increase in hybrid working. We are focussing here on the five and ten day

ticket bundles for standardisation, however there are operators which offer bundles of single fares and other multiples of day tickets.

10.6.2 Figure JJJ shows the proportion of samples by operating group with five and ten-day carnets available. These do not necessarily translate into the comparison against purchase of day M-Tickets as some do not have an equivalent, for example UNO offers five and ten day carnets but no day ticket on their app, whilst Arriva offers three and twelve day carnets.

Figure JJJ: Proportion of Sample Fares with 5 and 10 Day Carnets



10.6.3 Figure KKK shows the discount offered by the purchase of five and ten day carnets against buying five or ten mobile day tickets individually. First and Go-Ahead offer the greatest average discount on five day products whereas Municipals, National Express, Stagecoach and Transdev offer the greater average discount on ten day products.

10.6.4 First offers the highest average discount on five-day carnets at 25%, compared with only 5% on National Express. Stagecoach offers the highest average discount on ten-day carnets at 30% against 8% for Go-Ahead.

10.6.5 None of the Small Group operators offered ten day carnets at that time, however since the Fares Survey took place, Preston Bus has introduced five and ten day carnets (offering over 20% discounts) alongside its pre-existing five and ten single ticket bundles.

10.6.6 Figure LLL shows that those travelling five days a week are still better off in general purchasing a weekly ticket rather than a carnet. Only First and the Small Groups offer a small discount. National Express's high premium reflects the low price of its weekly mobile ticket which equates to less than four day tickets.

10.6.7 However, this is all set against anecdotal evidence that the apparent demand for carnets is not reflected in their take-up and that, in the main, their use is limited.

Figure KKK: Average Carnet Discount against Multiple Day Tickets

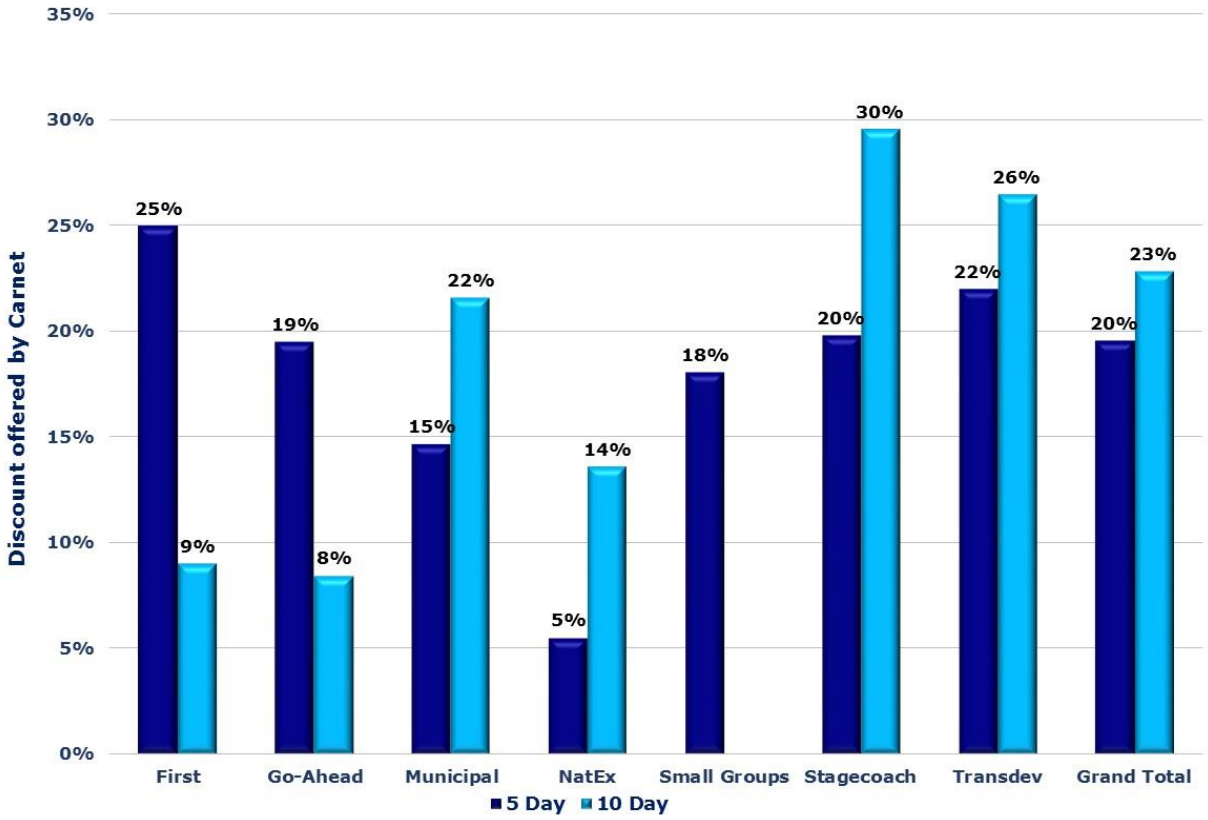
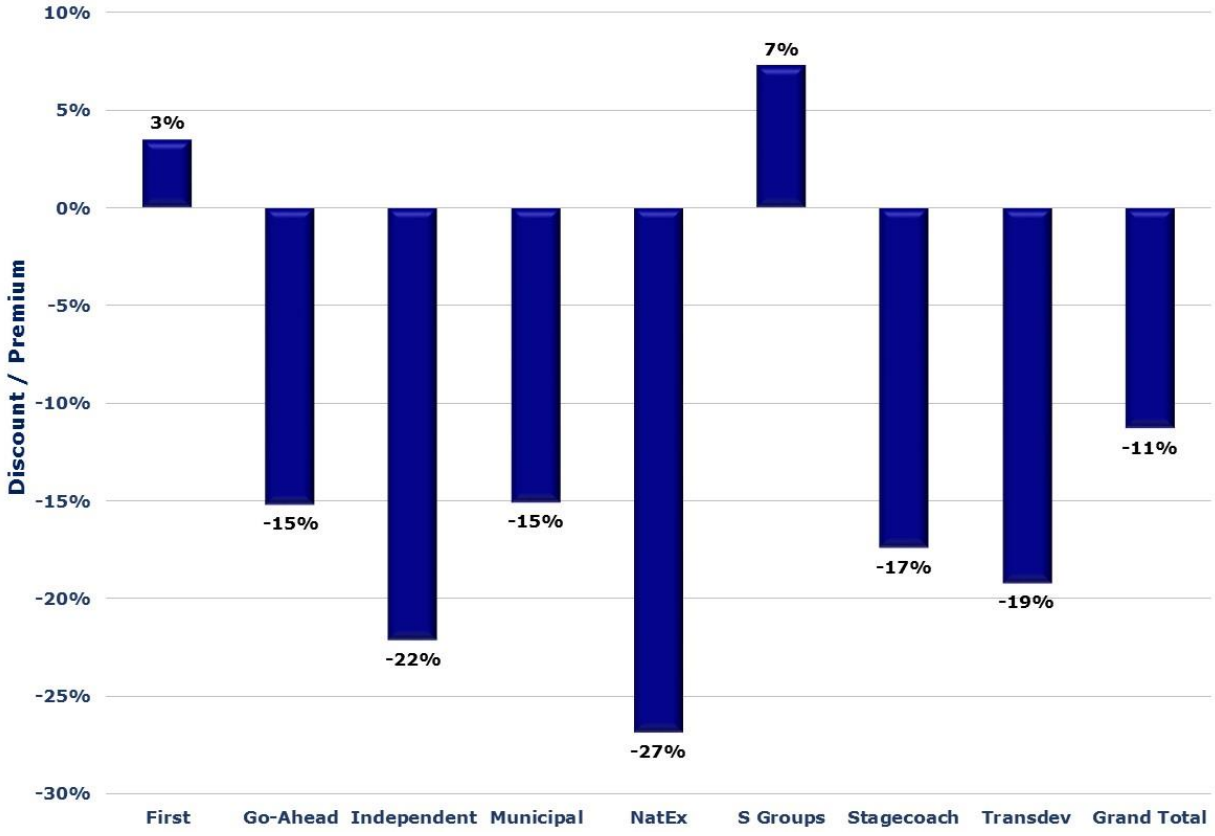


Figure LLL: Average 5 Day Carnet Discount / Premium of Weekly



Weekly Ticket Price vs Weekly Wage 11

11.1 Introduction

11.1.1 The main aim of this section is to determine whether there is a link between the average weekly wage and the price of an average weekly ticket, suggesting that demographics influence pricing. 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) on average weekly earnings by region and travel to work area.

11.2 Locations

11.2.1 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.

11.2.2 Figure MMM compares the average weekly ticket price against average weekly wage for all locations. The correlation can be said at best to be weak and shows that the operator's pricing doesn't always directly match local wage levels.

11.2.3 Table 13 sets out the five lowest waged locations. Whilst the Blackpool Travel to Work Area has the lowest average weekly wage, it only has the 20th lowest weekly ticket, though with discounted M-Tickets this is improved to 16th lowest. This compares to Reading which has the highest average weekly wage but the 15th lowest weekly M-Ticket (£17), Reading Buses does not sell weekly tickets on bus.

Figure MMM: 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
Blackpool	£481.20	£18.00	20	3.7%	£17.14	16	3.6%
Plymouth	£491.80	£18.93	27	3.8%	£18.50	28	3.8%
Sunderland	£496.60	£15.15	4	3.1%	£14.51	5	2.9%
Doncaster	£502.00	£17.83	17	3.6%	£17.50	20	3.5%
Stoke	£509.20	£20.33	42	4.0%	£20.33	43	4.0%

11.3 Regions

11.3.1 Table 14 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.

11.3.2 In Figure NNN, 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 14: Results by Region

Region	Regional Average Weekly Wage	Average of Weekly Ticket Price	Proportion of Wage
West Midlands	£642.72	£15.60	2.4%
South East	£808.76	£20.21	2.5%
North West	£692.05	£18.28	2.6%
Great Britain	**£733.09**	**£19.37**	**2.6%**
East	£770.26	£20.89	2.7%
Scotland	£688.10	£18.97	2.8%
North East	£600.30	£16.72	2.8%
Yorkshire & Humber	£673.41	£19.87	3.0%
South West	£667.28	£20.09	3.0%
Wales	£626.29	£19.26	3.1%
East Midlands	£653.31	£23.83	3.6%

Figure NNN: Regional Comparison Weekly Wage by Weekly Ticket

11.4 Comparison with Other Living Costs

11.4.1 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 Leeds[15] would be as shown in Table 15:

Table 15: Cost of Living Comparisons for Leeds

Item	Average Weekly Spend	Percentage of Wage
Average Weekly Wage	£521.10	100%
Average Weekly Ticket	£20.32	3.9%
One-bed flat rent (suburbs)	£130.55	25.1%
One bed flat utilities	£51.80	9.9%
Broadband and TV Licence	£10.28	2.0%
Weekly Food Spend	£35.00[16]	6.7%
Car running cost exc. finance	£48.44[17]	9.3%

11.5 Summary

11.5.1 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.

11.5.2 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 can 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.

[15] *https://www.numbeo.com/cost-of-living/in/Leeds - updated Feb 2023*
[16] *https://www.projectfinanciallyfree.com/average-grocery-bill-in-the-uk/?utm_content=cmp-true (for 1 person)*
[17] *https://www.thecarexpert.co.uk/average-car-running-costs-now-220-a-month/*

Summing Up 12

12.1 Summary

12.1.1 As in previous surveys, there is a large variation in sample three mile single bus fares between £0.90 and £4.50; a range which is narrower than the 2019 survey due to the introduction of the low fares scheme in Cornwall. 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. The £2 single fare cap in a number of Combined Authority areas has created a different distribution pattern to that previously seen.

12.1.2 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 lower discount for period-based tickets; Weekly ticket discount over ten single fares is generally within the 20%-25% range. The challenge for all operators is to maintain acceptable profitability levels given the post-Covid fall in ridership (not aided, of course, by increased congestion, the shrinking High Street and political unwillingness to negatively affect car drivers) and the relentless increase in total operating costs.

12.1.3 It would be reasonable now to suggest that the 'Day' ticket has moved on from its initial target of replacing return fares. 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 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. More effective trip recording using phones and QR codes means that now operators should have a good estimate of what the average number of trips per ticket actually is.

12.1.4 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.

12.1.5 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 85% of all of our sample. M-Tickets, meanwhile, have risen to 98% availability.

12.1.6 Contactless payment is now available on all sample journeys – a small rise since 2019, though that year's survey had seen a 66% increase. Contactless Capping (also referred to as Tap-on Tap-off) is likely to be the new growth area, available to 37% of the sample this year.

12.1.7 Multi-operator tickets are available for all trips in PTE areas and high numbers of areas outside too. Although there are areas, often still 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 2% to 79%.

12.1.8 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 affordable in the context of living costs, competitive against private transport and yet cover operating cost.

12.1.9 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 just under 3% of the weekly wage whilst the cost of owning and running a car can represent just over 9%, without any form of finance or congestion charges.

12.1.10 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.

12.2 Looking Ahead

12.2.1 The 2022 Survey was undertaken in September rather October as it was then rumoured that the DfT's English £2 single fare cap would be introduced in October. In the end it was introduced in 1st January 2023, originally until the 31st March but now extended until the 30th June. Whilst this could not be financially maintained in the long term, Bus Service Improvement Plan funding to a number of English authorities does include some lower fare schemes which will still be around for the 2024 survey.

12.2.2 The future of the bus industry itself faces a lot of uncertainty. Whilst Greater Manchester is the only authority to have started tendering for a franchised bus network, other Combined Authorities including Merseyside and West Yorkshire have started the seemingly irreversible march towards it. The Welsh Government has also signalled its intention to pursue franchising, although it

has admitted it has no funding to implement it, whilst in Scotland a number of authorities have talked about using their recently acquired powers to franchise their bus networks.

12.2.3 All of this will have an impact on the fares survey, not only reducing the number of operators covered but also the range of fares provided. For instance in South Yorkshire where a fares cap was introduced after the survey, for the 2022 survey:

- There were 35 sample fares from five operators;
- The minimum single fare was £1.50 and the maximum £3.10, with an average of £2.41;
- The minimum day ticket was £4.30 and the maximum £5.80, with an average of £4.91;
- The minimum weekly ticket was £14.20 and the maximum £22.00, with an average of £17.59.

12.2.4 Under franchising these would be replaced by one 'operator' as the fares would be set by the Combined Authority (although as two operators are cross-boundary it would depend on what happened to their routes), with the similar single fare values and a more limited range of fare values for day and weekly tickets.

12.2.5 South Yorkshire's initial fare cap is entirely self-funded. As such it will be the first of the 'PTE' areas to have to consider what is feasible once funding expires. Those implementing a fare cap using BSIP or other challenge funding face the issue in 2025. If inflation stays high then the gap between £2 and a commercial fare will be far larger by then. By then, Manchester's services will all be franchised but that is irrelevant, money still needs to be found to fill the gap between income and cost of operation.

12.2.6 The rest of England outside London seems destined to return to 'normal' fares in July 2023. This is a large percentage rise and we must wait and see what resistance to this there will be. In the medium term, will the £2 experiment prove to have a negative effect?