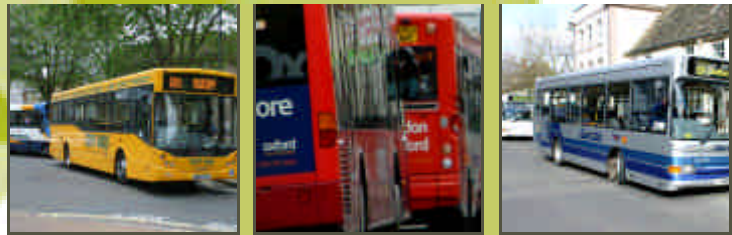


# fares & ticketing strategy

consultation draft



November 2005

# Contents

Section	Page
<b>Introduction .....</b>	<b>3</b>
1.1 Why Oxfordshire Needs A Ticketing Strategy.....	3
<b>Ticketing Now And Identified Shortcomings.....</b>	<b>5</b>
2.1 The Existing Situation .....	5
2.2 Other Issues .....	6
<b>The Council's Powers .....</b>	<b>8</b>
3.1 Introduction .....	8
3.2 Transport Act 2000 .....	8
3.3 Competition Law .....	9
3.4 Voluntary Ticketing Schemes .....	11
3.5 Ticket Types .....	11
3.6 Summary .....	12
3.7 How Schemes Might Work .....	12
<b>Programme For Action.....</b>	<b>16</b>
4.1 Strategy .....	16
4.2 Proposed Schemes For Introduction .....	17
4.3 Costs .....	20
4.4 Consultation .....	20
<b>Executive Summary .....</b>	<b>21</b>
5.1 Background.....	21
5.2 Schemes For Discussion.....	21
<b>Fares And Ticketing Strategy Consultation .....</b>	<b>23</b>



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# 1. Introduction

## 1.1 Why Oxfordshire needs a ticketing strategy

### 1.1.1 The forms of ticketing used on bus services can have two different kinds of effect:

- > The ease of purchase and use and perceived value for money of tickets affects passengers' willingness to use bus services.
- > The ways in which fares are collected has a significant effect upon the length of time buses spend picking up passengers.

### 1.1.2 Fare collection does influence overall journey speed. The extent of congestion at bus stops due to stationary buses acts to increase journey time differences between individual buses and hence contributes to service unreliability. Speeding up boarding is therefore particularly desirable on the more frequent and heavily used services, especially those serving more congested locations.

### 1.1.3 Ticketing systems within the County have been considerably expanded within the last 15 years. The major operators now offer a range of tickets offering significant discounts over single ticket purchase for many types of journey, as well as the convenience of a single financial transaction. However, these tickets can generally only be used on one operator's services. Throughout Oxfordshire, a variety of different operators provide services, hence this reduces the attractiveness for many users, of single operator tickets

### 1.1.4 Oxfordshire County Council ('the Council') proposes to develop a fares and ticketing strategy as part of its general Bus Strategy. The Council's general transport policies are heavily dependent upon a growing network of attractive bus services. Improved ticketing arrangements are a key aspect in improving the attractiveness of bus services.

### 1.1.5 The Transport Act 2000 ('The Act') gave local authorities new statutory powers in relation to the introduction of certain types of through tickets and multi journey tickets on a compulsory basis, which are discussed in more detail in section 3. These tickets must also comply with regulations imposed by the Competition Act 1998 and the subsequent 'Block Exemption' in relation to ticketing schemes. This obligation imposes restrictions upon the conditions relating to these ticket types.

### 1.1.6 It must be noted that the ticket types discussed in section 2 may also be introduced voluntarily by agreement between commercial operators and the Council sees this as preferable to pursuing the introduction of statutory ticket types by use of the legislation. The Council also has a role in this by introducing a requirement to issue and accept certain ticket types on its secured services - those which are subsidised by the Council.

- 1.1.7 The commercial operators within Oxfordshire already offer a large range of multi journey tickets valid on their own services and there is one multi operator ticket, Plus+Pass, valid on the three principal operators' services within Oxford City and its satellite towns.
- 1.1.8 There is only a very limited number of through tickets between different services and return tickets issued by one operator are rarely accepted for return travel on another company's vehicles. The Council has a policy of establishing 'Premium Routes' - high quality, high frequency bus services - including key interchange points and it is keen to see that passengers making journeys via these interchanges are not penalised by the need to pay separate fares on each leg of the journey.
- 1.1.9 Within the City of Oxford, over half of all passengers now travel using some form of pre-paid ticket. The Council considers this to be beneficial both to journey times and traffic congestion and wishes to see this proportion increase (Bus Strategy para. 2.8.1).
- 1.1.10 In the initial stages of preparation of this study, wide ranging consultation took place among stakeholders, accompanied by a review of correspondence from elected members and the public. These identified areas where fares and ticketing issues had already been raised and several of these issues are addressed in the proposed strategy.
- 1.1.11 It must be stressed that the powers available to the Council relate only to the **availability** of certain types of ticket and **not the prices** of such tickets - price fixing is seen to be anti-competitive. The Council has no influence over fare levels or structures on commercial bus services and cannot force the participation of rail operators in issuing or accepting through tickets or travelcards.
- 1.1.12 The Council wishes to invite public responses to its proposed strategy for bus fares and ticketing within the county of Oxfordshire ('the county') and for journeys crossing the county boundary into adjacent areas. This consultation is being undertaken at the same time as consultation on the council's Draft Bus Strategy, of which ticketing and fares strategy is a component, and the second Local Transport Plan for 2006 - 2011 (LTP2).
- 1.1.13 The responses to this consultation document will be analysed and the results will go forward to develop a firm Council strategy on fares and ticketing.

## 2. Ticketing Now and Identified Shortcomings

### 2.1 The existing situation

- 2.1.1 Oxfordshire has a multiplicity of ticket types available to the travelling public. Yet there are still gaps in ticket provision, especially outside Oxford City in areas where there is no single major operator.
- 2.1.2 The competitive situation in Oxford City between Oxford Bus Company and Stagecoach Oxford has inspired a range of different ticket offers by the two operators in order to encourage customer loyalty and retain market share. These have increased the proportion of passengers using pre-paid tickets but these are principally pre-paid on the bus. The time taken to issue multi journey tickets on bus can negate some of the benefits of reduced loading times resulting from the high proportion of pass users.
- 2.1.3 The one joint ticketing scheme in Oxfordshire, Plus+Pass, is priced at a significantly higher level than the equivalent one-operator tickets. This reflects the fact that it covers a wider area outside the Oxford City boundary including Abingdon and Kidlington. Publicity for Plus+Pass is also low-key. The Stagecoach website shows full details and allows on-line purchase, but Oxford Bus does not. Despite this, around 3,500 Plus+Pass tickets are sold every month, showing a clear demand for multi operator tickets.
- 2.1.4 Different ticket types offered, even by the same operator, can overlap or have different areas of validity. As an example, Stagecoach has two tickets with the same price and same name - 'CountryRider' -, yet different areas of validity depending upon whether it is an Oxford or Banbury version.
- 2.1.5 A large range of ticket types can lead to both customer and driver confusion. This in turn can bring about a lack of confidence, particularly amongst those who are unfamiliar with the area or unfamiliar with public transport. Yet the availability of attractively priced and easy to purchase day and weekly passes has done much to encourage the use of public transport and these tickets are essential tools in maintaining ridership levels. In many areas of the country, day tickets have almost become the standard ticket for travel other than for very short journeys, and act as an effective ceiling on single and return fares.
- 2.1.6 However, there remain certain areas where the lack of suitable tickets deters potential bus travel. The Council's Draft Bus Strategy (para. 2.8.2) has identified a number of other ticketing and fares issues to be addressed:
  - > The existence of multiple operators on many major routes deters many users from pre-purchasing single operator multi-journey tickets, either

because they desire flexibility to board the first bus to arrive irrespective of operator, or because their through journey involves the services of two different operators.

- > There are many specific point-to-point movements around the county, outside Oxford, where two or more operators contribute towards the overall service headway, but full ticket inter-availability does not exist.
- > There are many existing journeys which require a change between a feeder and a trunk service to make the link between, say, an outlying village and a major shopping centre, and the strategy of developing a hierarchy of services will increase the number of such journeys; arrangements for through ticketing are needed to make use of the bus attractive in these cases.
- > Journeys to destinations on the periphery of Oxford and other towns, in particular to hospitals, often require a journey into the city/town centre then another short journey with another operator to the final destination, for which no existing through ticketing arrangement is suitable.
- > The existing policy on fares on subsidised services is complex to administer, poorly understood, can lead to complaints when a subsidy contract changes hands and fare levels change, and does very little to speed up boarding or increase the attractiveness of bus travel.

2.1.7 The principal issues identified in this section are those which the Council wishes to address through its Fares and Ticketing Strategy.

## 2.2 Other Issues

### *Concessionary Fares*

2.2.1 Concessionary fares lie outside the remit of this consultation, although the Council is aware that many issues have been raised related to concessionary travel within the County. From April 2006, central government has decreed that free bus travel within their home district should be available for all those eligible for concessionary travel.

2.2.2 Separate discussions are currently taking place between the district councils within the County and with neighbouring authorities regarding the precise arrangements relating to concessionary fares from next April.

### *Bus and Rail Through Tickets*

2.2.3 Oxfordshire currently has one of the most comprehensive ranges of through bus and rail tickets in the country, with the emphasis on PlusBus tickets for those most recently introduced. These are administered through 'Journey Solutions', an independent but central government funded body. The Council has no legal powers to force rail operators to participate in ticketing schemes. It therefore

has no wish to promote its own bus / rail ticket schemes at this time but will concentrate on bus-based initiatives. The Council will, however, continue to encourage the development of the range of through bus and rail tickets by the operators.

#### *Carnets and Stored Value Tickets*

- 2.2.4 The Council has received requests for the introduction of carnets (a strip of tickets purchased in advance, with each ticket valid for one journey at a particular value) or 'ten-trip tickets' and for stored value tickets, which can be topped up regularly in similar fashion to a mobile phone. Although magnetic card tickets have the potential to issue stored value tickets, the tickets themselves are easily damaged, leading to potential loss of the remaining balance. The Council feels that the potential for stored value tickets will increase greatly as smartcards are introduced to widespread use in public transport and are most likely to be initially brought in as a commercial venture by the operators.
- 2.2.5 Whilst appreciating the potential value of carnets, the current fare structures within Oxfordshire do not lend themselves readily to such tickets. Carnets are more appropriate in European countries where fares are set by the local authority and subsidy levels are much higher than in the UK. A greatly simplified farescale within the county would aid the possible introduction of these tickets.
- 2.2.6 The Council will encourage the development of stored value tickets and simplified farescales by the commercial operators.

#### *Kerbside Ticket Machines*

- 2.2.7 The widespread use of kerbside ticket machines in central areas such as Oxford City Centre would undoubtedly reduce the time taken to load buses and hence reduce congestion and pollution. London and many continental cities experience high levels of use of these machines either because passengers are forced to use them or because tickets sold on-bus are sold at a higher price.
- 2.2.8 Reading Borough Council and Reading Buses have installed some machines both in the town centre and in the suburbs. Experience in Reading has shown that its on-street machines have been little used and are expensive to maintain and administer. Lack of passenger confidence led to a reluctance to purchase expensive period tickets from these machines. Oxford would have the added difficulty of accurately dividing the revenue from these machines between different operators.
- 2.2.9 As most services in the City of Oxford are operated commercially and in a highly competitive environment, there is little likelihood of any form of compulsion or premium fares for on-bus purchase being introduced. The Council therefore feels that any innovation in on-street machines is likely to be initiated by a commercial operator, although any such initiative would be encouraged by the Council. There may also be environmental concerns regarding an increase in street furniture within Oxford City Centre.

## 3. The Council's Powers

### 3.1 Introduction

- 3.1.1 The Council is already responsible for deciding what local bus services are required to meet the needs of its residents, and subsidising the provision of any socially necessary services which would not be provided commercially. Most such services are provided by a formal contract with the council, which is free to apply reasonable conditions as it sees fit, including the maximum level of fares to be charged and specification of the types of ticket to be issued and accepted.
- 3.1.2 The Council may also include conditions relating to fare structure and ticketing as part of its voluntary Quality Bus Partnership agreements or future Quality Contract schemes. Under Quality Contract arrangements, the Council could specify all fares and ticketing matters, including fare levels, but would also need to increase financial support to cover reduced fares income.

### 3.2 Transport Act 2000

- 3.2.1 The Act provided new powers for local authorities to designate compulsory multi operator ticketing schemes. A ticketing scheme can simply place a requirement on bus operators to ensure that the necessary arrangements are available to passengers. It does not imply that the Council has to administer the scheme, but it will have an obvious interest in ensuring that the details and operation of the relevant ticket types are:
- > in the interests of the public and attractive and simple for passengers
  - > fair to all operators, and
  - > contribute to the authority's transport and social objectives, including those policies set out in the Council's Bus Strategy.
- 3.2.2 If the Council introduces a ticketing scheme under these powers, referred to as 'making a scheme', operators of local bus services must provide a ticket which enables the holder to make journeys of the type specified in the scheme, regardless of which operator runs the service. The ticket types are listed in 3.5.1 below.
- 3.2.3 Bus operators are legally obliged to take part in any scheme while it is in operation. Any operator failing to participate is liable to sanctions by the Traffic Commissioner, either by banning its operation of particular local services, and / or imposing a financial penalty. Train operators cannot be forced to participate, rail services can only be included with the agreement of the train operator concerned.

- 3.2.4 There is no requirement of the operators other than to make such tickets available, there is no requirement to promote these tickets. The Council is likely to need to be pro-active in marketing the ticket to meet the purpose of their introduction.
- 3.2.5 Creation of separate schemes by each local authority in isolation might exclude significant passenger flows from one area into another. The Council is required to take this into account and can make schemes jointly with another LTA across all or part of their combined areas.

#### *Consultation and Notification*

- 3.2.6 Consultation with all affected parties is a statutory requirement. If the Council decides to make a scheme it must publish details of the proposal in at least one newspaper circulating in the area to which the scheme relates. The Council must then also consult with:
- > operators of local bus services who will be affected by the scheme
  - > representatives of local bus users, and
  - > the Traffic Commissioner responsible for the area in which the services operate.

Having consulted, the authority may then make the scheme and, within 14 days of making the scheme, give notice in a local newspaper, to the Traffic Commissioner and to operators of local bus services. Variation or cancellation of a scheme is subject to the same procedures as those for making a scheme.

### 3.3 Competition Law

- 3.3.1 The tickets the Council may introduce are limited by competition law. This is the most limiting and complex aspect of introducing ticketing schemes.
- 3.3.2 The Competition Act 1998 generally prohibits commercial undertakings from colluding in determining prices or markets, or in sharing commercial information. The term 'commercial undertaking' may include the Council where it collects the revenue on secured services. Joint agreements on ticketing which include agreement on prices will usually fall foul of the Office of Fair Trading (OFT). Any breach of competition rules can result in severe financial penalties.
- 3.3.3 The Competition Act also includes provisions to prevent abuse of a dominant position in the market. For example, two large operators who agreed to accept each other's tickets even without agreement on ticket prices, could still be seen to be anti-competitive if it was seen to be preventing participation by a third operator.
- 3.3.4 To overcome the limitations imposed by the Competition Act and to salvage many existing joint ticketing schemes, OFT introduced the Public Transport

Ticketing Schemes Block Exemption ('the exemption'). As long as schemes operate wholly within the terms of the block exemption, the parties will be immune from enforcement action.

3.3.5 The general conditions of the exemption are that schemes:

- > are open to all operators equally, without excessive entry barriers
- > do not restrict participants' freedom of action in relation to the services they provide or the fares they charge, and
- > do not involve the exchange of commercial information, except where it is indispensable to the operation of the scheme.

3.3.6 The Act modified the application of Competition Act to the Council's activities in ticketing schemes by introducing the 'competition test'. This provides that, even where the Council makes a scheme which does have an adverse effect on competition, it will not be subject to action under the Competition Act as long as:

3.3.7 It is intended to achieve any of:

3.3.8 Improved quality of vehicles or facilities for local bus services.

3.3.9 Local bus service improvements of substantial benefit to users, or

3.3.10 reducing or limiting traffic congestion, noise or air pollution, and

3.3.11 its effect on competition is likely to be proportionate to that achievement.

3.3.12 The Act does not make any provision for local authorities to set the price of tickets under a scheme. The OFT says:

"Any agreement concerning fares will .. be subject to the provisions of the Competition Act. **Fixing the price of tickets is a breach of the Competition Act.** The block exemption does, however, permit operators to agree the price of a multi operator Travelcard".

### *Summary*

3.3.13 The Council has powers to force the operators into **introducing** multi-journey or multi-operator tickets which fulfil the Council's requirements, but **not to set the prices** of such tickets. The Council might 'suggest' the level of pricing in its role of administrator of a scheme but has no power to impose a price.

3.3.14 Where it is permitted, the setting of the price of tickets or Travelcards is a matter for negotiation between the operators involved in the scheme. The whole intention of the ticketing scheme powers was to achieve flexibility and convenience and not to introduce discounted travel.

### 3.4 Voluntary ticketing schemes

- 3.4.1 There is a number of Travelcard schemes across the country which predate the Act. These are voluntary arrangements and sometimes involve the local authority. Some are in the form of commercially operated limited companies owned by transport operators, and in which local authorities have a stake. The local authorities are partners with bus operators and as such there is an opportunity to be involved in the decision-making process on prices, which may not be the case in a ticketing scheme introduced under the Act.
- 3.4.2 There is also the opportunity to influence the introduction of a wider range of types of ticket and Travelcard than would be possible in a statutory scheme under the provisions of the Act.

### 3.5 Ticket types

- 3.5.1 The Act and the exemption provide for four types of tickets, which are as follows:
- > **Multi-operator travel cards (MOTCs)** - tickets allowing unlimited travel within a specified geographical area for a defined period or a set number of trips within an area. A common selling price may be agreed.
  - > **Through tickets** - allowing one or more journeys using two or more complementary services. The price of the through ticket must not be fixed between the operators, but each party must establish a 'posted price' for its own component of the journey. Through tickets must be open for all operators to participate.
  - > **Multi-operator individual tickets (MIT's)** -any ticket which does not fit exactly into the preceding types. The OFT's criteria for acceptability of these are stringent:
- 3.5.2 Any participant in an MIT must also make available equivalent tickets valid only for his own services.
- 3.5.3 All revenue for MIT's must 'lie where it falls' - the revenue is retained by the operator who issues the ticket.
- > **Add-on tickets** provide an area-wide ticket on one leg of a multi stage journey. Although a variation of Through Tickets, these are separately defined. For an add-on ticket, the participating operators are allowed to agree the 'posted price' for the ticket.
- 3.5.4 There are associated issues regarding revenue allocation, MOTC schemes can redistribute revenue between operators on any reasonable basis, but this must not be done on the basis of the value of normal single fares for journeys made as OFT sees this as a way of encouraging operators to increase single fares in order to increase its market share. This method may be acceptable for small schemes

such as those involving only two operators, or covering a small geographical area.

## 3.6 Summary

### *Local Authority Powers and Voluntary Participation*

- 3.6.1 There are few differences in ticket types that can be introduced by compulsory and voluntary schemes, provided that operators can be persuaded to participate in voluntary schemes and that any scheme satisfies competition legislation. Operators are likely to be keen to participate in voluntary schemes as they may feel that they have more input and influence in voluntary schemes than would be the case under a compulsory scheme.
- 3.6.2 The Council now has powers to designate compulsory multi-operator ticketing schemes. These must both be 'in the interests of the public' and contribute to implementing the policies of the authority's Bus Strategy. Local authorities designating such schemes are directed to include journeys into adjoining areas and consider the introduction of joint schemes. Compulsory multi-operator ticketing schemes can include:
- > Multi-operator Travelcards
  - > Transfer or through tickets
  - > Inter-available tickets
  - > Add-on tickets.

## 3.7 How schemes might work

- 3.7.1 The legal situation regarding ticketing schemes is complex and is best explained by the use of some examples of ticketing schemes that could be introduced in Oxfordshire.

### *Example A: Multi Operator Travelcard*

- 3.7.2 The block exemption allows Oxford Bus, Stagecoach and Thames Travel to establish a multi-operator Travelcard scheme in the Oxford area and to agree the price of such tickets, provided that:
- > the conditions of entry to the scheme by any other operator are not unduly restrictive
  - > that such a scheme does not abuse the dominant market position of the principal operators
  - > that the method of revenue distribution does not rely upon revenue foregone, and

- > each of the participating operators must retain the freedom to offer its own range of tickets.

3.7.3 Oxford Plus+Pass is an existing example of such a scheme. Both Oxford Bus and Stagecoach retain their own one-operator passes. The only exchange of information between operators is in relation to sales and use of Plus+Pass. Thames Travel has been included as it meets the basic criterion of their ability to issue and record passes using magnetic card readers. Plus+Pass is a voluntary scheme and the method of revenue apportionment by reference to ticket use is permissible. The Council does have powers to introduce such a ticket on a compulsory basis, although it cannot dictate the price of the ticket.

*Example B: Through ticketing arrangements*

- 3.7.4 Suppose that Oxford Bus and Stagecoach agree to issue through single tickets between Witney and John Radcliffe Hospital, by change of bus in Oxford City Centre. The two operators could decide to leave revenue as it falls i.e. Stagecoach retains all revenue from Witney and Oxford Bus keeps all revenue from the Hospital, but the journey lengths in this case are unequal and Stagecoach would be likely to feel at a disadvantage by only receiving 50% of the revenue.
- 3.7.5 If Stagecoach decided the through fare for such a journey was £2, it would obtain the 'posted price' from Oxford Bus of, say, 80p for its share of the journey to JR Hospital. It is then for Stagecoach to decide if it feels that £1.20 is an adequate fare for its section or if it wishes to increase its through fare.
- 3.7.6 Oxford Bus may decide that the appropriate through fare is £2.50. It would obtain from Stagecoach the 'posted price' of, say, £1.70 for its part of the journey to Witney, leaving Oxford Bus with 80p again.
- 3.7.7 Note that both operators must set their own level of through fare. The through fare could well be different dependent upon the direction of travel. Oxford Bus and Stagecoach **MUST NOT** agree the level of the through fare.
- 3.7.8 If Thames Travel then comes to a similar agreement for through tickets between Wallingford and JR Hospital by changing at Oxford, then Thames Travel is free to fix its own 'posted price' for its section of route, but Oxford Bus **MUST** charge the same posted price for its section between the City and Hospital as offered to Stagecoach.
- 3.7.9 If it wished, the Council could force the introduction of these tickets, provided that the through fares were open to all operators and that each operator was free to set its own 'posted price' for its part of the journey.
- 3.7.10 The 'posted prices' in the example above are likely to be less than the normal single fare. If the posted price is the same as a single fare there is little point in either having a through ticket or going through the administrative effort of calculating reimbursement etc. The Council, however, has no influence over posted prices.

*Example C: Acceptance of Return Tickets*

- 3.7.11 Suppose Stagecoach and Oxford Bus agree to issue return tickets from Headington to Oxford which would be accepted on each other's services. The price of this multi operator return fare MUST NOT be agreed by the two operators. If the current Oxford Bus return fare is £2.50, valid only for return on its own services, it may decide to charge a different fare, say £2.70, which is valid for return on any service. Stagecoach must then accept these tickets with no reimbursement from Oxford Bus, and vice versa.
- 3.7.12 Note that there will potentially be four different return fares on offer, with both operators setting their own prices for single and multi-operator tickets.
- 3.7.13 In addition, this reciprocal agreement on return fares has to be available on any other operator's services along the same road if the operator wishes and that the fare charged must not be different. If Stagecoach and Oxford Bus decided to only accept each other's tickets they could be considered to be abusing their dominant market share and would be liable to prosecution.
- 3.7.14 The introduction of inter-operator return tickets could be forced by the Council using its powers, so long as the above conditions were adhered to.

*Example D: Add-on Tickets*

- 3.7.15 These are a special development of through tickets. Suppose Arriva the Shires wishes to have an add-on facility in Oxford for passengers from outlying areas. It is permissible in this case for Oxford Bus and Stagecoach to agree a 'posted' price for this add-on. Arriva would then reimburse both Stagecoach and Oxford Bus based on ticket sales and usage.
- 3.7.16 The current Oxford PlusBus ticket is an example of such a ticket in current practice, with the bus companies agreeing the add-on price, rail companies selling the ticket and reimbursing the bus operators.
- 3.7.17 The Council could also force the introduction of an add-on ticket if no voluntary agreement was forthcoming. The operators could still then agree the price for this add-on.

*The Council's Involvement*

- 3.7.18 For any of the four schemes outlined above, the Council will have a role in the introduction and operation of the ticketing schemes. Even where schemes are introduced on a voluntary basis, the council is likely to take a proactive role in the setting up and marketing of a scheme and in monitoring the progress of the scheme in operation.
- 3.7.19 In the case of statutory schemes, the Council's role is likely to be greater. Whilst it is possible for statutory schemes to be administered by the operators, the Council is likely to take an active role in the scheme administration, overseeing arrangements for reimbursement, ensuring that the terms of the scheme are being satisfied and that the scheme follows OFT guidance.

3.7.20 The Council also has responsibility for notifying changes to schemes and cancellation of unsuccessful schemes.

## 4. Programme for Action

### 4.1 Strategy

- 4.1.1 The Council's Draft Bus Strategy outlines a basic strategy on fares and ticketing with the objectives of developing simplified fare scales, off-bus ticketing and other means of speeding up bus boarding, including use of its powers under the Act.
- 4.1.2 The Council intends to include a firm strategy on fares and ticketing as part of the final Bus Strategy to be published in March 2006. This consultation includes some options for what it might include. Following the consultation exercise, the views expressed will be taken forward to develop a definite strategy and the Council will establish the level of priority given to each scheme.

#### *Fares on Secured Services*

- 4.1.3 The Council sets the maximum level of fares charged on secured services - those subsidised by the Council. The Council's policy is to fix the level of these fares to broadly reflect the current level of commercial fares in the county and this policy will continue.
- 4.1.4 The structure of the fares charged on secured services is historic, fares change by small amounts at fare stages that are only short distances apart. Maintaining these large and complex fare tables is time consuming and many point-to-point fares are used by very few, if any, passengers.
- 4.1.5 The Council is considering the adoption of a policy of greatly simplifying fares on secured services, reducing the range of fares on offer and the time taken to issue tickets and will make these fares easier to understand and to administer whilst maintaining the general level of fares and revenue on these services.
- 4.1.6 However, the Council wishes to point out that there are potential disbenefits in the introduction of this policy:
- > There will be 'one-off' administrative costs in recalculating the new fares.
  - > Simplification of fares will mean that there are significant 'jumps' in fare values between fare stages.
  - > Some existing fares will change significantly - upwards as well as downwards.
  - > Commercial services and secured services will charge different fares.

- 4.1.7 The Council believes that the complexity of current fares can act as a deterrent to travel and that introduction of simplified fares on secured services could encourage commercial operators to adopt a similar approach.
- 4.1.8 In addition, the issue and acceptance of any appropriate multi-operator ticket will be an automatic condition of contract for the Council's secured bus services.

#### *Quality Bus Partnerships*

- 4.1.9 The Council aims to establish and / or continue the development of voluntary Quality Bus Partnerships (QBP) within the county. The Council is considering extending its requirements within the QBP document to include clauses relating to the availability, issue and acceptance of multi-operator tickets. Thus these tickets would form a fundamental aspect of the QBP.

## 4.2 Proposed schemes for introduction

- 4.2.1 From the initial consultation process, the Council has selected a number of pilot schemes which it may wish to progress following consultation. It is also keen that, although the majority of ticketing issues raised in consultation related to Oxford City, there should also be a number of initiatives considered, which are focussed upon areas of the county outside Oxford.
- 4.2.2 The Council's preferred option of progressing any approved ticketing initiative would be through voluntary participation by the operators, with the council acting as a catalyst for their introduction, but is fully prepared to introduce statutory schemes if its aims cannot be satisfied on a voluntary basis.

#### *Oxford City Multi Operator Travelcard*

- 4.2.3 The availability of this ticket was a high priority in much of the initial consultation and correspondence. There are two principal grounds for the introduction of such a ticket:
- > for those making journeys which require interchange between services of different operators and who therefore pay a high total fare for their journeys, and
  - > for those making journeys at times when the level of service provision is lower (early mornings, evenings and weekends) who would benefit significantly from being able to use their ticket on the first available bus, regardless of operator.
- 4.2.4 The existing Plus+Pass ticket, although encompassing the services of the three main operators within the City, is priced at a level which reflects its validity outside the Oxford City boundary as well as its choice of operating company. Plus+Pass already has its own separate administration company and the method of revenue allocation, based upon the numbers of journeys made, fulfils the required OFT criteria.

- 4.2.5 The Council's is undertaking consultation on the introduction of at least day and weekly tickets for unlimited travel within the Oxford City area, valid on the services of all major operators and would hope to obtain operator agreement to a price no more than 20% above than the average price for a single operator ticket.
- 4.2.6 The Council's view is that this ticket could be introduced by extending the range of the current Plus+Pass scheme to introduce a 'City Only' version and to encompass more operators, thus avoiding the need to set up a statutory scheme, but it would be prepared to introduce the ticket on a statutory basis if there was sufficient support for this course of action.

#### *Didcot Multi Operator Travelcard*

- 4.2.7 In the initial consultation, the number of different operators providing services in Didcot was seen to inhibit the use of public transport within and around the town. None of the operators currently has an unlimited travel ticket suitable for regular travellers around Didcot. Although most of the main operators have unlimited travel tickets available within Didcot, these all include availability over a much wider area and are not priced attractively for local journeys, nor are they valid for travel on any of the other companies' buses.
- 4.2.8 The Council is consulting on the possible introduction of at least day and weekly tickets for unlimited travel within the Didcot area, valid on the services of all operators and hopes to see such a ticket priced at a level based upon the cost of likely journeys around Didcot and not based upon the longest possible journeys which could be made.
- 4.2.9 The Council's view is that this ticket could be introduced voluntarily as a result of a consensus among the main operators, three of whom already participate in the Plus+Pass scheme. By the inclusion of the other operators in Didcot within the Plus+Pass administration, it may be possible to introduce this ticket using the same administrative process and conditions applied to the existing Plus+Pass, without the need to set up a statutory scheme. The Council would, however, be prepared to introduce a statutory scheme if no such voluntary agreement was reached.
- 4.2.10 The introduction of the two tickets in Oxford City and in Didcot would be used as pilot exercises to establish whether other such tickets should be introduced in other parts of the county, including the possibility of a countywide ticket.

#### *Through Ticketing*

- 4.2.11 The Council wishes to examine the scope for the introduction of a small number of through ticketing arrangements to act as pilot schemes for possible wider availability of such tickets.
- 4.2.12 Those passengers who have to change buses during the course of their journey pay a significant 'fares penalty', that is, the sum of the individual single or return fares is much higher than if the same passenger made a journey of the same length but only using one bus. The availability of through tickets can help

to offset this and in some cases through fares already exist between different services of the same operator.

- 4.2.13 In the course of the initial consultation, this appeared to be a particular issue with journeys to healthcare facilities, but was also an issue in the more rural parts of the county where passengers have to change buses in order to reach a major centre. The adoption of a hierarchy of routes, including interchanges with 'premium routes', highlights this issue.
- 4.2.14 The success and usefulness of any through ticketing scheme will be dependent upon the 'posted price' set by an operator for its share of the journey. The Council has no influence over the level of through fares or posted prices.
- 4.2.15 Such tickets can be introduced by operators on a voluntary basis, but operators are likely to have serious concerns that fixing parts of prices for through journeys and reallocating revenue from such tickets could be thought to be anti-competitive. Therefore through tickets are unlikely to be introduced without the Council's involvement to some degree, even if only as an independent third party.
- 4.2.16 The Council is considering the introduction of a selected number of through tickets, initially by establishing 'posted prices' from operators. In line with the guidance contained in the Act, the Council recognises that some through fare arrangements may be required to access destinations outside the county. It is therefore undertaking consultation to establish where there is public demand for such through tickets.

#### *Oxford City 'Add-On' Ticket*

- 4.2.17 Initial consultation and correspondence has outlined the fact that a number of passengers arriving in Oxford City Centre on radial or longer-distance routes travel on to other destinations within the City, but beyond walking distance from the City Centre itself.
- 4.2.18 The Council therefore is considering the introduction of an add-on ticket that would allow passengers on radial services to make additional trips wholly within the City for a fixed price, subject to public consultation. These tickets would be valid on the services of any operator, reimbursed according to the number of journeys made using their services.
- 4.2.19 This ticket would act in a similar fashion to 'PlusBus' tickets available to rail travellers and would be an alternative to setting up many through ticketing schemes to cater for journeys from many points outside Oxford to, say, John Radcliffe Infirmary. The ticket could be introduced by voluntary cooperation between the operators, without the need for setting up a statutory scheme, but the Council is willing to progress the introduction of this ticket on a statutory basis.

### *Multi Operator Return Tickets*

- 4.2.20 The Council wishes to investigate the introduction of a number of multi operator return tickets between defined points in the County where such tickets would be of particular value to passengers making journeys on routes where more than one operator provides services and would give the passenger the benefit of being able to return on any company’s bus without the need to pay two single fares. The passenger would normally have to pay a slightly higher return fare in return for this flexibility.
- 4.2.21 The Council is therefore undertaking consultation to establish areas where there is demand for multi-operator return tickets.

## 4.3 Costs

- 4.3.1 Each of the proposed ticketing schemes has an associated cost, both as a set-up cost and in some cases an ongoing administrative cost. Estimates of these costs are shown below in Table 1. In addition, the Council would expect to appoint a full time equivalent Fares and Ticketing Officer at an approximate annual cost of £30K.

**Table 1 Estimate Costs of Ticketing Schemes**

Proposed Scheme	Set Up Cost	Annual Cost
Oxford City Multi Operator Travelcard	£3,000	£3,000
Didcot Multi Operator Travelcard	£5 - 10,000	£3,000
Through Ticketing	£5,000	None
Oxford City Add-On Ticket	£5,000	£3,000
Multi Operator Return Tickets	£5,000	None

## 4.4 Consultation

- 4.4.1 The Council wishes to consult with stakeholders and other interested parties to receive their views to achieve broad agreement on its strategy for fares and ticketing, including its proposed pilot ticket schemes described above.
- 4.4.2 The Council acknowledges that due to the process of negotiation and notification that it will not be possible to introduce all of the pilot ticketing schemes at the same time. The consultation will therefore aim to establish a rolling programme for introduction of approved schemes, having established the order of priority which consultees attach to each scheme.
- 4.4.3 This consultation will be undertaken by circulation of this document with an attached questionnaire for return and also will be available for web-based responses on its website [www.transaction.org.uk](http://www.transaction.org.uk).

## 5. Executive Summary

### 5.1 Background

- 5.1.1 The Council wishes to see new ticketing initiatives introduced with the aim of speeding up boarding times and improving the ease of use of public transport.
- 5.1.2 The Transport Act 2000 gave local authorities new powers to introduce certain types of ticket on a statutory basis. The ticket types which the Council may introduce are:
- > Multi Operator Travelcards, including the services of all operators within a defined area.
  - > Through Tickets, between defined points regardless of operator.
  - > Inter-available Tickets (e.g. Multi-operator Return Tickets)
  - > Add-on Tickets, unlimited travel within a defined area at a fixed cost as an add-on to a longer feeder journey.
- 5.1.3 The Council does not have the ability to set and influence the price of these tickets as this is limited by competition legislation
- 5.1.4 Following initial consultation and a review of correspondence relating to fares and ticketing, a consultants' report recommended that some ticketing initiatives be put out to public consultation, with a view to establishing some pilot schemes.

### 5.2 Schemes for discussion

- 5.2.1 The Council is inviting the views of the public and stakeholders regarding the possible introduction of and priority given to the following schemes either by voluntary participation by the operators or by the making of a statutory scheme:
- > Multi-operator Travelcard for the City of Oxford.
  - > Multi-operator Travelcard for the Didcot area.
  - > Selected through ticketing arrangements.
  - > An Add-on ticket covering the Oxford City area.
  - > Selected multi-operator return tickets.

- 5.2.2 The Council is also consulting on proposals to simplify fares on its secured services and including conditions relating to tickets as part of its Quality Bus Partnership agreements.
- 5.2.3 This summary is an extract from the main consultation document - 'A Fares and Ticketing Strategy for Oxfordshire - Consultation Document'. Copies of the full document are available from Oxfordshire County Council (Tel Neil Timberlake on 01865 815585) and it is also available online at [www.transaction.org.uk](http://www.transaction.org.uk) .

# Fares and Ticketing Strategy Consultation

**Your views are welcome!**

Your views are invited on the draft Oxfordshire Fares and Ticketing Strategy. To let us know what you think please complete and return the enclosed questionnaire. Alternatively, please visit [www.transaction.org.uk/ticketing](http://www.transaction.org.uk/ticketing) to complete the consultation questionnaire online.

This consultation is being undertaken by the TAS Partnership on behalf of Oxfordshire County Council, who can be contacted at:

Oxfordshire Ticketing Consultation  
The TAS Partnership  
Guildhall House  
Guildhall Street  
PRESTON  
PR1 3NU

or sent by fax to 01772 562070  
or e-mailed to [info@tas-part.co.uk](mailto:info@tas-part.co.uk) before **6 January 2006**.



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