

## January rail fares: Ticket price hikes continue to outstrip wages

### Campaign for Better Transport briefing

#### Introduction

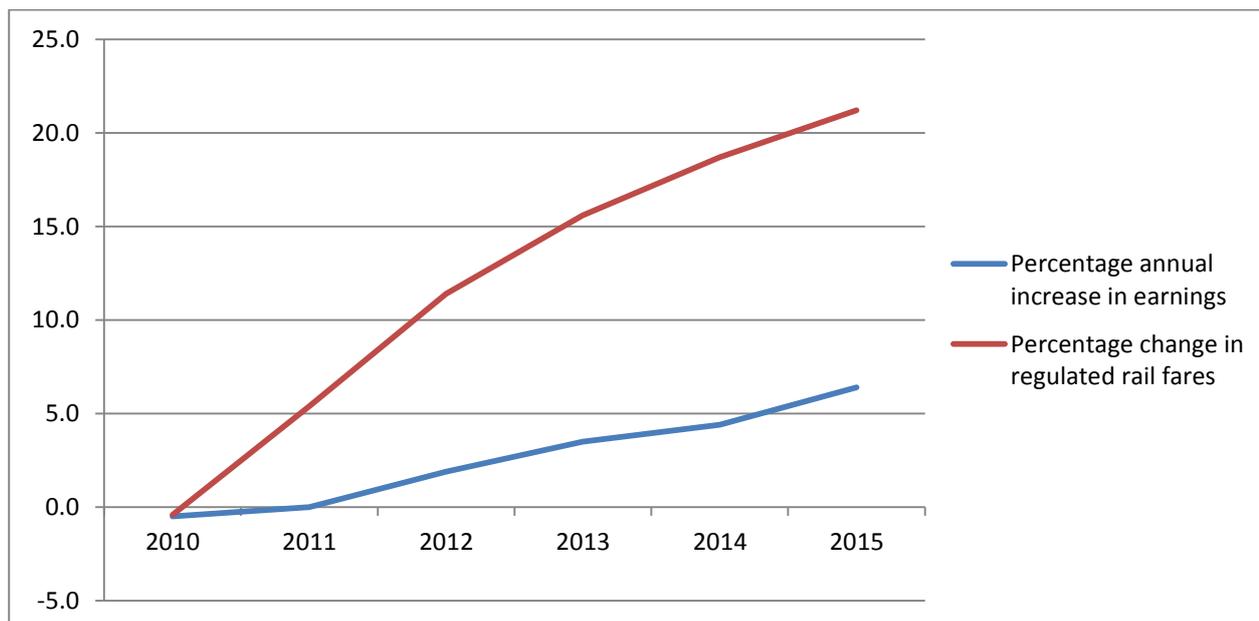
On 2 January new rail fares will come into effect. Regular rail users will be hit by a 2.5 per cent increase in season ticket prices, meaning fares have increased around 4 times faster than average wages over the course of the current Parliament.

New rail fares are introduced annually on the first working day of the year. The current policy is to raise fares by the Retail Price Index (RPI) figure of the previous July plus an additional 1 percent. Over the past ten years of this policy fares have increased overall by more than 50 percent. For 2014 and 2015, the Chancellor of the Exchequer has limited fares rises to RPI inflation only, meaning fares will rise by 2.5 percent this year.

#### Fares vs wages

Fares are increasing far faster than wages. Regulated ticket prices have risen by over 20 percent during this Parliament. Average wages are expected to have risen by just 6.9 percent (4) over the same period. This has pushed some season ticket prices to over £5,000, with an increase during this Parliament of over £900.

*Cumulative increases in regulated fares and average earnings over current Parliament (2010-2015) (5)*



#### Examples of London commuter routes:

Route	2014	2015	Annual increase	Increase over Parliament	% increase over Parliament
Ashford International	£4,928	£5,048	£120	£910	22
Brighton	£4,304	£4,408	£104	£745	20.3
Cambridge	£4,536	£4,648	£112	£824	21.5
Milton Keynes Central	£4,772	£4,888	£116	£930	23.5
Oxford	£4,672	£4,788	£116	£865	22
St Albans	£3,208	£3,288	£80	£592	22
Tunbridge Wells	£4,300	£4,364	£64	£781	21.8

#### Examples from across the country:

Route	2014	2015	Annual increase	Increase over Parliament	% increase over Parliament
Newcastle – Middlesbrough	£2,268	£2,324	£56	£483	26.3
Manchester – Liverpool	£2,888	£2,960	£72	£536	22.1
Southampton – Portsmouth	£2,140	£2,184	£44	£390	21.7
Birmingham – Worcester	£1,280	£1,312	£32	£235	21.8
Leicester – Derby	£2,096	£2,148	£52	£394	22.5
Leeds – Sheffield	£2,332	£2,388	£56	£454	23.5
Bristol – Bath	£1,504	£1,540	£36	£282	22.4

#### New infographics: How long does it take you to pay for your season ticket?

Paying for a season ticket takes an increasing percentage of average earnings. Campaign for Better Transport has produced a series of infographics demonstrating what this means for a number of common journeys:

- Peterborough to London terminals (14 weeks of net earnings)
- Brighton to London (8.6 weeks of net earnings)
- Bristol to Swindon (7.5 weeks of net earnings)
- Leeds to Hull (9.9 weeks of net earnings)
- Manchester to Sheffield (8.2 weeks of net earnings)

(From 19 December Infographics can be downloaded here

<http://www.bettertransport.org.uk/FFNinfographics> - embargo until 00.01 Friday 2 January 2015)

Commuters will be able to compare their rising train fares with their wages on an updated **Fares vs Wages Calculator** at <http://www.bettertransport.org.uk/faresvwages/> and take action by emailing George Osborne asking for Fair Fares Now.

## Policy changes

### Changes to the way fares are calculated

The way fares are calculated is outdated and unfair. Campaign for Better Transport is pushing for the following:

- The Retail Price Index (RPI) should no longer be used in fares calculations. It over-estimates inflation and the Office of National Statistics no longer regards it as a National Statistic status (6). Fares should be brought in line with most other costs of living by linking it to the Consumer Price Index (CPI) instead. Research shows that this would bring fares in line with wages by 2018 and have minimal effect on rail revenue (3).
- There needs to be a permanent end to above inflation fares rises. The policy of annual above inflation fares rises needs to be permanently ended. Given the significant increase in the cost of the railway borne directly by passengers and continued slow wage growth, there is a strong case for fares to be calculated using a below inflation formula (CPI – 1 percent)

### Faster progress on flexible tickets

Part-time and flexible season tickets are not available for the large majority of rail users despite part-time workers now comprising 8 million people (the large majority being women). Government is undertaking research into the feasibility of flexible ticketing and has recently invited rail operators in South East England to provide details of their plans for flexible ticketing and any barriers they see to successful implementation.

- Research into, and introduction of, part-time and flexible season tickets needs to be completed much more swiftly and openly than currently planned. The Department for Transport appears to be working on a timescale where even the research will not be finished till 2017, meaning any general flexible ticketing would be unlikely before 2018-19. This is too slow and contrasts with London where ticketing aimed at part time workers is being introduced this January.
- There should also be faster progress with smartcards and smart ticketing in cities outside London. Many larger cities already offer these options for buses and this should be extended to rail, mirroring the success of London's Oyster Card.

### Improving passenger experience

There is scope to improve passenger experience on much of the network which is still dogged by problems including outdated rolling stock and overcrowding at peak times.

- Government must work with train companies to ensure better investment in services and rolling stock and re-allocation of first class seats where there is a greater need in standard class carriages
- Train operators must ensure that full information is available to passengers that clearly communicates what the cheapest ticket is, and removes anomalies such as split ticketing

A full description of how government policy can make rail fares **cheaper**, **fairer** and **simpler** is described in our Fair Fares Now Charter <http://bettertransport.org.uk/sites/default/files/fair-fares-charter-april-2014.pdf>.

## For more information and interviews

A press release responding to the fares increases will be issued on 2 January.

Available for interview, including on 2 January:

- Martin Abrams, Public Transport Campaigner, Campaign for Better Transport
- Stephen Joseph, Chief Executive, Campaign for Better Transport

For more information, contact Andrew Allen, Press Officer, Campaign for Better Transport, 020 7566 6494 / 07984 773 468 / [andrew.allen@bettertransport.org.uk](mailto:andrew.allen@bettertransport.org.uk)

### Notes

1. ORR data on number of passenger journeys: [http://orr.gov.uk/\\_\\_data/assets/pdf\\_file/0015/13344/passenger-rail-usage-quality-report-2013-02-20-q4.pdf](http://orr.gov.uk/__data/assets/pdf_file/0015/13344/passenger-rail-usage-quality-report-2013-02-20-q4.pdf).
2. ORR data on the cost of running the rail network: [http://orr.gov.uk/\\_\\_data/assets/pdf\\_file/0004/11947/gb-rail-industry-financials-2012-13.pdf](http://orr.gov.uk/__data/assets/pdf_file/0004/11947/gb-rail-industry-financials-2012-13.pdf).
3. Campaign for Better Transport research Fares and Rail Financing: [http://www.bettertransport.org.uk/sites/default/files/research-files/Fares\\_and\\_rail\\_financing.pdf](http://www.bettertransport.org.uk/sites/default/files/research-files/Fares_and_rail_financing.pdf).
4. Office of National Statistics data on average weekly earnings: <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/august-2014/statistical-bulletin.html>.
5. Earnings figures from ONS - <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-337429>  
Predicted earning 2015 from OBR - [http://cdn.budgetresponsibility.independent.gov.uk/December\\_2014\\_EFO-web513.pdf](http://cdn.budgetresponsibility.independent.gov.uk/December_2014_EFO-web513.pdf)
6. Current season ticket prices taken from [www.nationalrail.co.uk](http://www.nationalrail.co.uk) and 2015 prices based on an increase of RPI +1 percent or 3.6 percent.
7. Assessment of RPI by the UK Statistics Authority: <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/assessment-report-246---the-retail-prices-index.pdf>

## December 2014

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Campaign for Better Transport

Campaign for Better Transport's vision is a country where communities have affordable transport that improves quality of life and protects the environment. Achieving our vision requires substantial changes to UK transport policy which we aim to achieve by providing well-researched, practical solutions that gain support from both decision-makers and the public.

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