

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Chair and Members of the Transport Committee

Meeting: 10 October 2019

Authority/Authorities Affected: All Districts

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF MERSEYTRAVEL

MULTI-OPERATOR TICKETING SCHEME – PRODUCT AND PRICING UPDATE & PROPOSALS

1. PURPOSE OF REPORT

The purpose of the report is to approve ticketing recommendations relating to specific scheme arrangements, product and price changes for all Merseytravel Multi Operator and Multi Modal pre-paid tickets.

2. RECOMMENDATIONS

It is requested that the Transport Committee approve the following:

- (a) annual price recommendations for the Merseytravel Multi-Operator Ticketing Scheme products, to be fully implemented by the 3 January 2020 (or August 2020 for Term time tickets) for Trio, Solo, Railpass, My Ticket and Saveaway tickets as outlined in Appendix 1 of this report;

3. BACKGROUND

- 3.1 The Merseytravel Multi-Operator Ticketing Scheme is a ticketing scheme owned by the Combined Authority, and administered by Merseytravel as the executive body responsible for delivering public transport services on the Authority's behalf. It is structured as a voluntary partnership under powers granted by the Transport Act 2000. Commercial transport operators are invited to participate in the scheme which provides affordable multi-operator or multi-modal transport tickets to people wishing to use more than one operator or transport mode on the public transport network in Merseyside.
- 3.2 The Multi-Operator Ticketing Scheme encourages sustainable patronage to promote real passenger growth. The scheme ensures that there is a legal local ticketing offer that can be used on more than one operator (multi operator) and more than one mode (multi modal) in the interest of providing customers with affordable transport tickets. As a result, price increases are no greater than the

average RPI annual percent change (based on July 2019), are generally applied each year to the Merseytravel Ticketing Scheme suite of multi-operator tickets.

3.3 Appendix 1 outlines the full product and pricing proposals for 2020 (and the variances from existing prices) which relate to the current Multi-Operator Ticketing Scheme. In summary, all proposed increases are on average within the RPI increase (July 2019) of 2.8%, subject to rounding rules, apart from My Ticket in which it is proposed to freeze that price.

3.4 In making this change, Merseytravel has undertaken significant consultation with operators to seek agreement on the proposed fare changes. In most cases the proposals meet with participating operator expectations. By keeping the proposed increase no greater than RPI guidelines (July 2019) for existing Multi-Operator Scheme tickets, an overall reduction in patronage is not anticipated.

4. RESOURCE IMPLICATIONS

4.1 Financial

- (a) In making this change, Merseytravel is of the opinion that commercial bus and rail operators will not be disadvantaged by reductions in passenger revenue or demand. Merseytravel is also of the view that the price change remains affordable and will not discourage travel on the local transport network – creating a sustainable and affordable approach to price setting.
- (b) Merseytravel has budgeted to absorb the usual administrative costs associated with fare change for the existing Multi-Operator Ticket Scheme. Therefore, there are no additional financial risks associated with making the price changes.
- (c) Any costs associated with updating Merseytravel ticket prices will be funded by the participating transport operators for their own services. Managed Services contracts are absorbing costs associated with applying electronic annual price increases.

4.2 Human Resources

There are no HR implications associated with this report.

4.3 Physical Assets

There are no Asset related implications associated with this report.

4.4 Information Technology

Prices will need to be updated by participating bus operators on their electronic ticket machines (ETMs) for all services across the Liverpool City Region, as well as on the Paypoint EPOS terminals. If approval is given on 10 October 2019, operators will have time to update the prices on their retail systems in readiness for the price change date at their own cost.

Rail only prices will also need to be updated into national rail fares systems as well as local systems. If approval is given on October 2019 operators will have time to update their retail systems in readiness for the price change date at their own cost.

5. RISKS AND MITIGATION

- 5.1 There is a risk that operators will withdraw from the pre-paid scheme. However, Merseytravel and commercial operators are of the opinion that they will be no worse off as a direct result of these changes. Consultation has taken place with participating operators to ensure views are considered to help shape the final proposals.
- 5.2 There is a risk that the fares will not be updated in the fares systems in time for the change. This has been mitigated by sharing details of the fare amendments ahead of the proposed change date, to allow all participating suppliers/operators time to make the alterations in their respective systems.

6. EQUALITY AND DIVERSITY IMPLICATIONS

An Equality Impact Assessment has been completed with these recommendations. Whilst any price increase will create negative financial impacts across all groups, the fact that the increase is within the designated RPI levels restricts this impact and ensures the Merseytravel pre-paid tickets are an affordable means of ticket for multi-operator and multi-modal travel.

7. COMMUNICATION ISSUES

- 7.1 A coordinated engagement, communications and marketing programme is planned to support the fare changes. This will include participating operators publishing price changes and communicating directly with customer, where appropriate.
- 7.2 Full consultation has taken place with bus and rail operators regarding these proposed changes.
- 7.3 Merseytravel will continue to work with operators on how we communicate the ticketing offer to customers.

8. CONCLUSION

- 8.1 As the majority of tickets are sold in the adult market, the overall average price increase for 2020, for all ticket types in the Merseytravel Ticketing Scheme, is within RPI (2.8%) for rail, bus and multi-operator tickets.

8.2 For many young people, the cost of public transport is frequently at the top of their list of concerns. They rely upon public transport, and the bus in particular, not only to get to education and employment, but also for leisure and social opportunities. The price change proposed will ensure the cost remains affordable to young people travelling on the Liverpool City Region transport network and secures the longer term future of the product.

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Appendices:

Appendix 1 - Product and Fare 2020 Proposal

Background Documents:

None