

<b>Report Title</b>	Merseytravel Multi Operator Ticket Prices 2023
<b>Summary of decision being sought</b>	Multi Operator and Multi Modal Ticket Prices for 2023
<b>Is this report exempt?</b>	No
<b>Local Authorities affected</b>	All
<b>Impact and implications of this report</b>	
<b>Financial impact</b>	Yes see paragraph 4.1
<b>Is there a previous Delegation (s) associated with this report?</b>	No
<b>Supporting the Corporate Plan</b>	A Fairer City Region √
	A Stronger City Region x
Tick/x as appropriate	A Cleaner City Region x
	A Connected City Region √
	A Vibrant City Region √
<b>Climate Change Implications</b>	No
<b>Equality and Diversity implications</b>	Yes see paragraph 4.2
<b>Social Value implications</b>	Yes see paragraph 4.3
<b>Human Resources implications</b>	No
<b>Physical Assets implications</b>	No
<b>Information Technology implications</b>	Yes see paragraph 4.4
<b>Legal implications</b>	No
<b>Risk and Mitigation</b>	Yes see paragraph 4.5
<b>Privacy implications</b>	No
<b>Communication and consultation implications</b>	Yes see paragraph 4.6
<b>Contact Officer(s)</b>	Assistant Director for Customer Delivery
<b>Appendices</b>	Yes
<b>Background Documents</b>	No

# LCR TRANSPORT COMMITTEE

Thursday, 10 November 2022

## REPORT OF MERSEYTRAVEL

### MERSEYTRAVEL MULTI MODAL TICKET PRICES 2023

#### 1. PURPOSE OF REPORT

The purpose of the report is to approve ticketing recommendations relating to specific scheme arrangements, products and price changes for all Merseytravel multi operator and multi modal pre-paid tickets for 2023.

#### 2. RECOMMENDATIONS

It is recommended that the Transport Committee:

- (a) approve the annual prices for the Merseytravel Multi-Operator Ticketing Scheme products, to be fully implemented by 4 January 2023 (or August 2023 for Term time tickets) for Trio, Railpass and Saveaway tickets as outlined in Appendix 1 of this report; and
- (b) note the annual price increase for the Bus Multi operator bus only products, Solo and My Ticket, are still subject to negotiation and will be subject to a further report and the prices for these products will remain unchanged moving into 2023.

#### 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 Combined 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 across the region, but mainly within Merseyside, apart from My Ticket which extends to Halton via bus.
- 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 no greater than the average RPI

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

- 3.3 Nearly all of these products, apart from My Ticket, were increased by below inflation rates in early 2022 – around an average of 1.8%. However, costs across almost all sectors and core products have increased significantly since that last increase. The greatest indicator of those cost increases are reflected by a July 2022 RPI inflation rate of 12.3%.
- 3.4 Whilst some transport operators would argue strongly that costs have increased actually higher than this rate of inflation and therefore ticket prices should increase by the full RPI, it must also be recognised that there is a balance to be struck here around maintaining, and in fact encouraging public transport usage wherever possible. The price point for travel will be key to achieving this.
- 3.5 In considering the price setting for 2023 on the Merseytravel suite of products, officers have engaged with transport operators as part of the formal ticketing governance arrangements. Operators positions naturally vary, but all operators are seeking an increase in the Merseytravel ticketing products citing a number of key reasons why: -
- Costs within the sector have increased in line with RPI, and sometimes greater over the past two years.
  - It is expected that the main costs will continue to increase further next year, likely ahead of inflation.
  - The current ticketing products received a low increase in 2022 and that was the first increase since 2020 for many products.
- 3.6 It is recognised by officers that some of the risks above do sit with operators, and there is a balance to be met annually with increasing costs and affordability for the travelling public. This is none more so than in 2023 as the industry, the city region and the country looks to continue recovery from the pandemic, grow economically and promote the use of public transport as a preferred mode of travel.
- 3.7 In balancing this decision, officers would recommend a below inflation increase in the Trio, Railpass and Saveaway products,.
- 3.8 In making these recommendations, officers have considered the impacts a price freeze would have on operators' costs, making parts of the transport network less sustainable. With this in mind, and the rising costs of providing the service, and the upward trend of these costs, officers recommend an increase of 6% across the majority of ticket types for 2023.
- 3.9 The only exception to this approach is the Solo and My Ticket, the bus only products. Discussions with the operators have not concluded and form part of a wider debate, any increase in Solo is delayed beyond January 2023 and are subject to a separate report. As a result, the prices in Appendix 1 show no change for these products.

- 3.10 It is important to note that the Bus Services Improvement Plan (BSIP) is running in parallel with this report and may well influence final ticket prices, including My Ticket, subject to national government response and finalised governance arrangements.

## **4. IMPACT AND IMPLICATIONS**

### **4.1 Financial**

Merseytravel has budgeted to absorb the usual administrative costs associated with ticketing price changes for the existing Multi-Operator Ticket Scheme. The two direct financial implications associated with this ticket increase relate to Mersey Ferries and supported bus services, where the proposed increase would generate an estimated £30k additional income per annum.

The prepaid ticketing products generated £36.7m in ticket sales during 2019/20, the last full year pre-covid. All of this income is re-paid to transport operators across the region on an agreed apportionment model, with all scheme costs met by Merseytravel.

### **4.2 Equality and Diversity**

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 below 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. Applying the RPI levels across all ticket types ensures none of the protected characteristics are disadvantaged disproportionately in this case.

There are social economic issues associated with this price increase, adversely impacting those members of the community who rely on public transport with no other choice – for example non car owners. However, the lower than RPI increase, in comparison with the car as an example means public transport remains at a lower cost than car travel.

### **4.3 Social Value**

The socio economic impacts of this report are summarised above.

### **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 and internal EPOS systems. If approval is given, operators will have time to update the prices on their retail systems in readiness for the price change date at their own cost.

## 4.5 Risks and Mitigation

There is a risk that operators will not accept the level of price increase and may withdraw from the pre-paid scheme. However, consultation has taken place with participating operators to ensure views are considered. In order to mitigate this risk, a lower than inflation price increase has been recommended by officers.

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.

There is a risk that not increasing the fares in line with inflation may put financial pressure on transport operators, resulting in a review of service provision. Again, this is mitigated by the recommendations within this report.

There is a risk that any price increase will see a further reduction in demand for public transport and see modal migration from public transport into less sustainable modes of transport, i.e. the car. This is considered and mitigated in the report by offering lower than RPI increases.

There is a risk that prices will not be agreed with bus operators as part of wider discussions and therefore one of the main bus operators could choose to no longer participate in the scheme. Discussions continue with officers and bus operators to mitigate this risk.

## 4.6 Communication and Consultation

A coordinated engagement, communications and marketing programme is planned to support the ticketing price changes. This will include participating operators publishing price changes and communicating directly with customer, where appropriate.

Full consultation has taken place with bus and rail operators regarding these proposed changes, despite agreement not being reached and operators are aware of these recommendations.

Merseytravel will continue to work with operators on how to communicate the ticketing offer to customers, including the details of the operators own products prices which should be communicated at the same time.

## 5. CONCLUSION

This report looks to bring together the usual annual multi operator and multi modal ticket setting process and manage such in line with the risks and issues the transport network faces moving forward.

RICHARD MCGUCKIN  
Executive Director Place

CLLR LIAM ROBINSON  
Portfolio Holder for Transport and Air  
Quality

### Appendices:

Appendix 1 Proposed Multi Operator Ticket Prices