

# BRIEFING PAPER

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**SUBJECT:** Petition - £1 bus fares all across Southampton - 24 hours a day, 365 days a year

**DATE:** 13 April 2023

**RECIPIENT:** Oversight & Scrutiny Management Committee

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## THIS IS NOT A DECISION PAPER

### SUMMARY:

A petition has been raised calling for a flat-fare of £1 for all bus journeys in Southampton 7-days a week. Southampton has some of the cheapest bus fares in the UK and there have been recent fare offers (£1 Evening Fare, Group Fare and £2 Flat Fare) in operation in the city. These have been developed in partnership with the bus operators and have required additional funding from the Council and Government to enact.

A £1 flat fare would be an additional offer but is unfunded. A fare offer would need to be developed with, and have the support of, the local bus operators.

This briefing paper provides a response to the petition.

### BACKGROUND and BRIEFING DETAILS:

Fares on bus services are set and determined by the bus operator.

The bus fares in Southampton are shown in Table 1. These are competitive when compared to other cities, with Southampton having some of the cheapest day and weekly fares in the UK. The weekly ticket offer of £10 is second cheapest on offer– Guildford was lowest at £7, and the daily tickets are on average 49% lower than the South East and 35% lower than the England averages<sup>1</sup>. Fares are done on a zonal system with services travelling out of Southampton being more expensive than those within.

	Single	Return	Daily
Adult	£2.50	£3.80	£3.50
Child	£1.70	£2.00	£2.80

Table 1 – Bus Fares on service within Southampton

All operators offer child fares at 60-65% of the adult fare. These are available for those aged 5-15.

All operators are introducing ‘tap on tap off’ features which limit the fare paid, if done by contactless/card payment, to the daily ticket to give people the best value.

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<sup>1</sup> [TAS Partnership National Fares Survey 2019](#)

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Since Autumn 2022, there have been special fare offers have been running in Southampton. These have been done in partnership between the City Council and the bus operators, or direct from the Government. These are:

- £1 Evening Fare – single fare on buses in Southampton after 6pm
- £2 Single Flat Fare – since January 2023 all single journeys across England have been £2 with participating operators as part of national campaign, currently to June 2023
- Discontinued £5 Group Fare offer that provided travel for five people for £5 on buses in Southampton initially all days during Summer 2022, but then weekends from July 2022 to March 2023.

These offers have required funding from either the City Council or, in the case of the national scheme, the Government. To date the local offers have a combined cost of £219,000.

It should be noted that through the England National Concessionary Fare Scheme (ENCTS) eligible older and disabled residents are entitled to free bus travel in England after 09:30. In Southampton a local enhancement provides an earlier start date of 09:00. The annual budget for ENCTS is £5.1M and is ringfenced to this and providing support to other bus activities.

The Southampton Bus Service Improvement Plan (BSIP) has an ambition to make bus services affordable for all and the various offers to date have provided that. The BSIP was submitted to Government in October 2021 as a funding bid. Within this was a funding request to continue various fare offers that would reduce the cost of travel by bus such as continuing Evening Fares or other new opportunities. Unfortunately, Southampton was not successful in receiving any funding for this and any activities within the BSIP would therefore need to be funded locally.

A £1 all day flat-fare could reduce the price of an adult single from £2.50 to £1 and a child's fare from £1.70 to £0.50. This would provide a significant saving for bus users. It should be noted that with the £2 flat fare people using buses in and into Southampton are making a saving, particularly those on inter-urban services from surrounding areas.

As fares are determined and set by the bus operators, the Council can work with them on bespoke offers but these would require funding to reimburse the operators. Any £1 flat fare would require substantial levels of funding (subsidy) as this would have a significant impact on bus operator revenues, particularly at a time where they are emerging from suppressed passenger demand through the Covid pandemic, inflationary cost pressures, and in Southampton, changes following the withdrawal of First's CityRed operations in February 2023.

Pre-pandemic in 2019/20 there were 20.3m bus passenger journeys made in Southampton, with 3.405m concessionary fare journeys. This leaves 16.895m fare paying passengers. The difference between the Adult Single and £1 flat fare is £1.50, and for a Child it is £1.20. Approximately 15% of all tickets sold are single fares, and these are split 90% adult and 10%. An estimated cost would be between £3.7M-£8.8M each year if reimbursement of Concessionary Fares are included.

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There is no specific budget for this and given the Council's financial position it is not a viable proposition and cannot be delivered. The Council is still investigating funding opportunities to support the ambition of the BSIP and is lobbying Government for additional funding. Bus operators would still be responsible for setting single and return fares within competition law.

## RESOURCE/POLICY/FINANCIAL/LEGAL IMPLICATIONS:

**Resource** – Any fare offer would need to be administered by the City Council in partnership with the bus operators. This would have to come from existing officer resourcing within Transport & Planning.

**Policy** – The BSIP has an ambition to make bus travel affordable. A survey for the BSIP in 2021 indicated that 74% of responders would see this as a measure to encourage them to use the bus more often and frequently. Without any funding the ability to provide wide ranging fare offers in conjunction with bus operators is limited.

**Financial** – There is no budget available for this within current funding streams. An indicative cost range for a £1 flat fare could be between £3.7M and £8.8M per year. For comparison the Concessionary Fare scheme budget is £5.1M.

The Council's current financial position means that this is unaffordable within Council budgets and would place significant pressure on Council resources and other priorities would have to be deferred. External funding would assist but there are no current funding sources available.

**Legal** – Through the establishment of the Southampton Enhanced Bus Partnership fare offers can be discussed with bus operators. Funding for these would need to be assessed against Subsidy Control regulations to identify whether they are a subsidy. Bus operators would need to be consulted 12 weeks before the implementation of any new scheme.

## OPTIONS and TIMESCALES:

Other options considered:

- Implement a scheme – Funding would need to be identified and consultation undertaken with the bus operators to develop a scheme. This is not achievable and is not recommended.

## RISK MANAGEMENT IMPLICATIONS

None

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