



# Rail Fares Index (January 2017) Statistical Release

Publication date: 30 March 2017

Next Publication date: 19 April 2018

## Background

This is an annual release and contains information on the annual change in fares, which are normally introduced in January of each year.

**Rail Fares Index** provides a measure of the change in prices charged by train operating companies to rail passengers.

**Average change in price by regulated/unregulated fares** provides a measure of the change in prices between 1995 and 2017 for first class, standard class regulated and standard class unregulated fares disaggregated by sectors.

**Average change in price by ticket type** provides a measure of the change in prices between 2004 and 2017 for advance, anytime, off-peak, other, super off-peak and season tickets disaggregated by sectors.

The data contained within this release are sourced from LENNON, Rail Delivery Group (RDG) and the Office for National Statistics (ONS).

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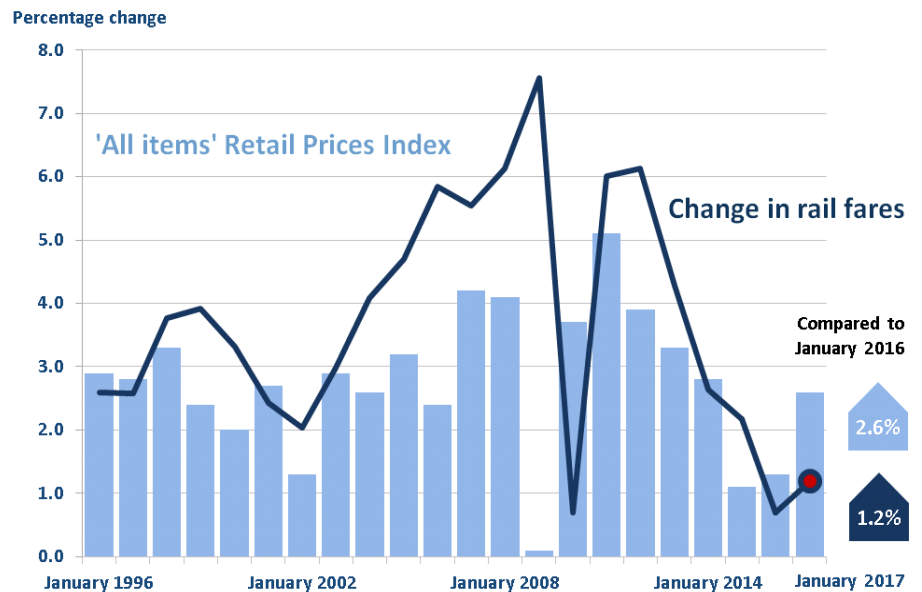
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**Rail Fares** in Great Britain increased by 1.2% in January 2017 compared with a 2.6% rise in the Retail Prices Index (RPI). This is the second year in succession when fares have risen below inflation.



Changes in regulated fares are set by government and the changes in unregulated fares are set by the train operators.

**The Rail Fares Index** increased by an average of 121.3% between 1995 and 2017, with Long Distance fares (150.9%) increasing at a faster rate than the other sectors.

**Average change in the price of regulated and unregulated fares** between January 2016 and January 2017 was 1.8% and 0.8% respectively, with the regulated fares' increase below the cap set by government of 1.9%, the July 2016 increase in RPI.

**Average change in price by ticket type** was driven by increases for anytime fares (2.1%) and off-peak fares (2.0%). These were partially offset by advance fares, with the average price paid between January 2016 and January 2017 decreasing by 2.3%.

**Responsible Statistician:** Peter Moran (Tel: 020 7282 2074)

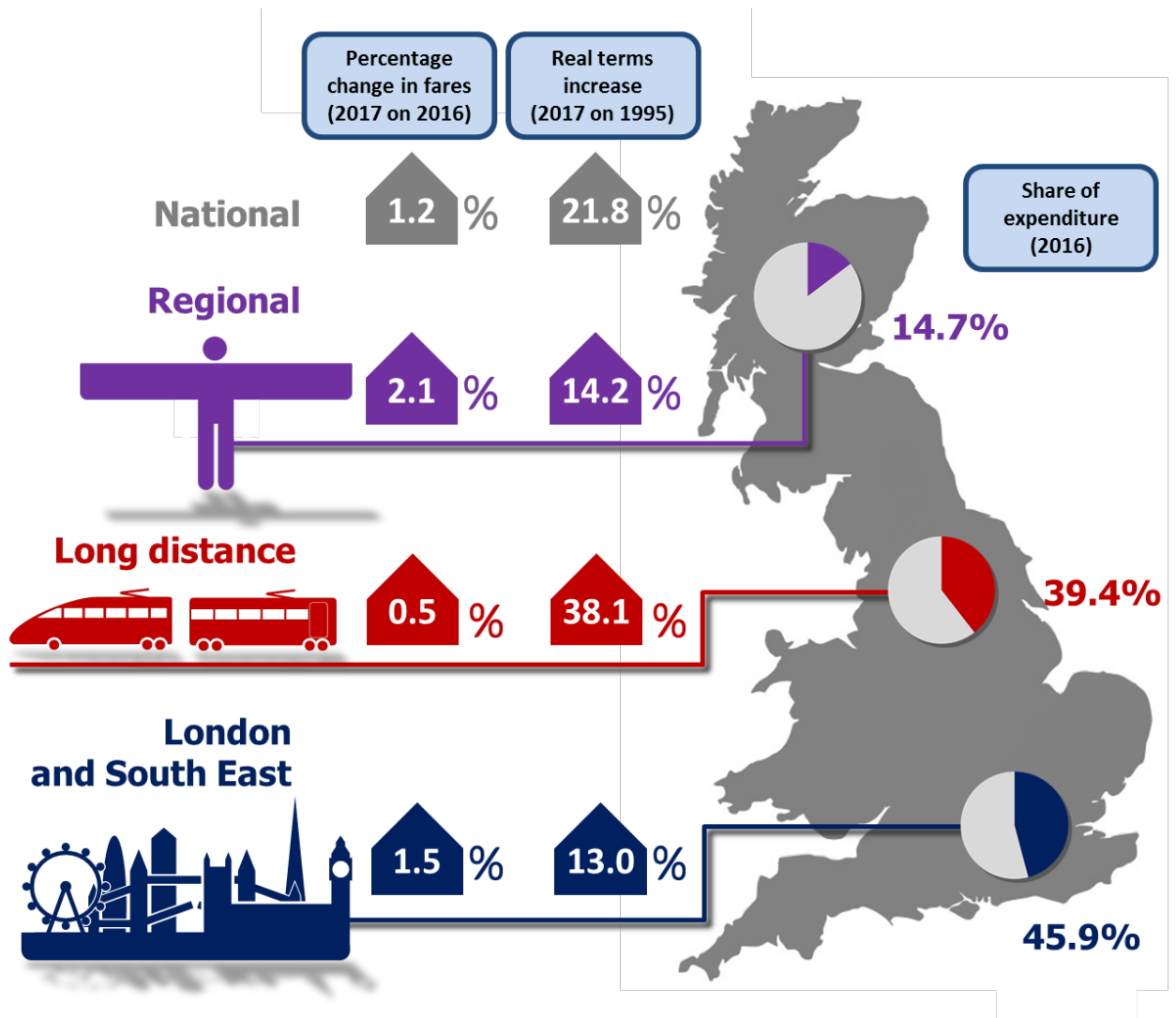
**Author:** Nisha Nair

**Public Enquiries:** Email: [Rail.Stats@orr.gsi.gov.uk](mailto:Rail.Stats@orr.gsi.gov.uk)

**Media Enquiries:** Tel: 020 7282 2094

**Website:** <http://orr.gov.uk/statistics/published-stats/statistical-releases>

# 1. Rail Fares Index



Regional sector includes Scotland.

Between January 2016 and January 2017 the index of all tickets increased from 218.7 to 221.3, which equated to a 1.2% increase in fares. This represented a decrease in real terms of 1.4% as over the same time period the Retail Prices Index <sup>1</sup> increased by 2.6%. The all items RPI in July 2016 was 1.9%, thereby capping the regulated fares increase in January 2017 at 1.9%.

Each of the three sectors recorded an increase in rail fares with Long Distance fares recording their smallest year on year increase since the time series began in 1995. The fares in this sector increased by 0.5% between January 2016 and 2017. Advance fares account for the largest proportion of tickets sold and the average price paid for those fell by 3.5%. This helped to curb the overall increase despite all other ticket types in this sector reporting an increase.

<sup>1</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbh>

Accounting for 45.9% of all revenue, the London and South East sector is the main driver of overall price change, followed by the Long Distance sector which accounts for 39.4% of all revenue. However, between January 2016 and 2017 fare increases of 2.1% in the Regional sector outstripped the increases in London and South East (1.5%) and Long Distance (0.5%) sectors.

Since 1995, fares in the Long Distance sector have risen by an average of 150.9% compared to 105.5% and 107.5% in the London and South East and Regional sectors respectively, with the average increase across all operators in Great Britain at 121.3%. Compared with the increase in RPI over the same period, rail fares have increased by 21.8% in real terms.

**Rail Fares Index** measures the change in prices charged by train operating companies (TOCs) to rail passengers since January 2004 (January 1995 for the regulated / unregulated table) and is calculated from transaction data held in LENNON (Latest Earnings Nationally Networked Over Night), the rail industry's ticketing & revenue database.

The average change in fares is weighted by expenditure in the preceding calendar year (i.e. the weights used for the January 2017 index are based on expenditure during 2016).

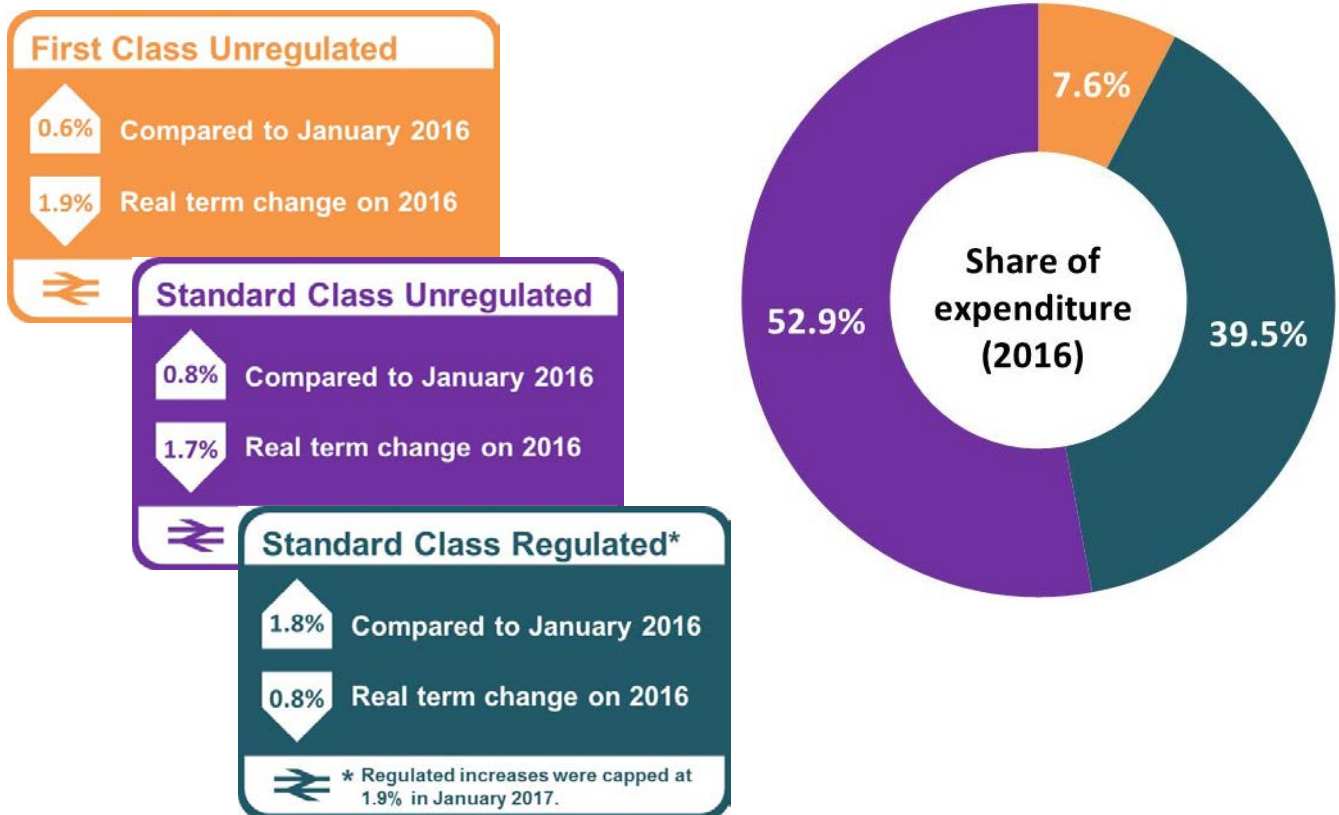
The change in fares is presented alongside the January 2017 all items Retail Prices Index (RPI) from the Office for National Statistics.

This illustrates how the average change in rail fares compares with the average change in the cost of goods and services.

The data includes the average change in price of rail fares by ticket type and regulated and unregulated tickets disaggregated by the three sectors (London and the South East, Long Distance and Regional (including Scotland)).

Annual rail fares index data are available in [Table 1.8](#) and [Table 1.81](#)

## 2. Average change in price by regulated/unregulated fares



The average change in regulated rail fares between January 2016 and January 2017 was 1.8%. This represented a decrease in real terms of 0.8% as over the same time period the RPI increased by 2.6%. Price changes in regulated fares have been set by the Government to be capped at the July RPI, which was 1.9% in July 2016.

The regulated fares increase was mainly driven by London and South East sector, with the regulated fares in this sector accounting for 25.8% of the total revenue. Regulated fares in the London and South East sector increased by an average of 1.7% compared to January 2016.

Accounting for 8.0% of the total fares revenue, regulated fares in the Long Distance sector recorded the highest average price increase of 2.0% among the three sectors. This was 0.1 percentage point above the Government cap of 1.9%.

Regulated fares in the Regional sector (including Scotland) accounting for 5.7% of the total fare revenue, recorded increases of 1.8% compared to January 2016.

### Regulated/unregulated fares

show the average change in price of rail fares by regulated and unregulated tickets between January 1995 and January 2017, disaggregated by sector, class (first and standard), and regulated/unregulated fare.

Unregulated rail fares increased between January 2016 and January 2017 by an average of 0.8%; 0.6% for first class and 0.8% for standard class. This represented a decrease in real terms of 1.9% for first class and 1.7% for the standard class fares.

The first class unregulated fares increased by 0.6% over January 2016, the lowest year on year increase recorded since the time series began in January 1995. This was mainly due to the 0.1% decrease in the first class unregulated fares in the Long Distance sector. This decrease in the Long Distance sector was offset by increases in the unregulated first class fares in London and South East (2.9%) and Regional sectors (3.7%) between January 2016 and 2017.

Standard class unregulated fares across the three sectors saw an increase over January 2016, of 0.8%.

The Regional sector recorded the highest increase of 2.2% followed by the London and South East sector with an increase of 1.1% over January 2016. These were offset by the lower increase of 0.2% in the Long Distance sector.

With the exception of the first class unregulated fares in the London and South East and the Regional sectors, regulated and unregulated fares across all sectors have seen a decrease in real terms. Since 1995, regulated fares have increased by 5.3% in real terms whilst first class unregulated and standard class unregulated have increased by 59.4% and 29.6% respectively.

**Regulated fares** include saver returns, standard returns, Off-Peak fares between major cities and season tickets for most commuter journeys.

**Unregulated fares** are those which operators are free to determine according to market forces and willingness to pay. They include all first class fares, advance fares, tickets (other than Travel cards) which include through-travel to London destinations served by other public transport, tickets which include a non-rail element (e.g. leisure park admission) etc.

Before 2004, government policy was to set regulated fares at July RPI minus one per cent, resulting in below inflation rises.

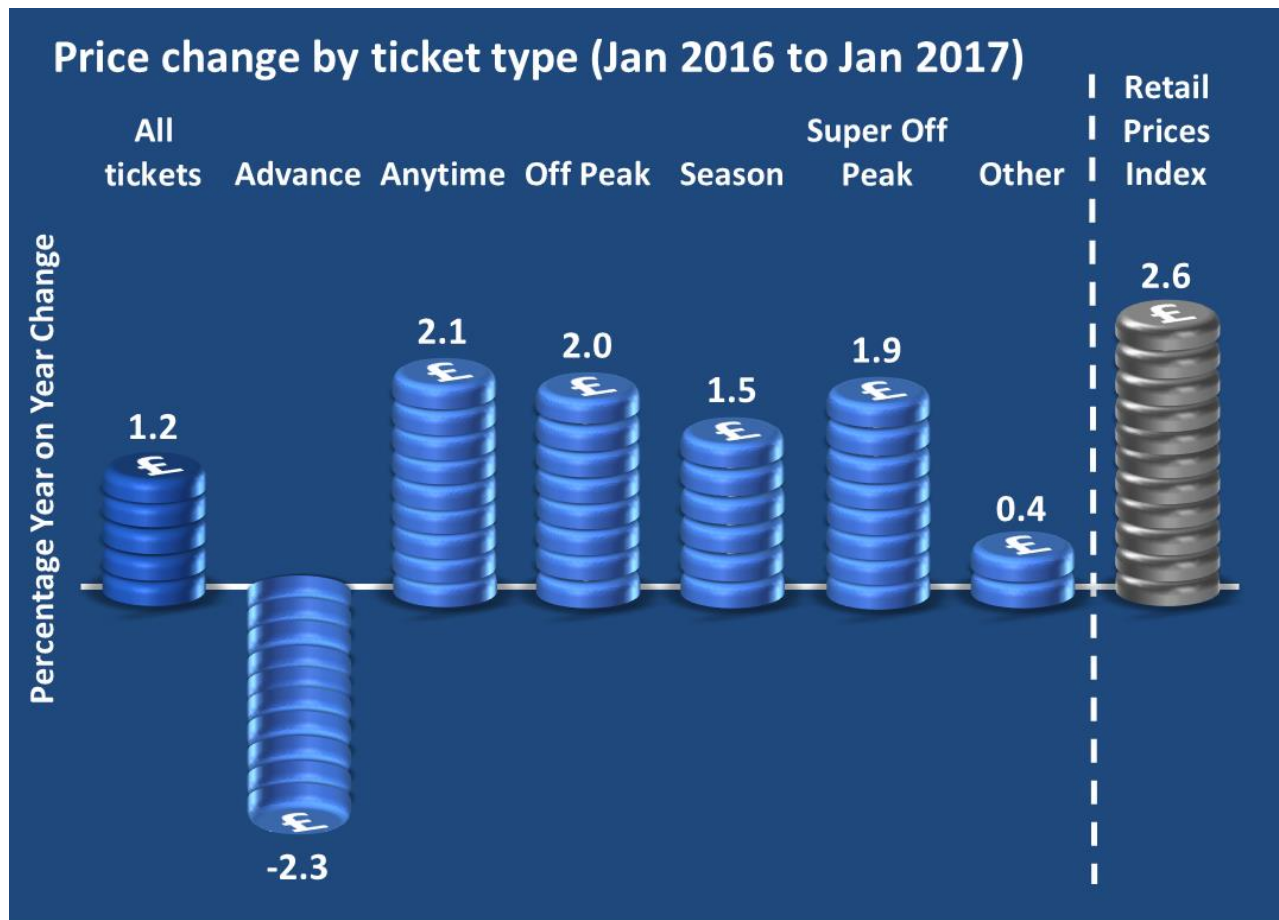
Between 2004 and 2013, the annual change in these fares was set by the government at July RPI plus one per cent, leading to average fare rises higher than the rate of inflation.

Since 2014, regulated fare increases were capped at the July RPI which was 1.9% in July 2016.

Average changes in price by regulated/unregulated fares data are available in [Table 1.81](#)



### 3. Average change in price by ticket type



The average price change across all ticket types increased by 1.2% between January 2016 and January 2017.

Anytime and off-peak tickets account for over 54% of revenue and they recorded the highest increase in fares among all ticket types, increasing by 2.1% and 2.0% respectively.

Season ticket fares represent the highest amount of expenditure in the London and South East sector and increased by 1.5% compared to January 2016.

Advance tickets recorded a drop in their average price of 2.3% between January 2016 and January 2017. Although the advance fares recorded the largest increase (6.5%) in the Regional sector, it was offset by decreases in the Long Distance (-3.5%) and London and South East (-0.4%) sectors, with the advance ticket fares accounting for the highest amount of expenditure (13.6%) in the Long Distance sector. Since 2004, all ticket types have increased in real terms. Excluding other tickets, anytime fares have seen the biggest increase, of 22.5%. Season tickets have had the lowest increase of 12.8% which is to be expected as they are predominantly regulated fares and therefore capped by RPI.

# Annex 1 – List of pre-created reports available on the ORR Data Portal

All data tables can be accessed on the data portal free of charge. The ORR data portal provides on screen data reports, as well as the facility to download data in Excel format and print the report. We can provide data in csv format on request.

## Index showing average change in price of rail fares

- Index showing average change in price of rail fares by ticket type – [Table 1.8](#)
- Index showing average change in price of rail fares by regulated and unregulated tickets – [Table 1.81](#)

**Revisions:** There have been revisions made to the previously published tables associated with this statistical release.

Further details can be found at: [Revisions Log](#)

## Annex 2

### Statistical Releases

This publication is part of the statistical releases which cover the majority of reports that were previously released through the [Data Portal](#). The statistical releases consist of four annual and four quarterly themed releases:

#### **Annual:**

- Rail Finance & Rail Fares Index;
- Key Safety Statistics;
- Rail Infrastructure, Assets and Environmental;
- Regional Rail Usage.

#### **Quarterly:**

- Passenger and Freight Rail Performance;
- Freight Rail Usage;
- Passenger Rail Usage;
- Passenger Rail Service Complaints.

A full list of publication dates for the next twelve months can be found in the [release schedule](#) on the ORR website.

For more information on data collection and the methodology used to calculate the statistics in this release please see the accompanying [Quality Report](#).



## National Statistics

The United Kingdom Statistics Authority designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is ORR's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

For more details please contact the Statistics Head of Profession Lyndsey Melbourne on 020 7282 3978 or contact [rail.stats@orr.gsi.gov.uk](mailto:rail.stats@orr.gsi.gov.uk).

The Department for Transport (DfT) also publishes a range of rail statistics which can be found at [DfT Rail Statistics](#).



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