



# Rail Fares Index (January 2016) Statistical Release

Publication date: 14 April 2016

## 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 2016 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 2016 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, Association of Train Operating Companies (ATOC) and the Office for National Statistics (ONS).

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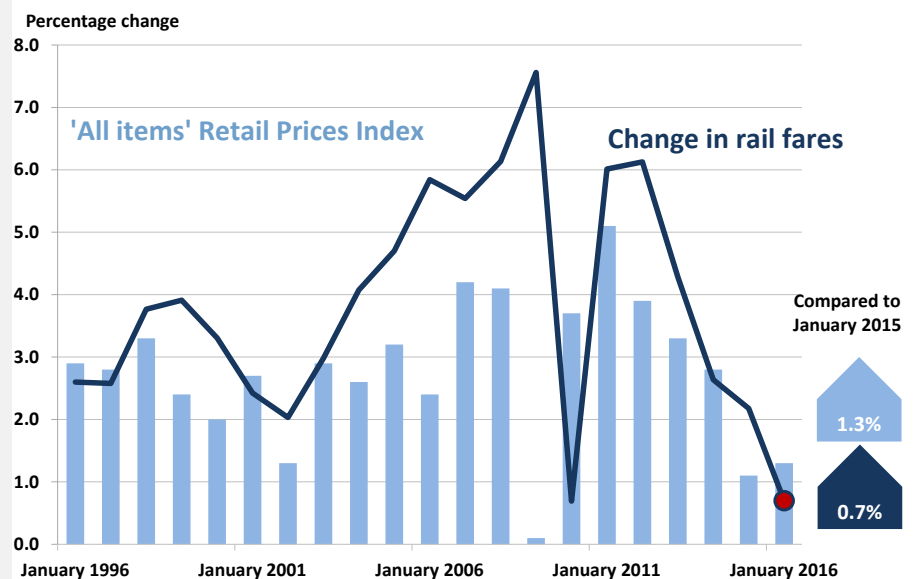
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**Rail Fares** in Great Britain increased by 0.7% in January 2016 compared with a 1.3% rise in the Retail Prices Index (RPI). Fares have risen below inflation in two of the last three years.



**The Rail Fares Index** increased by an average of 66.6% between 2004 and 2016, with Long Distance fares (72.2%) increasing at a faster rate than the other sectors.

**Average change in price of regulated and unregulated fares** was 0.8% and 0.6% respectively, with the regulated fares' increase below the cap set by government of 1.0%, the July 2015 increase in RPI.

**Average change in price by ticket type** was driven by increases for anytime fares (0.9%) and off-peak fares (1.1%). Advance fares recorded a decrease with the average price between January 2015 and January 2016 decreasing by 0.1%.

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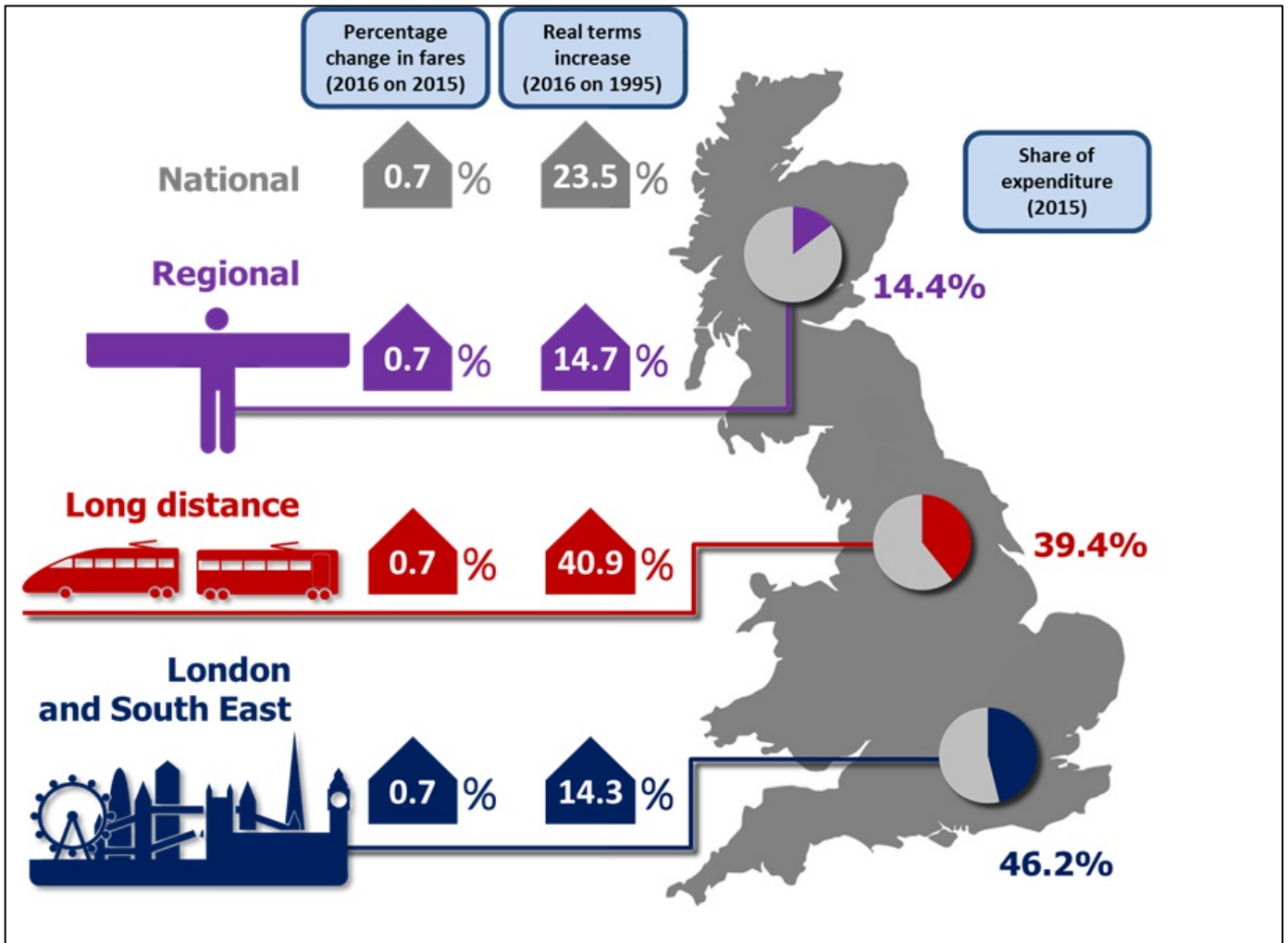
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# 1. Rail Fares Index



Regional sector includes Scotland.

- The growth in rail fares in Great Britain has had the smallest annual increase between January 2015 and January 2016 since 2010. Between January 2015 and January 2016 the index of all tickets increased from 165.4 to 166.6, which equated to a 0.7% increase in fares. This represented a decrease in real terms of 0.6% as over the same time period the Retail Prices Index increased by 1.3%. It is to be noted that the all items RPI in July 2015 stood at 1.0%, thereby capping the regulated fares increase in January 2016 at 1.0%.

- Following the national trend in the growth in rail fares, each of the three sectors had their lowest annual increases since 2010. Long Distance fares recorded their smallest increase since the time series began in 1995, with the fares increasing in the sector by 0.6% between January 2015 and 2016.
- The main driver of overall price change is the London and the South East sector, accounting for over 46% of all revenue, followed by the Long Distance sector with over 39% of all revenue. However, between January 2015 and 2016 fare increases of 1.0% in the Regional sector outstripped the increases in London and South East (0.7%) and Long Distance (0.6%) sectors.
- Since 1995, fares in the Long Distance sector have risen by an average of 149.6% compared to 102.4% and 103.2% in the London and the South East and Regional sectors respectively, with the average increase across all operators in Great Britain at 118.7%.

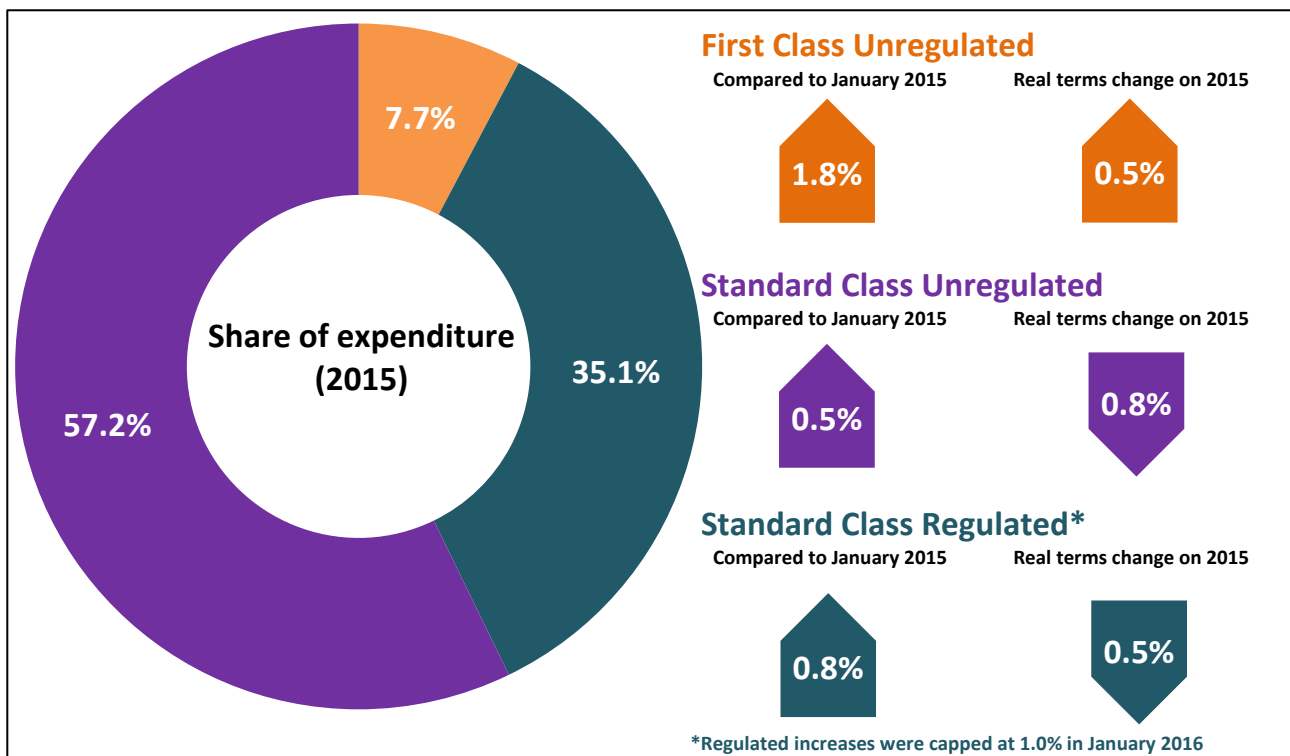
**Rail Fares Index** measures the change in prices charged by train operating companies (TOCs) to rail passengers since January 2004 (January 1995 for the regulated / unregulated table) and is calculated from transaction data held in LENNON (Latest Earnings Nationally Networked Over Night), the rail 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 2016 index are based on expenditure during 2015). The change in fares is presented alongside the January 2016 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 2015 and January 2016 was 0.8%. This represented a decrease in real terms of 0.5% as over the same time period the RPI increased by 1.3%. Price changes in regulated fares have been set by the Government to be capped at the July RPI, which was 1.0% in July 2015.

■ The regulated fares increase was mainly driven by London and the South East sector, where regulated fares accounted for 44.9% of revenue, which mirrored the overall change in regulated fares with an increase of 0.8% compared to January 2015. Regulated fares in the Long Distance and Regional (including Scotland) sectors accounted for 21.9% and 39.5% of fare revenue, and recorded increases of 0.8% and 1.0% respectively. The Regional sector recorded the highest regulated fares increase among the three sectors, which was in line with the Government cap.

**Regulated/unregulated fares** show the average change in price of rail fares by regulated and unregulated tickets between January 1995 and January 2016, disaggregated by sector, class (first and standard), and regulated/unregulated fare.

- Unregulated rail fares increased between January 2015 and January 2016 by an average of 1.8% for first class and 0.5% for standard class. This represented an increase in real terms of 0.5% for first class and a decrease of 0.8% for the standard class fares.
- The increase in first class unregulated fares was driven by a rise of 1.9% over January 2015 in the Long Distance sector. First class fares in London and the South East sector increased by 1.3% and Regional sector by 1.0% between January 2015 and 2016.
- Standard class unregulated fares across the three sectors also saw an increase over January 2015, with the Regional sector recording the highest increase of 0.9%. This was offset by lower increases of 0.6% in the London and the South East sector and of 0.2% in the Long Distance sector.
- With the exception of the first class unregulated fares in the Long Distance sector, regulated and unregulated fares across all sectors have seen a decrease in real terms.

**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.

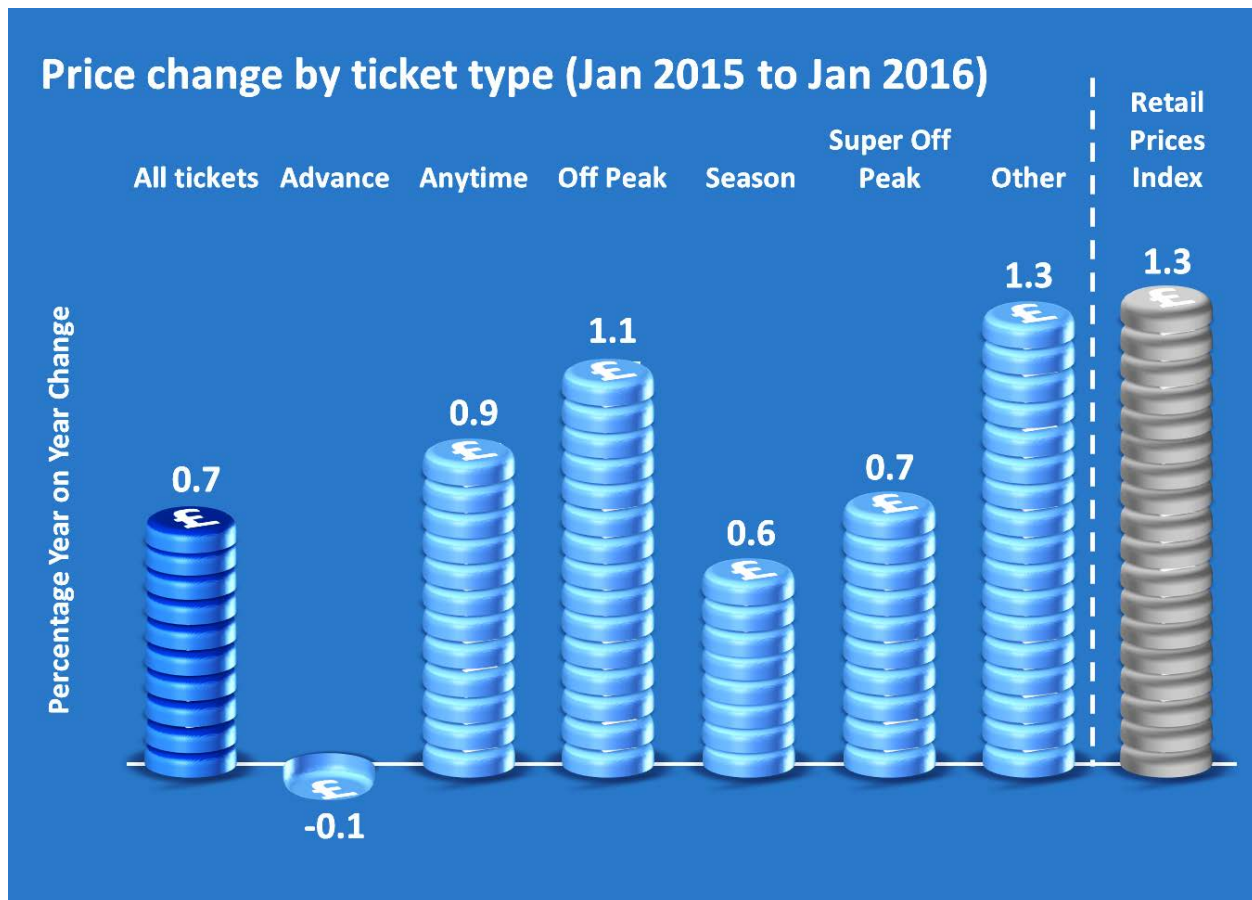
Before 2004, government policy was to set regulated fares at July RPI minus one per cent, resulting in below inflation rises.

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 1.0% in July 2015.

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 0.7% between January 2015 and January 2016. Anytime and off-peak tickets accounted for over 50% of revenue and increased by 0.9% and 1.1% respectively. Season ticket fares increased on average by 0.6% compared to January 2016. Among all ticket types, 'other' tickets (which includes promotional and group fares etc.) which had the lowest share of revenue, recorded the highest increase in fares of 1.3%.
- Advance tickets recorded a drop in their average fare of 0.1% between January 2015 and January 2016. Although the advance fares recorded the largest increase (2.4%) in London and the South East sector, it was offset by the decrease in the Long Distance (-0.1%) and the Regional (-1.6%) sectors, with the advance ticket fares accounting for the highest amount of expenditure in the Long Distance sector.

- Anytime and off peak ticket fares increased by 0.9% and 1.1%, with all the three sectors recording an increase in the fares.
- Season tickets associated with the highest amount of expenditure in London and the South East sector, increased by 0.6% on January 2015.
- In real terms all ticket types recorded a decrease in average fare in January 2016 compared to January 2015.

Average changes in price by ticket type data are available in [Table 1.8](#)

# 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 two revisions made to the previously published tables associated with this statistical release.

- The all items Retail Prices Index on Table 1.81 had an incorrect index number in last year's published table so all index numbers for that series from 1997 onwards have been re-calculated.
- The revenue per journey index figure for January 2015 on Table 1.8 has been revised as some train operators have provided updated journey numbers since last year's publication.

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;
- Rail 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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