**Multi Operator Tickets.**

The data provides examples of specific PTEs. Whilst this data can be used, please can it be ensured that the location is kept confidential.

Multi operator tickets (MOTs) play a key role in PTE bus markets despite often having high premiums placed on the ticket values. Ticket prices are currently largely set by the operators, with the PTEs having little control over these products. This has led to high premiums being added and some tickets types not being available as a multi operator option. Despite this, MOT sales still represent a significant proportion of the adult ticket market.

To overcome the large variations in price between single operator tickets, calculations on the premium of MOTs has been done in two ways. Using the maximum single operator ticket available for each category provides information on the minimum premium possible on the MOT. Using a weighted average (the average price of single operator tickets accounting for market share) allows for a comparison of the MOT against the local market, accounting for all single operator prices and their market share.

Single operator tickets sometimes have no competition from MOTs, with key product lacking in the MOT market. Where key tickets are not available on the market, for example a day ticket or an annual ticket, figures can be distorted as to the comparison between different ticket types. In Leicester the premium is around 19% on the day and week tickets. However, there is no MOT that covers month or annual travel. Assuming a regular bus commuter would need a ticket for 46 weeks (52 weeks minus 5 weeks annual leave and an additional week), they would have to by 46 week tickets, meaning an effective premium of 124% on the maximum price of the single operator alternative. Where multi operator tickets are absent from areas of the market, the premium paid by passengers can be much greater to access an equivalent product.

However premium is defined, the premium is large when looking at MOTs in some PTE areas. In Manchester, the MOT bus ticket premium on the maximum price single operator ticket for a year is 36%. Across all available bus only MOTs in PTE X, the maximum price premium is 29%, with a weighted average is 31%.

Looking at METRO, the weighted premium is on average 23% on the bus only MOT and is 130% on the multi modal travel ticket. Despite this large premium, multi operator tickets still represent over 8% of the total market and around 15% of the adult market. Single operator discounted products currently account for 34% of the market, showing the potential growth for MOTs if the premium was reduced.

The single operator discounted tickets have grown over time. Looking at SYPTE, single operator discounted products account for 30% of the adult market, having grown from 24% over the last 4 years. This compares to very small growth of the multi operator ticket (6.7-7% of the market over the same time period). High proportions of single operator tickets reduces competition, limits the travel horizons of people and increases the cost for people requiring the use of two or more operators services. MOTs already occupy a significant proportion of the market, but reducing the premium added to single operator discounted products provides potential for growth.

Despite high premiums, multi operator tickets still represent a large proportion of the adult ticket market. In PTE areas, Bus only and multi modal MOTs together make up between 7-20% of adult journeys, representing a significant share of the adult bus market. Within PTE areas, there are regional differences, showing the added importance of these tickets in specific locations. Taking SYPTE, the overall average of the PTE multi operator ticket is 7% of the adult market. Taking specific examples, this figure increases, for example location Rotherham, the figure is 20%, which is 80% of the cash ticket numbers.

Premiums on MOT products vary widely between PTE areas. This is dependent on the level of input the PTE is able to have on the price of tickets. Looking at CENTRO, the average premium on bus only MOT products is 10.7% on the maximum price of the single operator products. CENTRO has been operating in line with competition commission recommendations which appears to have brought MOT product prices down. The premium applied is also lower in the NEXUS and Mersey Travel areas (12.4% and 12% of the maximum priced single operator ticket). Both PTEs have a greater level of involvement in pricing structures due to operating metros. Compared to a PTE such as Metro, who do not have this involvement, the premium paid is an average of 24% on bus only products compared to the maximum price of the single operator product. At GMPTE, a 28% premium is applied.

Considering the benefits to the customer, a 10% premium on the single operator product prices is reasonable and could be achieved (although we could argue for less). This level is similar to the premium being achieved in some PTE areas where the PTE has some influence over the pricing structure (Merseytravel and NEXUS). Greater powers are required to ensure that appropriate premiums are applied in all areas, and that there are not gaps in the offerings of MOT products. Where this occurs, there is no competition for single operator products, and the effective premiums that customers have to pay to access equivalent products can be over 100%.