Transport Affordability

EDTCE Scrutiny

Date of meeting: 11 March 2026

Lead director/officer: Daniel Pearman

Useful information

- Ward(s) affected: All Wards
- Report author: Daniel Pearman
- Author contact details: 0116 454 3061
- Report version number: 01

1. Purpose of Report

1.1 To provide members of the commission with a report concerning the affordability of transport options in the city, with particular reference to passenger transport.

2. Background and context

2.1 Following a representation from young people on the cost of bus travel across the city, citing examples of significant subsidy schemes such as Greater Manchester's Our Pass, officers were asked to consider the affordability of passenger transport in the city.

2.2 As part of this overview, officers considered the relative cost of transport modes – accounting for set-up and per trip costs – such that bus fares were considered in context with other transport modes.

3. Non-Passenger Transport Costs

3.1 Of all modes, walking and cycling are the lowest cost per trip. Ongoing investment in expanding the city's network of safe, segregated infrastructure directly supports the uptake of these modes.

3.2 Whilst the initial purchase of a cycle – and especially an adapted or electric cycle – can be a barrier to entry the city council has a number of initiatives designed to improve access to equipment, including extended cycle loan or discount schemes for those on a low income.

3.3 As may be expected, there is a high-cost barrier to private vehicle ownership – especially for electric vehicles. This is matched by relatively high trip costs, although research has suggested that for most users these costs are hidden and mostly only seen at the pump or charging station.

4. Passenger Transport Costs

4.1 Nationally, the £3 bus fare cap operates until March 2027. This replaced the previous £2 fare cap, introduced by the previous government, and continues to represent a substantial subsidy to passenger journey costs.

4.2 Whilst it is recognised that cost remains a barrier to travel, the National Travel Attitude Survey notes this is not as much of a barrier as concerns over crowding or unreliability. The authority has delivered and will continue schemes to improve on these matters via our Enhanced Partnership Plan commitments to Frequent and Reliable.

4.3 We are aware that cost disproportionately effects lower income households and may lead to exclusion from other opportunities. Equally, it is recognised that the reliance these households have on passenger transport further exacerbates the impact of costs.

4.4 Reducing the perceived cost barrier to bus usage can increase the attraction of bus use over private cars, which benefits not only congestion but also city air quality and our decarbonisation goals.

4.5 The city council, either directly or via the Leicester Buses Partnership, provides a number of initiatives to support ticket pricing, including:

i Discretionary local enhancements to the English National Concessionary Travel Scheme, allowing disabled pass holders free travel before 9:30 should the journey begin in Leicester alongside free train travel between certain stations.

ii The Travel Aid scheme, which allows unemployed travellers access to half price fares for two months.

iii A variety of flexible ticket options that operate across the Greater Leicester area, which allow for fare capping at day or weekly rates (whatever provides best value) across multiple operators.

iv Student and concession ticket options which represent a 75% and 66% reduction when compared to the adult ticket respectively.

4.6 The authority has held flexi ticket costs for 2026 and is continuing to investigate options to work with partners to further reduce the premium.

4.7 In addition to the above, discounted student ticket schemes are administered by education establishments directly.

5. Benchmarking

5.1 It should be noted that there is a significant variance in local bus markets, including areas served, market composition, maturity, and level of concessions which impacts the commercial fare revenue that is set. This has been further complicated by the increase in franchised authorities, and the significant government funding made available to some metropolitan areas that has enabled the introduction of discount fare schemes in some areas.

5.2 Benchmarking has been undertaken against the adult flexi day ticket – as a multi-operator day ticket, it is a product commonly found across other networks. Prices are accurate as of website information at the time of publication.

Example	Authority	Cost
1 day Bee Bus	Greater Manchester Combined Authority	£5
nbus (West Midlands)	West Midlands Combined Authority	£5.20

Solo Ticket (Merseyside)	Merseytravel/Liverpool City Region Combined Authority	£5.70
West Yorkshire DaySaver	West Yorkshire Combined Authority	£6
Leicester Flexi	Leicester City Council	£6.30
Derby Spectrum	Derby City Council / East Midlands Combined Authority	£7

5.3 As can be seen, most areas offering lower costs are part of combined authorities or are larger areas that have more opportunity to cross-subsidise bus fares.

6. Example Fare Subsidy Schemes

6.1 Fare subsidy schemes are limited nationally. Officers have specifically looked at targeted fare subsidy schemes in operation – notably the Greater Manchester Our Pass and the Barnsley MiCard.

	Our Pass	MiCard
Eligibility	16-18 year olds	<18s
Eligible Area	Greater Manchester Combined Authority	Barnsley residents
Cohort Size	~69,000	~30,000
Operating Cost	~£15.9m per annum	~£3m per annum

6.2 Similar offers at a different scale are being operated by Transport for London as part of the various Zip Oyster cards and the Scottish government's offer of free bus travel for those under 22.

6.3 In terms of wider value there are no longitudinal studies that provide detail on lasting travel behaviour changes as people move beyond the age thresholds, nor any wider economic or societal benefits.

6.4 The cost of introducing and operating these schemes is very high and they are therefore deployed by national governments, authorities with access to high and relatively secure levels of government funding, or where there is a low level of eligibility and where opportunities for joint or cross funding are available.

7. Opportunities for local schemes

7.1 As noted, the city council currently offers discounted schemes that would be suitable for many young people across the city.

7.2 As part of the Bus Service Improvement Plan, the authority is committed to investigating potential additional options for a targeted fare subsidy scheme, which could for example include:

i An overall fare subsidy – this would look to uniformly reduce all fares. Given limited available funding, this may not result in a significant enough difference to current bus fares to make them more attractive.

ii A targeted fare subsidy/discount scheme – this would look to specifically reduce the price of one ticket or type of ticket. For example, reducing the flexi family ticket pricing so that groups may travel at a reduced cost.

iii A discount focused primarily on student tickets – this would look to specifically target student tickets, for example introducing a student day ticket that provides a similar level of discount to the student annual ticket.

7.3 More work needs to be done to assess which – if any – of these options would be financially viable, deliver a meaningful outcome, and also not direct funding away from delivery of a reliable and frequent service network. We would welcome input from those present and members of the commission.

7.4 The authority is continuing to work in partnership with bus operators to ensure services in the city provide great value – via new buses, increased reliability, increased punctuality, and supporting the expansion of services to ensure both higher frequency and later hours of operation.

8. Financial, Legal, Equalities, Climate Emergency, and Other Implications

8.1 Financial Implications

The current programme of bus investment is maintained through the Bus Service Improvement Plan (BSIP) grant, to be replaced by the Local Authority Bus Grant (LABG) from 26/27 onwards. Statutory provision - the English National Concessionary Travel scheme - is funded by the authority. Potential future discount or fare arrangements will need to be affordable within the envelope of the budget and available grant funding.

Signed: Stuart McAvoy – Head of Finance
Dated: 25 February 2026

8.2 Legal Implications

Conditions of any external funding will need to be complied, where available to the Authority. Where relevant procurement exercises will need to be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Procurement Act 2023 and supported by relevant officers. Likewise, any distribution of funds (including the need to match fund) to bus operators will be subject to an agreed Grant Funding Agreement in each case and prior assessment of Subsidy

Control will need to be addressed during the process ensuring the necessary arrangements are in place to ensure all projects are compliant with appropriate regulations for subsidy control ensuring robust due diligence has been undertaken

Signed: Mannah Begum, Principal Lawyer, Commercial Legal

Dated: 23 February 2026

8.3 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which requires us to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic as defined by the Equality Act 2010 (sex, sexual orientation, gender reassignment, disability, race, religion or belief, marriage and civil partnership, pregnancy and maternity, age) and those who do not.
The affordability of transport is closely linked to equality of access to employment, education, health and leisure opportunities. Evidence indicates that transport costs can disproportionately affect people from lower income households, disabled people, younger and older residents, and some ethnic minority communities who are more likely to rely on public transport.

Current and proposed initiatives to improve the affordability of travel, including discounted and concessionary schemes, are expected to have a positive
impact by supporting inclusion and reducing financial barriers. Continued investment in walking, wheeling and cycling infrastructure also provides low-cost and accessible alternatives which can benefit a wide range of residents, including those with mobility needs.
Any future proposals to introduce or amend fare discount schemes should be subject to an Equality Impact Assessment to ensure that benefits are applied fairly across protected groups and that no group is unintentionally disadvantaged.
Signed: Equalities Officer, Surinder Singh, Ext 37 4148
Dated: 17 February 2026

8.4 Climate Emergency Implications

Over half of all transport emissions are generated from the use of passenger cars. It is therefore important to support solutions to increase active travel, the use of public transport, and shared mobility where the need to travel is unavoidable.

Reducing the barrier to bus travel that cost can present is an important part of achieving net zero within an acceptable timeframe. As sources of electricity are increasingly low carbon (renewable), increasing the number of bus users, supported by current and future development of electrical infrastructure in terms of increasing electrification of transport, compounds the potential positive impact of increased bus use where users would have otherwise travelled using a private vehicle.
It is also important to note the potential co-benefits of improved public health and wellbeing by reducing congestion and improving city air quality.

Signed: Phil Ball, Sustainability Officer, Ext 37224

Dated: 13 February 2026

8.5 Other Implications

No other implications identified

9. Appendices and Other Papers

None