CPT Cost Index

Summary of results: change in bus & coach industry costs for the 12 months to 31 December 2008

	Overall national result	Regional indices: Greater London bus	South East & Home Counties	Midlands	Northern England	South West England	Wales	Scotland	Breakdown: Percentage that each category represents of total costs
Overall change in operating costs	5.7%	4.5%	6.6%	6.1%	5.4%	6.2%	8.2%	6.6%	
Change in individual cost categories:									
1 Drivers wages and on costs	4.4%	3.6%	4.7%	5.0%	4.1%	4.3%	6.8%	5.3%	46%
2 Other labour and staff costs	4.3%	-2.3%	5.8%	3.9%	6.1%	9.4%	4.3%	6.1%	15%
3 Insurance and claims	2.1%	2.3%	1.5%	3.9%	4.2%	-3.2%	-3.2%	-0.5%	3%
4 Fuel	16.7%	27.7%	13.6%	14.6%	13.9%	15.7%	17.9%	16.8%	13%
5 Maintenance materials	2.6%	9.0%	10.5%	3.3%	-0.4%	-1.2%	-3.2%	-0.9%	5%
6 Vehicle depreciation	3.5%	-0.6%	3.5%	4.5%	7.1%	0.0%	7.2%	2.2%	6%
7 Other operating costs	4.4%	2.5%	6.0%	6.4%	1.6%	6.8%	16.1%	5.9%	12%
Sample size:									100%
Representing operating costs of:	£3,140,500,000	£720,500,000	£323,400,000	£272,400,000	£948,000,000	£290,100,000	£135,200,000	£450,900,000	

All data are weighted by the size of each respondent's cost base and by their relative spend in each cost category.
The regional indices are shown for information but care should be taken in interpreting the results, especially where there are relatively few respondents.
The CPT Cost Index is compiled by an independent consultant using data supplied directly to that consultant by a representative selection of bus and coach operators who are members of CPT, to satisfy OFT guidance.
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Summary of previous results	
Covering the 12 months to:	
June 2004	7.7%
December 2004	7.8%
June 2005	8.7%
December 2005	8.2%
June 2006	7.8%
December 2006	7.1%
June 2007	5.2%
December 2007	5.3%
June 2008	4.2%

Comments on results and presentation:

Following a review by CPT, we have made some minor changes to the style of presentation, the most important being to break the former "London & Home Counties" region into 2 discrete areas: "Greater London bus" (comprising operators wholly or largely operating TfL contracted services) and "South East & Home Counties" (all others in the area). This split is intended to recognise the differing cost structures between these two categories and in anticipation of BSOG being paid direct to TfL rather than to operators from 2009.

As with the previous return, the data submitted by operators revealed very different experiences for fuel costs, between those who were hedged (at what proved to be very advantageous prices) and those who were exposed immediately to market price movements. Within the overall national average of 16.7%, there were individual operators who faced rises of 50% or even more. As we move into 2009, it is possible that the balance of advantage will move back to those who are unhedged.

Care should also be taken in looking at the movements in individual cost categories, as changes can take place for reasons other than cost inflation. For example, if an operator had previously directly employed cleaning staff but then contracted out that work, the cost would move from one category to another in the table above. Equally, replacing older buses with new would increase the depreciation line but reduce the maintenance materials category. Users of the data should not therefore place excessive reliance on any individual category.

The next CPT Cost Index will cover the year to June 2009 and will be published in mid-September 2009.