CPT Cost Index

Summary of results: change in bus & coach industry costs for the 12 months to 30 June 2010

	Overall national result	Regional indices: Greater London bus	Home Counties	Midlands	Northern England	South West England	Wales	Scotland	Breakdown: Percentage that each category represents of total costs
Overall change in operating costs	3.4%	2.6%	3.8%	1.4%	3.2%	2.1%	4.1%	6.1%	
Change in individual cost categories:									
1 Drivers wages and on costs	2.1%	2.5%	3.0%	0.2%	1.1%	1.6%	3.5%	4.5%	44.5%
2 Other labour and staff costs	-0.2%	-1.1%	1.5%	-0.5%	-1.1%	-2.4%	0.0%	3.4%	15%
3 Insurance and claims	3.3%	-14.9%	4.2%	-0.6%	5.0%	-3.7%	12.7%	22.1%	3%
4 Fuel	14.1%	19.8%	11.0%	13.6%	13.9%	13.5%	16.9%	13.6%	15%
5 Maintenance materials	-0.7%	-4.9%	1.9%	-0.4%	-1.6%	-2.4%	4.5%	2.7%	5%
6 Vehicle depreciation	7.2%	6.6%	1.8%	4.5%	6.5%	12.4%	0.7%	12.9%	6%
7 Other operating costs	-1.3%	-1.3%	1.2%	-6.8%	1.1%	-4.0%	-4.5%	-1.5%	11.5%
Sample size:									100%
Representing operating costs of:	£3,047,200,000	£513,300,000	£332,900,000	£313,500,000	£969,400,000	£321,900,000	£131,800,000	£464,400,000	

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%
December 2008	5.7%
June 2009	6.2%
December 2009	5.0%

Comments on results and presentation:

In compiling this latest 6-monthly update on how the bus and coach industry's costs are changing, we were hampered by the fact that a number of regular respondents were undergoing restructuring programmes which included exceptional costs that could not be eliminated from their data, and hence some returns could not be used, resulting in a slightly smaller sample size than usual.
As usual, respondents were asked to report the change in their costs on a "pence per mile" basis, so that any changes in the size and scale of each business did not distort the figures. In this period, a number of respondents have clearly down-sized their operations.

Experiences of the change in diesel costs continue to be affected by the differing outcomes of hedging programmes by various operators and once again there was a large variation in individual experiences, from the extremes of a decline of 16% to an increase of 47%. What is perhaps surprising is the reduction in costs in some other categories, and it would appear that a significant number of respondents have cut their overheads, leading to an overall decline of 1.3% in other operating costs.

The next CPT Cost Index will cover the year to December 2010 and is due to be published in mid-March 2011.