



NXWM feels benefits of faster journey times

Measures put in place during 2018 have enabled the company to ‘change the tide’ with speeds improving by 1% - and revenue per mile is up 4%

National Express Group’s West Midlands bus business has improved bus speeds for the first time in more than a decade, bucking the national trend of traffic congestion causing slower journey times.

Speaking last week as the group published full-year financial results for 2018, UK Bus Division managing director David Bradford recalled that until last year “our buses have got slower every year since 2006”, but measures put in place during 2018 had enabled the company to “change the tide” with speeds improving by 1%.

Bradford said the change was due to a combination of reshaping

bus routes, more express services, work with Transport for the West Midlands on bus priority schemes, and faster boarding from passengers switching to smart ticketing. In 2018, passengers made 60% of journeys using smartcards, m-tickets or contactless bankcards compared to 40% at the start of the year.

Along with network revisions,

group chief executive Dean Finch said the faster journey speeds had reduced costs by contributing to a 3% reduction in mileage during the year. Commercial patronage rose 1%, taking the total increase in revenue per mile to 4%.

Finch said the combination of patronage growth over the past 18 months and faster journeys in a conurbation like the West Midlands was “something I have not seen for 15 years”. He added that the business was in a good place to continue its momentum with car restraints expected to be introduced as part of Birmingham’s clean air zone in January.

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The coach division also performed strongly during the year with patronage on the core network rising 5.2% to a record 20.7 million passengers, which managing director Chris Hardy said had been driven largely by ongoing moves to position the business as a digital retailer. Pricing on all journeys is now controlled by revenue management systems and 70% of tickets are sold through digital channels.

UK operating profit rose 12.6% from £70.9m to 79.9m, with £5m of the increase due to the sale and lease back of bus depots in the West Midlands. Revenue rose 2.8% to £577m despite exiting the Eurolines and Hotel Hoppa businesses.

Across the group as a whole, which also includes substantial businesses in Spain and North America and rail franchises in Germany, operating profit rose 6.7% to £257.7m on revenue up 5.6% to £2.5bn.

Finch said that improved financial performance across the company’s divisions partly reflected investment in digital technology including driver and vehicle monitoring, revenue management, ticketing and safety systems which was helping the company to manage service quality, network development and vehicle use “in a way we could only have dreamt of even a few years ago”.

