
Secretariat memorandum

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Rail Fares and Ticketing Review: Initial consultation

1 Purpose of report

- 1.1. To advise members of the recent Department for Transport (DfT) consultation on reforming rail fares and ticketing.

2 Recommendation

- 2.1. Members are advised to note this report, and explore the controversial areas identified in paragraph 5.3 in their discussion.

3 Background

- 3.1. This consultation document can be viewed at <http://www.dft.gov.uk/consultations/dft-2012-09/>.
- 3.2. The proposals put forward in this document are part of the governments' response to the McNulty value for money study (see also the Royal Command Paper – Reforming our railways, putting the customer first; and Rail decentralisation, both published on the same day as this review).
- 3.3. The aims of this paper are to:
- Simplify the fares and ticketing system
 - Make ticket pricing more transparent
 - Explore ways in which pricing could be used to help manage demand on the network by rewarding passengers who travel on less crowded trains
 - Reform the legal framework for fares and ticketing so as to allow for developments such as smartcards and tickets held on mobile phones.
 - Reduce the cost to the taxpayer of delivering the rail network
- 3.4. The proposals have been shaped by prior discussions with London TravelWatch and Passenger Focus staff, and have sought to incorporate many of the previous concerns of these organisations, and also the views of the industry expressed by the Association of Train Operating Companies.

4 Proposals

4.1. The paper proposes that there should be:

- Continued roll out of smart card based ticketing technology
- Exploration of the scope for using pricing to smooth demand
- Options for addressing time restrictions, the terms and conditions of advance tickets and to make ticketing less complex and more user friendly
- Addressing the case for reducing significant regional imbalances in fare levels

4.2. The content of the paper covers the reasons why fares and tickets are / have been regulated, and sets out areas where the government thinks that reform is necessary either to take account of new technology, to give more freedom to train operators to set prices or to give more choice or protection to passengers.

5 Consultation Question

5.1. The document asks a number of questions of respondents covering:

- Whether the government's objectives for fares regulation are about right or need modification or addition
- Is the current regulatory system working?
- The benefits and risks of smart ticketing
- How season tickets could be developed
- Whether people were willing to work flexibly to avoid the busiest trains, and whether employers were willing to accept this
- How the fares system could be used to make better use of rail capacity
- Changes to conditions of advanced purchase tickets
- Whether the regional imbalance in fares between London and the rest of Great Britain could or should be addressed
- What role the government should take in ensuring that passengers are protected when fares data is provided on an open access basis
- How could costs of ticket retailing be reduced
- What alternatives and safeguards would be necessary if ticket office opening hours were to be reduced.
- How could purchasing tickets be made easier including improving the range of ticket outlets

- 5.2. Members will receive a presentation from the DfT on the paper.
- 5.3. Members are advised that some of the topics covered by this paper are quite controversial, such as the proposals for peak fares, the balance between London and elsewhere, ticket office opening hours and whether other outlets should be able to issue tickets. These areas are likely to have the greatest impact on passengers.

6 Equalities and inclusion implications

- 6.1. Increasing the costs of rail travel particularly at peak times is likely to have an impact on the ability of low income households to access opportunities for employment and education.

7 Legal powers

- 7.1 Section 248 of the Greater London Authority Act 1999 places upon London TravelWatch (as the London Transport Users Committee) a duty to consider – and where it appears to it to be desirable, to make recommendations with respect to – any matter affecting the functions of the Greater London Authority or Transport for London which relate to transport (other than of freight). Section 252A paragraph 1(d) of the same Act places a duty upon it to cooperate with other bodies representing the interests of public passenger transport services provided wholly or partly within that area (London Railway Area i.e. the London TravelWatch area).

8 Financial implications

- 8.1. There are no financial implications for London TravelWatch arising from this report.