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## Confidential Minutes

Agenda item : 14  
Drafted : 21.6.10

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### **Confidential minutes of the meeting of the Fares and Ticketing Committee held on 17 June 2010 at 6 Middle Street, London EC1**

These minutes are in addition to the public minutes of a meeting of the Board on the same date. The Board resolved, under section 15(2)(b) of schedule 18 of the Greater London Authority Act 1999, that by reason of the confidential nature of the item(s) to be discussed, it was desirable in the public interest that the public should be excluded for this part of the meeting.

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#### **Present**

##### Members

David Barry; Daniel Francis; David Leibling (Chair)

##### Guests

Wilco Chapels	London Pricing Manager, Association of Train Operating Companies (ATOC) (min. 1)
Peter Twigg	Head of London & South East Support, ATOC (min. 1)
Andy Wakeford	Head of Fares and Retailing, ATOC (min. 1)

##### Secretariat

Tim Bellenger	Director, Research and Development
Janet Cooke	Chief Executive
Bryan Davey	Director, Public Liaison (item 1)
Rufus Impey	Senior Policy Officer (item 1)
Mark Donoghue	Committee Administrator

## 1 ATOC Review of Rail Fares Policy

The Chair welcomed Mr Wakeford, Mr Twigg and Mr Chapels to the meeting.

Mr Wakeford began by acknowledging that fares policy and fare levels were of major concern to passengers. This issue had risen up the agenda of passenger's concerns. ATOC felt that the election was an opportunity to review fares policy. There was a chance to look at fares policy and had therefore initiated a review covering; the reasons why it had developed the way it had; and to map out strategic decisions. Fares today are a result of complex inputs from Train Operating Companies (TOCs) and political, historical and Government (Local and National) decisions. Issues are emerging from the review and will be submitted to the Government to help inform their decisions. David Mapp, Commercial Director of ATOC had led the review. Stakeholders including London TravelWatch had been consulted. ATOC will be issuing a draft report soon, and a final report would be published in the next few months.

Mr Wakeford noted that London was ahead of the rest of the country in the integration of fares and it was important to see how it linked to national fares policy. There are still a lot of old British Rail systems in place. There is an opportunity to derive better value from franchises. Passengers should see what they are paying in fares to investment in infrastructure. There is an argument for a localised service by TOCs to optimise services.

A member asked whether the legacy from British Rail was technological or organisational? Mr Wakeford replied that it was a bit of both.

The Director, Public Liaison noted the example of the improvement of the West Coast main line after investment in infrastructure. Was there a problem when investment did not have a direct or perceived benefit? Mr Wakeford felt that investment did not justify fare increases per se, for example, the refurbishing of a station would not make a difference to someone down the line. There had been missed opportunities when more frequent services, new rolling stock, etc had been introduced to increase fares. Under British Rail such changes would have been reflected.

Mr Wakeford noted that commuters had no choice on who provided their service. However, there was competition on London to Scotland routes and between trains and aircraft on that route. Regulation should apply where it is appropriate. It was important to get TOCs to work in the public interest. For TOCs the Government is the customer, not the passenger.

Mr Wakeford explained that fares simplification in 2008 had led to major growth in advanced fares. He wanted a clearer working relationship between the Government and Office of Rail Regulation (ORR). Competition law had caused TOCs problems. Policy is needed to ensure longer and short distance fares work better and not impinge on each other.

The Director, Public Liaison noted that there was spare capacity on the East Coast franchise due to the difference between walk on and advance fares. Should there be incentives to TOCs? Mr Wakeford felt that the Government should be more flexible and maximise ridership. Fares policy is linked to incentives.

The Chair asked how quickly the report would be implemented. Mr Wakeford replied that the conclusions of the report would focus on short term and long term opportunities. The report would bring together these strands. There would be a consultation on the report.

The Chair noted the pressures on the train industry to reduce costs and pressure to generate more income to Government. Would the proportion passengers paid increase? Mr Wakeford replied that the review would look at the costs of the industry. Sir Roy McNulty was carrying out a review of value for money on the railway for the Secretary of State and would publish this report in autumn.

## **2 Confidential Minutes**

The confidential minutes of the Fares and Ticketing meeting held on 18 February 2010 were approved and signed for the record.

## **3 Meeting Review**

The Director, Research and Development noted that there had been some problems with Oyster in South London. This was often due to station layouts, for example, at some stations there are Oyster readers instead of gates. He had asked the casework team for details.

A member raised a problem he had encountered on a particular route he took to work, where passengers might believe they have to touch in and out three times. The Chief Executive noted that interchange was in the work plan for 2010/11. The Chair asked the member to check the signage at the stations.

A member noted that London passenger's behaviour is different to the rest of the UK.

The Chair noted the success that had been achieved with the South West Trains schedule 17 consultation.

The next meeting would have the London Underground ticket office opening hour reductions. The Retail Price Index (RPI) figure for June would then be known and its likely consequences for ticket prices and the emergency budget.

#### **4 Glossary**

ATOC	Association of Train Operating Companies
ORR	Office of Rail Regulation
RPI	Retail Price Index (measure of inflation)
TOCs	Train Operating Companies