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**Secretariat memorandum**

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**Department for Transport (DfT) review of Fares and Ticketing**

**1 Purpose of report**

- 1.1 To inform members of the outcome of the Fares and Ticketing Review undertaken by the DfT.

**2 Information**

- 2.1 In March 2012 the DfT initiated a consultation on proposed changes to Fares and Ticketing on the National Rail network. This can be found at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/2703/main-document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/2703/main-document.pdf)
- 2.2 London TravelWatch responded to this consultation with an initial response. This can be found out at :-<http://www.londontravelwatch.org.uk/document/14186>
- 2.3 Subsequently London TravelWatch and Passenger Focus officers met with DfT officials on a number of occasions, and raised issues arising from the research we carried out on 'Passengers' ticket purchasing and journey experience's' and 'value for money on London's transport services ; what consumers think'.
- 2.4 The final DfT Fares and Ticketing review document was published in October 2013 and can be found at <https://www.gov.uk/government/consultations/rail-fares-and-ticketing-review>

**3 Discussion**

- 3.1 This review of Fares and Ticketing took much longer to be completed than was originally anticipated.
- 3.2 The major areas of influence that London TravelWatch was able to exert relate to the proposals to improve the way in which the DfT manage approvals for changes to ticket offices, and there was an acceptance that this process should look at wider issues of station staffing, rather than the current narrow focus on ticket sales. In addition, the DfT decided in the light of the review not to pursue the idea of higher fares at peak times. Instead, they propose using smart cards

to incentivise the use of less busy trains. This will mainly be concerned with journeys that start or finish outside of the London Travelcard / Oyster area.

- 3.3 Other issues raised by London TravelWatch were not addressed by the DfT in the final review document. In many cases this can be attributed to reluctance on the part of the industry and also the DfT, where these would have resulted in reduced revenues or increased costs. In some others, however, it would be expected that the issues would be tackled through other mechanisms such as franchise renewals, or by direct approach to train operators. The responses to the specific London TravelWatch concerns are set out in Appendix A.
- 3.4 Of the issues raised from the 'Value for Money' research, affordability is the one which is most addressed in the final 'Fares and Ticketing Review' paper. The DfT has emphasised its desire to limit increases to the Retail Price Index plus one per cent (RPI+1%) for regulated fares for the January 2014 fares round. It has also capped the 'flex' element whereby some fares can increase by more than RPI+1% to RPI+2% instead of the previous limit of RPI+5%.

## **4 Equalities and inclusion implications**

- 4.1 None – this report is for information only

## **5 Legal powers**

- 5.1 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 the Committee 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 of the same Act (as amended by Schedule 6 of the Railways Act 2005) places a similar duty upon the Committee to keep under review matters affecting the interests of the public in relation to railway passenger and station services provided wholly or partly within the London railway area, and to make representations about them to such persons as it thinks appropriate.

## **6 Financial implications**

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

## **7 Prioritisation criteria**

- 7.1 The items and issues raised in this report fall within the remit of London TravelWatch and they meet the criteria for relevance and impact on transport users in the London TravelWatch area. In particular, it is consistent with our 2013-14 business plan strategic objectives of "travel by public transport represents good value for money" and "All decisions about transport in London take account of transport users' needs and priorities".

## **8 Recommendation**

- 8.1 That members note the contents of the report, and agree that where appropriate issues raised by London TravelWatch as part of the review process are pursued through other appropriate channels.

## Appendix A

### London TravelWatch recommendations to the DfT Fares and Ticketing Review.

Issue	Included in Fares and Ticketing review?	Potential other avenue to pursue
The Department and industry consider a more radical change to the structure of ticketing to reduce complexity for passengers and provide a more flexible approach to peak time capacity.	Yes – see paragraphs 2.75 and 2.76. No changes proposed as believe would increase costs overall for both passengers and taxpayers.	
The definition of ‘London Terminals’ should be redefined so as to reflect passenger understanding of this important destination.	No	This issue is being raised through franchise consultations and discussions with TfL, ATOC and DfT. ATOC is leading an industry discussion on this: There are also implications for the Travel Demand Management work, relating to works at stations such as London Bridge
The South East Flexible Ticketing project should be re-evaluated in the light of a clear preference by passengers for the functionality and products currently provided by Oyster.	DfT is proceeding with the project	Continue discussions with ATOC, DfT, TfL and operators as project is implemented.
Train operators, Transport for London (TfL) and the Department for Transport (DfT) should accept and implement the recommendations of London TravelWatch’s research into ‘Oyster incomplete journeys’.	No	These recommendations have been pursued through discussions with TfL, individual train operators, ATOC and with the DfT through franchise renewals
Train operators should accept and implement the recommendations of London TravelWatch’s research into ‘First Class Travel’	No	Individual train operators such as East Coast, Virgin, Southern and First Capital Connect have been implementing relevant recommendations to their operations.
Ticket Vending Machines (TVMs) should be installed at all London rail area stations where none exist at present.	No	This is being pursued through discussions with individual train operators and the DfT through franchise renewals

Issue	Included in Fares and Ticketing review?	Potential other avenue to pursue
The practice of operators disabling the facility to accept cash at TVMs or installing card only TVMs is ended and the ability to accept cash is restored at locations where this has been taken away or never been in place.	No	This is being pursued through discussions with individual train operators and the DfT through franchise renewals
National Rail TVMs should adopt the capability of London Underground (LUL) machines and be able to sell 'extension' tickets	Yes, example of Southern cited as good practice and encouraging other operators to follow suit.	This is being pursued through discussions with individual train operators and the DfT through franchise renewals
TfL and DfT should have a London wide strategy for the installation of ticket gates and security of stations, rather than piecemeal approach based on current franchises.	No	This is being pursued through discussions with individual train operators and the DfT through franchise renewals
There should be greater transparency of fares charged using smartcards such as Oyster to enable passengers make more informed choices as to when to travel and by which mode	This is not directly referred to, but by inference this is alluded to.	TfL has responded to this with new station posters describing typical fares and amounts of Oyster credit needed to be added to cards. We are encouraging train operators to follow suit.
National Rail operators should adopt TfL's practice of charging 'off-peak' fares within the Oyster pay as you go area for journeys into zone 1 on Mondays to Fridays between 1600 and 1900	No. DfT regard this an area either for operators decision as these are 'unregulated fares' or for the Mayor to take up and pay any additional costs arising	
National Rail operators and TfL should apply a railcard discount to Oyster pay as you go fares on Mondays to Fridays between 1600 and 1900.	No. DfT regard this an area either for operators decision as these are 'unregulated fares' or for the Mayor to take up and pay any additional costs arising	

<b>Issue</b>	<b>Included in Fares and Ticketing review?</b>	<b>Potential other avenue to pursue</b>
A campaign is needed to encourage passengers to take up their entitlements to discounted travel e.g. TfL to encourage Annual Goldcard holders to take up their railcard discount on Oyster pay as you go.	No. There is no enthusiasm for this from the operator community or the DfT, as they believe that this would result in reduced revenue yields.	TfL emailed all Goldcard holders in August 2013 with an immediate uptake by 5869 passengers out of 58675 who would have been eligible to add the discount to their Oystercard. This represents an 8% increase in one month. There is a continued awareness campaign amongst TfL ticket office staff.
Advance purchase tickets should be valid for a 'time band' of services rather than individual services on frequent (every 20 minutes or greater) services	No. There is no enthusiasm for this from the operator community or the DfT, as they believe that this would result in reduced revenue yields.	
Holders of advance purchase tickets should be able to set these against the cost of more expensive tickets for use on other trains if their travel plans change	No. There is no enthusiasm for this from the operator community or the DfT, as they believe that this would result in reduced revenue yields. However, some operators have agreed that an invalid Advance ticket may be exchanged for the cheapest 'walk up' fare for particular trains rather than the full Anytime rate that applies now.	
Operators should adopt the practice of regularly publicising which trains are the most crowded under normal operating conditions, with alternative options, to enable passengers to make informed choices as to when and where to travel.	Yes. DfT will encourage operators to adopt this as standard practice.	
The Ticketing and Settlement Agreement requirements for ticket office hours staffing should be replaced by a wider agreement on the level and purpose of staffing at stations on a more general level.	Broadly accepted	Discussions with DfT will take place on the detail of the proposal.