

Railfuture Submissions to the House of Lords Built Environment Committee’s Williams Shapps review

“In May, the Government published a White Paper on rail reform, the Williams-Shapps Plan for Rail. The White Paper represents the greatest change to the railways since the end of nationalisation almost 30 years ago. This inquiry will focus on the Government’s proposals for fare reforms and how the new system will benefit consumers.”

The Inquiry home page is at <https://committees.parliament.uk/work/1372/williamsshapps-plan-for-rail-fare-reform>.

Neil Middleton, one of our Directors, was asked to give evidence to the inquiry and gave oral evidence to the Committee on 13 July 2021. The transcript of his (and other interviewee’s) responses can be read here: <https://committees.parliament.uk/event/5071/formal-meeting-oral-evidence-session/>

We are also submitting 3 further written submissions:

	Title	Submitted	Commentary	Size
1	The cost of ticketing	15 Aug 2021	This principally looks at the costs of ticketing from the perspective of the traveller; it also contains commentary on the principal types of costs and some cost information for third party resellers	6 pages
2	Possible tactical improvements to the Rail Flexi-Season fare	18 Aug 2021	This identifies tactical improvements to the Flexi-Season. It takes as a given the nature and purpose of the ticket and the overall fares system in which the exist and suggests incremental improvements. It does not attempt to address more strategic solutions for part time commuters, nor wider changes required to fares & tickets	3 pages (& 2 page appendix)
3	<i>Tentatively:</i> The case for a new approach to rail fares (and some key objectives)	Not yet submitted	The paper will address the case for change, including the view that retaining the current fare arrangements is as just as much a risk as the uncertainties arising from big change. It will also consider key objectives and potential unintended objectives	Around 4 to 5 pages



Railfuture Submission to the House of Lords Built Environment Committee’s Williams Shapps review A supplementary response setting out possible tactical improvements to the Rail Flexi-Season fare

During his oral evidence on 13 July 2021, Neil Middleton promised a follow up on sensible improvements that could be made to the National Rail Flexi-Season ticket. This response is authored by Neil Middleton; the document has been extensively shared for comment within Railfuture’s Branches and Groups and incorporates their ideas.

The Flexi-Season is an add-on to an already very complex fares system that has its roots in a different era – one that revolved around traditional 5 day a week peak time commuting. We believe it essential that the current Flexi-Season is seen by Government as just a temporary “fix” to the fares system, to deliver some tactical improvement pending the promised – and hopefully much more radical – changes to the approach to rail fare setting planned by Williams Shapps.

In this paper we take as our start point the current Flexi-Season Ticket – and make suggestions for improvements that do not require significant changes to the business case supporting its introduction. It is not, therefore, a Railfuture suggestion as to how a Flexi-Season might have been added to the current fare structure. Railfuture will write separately on the best goals for a more radical restructure of fares, including of fares for part time commuters; in the interim we have made a few short observations on missed opportunities in the current product at the end of this paper.

CHALLENGE	SUGGESTED SOLUTION	EXISTING MITIGATIONS	KEY ADVANTAGES	KEY DISADVANTAGES
1. A 2 day a week user can easily lose days through unplanned non travel (see appendix for sample impact)	Ticket to become 8 uses in 31 days ¹ , not 8 in 28	None	<ul style="list-style-type: none"> Improves credibility of offer Increased sense of fairness; Encourages travel 	<ul style="list-style-type: none"> Some reduction in revenue per person (offset by increased travel via better product)
2. For both the 2 and the 3 day a week user longer planned (eg holidays) and unplanned non travel days mean lost tickets or full price travel (see appendix for sample impact)	Multiples other than 8 in 28/31 should be sold: See below for more detailed suggestions	None	<ul style="list-style-type: none"> No fundamental changes to business case 	
3. Guidance on obtaining best value is limited in scope and confusing	National Rail and TOC Season ticket calculators to be changed ² ; be clear about other options	Third party advice	<ul style="list-style-type: none"> Improves credibility of offer Encourages travel through clearer advice 	<ul style="list-style-type: none"> None
4. The ticket is limited to National Rail and does not include Transport for London & metropolitan area travel³	Flexi-Season to have TfL Travelcard add-ons and equivalent products	Can use PAYG on a separate card / device	<ul style="list-style-type: none"> Increased sense of fairness: Encourages travel Through ticketing 	<ul style="list-style-type: none"> Possibly some loss of income for metropolitan transport operators

¹ An alternative is 8 in 35 days, which will provide more benefit to those who do not travel on the same days of the week or travel 3 days apart. For instance, a consistent Monday & Wednesday traveller will be able use tickets during their fifth week of travel; a Monday & Thursday user could only use 1 ticket in the fifth week and someone who normally travels Mondays & Thursdays travelling on Thursday & Friday in their fifth week could not use any remaining tickets.

² Eg Harpenden to London Thameslink: 3 days per week for 1 month: Suggests Anytime returns (£27.00 per journey, £351.00 in total) or Traditional Monthly (£399.00/£30.72 per journey. It does not offer 1 * Flexi-Season + 5 Anytime tickets (£326.10/Average £25.08 per journey); options for travellers returning outside the peak are not covered (from £23.00 return). See also Barry Doe’s article in Rail Magazine 935 - <https://www.railmagazine.com/> & <https://www.pressreader.com/uk/rail-uk/20210714/282316798036766> [subscriptions required].

³ Principally London and West Midlands, although in the case of West Midlands, National Rail fares are often already uncompetitive and Network West Midlands Zonal fares more appealing.

CHALLENGE	SUGGESTED SOLUTION	EXISTING MITIGATIONS	KEY ADVANTAGES	KEY DISADVANTAGES
			<ul style="list-style-type: none"> Noticeable saving when undertaking a lot of metropolitan travel 	<ul style="list-style-type: none"> Potentially a lot of work for a saving for a traveller subset (see comment below)
5. No savings for rail users only travelling within metropolitan zonal areas⁴	Where National Rail season tickets are available, a Flexi-Season ticket should always be available	Daily capping available (limited benefit) ⁵	<ul style="list-style-type: none"> Increased sense of fairness Supports goal of encouraging travel 	<ul style="list-style-type: none"> Some reduction in revenue per person (offset by increased travel via better product)
6. The Flexi-Season had adverse consequences for some commuters who mix peak and off-peak travel (see below for context)	Retain existing off-peak Carnets indefinitely; consider tactical extensions. See below for more detailed suggestions	For some flows, Off-Peak Contactless	<ul style="list-style-type: none"> Increased sense of fairness Off-Peak tickets often used by lower waged, so financial impact relatively greater 	<ul style="list-style-type: none"> Complex to implement
7. Flexi-Seasons aren't always available outside metropolitan areas⁶	Flexi-Seasons to be automatically provided whenever there is a traditional weekly ticket	None	<ul style="list-style-type: none"> Engenders a sense of fairness Allows a simpler explanation of the product Expands the travel to work area for London and other metropolitan areas 	<ul style="list-style-type: none"> Some reduction in revenue per person (offset by increased travel via better product)

Multiples other than 8 in 28/31 should be sold

Selling tickets only for 4 weeks of usage (for the 2 day a week commuter) is problematic if the traveller will not be using them in every one of the next 4 weeks (whether planned [eg holidays] or unplanned [eg illness]). We recognise that a single sale of a 2 in 7 product is not in the spirit of the product's target market – the commuter, rather than someone with a short term need to go to London on a few occasions in (eg) a week. A solution to the problem that 2 day a week commuters will find it very difficult to use Flexi-Seasons effectively needs to be provided. We are less concerned about the specific solution chosen, but a simple solution would be to add a 20 in 91 days version; like the traditional monthly and annual season, reward a commitment for travelling for a longer period and offer a discount for doing so. Even for a 2 day a week traveller, this would allow the journey not to be made on 6 occasions (eg a two week holiday and two unexpected absences). Thus commuters could choose between 8 in 31 or 20 in 91. Other solutions such as offering top up purchases to extend the life of a Flexi-Season would be an alternative – eg can add 2 tickets and a further 8 days to an existing ticket within 21 days of expiry.

The ticket is limited to National Rail and does not include metropolitan area travel including the London Travelcard

Flexi-Seasons with the London Travelcard add-on are not available (nor are equivalents elsewhere – eg Network WM Zonal Cards). This is disappointing. In the case of London, for commuters who make a single return journey to Underground Zones 1 or 2 each day, the add-on is primarily a convenience as PAYG costs are similar. However

⁴ Eg a Traveller from Elstree & Borehamwood to London Bridge.

⁵ However this often does not get triggered until a third daily trip, so of limited use to the simple out and back commuter.

⁶ Eg for stations west of Poole and Yeovil Junction to London.

other commuters will pay noticeably more (eg travel further to Zone 3, use a bus as well or make three journeys). There are also other unintended consequences such as some National Rail Seasons that are inter-available with TfL services are not available as Flexi-Seasons⁷.

We urge that, if need be, feasibility be investigated properly as we believe the minimum to be a credible, properly researched, explanation as to why expected costs exceed expected benefits, leading to a “Not available” decision, rather than the current bland solo “No”; and if benefits do exceed costs, then steps need to be taken to add this feature.

The Flexi-Season had adverse consequences for some commuters who mix peak and off-peak travel

Off Peak commuters – those that do not routinely travel in the morning peak have typically not received any form of discount for their regular travel. Historically, there have been one noticeable exception and one partial mitigation:

1. *The exception:* For selected stations between London and Bedford, Huntingdon & Royston, Carnets were sold as singles with a peak and an off-peak version. Given the price increase that would be involved for someone travelling off-peak both ways, the off-peak version has been retained for now. It is essential that it be retained until such time as the more far reaching fares reform is put in place.
2. *The partial mitigation:* For other selected stations & routes where Contactless Bank cards are accepted⁸, commuters who travel out in the morning peak and back off-peak are charged a combination of one peak single and one off-peak single, these uniquely priced at half the cost of the relevant return.

It is difficult to see how Flexi-seasons can be evolved – within the constraints of the current fares design to meet this need, and this is useful evidence to support the need for change.

Part time commuter communities not served by the Flexi-Season

The following types of part time commuter are either not served, or not served well by the Flexi-Season:

CHALLENGE	SHORTCOMING	POSSIBLE SOLUTION
1. The Longer distance 3 day a week commuter	For many of these commuters, the traditional season ticket remains better value. For instance on the Midland Mainline, a 3 day a week user at Harlington (Beds) and south thereof will typically find the Flexi-Season of value; at Flitwick, a traditional Annual and a Flexi-Season give a very similar cost per journey. For Bedford and stations north of it, the traditional season is better value.	<ul style="list-style-type: none"> • Introduce a 3 day a week offering at a lower price per journey.
2. Those who do not travel in the morning peak	The Flexi-Season perpetuates typical historic practice of not offering a discount for those who travel outside the morning peak (see above for the one known exception).	<ul style="list-style-type: none"> • A product for the off-peak commuter should be prioritised during fares reform.
3. Those who prefer to use First Class	There is no First Class Flexi-Season; the increased gap in price (vs Standard Class) is likely to result in switches to Standard Class due to the increased price differential. Net, the Railway is likely to receive reduced revenue.	<ul style="list-style-type: none"> • Provide a First Class Flexi-Season where a First Class Traditional Season is available.

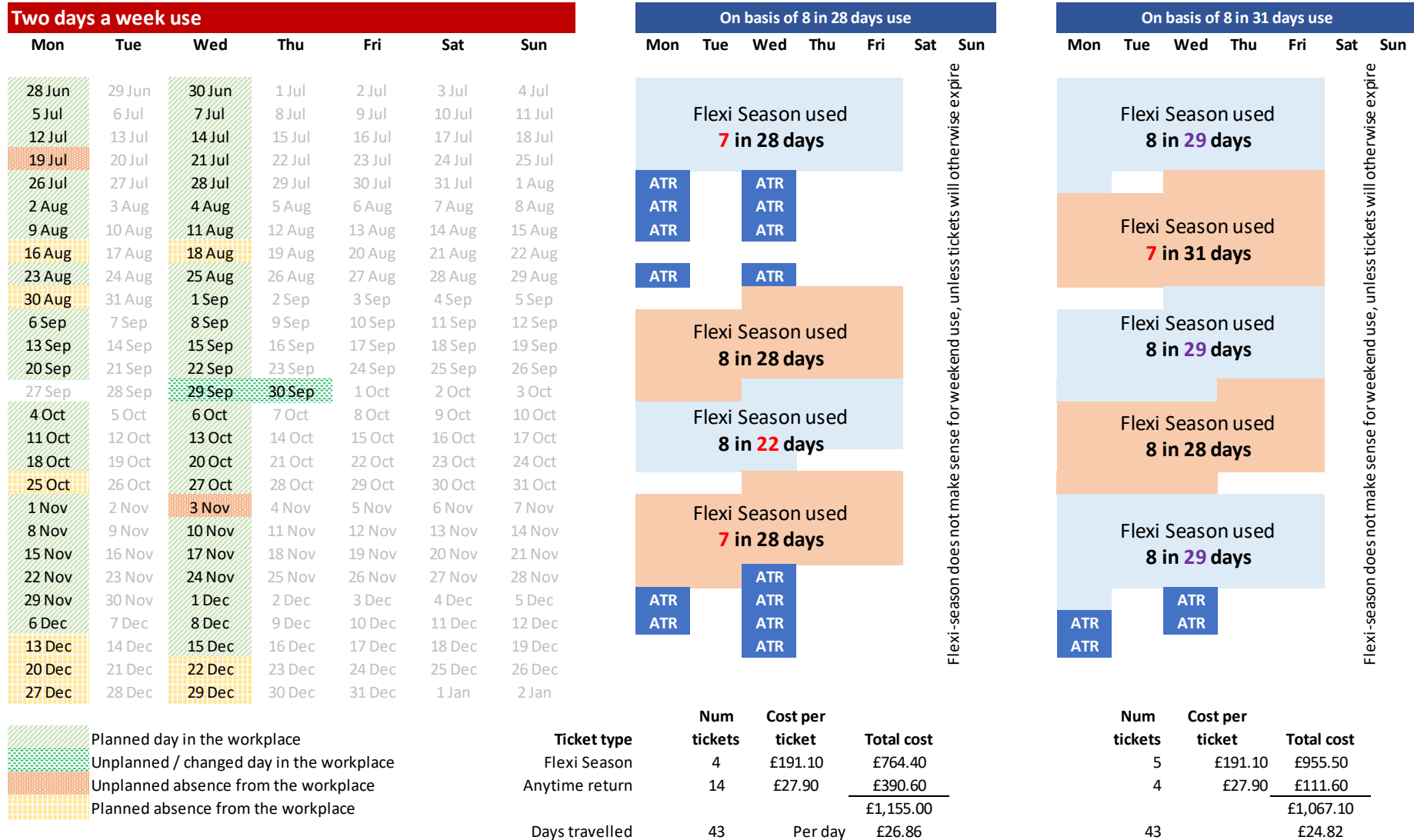
⁷ Eg Stevenage, Welwyn Garden City & Hatfield to East Croydon. Stevenage typically has 4 direct trains per hour to East Croydon; otherwise, a same platform change in central London.

⁸ <https://tfl.gov.uk/fares/find-fares/national-rail-fares-beyond-zone-9>.

Appendix – sample impact of Railfuture idea of a switch from 8 in 28 days to 8 in 31 days:

The example on this page shows how a part time commuter might end up using their Flexi-Season tickets in two scenarios:

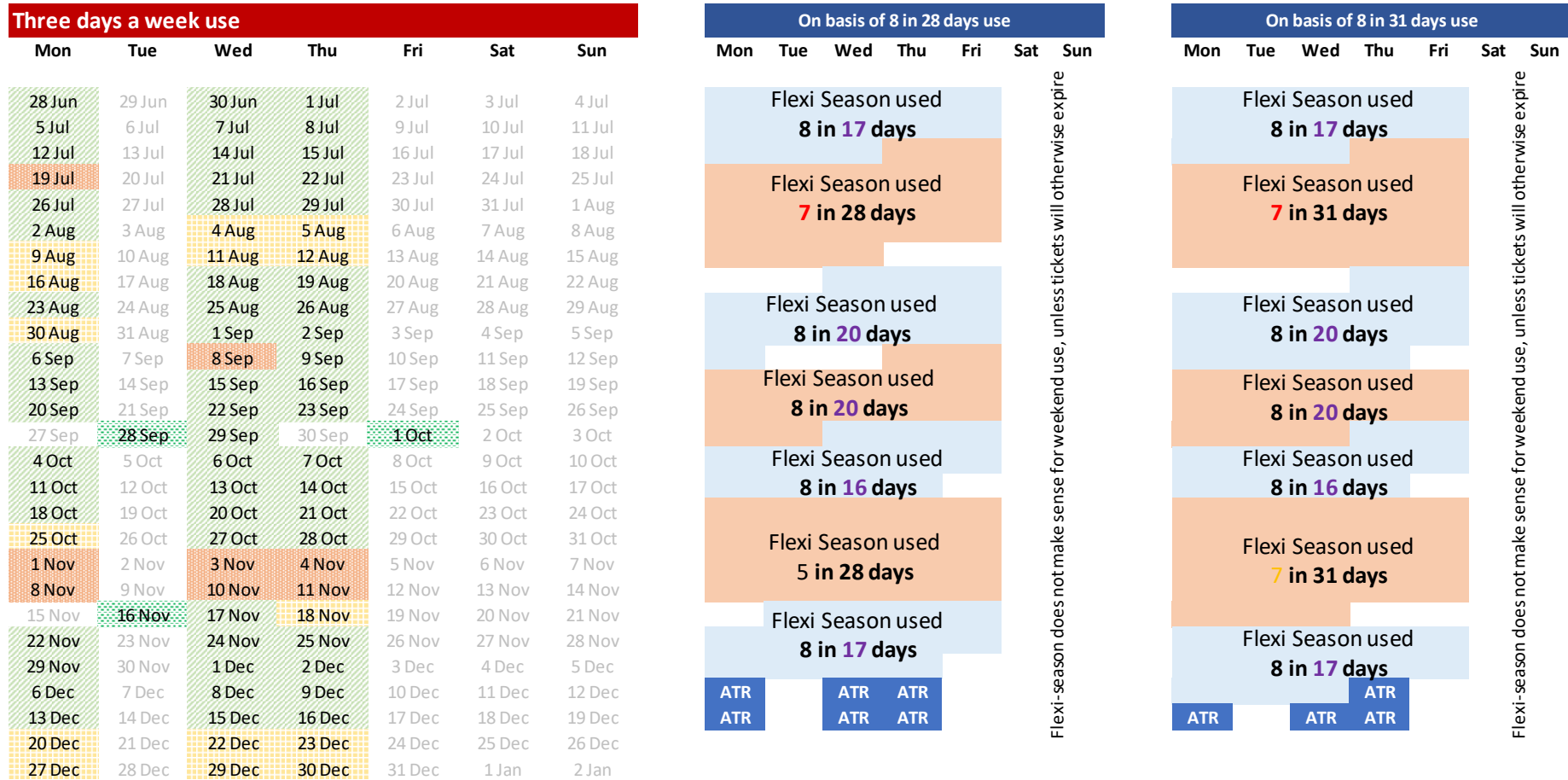
(1) the current 8 tickets in no more than 28 days; and (2) also Railfuture's suggested validity of 8 tickets in 31 days.



The above is for Harpenden to London Thameslink, where a Flexi-Season offers a 12.5% discount as compared to an Anytime Return. For journeys with larger discounts, decisions may vary - eg 6 days use may be enough to justify purchase

The example on this page shows how a part time commuter might end up using their Flexi-Season tickets in two scenarios:

(1) the current 8 tickets in no more than 28 days; and (2) also Railfuture's suggested validity of 8 tickets in 31 days.



Planned day in the workplace
 Unplanned / changed day in the workplace
 Unplanned absence from the workplace
 Planned absence from the workplace

Ticket type	Num tickets	Cost per ticket	Total cost
Flexi Season	7	£191.10	£1,337.70
Anytime return	6	£27.90	£167.40
			<u>£1,505.10</u>
Days travelled	58	Per day	£25.95

Ticket type	Num tickets	Cost per ticket	Total cost
Flexi Season	7	£191.10	£1,337.70
Anytime return	4	£27.90	£111.60
			<u>£1,449.30</u>
Days travelled	58		£24.99

The above is for Harpenden to London Thameslink, where a Flexi-Season offers a 12.5% discount as compared to an Anytime Return. For journeys with larger discounts, decisions may vary - eg 6 days use may be enough to justify purchase