

## Rail fares now a big issue



*Demonstration against high rail fares in London in October even before the latest rises were announced*

Railfuture started 2013 with a campaign against high rail fares, which went up yet again on 2 January 2013. We complained that fare rises are being imposed without perceptible improvement in services.

The Association of Train Operating Companies claimed the overall average rise was 3.9%, with some fares going up by less, but Railfuture has found that some fares rose by 11% or 12%. In London, Mayor Boris Johnson has also increased fares by 4.2% on the Tube and the Overground.

Railfuture spokesman Bruce Williamson issued an "enough is enough" press release on fares and pointed out the injustice that petrol tax is frozen while the cost of driving a car remains static. He said, "How does this help persuade people out of their cars and ease congestion? Where is the green policy?"

"The train operating companies may say they need the money for improvements, but how much fare income is actually spent on improvements? Fares income is not ring-fenced for anything. If you look at how much money is being paid back to the Government in the form of corporation tax, fuel tax (which airlines don't have to pay), industrial buildings tax and so forth, you have to ask whether raising fares above inflation is really necessary.

"Our fares are the highest in Europe – do we have the best rail service in Europe? Of course, there are some discounted advance tickets to be had, but people want to just turn up and go at a reasonable price when it suits them. Discounting advance tickets is a way of managing passengers to suit the needs of the railway. I think we should be managing the railway to suit the needs of the passengers."

The petrol tax freeze was announced in the Chancellor's autumn statement, which reinforced the Government's anti-green stance by earmarking £1 billion for road building. The Chancellor ruled that rail fares should go up in 2013

### **Railfuture leads the news agenda**

A Railfuture press release issued on 29 December 2012 on the fare rises was taken up by most national newspapers, a large number of regional and local ones and both radio and television, with interviews on both Radio 4 and 5 Live. For all Railfuture press releases, including a response to the Brown Report:

[www.railfuture.org.uk/press+releases](http://www.railfuture.org.uk/press+releases)

### **DfT website change**

The DfT is the second government department to move its corporate website to gov.uk:

[www.gov.uk/df](http://www.gov.uk/df)

and 2014 by 1% more than the retail price index, rather than the outrageous 3% more than RPI. "It should be RPI minus 1%, not RPI plus 1%," said Julian Huppert, the Liberal Democrat MP for Cambridge. "Rail travel is cleaner, greener, more efficient and quicker than other forms of transport."

In Scotland, Rail Minister Keith Brown announced that off-peak fares will be restricted to 1% less than inflation, but only after 2016 when the new ScotRail franchise starts.

Rail passengers have endured eight years of above-inflation rises in regulated fares. Unregulated fares have gone up even more. Average train fares have increased by more than 26% since the start of the recession, almost three times faster than wages, research by the rail unions shows.

Transport Salaried Staffs Association general secretary, Manuel Cortes, said: "The Government seems determined to make a reality of Philip Hammond's statement that rail travel is now a rich man's toy."

Stephen Joseph, executive director of the Campaign for Better Transport, said: "The UK has some of the highest fares in Europe and there is a limit to how far these above-inflation fare rises can continue without harming the economy."

Anytime day singles from London to Mill Hill Broadway go up by 9%, to Elstree & Borehamwood, Hendon and Cricklewood by 8% and to West Hampstead and Kentish Town by 7%, Bedford Commuters Association discovered. Day returns went up by 7 to 8%.

Some train operators are putting up fares by 17% in the New Year, even though they insist the average fare rise is 4%. The worst offender exposed so far is SouthEastern which is putting up the price of a Bromley to Victoria off-peak fare from £9.70 to £11.40 (17%).

First Great Western is increasing by 8.3% the price of an off-peak return from Plymouth to Paddington. Chiltern Railways, which has been widely respected by rail users and campaigners, is however blotting its record by increasing by 10% the price of an off-peak return from London Marylebone to Birmingham.

These examples of increases were provided by the official "watchdog" Passenger Focus. Only peak fares are regulated so the train operators are free to exploit their monopoly position while also often accepting subsidies from the taxpayer.

**West Coast franchise breakdown – the aftermath**

When the franchising process for the West Coast main line, map right, broke down in October, Transport Secretary Patrick McLoughlin announced two inquiries. Sam Laidlaw, chief executive of Centrica and a member of the Department for Transport board, would investigate what had happened in that particular negotiation. Richard Brown, chairman of Eurostar, was to review the franchising programme more widely. Both have now reported, as has the National Audit Office which carried out its own investigation. It was also announced that Virgin Trains will continue to run the West Coast service for up to two years. Giving evidence to the House of Commons



**Support for greater rail devolution**

There is widespread support for further decentralisation, according to a Government consultation process which highlighted the success of those regions where rail policy operation has already been wholly or partially devolved, including Merseyrail, and London Overground, as well as in Scotland and Wales.

In the responses proposals for decentralisation had been made by the Rail in the North Consortium (Transport for Greater Manchester, West Yorkshire PTE with York City Council and South Yorkshire PTE), Centro and Transport for London. In addition, expressions of interest were made by the West of England Partnership of authorities around Bristol, Devon and Cornwall Councils, Merseytravel, the Association of North East Councils and Cumbria County Council.

The Department for Transport will continue discussions with these bodies and it is envisaged that proposals will be made in the first half of 2013. The initial results were published on 27 November 2012.

[www.gov.uk/government/news/widespread-support-for-greater-rail-devolution](http://www.gov.uk/government/news/widespread-support-for-greater-rail-devolution)

transport committee on 18 December, Mr Laidlaw said that an extension to the franchise was something never raised during the abortive franchising discussions.

### **Laidlaw report on lessons for the Department for Transport**

The Laidlaw report was published on 6 December 2012 and found that the DfT used flawed methodology in giving guidance to bidders on the amount of capital (the subordinated loan facility) a bidder would need to guarantee their franchise against default. The DfT also varied these figures in a way that contravened the franchise bidding rules. The significant errors resulted from inadequate planning and preparation, complex organisation and weak governance. The bidding process started before a DfT reorganisation was complete, staff had too little experience of dealing with franchising and a decision was made not to make greater use of experienced consultants. There were no direct ways for concerns to be passed along the decision-making chain and involvement in critical meetings was inconsistent. As a result, Government ministers were given inaccurate information. In a trawl of emails, there was no evidence of a cultural bias against Virgin Trains or bias in the process. Mr Laidlaw found no evidence of similar weaknesses in other aspects of the Department's procurement.

[www.gov.uk/government/publications/report-of-the-laidlaw-inquiry](http://www.gov.uk/government/publications/report-of-the-laidlaw-inquiry)

### **NAO report on cancelling the West Coast franchise competition**



On 7 December 2012 the National Audit Office reported that cancelling the competition at such a late stage was a clear sign of serious problems and likely to be a considerable cost to the taxpayer. Among the lessons to be learnt is that staff with line management responsibilities should be clear that assurance processes are not a substitute for proper supervision and management controls.

[www.nao.org.uk/publications/1213/intercity\\_west\\_coast\\_franchise.aspx](http://www.nao.org.uk/publications/1213/intercity_west_coast_franchise.aspx)

### **Brown review of franchising programme**

The report of the review undertaken by Richard Brown into the rail franchising system was published on 10 January 2013. His general finding was that a franchising system should be maintained, although the DfT's capacity to manage the process needed strengthening to match the expertise available to bidders. The bidding and evaluation of bids should be both stronger and simplified. He also supported plans to devolve more English franchises to relevant authorities. Franchise lengths should vary according to individual circumstances with use made of extension options and break points. The bunching of franchise negotiations provided weaknesses and so should be avoided. He was concerned that confidence in the system should be restored and called for the Laidlaw recommendations to be adopted by the end of February together with plans to restart the franchise competitions for Essex Thameside, Great Western and also the combined Thameslink, Southern and Great Northern, that had been put on hold in the autumn.

<http://tinyurl.com/ao7yhvp>

### **New rail technical strategy**

A 30 year vision for the railway was published on 14 December 2012 showing how technology has to be used to help the industry increase capacity, improve reliability, cut carbon emissions and reduce costs. This strategy was developed by the Technical Strategic Leadership Group and endorsed by the Rail Delivery Group. The Rail Technical Strategy can be read at:

[www.futurerailway.org](http://www.futurerailway.org)

### **Extension of First ScotRail franchise**

Keith Brown, Transport Minister in the Scottish Government, has announced that the First ScotRail franchise will be extended to 31 March 2015 to allow time to consider the results of the Brown review and the Laidlaw inquiry into the collapse of the West Coast main line franchise. The extended period will include the Commonwealth Games in Glasgow and Ryder Cup at Gleneagles and also avoid the final handover taking place in the run-up to Christmas at a time when weather disruptions are possible. A separate process will exist for the Caledonian Sleeper, for which the franchise competition will start in spring 2013 with ScotRail following in the summer.

<http://tinyurl.com/aop7h5r>

### **Timetable for special events**

Train operators will be allowed to adjust up to 30% of their timetables at times when changes in passenger demand are expected to be substantially different, such as concerts, sporting events and school holidays. The Department for Transport issued a general consent protocol in November 2012, following the successful timetable alterations that were made during the Olympic and Paralympic Games.

<http://tinyurl.com/ap4pgy2>

## Transport for everyone

An action plan, launched by Norman Baker, Minister for Transport in December 2012, outlines how operators, local councils and the Department for Transport can make it easier for people using public transport, particularly those with disabilities, to get where they want to go. This emphasises the importance of door-to-door journeys rather than concentrating on individual transport modes, and builds on the improved accessibility on public transport during London 2012 Olympics. At the same time the Department for Transport has issued an *equality action plan* setting out what the department is doing to ensure people from all parts of society have the option to use public transport. This is open for consultation until 15 February.

[www.gov.uk/government/publications/accessibility-action-plan](http://www.gov.uk/government/publications/accessibility-action-plan)

[www.gov.uk/government/publications/equality-action-plan](http://www.gov.uk/government/publications/equality-action-plan)

## Action on London Midland cancellations

Train operator London Midland cancelled a large number of services in 2012 because of a shortage of drivers, a topic that was aired at the autumn Railfuture conference in Birmingham. To compensate passengers for the reduced service, Transport minister Norman Baker has announced that free five-day passes will be available to LM season ticket holders and that 500,000 additional cheaper advance tickets will be available on key London Midland routes during 2013 and 2014. In addition, London Midland will invest at least £2.25 million on measures to benefit passengers, particularly in the West Midlands – where the worst of the disruption occurred – before the end of the franchise in September 2015.

<http://tinyurl.com/ahcqdbq>

## New punctuality and reliability figures

Figures are regularly published by Network Rail showing the proportion of trains that reach their destination within five minutes for short journeys or 10 minutes for long distances. The figures are called the public performance measure. In December 2012, right-time performance figures were also issued showing the proportion of trains arriving early or less than 60 seconds late. The right time figures are shown as moving annual averages, to even out weather and other disruptions. For the year up to 8 December 2012, the right-time performances by train operators ranged from 88.4% by London Overground to 54.1% by Virgin Trains with a national figure of 69.2%.

[www.networkrail.co.uk/about/performance](http://www.networkrail.co.uk/about/performance)

## Study on subsidies for motorists throughout European Union

The motoring lobby frequently complain that drivers are excessively taxed. However, the *Guardian* on 26 December 2012 reported that this is challenged by a study carried out at Dresden Technical University that concluded that accidents, pollution and noise connected with cars costs every EU citizen over £600 a year. In a national breakdown of the figures UK drivers accounted for £48 billion, second to Germany, or around £815 per person every year. Even non-ring-fenced motoring taxes, fuel duty and its related VAT and vehicle excise duty, contribute £10 billion less than the estimated cost. *The True Costs of Auto Mobility* was commissioned by the Green group in the European parliament.

[http://www.ademloos.be/sites/default/files/The\\_true\\_costs\\_of\\_cars\\_EN.pdf](http://www.ademloos.be/sites/default/files/The_true_costs_of_cars_EN.pdf)

## More trains for Southern

Train operator Southern is to obtain a further 40 carriages from Bombardier, Transport Secretary Patrick McLoughlin announced on 21 December 2012. This was in addition to the purchase of 130 carriages announced a year earlier

## City Deals Wave 2

Deputy Prime Minister Nick Clegg announced Wave 2 of the Government's City Deals programme to devolve powers to local areas in exchange for their accepting responsibility for delivering economic growth locally. Several of the first wave of programmes included significant plans for rail developments. The following areas were invited to submit proposals by mid-January: The Black Country, Bournemouth, Brighton and Hove, Greater Cambridge, Coventry and Warwickshire, Hull and Humber, Ipswich, Leicester and Leicestershire, Milton Keynes, Greater Norwich, Oxford and Central Oxfordshire, Reading, Plymouth, Preston and Lancashire, Southampton and Portsmouth, Southend, Stoke and Staffordshire, Sunderland and the North East, Swindon and Wiltshire, and Tees Valley.

<http://tinyurl.com/agnu82q>

## Checks on delayed timetable data

Passenger Focus asked the Office of Rail Regulation in November 2012 to investigate if Network Rail and train companies are complying with obligations to finalise timetables 12 weeks in advance and make information available to passengers. This follows problems with Chiltern Trains and Virgin Trains in the run-up to Christmas.

<http://tinyurl.com/bauy4tu>

and which should be coming into service by the end of 2013. Southern is also to start a tendering process for a further 116 carriages with an option for a further 140. The trains will initially be used on Thameslink services until the new Thameslink trains come into use, when it is expected that they will be transferred to services to Corby and the north Transpennine routes.

[www.gov.uk/government/news/department-for-transport-boost-to-train-builders](http://www.gov.uk/government/news/department-for-transport-boost-to-train-builders)

## Network Rail's strategic business plan

Network Rail announced its strategic business plan on 8 January 2013 for the 2014-2019 period, Control Period 5, responding to the Government Higher Level Output Specification of last July. The programme, with a price tag of £37.5 billion includes projects already announced, such as the East West Rail project, the Borders Line, the electrification programmes, the completion of schemes such as the remodelling of Reading, the development of the Northern Hub and the rebuilding of Birmingham New Street. It also includes continued modernisation of signalling and 'future proofing' the network against climate change. The plan is now being examined by the Office of Rail Regulation, which has put it out for public consultation until 19 February 2013. Its draft findings will be published in June with the final ORR determination following in October.

[www.networkrail.co.uk/SBP](http://www.networkrail.co.uk/SBP)

[www.rail-reg.gov.uk/pr13/](http://www.rail-reg.gov.uk/pr13/)

## Rail 2020

The House of Commons transport committee embarked on a wide-ranging review of the rail industry following the Government response to the McNulty report. The committee's findings, Rail 2020, were published on 17 December 2012. Louise Ellman MP, the chair of the committee, in launching the publication highlighted the need for greater transparency in the finances of the industry. She said: "It is vital we know more about how public money is spent so that there is confidence it does not leak out of the system in the form of unjustified profits. The Government should publish and consult on a clear statement of what the subsidy is for and where it should be targeted."

The committee give general support to McNulty's aim of making substantial financial savings but considered his targets to be extremely challenging. The committee was specifically concerned that staff cuts at stations and on trains should not be made solely to reduce costs at the expense of service quality or passenger safety. There was also a call for a simpler ticket pricing system and to rule out using higher fares to reduce peak demand for train services. The report makes a number of recommendations on franchising, although it will be issuing a separate report on the lessons of the West Coast main line debacle, and on the strategic oversight of the industry.

[www.publications.parliament.uk/pa/cm201213/cmselect/cmtran/329/329.pdf](http://www.publications.parliament.uk/pa/cm201213/cmselect/cmtran/329/329.pdf)

## And finally ... reducing costs with plastic

When Isambard Kingdom Brunel built Dawlish station, now a Grade II listed building, he used the best available material for the covered footbridge. Unfortunately, the steel structure proved less than ideal at a site where sea spray is endemic. Despite the bridge being rebuilt in 1937, it has proved very expensive to maintain. Now Network Rail has replaced it with a replica made of fibre reinforced polymer composite which should have much lower maintenance costs.

<http://www.networkrailmediacentre.co.uk/News-Releases/7258/MP-opens-Dawlish-station-footbridge>

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## What's on

### 29 January 2013 Tuesday

National Rail Passenger Survey published, based on autumn 2012 fieldwork. More info:

<http://tinyurl.com/aozhdbm>

### 2 February 2013 Saturday

Railfuture North West AGM at Savoy Hotel, Queens Promenade, Blackpool FY2 9SJ. 11.00. More info: [northwest@railfuture.org.uk](mailto:northwest@railfuture.org.uk)

### 5 February 2013 Tuesday

The Work of Passenger Focus. Speaker: Anthony Smith, Chief Executive. Location: First ScotRail Boardroom, Atrium Court, 50 Waterloo Street, Glasgow, G2 6HQ. 17.30 for 18.00 start. Free booking and more info:

<http://tinyurl.com/ae5qv9>

### 11 February 2013 Monday

Bexhill Rail Action Group meeting in Mermaid Bar, The Sackville Hotel, De la Warr Parade, Bexhill-on-Sea, East Sussex, TN40 1LS. 19.00. More info:

<http://tinyurl.com/b7nqmlt> and

<http://tinyurl.com/bcbauk>

**This is just a selection of the events listed on the Railfuture website at:**

[www.railfuture.org.uk/events](http://www.railfuture.org.uk/events)