



Rail Fares Explained

November 2019





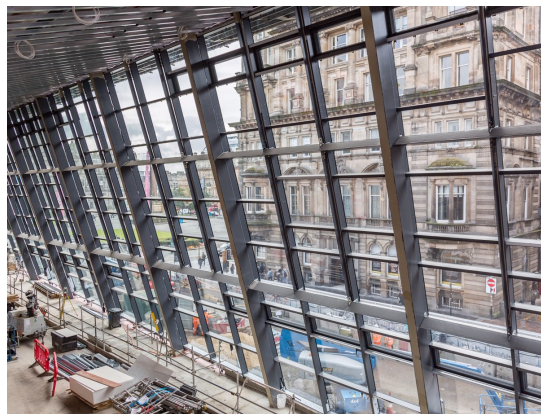
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Rail Delivery Group



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Introduction

The railway plays a vital role in the daily lives of millions of people across Britain and forms the backbone of our economy.

Behind this public service is a partnership between the public and private sectors, working together to change and improve. After decades of decline before the 1990s, passenger journeys have doubled in the last 25 years. Rail is also getting more goods to market, taking lorries off the roads and reducing traffic congestion. The nation has shared in the proceeds of this growth with the public money required to run the railway day to day reduced by £1.5 billion, freeing up taxpayers' money to grow the network or invest in other vital public services.

While further improvement will always be needed, services are far better than they were 20 years ago. Local communities are enjoying over 600 revitalised stations. We are running over 42,000 more services every week – an increase of almost a third.

But the current system is under severe strain. Partly due to the successes in increasing services and boosting passenger numbers, we now have one of the most congested railways in Europe. The smallest delay can have a huge ripple effect. At the same time, we've been rebuilding the network to reduce congestion and create the space to run even more services. It's necessary but disruptive work – a bit like renovating your home while you're still living in it.

We are delivering a long-term plan to change and improve the railway today – 11,300 additional services a week and over 8,000 new carriages by 2025. Hundreds more trains refurbished like new. All delivering extra journey choices, more frequent services and more space on trains.

But we want to go further. We have published proposals for root and branch reform of the rail fares system which would involve overhauling outdated regulations so that our customers have an easier-to-understand range of fares to choose from.

And we published our proposals to the government's on-going rail review, led by Keith Williams.

We believe the partnership approach – public and private working together – is right, but we need to structure that relationship to truly unlock the best of both parts.

Against this backdrop we are letting people know how much their journey will cost next year. Paying more to travel is never welcomed. So, it's more important than ever that people understand why fares change and how we are spending their money. This booklet aims to do just that.

11,300

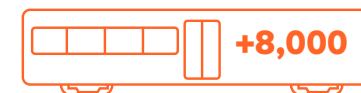
extra services a week
by 2025

Fares underpin investment in better services

Today, we are living through the biggest investment in the railway since the Victorian era. Below are just some of the improvements it will deliver in 2020.

Better trains and more services

In 2020 customers will benefit from 1,000 new carriages and 1,000 extra services. In total, train companies will deliver 8,000 new carriages by 2025, replacing half of all trains new for old supporting 11,300 extra services each week by the mid 2020s.



Rail companies have already delivered more than 2,500 new carriages to the network since 2017.

For the North of England

New and upgraded trains will be delivered for passengers travelling with TransPennine Express, Merseyrail, LNER, Northern, Hull Trains and Grand Central.



For Scotland



The £120million redevelopment of Glasgow Queen Street will be completed as part of the Edinburgh to Glasgow Improvement Project, providing more capacity and faster journeys.

For London and the South East

90 new trains on South Western Railway and construction will start on the £150 million upgrade of Gatwick Airport station.



Investment Report 2020

Read more about the improvement projects being delivered across

the country in our 2020 Investment Report at www.bigplanbigchanges.co.uk

Fares underpin investment in better services

“We’ve been investing to improve for many years.”

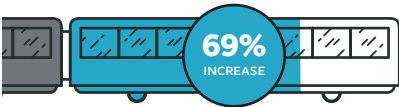
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Services increase by a third
This has enabled train companies to run over 42,000 extra services a week than compared to 1998 – an increase of almost a third. The frequency of services on many key long-distance routes into the capital has doubled since the mid-1990s.

Elsewhere:

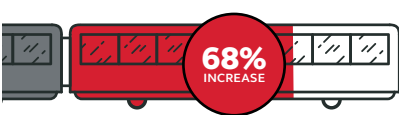
Leeds to Huddersfield to Manchester

33 more services a day



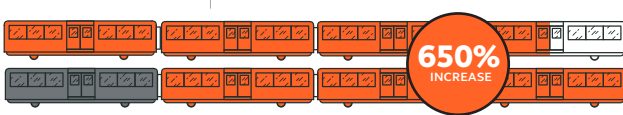
Glasgow Queen Street to Edinburgh

25 more services a day

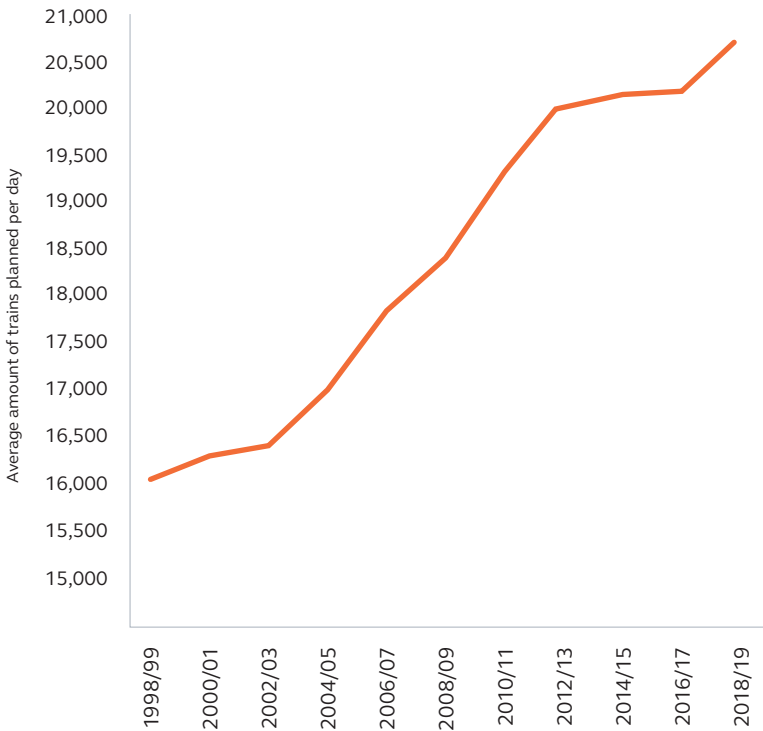


Leeds to Edinburgh

13 more services a day



Daily rail services increase



Safety has also been transformed.
Following a spate of tragic accidents at the turn of the century, our passengers and our people now travel and work on one of the safest railways in Europe.



Government rightly influences the level of rail fares

Funding for the running of the railway comes from two sources – passengers and taxpayers. Given rail is a vital public service, politicians rightly determine the balance between these two groups.

Over time, successive governments decided that the money raised from farepayers, rather than taxpayers, should cover as much as possible of the cost of running the railway day-to-day.

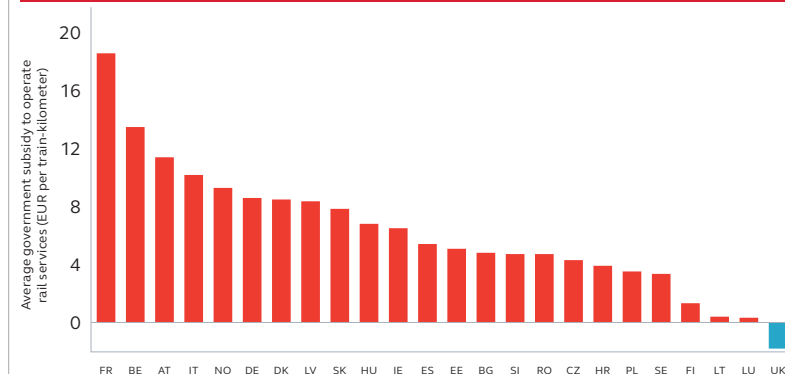
This means fares have gone up with passengers paying more, keeping taxpayer support to run the railway down.

Government directly influences changes to around 45% of fares which are regulated, including season tickets. The rest are heavily influenced by the payments train companies make to government.

Our railway receives less public funding for day-to-day operations than any other major European railway – meaning passengers pay more of the cost of running trains. This means money from the taxpayer and the private sector can be invested to improve the network.

The government has previously said it would like fares to rise in line with a lower measure of inflation. If government decides this, it would be welcomed by passengers and we would support such a change. We are ready to work with all parts of the rail industry to improve value for money for our customers.

Public subsidy levels for running rail services across European countries

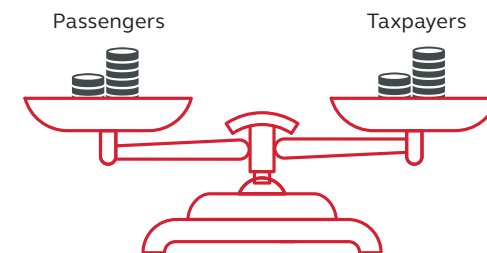


Source: RMMS 2018 release, the above represents the payments in 2016, the most recent year available

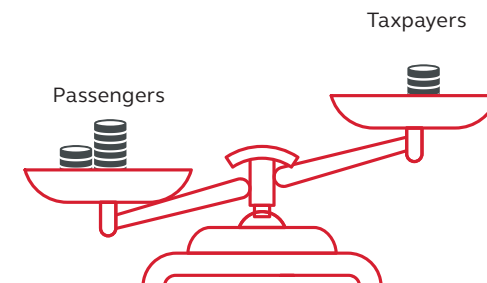
Balance of financials

With fares now almost completely covering the day-to-day cost of running the railway, Britain's rail services are not subsidised by government to the same level as in other European countries. This frees up taxpayer money for schools, hospitals and improving the railway.

2010-11
57%
from
passengers

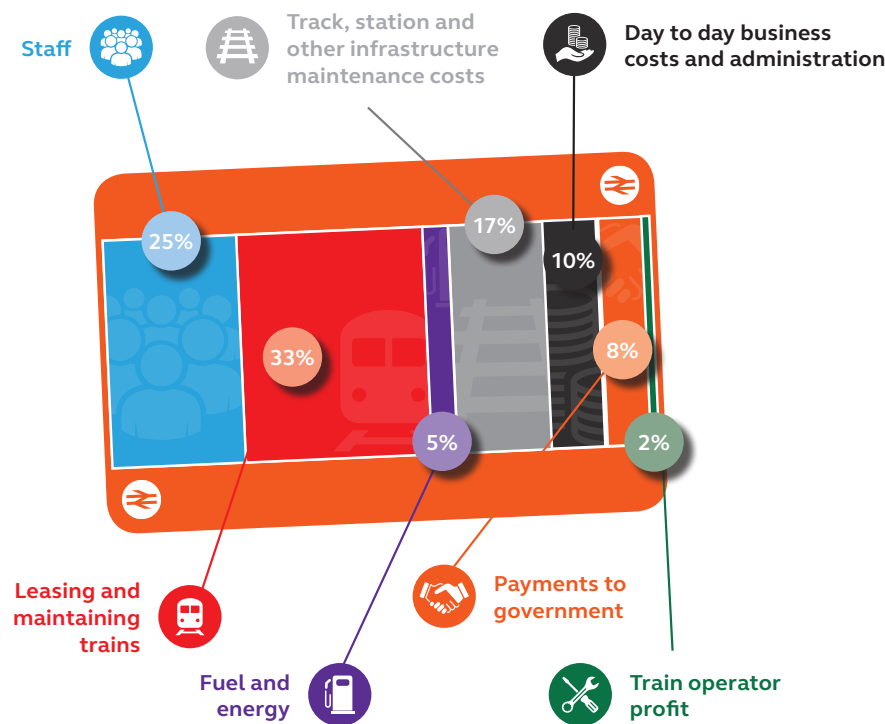


2015-16
70%
from
passengers



Where does money from fares go?

With 98p in every £1 paid of fares going back into running the railway, income from passengers is crucial to underpinning improvements to the network.



Our proposals to make rail fares easier

Earlier this year, we published radical proposals for once in a generation reform of the fares system. This followed the biggest ever rail fares consultation, which found that eight out of 10 people wanted the system overhauled.

The industry's 'Easier Fares for All' proposals explained how updates to regulation would enable the transparent, simpler to understand fares system people want, backed up for the first time by an industry 'best fare guarantee'.



“ We want to see root and branch reform of outdated regulations. ”

Our reform proposals would support: 'tap-in, tap-out' pay as you go being rolled out across the country; enable greater local control over fares in devolved areas; and better integration of rail fares with those for other modes of transport. With a new system, commuters working flexibly and travelling in off-peak hours could see savings while overcrowding could be reduced by up to a third on some of the busiest long-distance services.

We want once-in-a-generation reform of the whole railway

Following months of consultation with passengers, businesses and communities, the Rail Delivery Group submitted proposals to the Williams Review that would create a generational step-change in accountability and customer focus in Britain's railway.

Our proposals would replace the current franchising system with tightly specified TfL-style networks on mass-commuter routes enabling greater local control. Services on other routes would be run with tough outcome-based targets and incentives to meet customer needs.

We also propose to strengthen accountability by putting a new independent national organising body in charge of the whole industry, acting as the glue that binds it together.

The new system would be underpinned by the industry's proposals to deliver an easier to use, better value fares system.



Rail Delivery Group



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