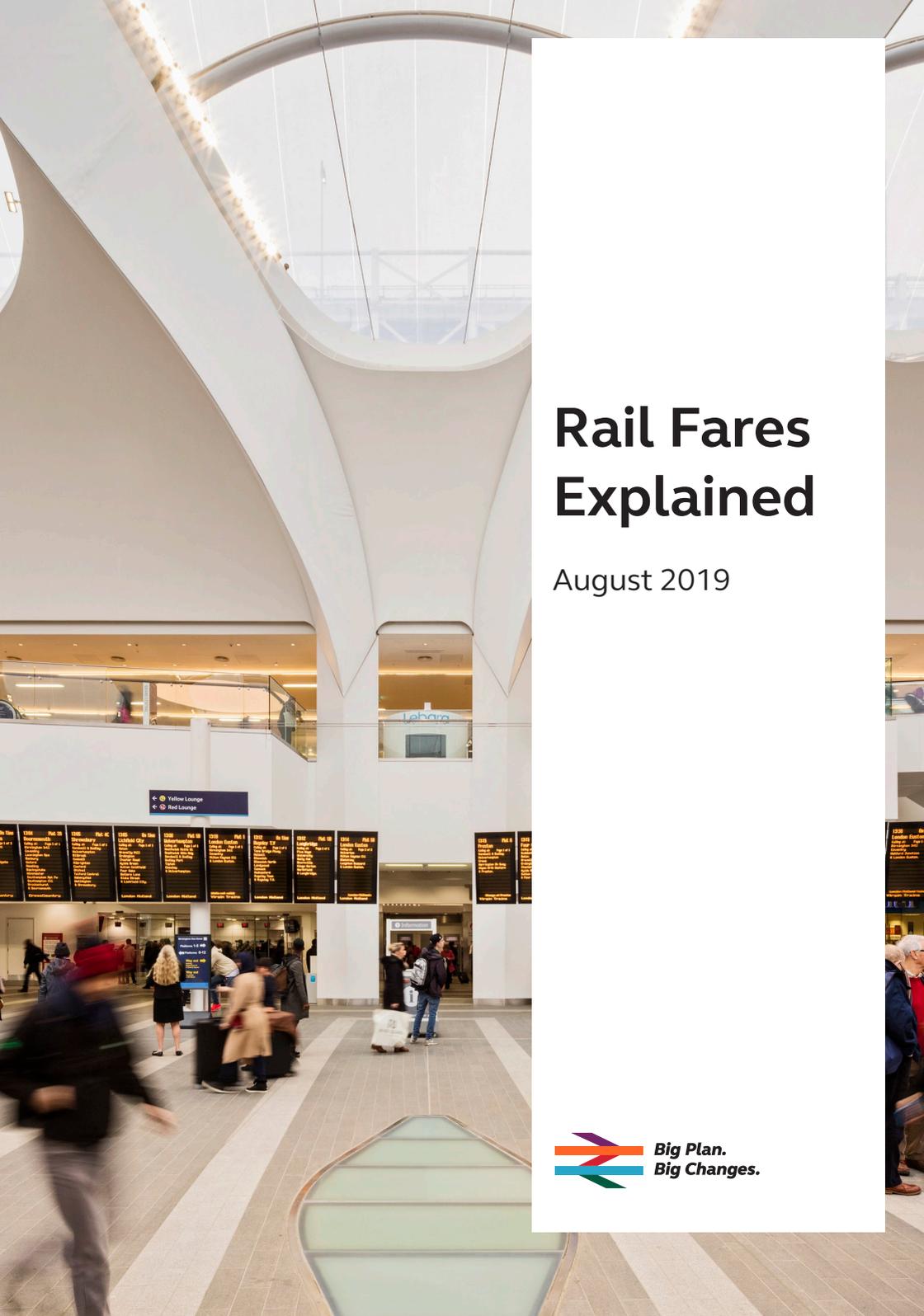


# Rail Fares Explained

August 2019



This document is produced and distributed by Rail Delivery Group. All material is property of Rail Delivery Group Ltd.

***Rail Delivery Group***

---



# Contents

1. Executive Summary	4
2. Fares underpin investment in better services	6
3. Government rightly influences the level of rail fares	10
4. Money from fares	12
5. Our proposals to make rail fares easier	13
6. We want once-in-a-generation reform of the whole railway	14

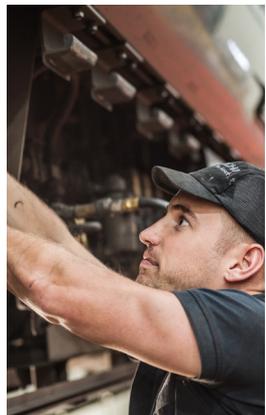
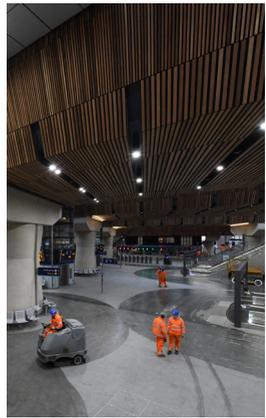


Image top left: Edinburgh Waverley station  
middle left: Borders Railway – laying track  
bottom left: Liverpool Lime Street station

top right: London Bridge New Concourse  
middle right: Southeastern Highspeed Trains  
bottom right: Hitachi Depot Ashford

# 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 subsidy 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 25 years ago. Local communities are enjoying over 600 revitalised stations. We are running over 4,400 more trains every day – 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.

Last summer's ambitious but ultimately disruptive timetable change is an example. Almost half of all train times changed as we tried to deliver a step-change in service. But the sheer scale and complexity of the operation with multiple moving parts, meant the system didn't cope. Rail companies, working together, have learned from this and have successfully introduced an additional 1,000 services a week since May 2019.

We are delivering a long-term plan to change and improve the railway today – 6,400 additional services a week. Over 7,000 new carriages by 2021. 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.

# 6,400

extra services a week  
by 2021

# Fares underpin investment in better services

Today, we are living through the biggest investment in the railway since the Victorian era and it is delivering:

## Better trains and more services

The roll out of 7,000 new carriages, supporting 6,400 extra services a week by 2021. Hundreds of fully refurbished trains will also be rolled out on routes across Britain.



## The Great North Rail Project

The Great North Rail Project, a multi-billion-pound programme of upgrades to better connect towns and cities across the North of England.



## Central belt improvements



The Edinburgh to Glasgow Improvement Project, increasing capacity and decreasing journey times.

## Thameslink Programme

The Thameslink Programme is bringing a new tube-frequency service through the centre of London, better connecting communities from Cambridge and Peterborough all the way to Brighton.



# Fares underpin investment in better services



We've been investing to improve for many years.

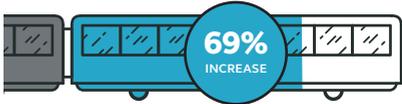


This has enabled train companies to run over 4,400 extra services a day than compared to 1998 – a 28% increase. The frequency of services on many key long-distance routes into the capital has doubled since the mid-1990s.

Elsewhere:

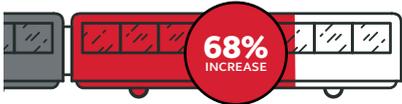
Leeds to Huddersfield to Manchester

33 more services a day



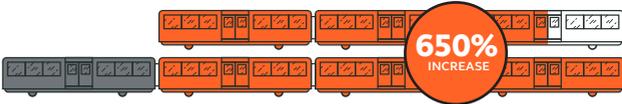
Glasgow Queen Street to Edinburgh

25 more services a day

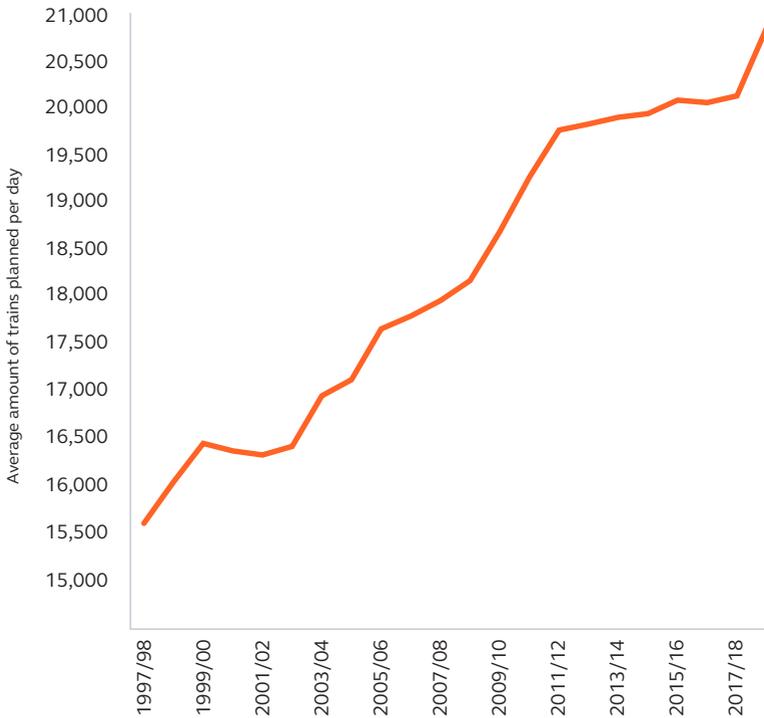


Leeds to Edinburgh

13 more services a day



### 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 said it would like fares to rise in line with a lower measure of inflation and 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.

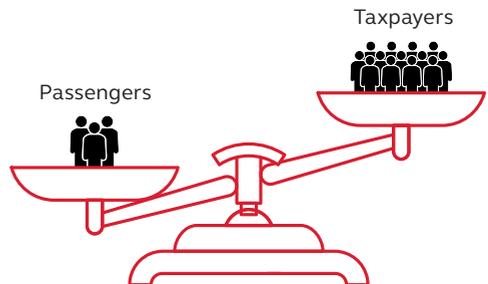
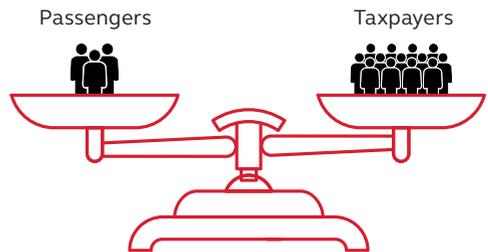


Image: Track work at Liverpool Lime Street station

Balance of financials

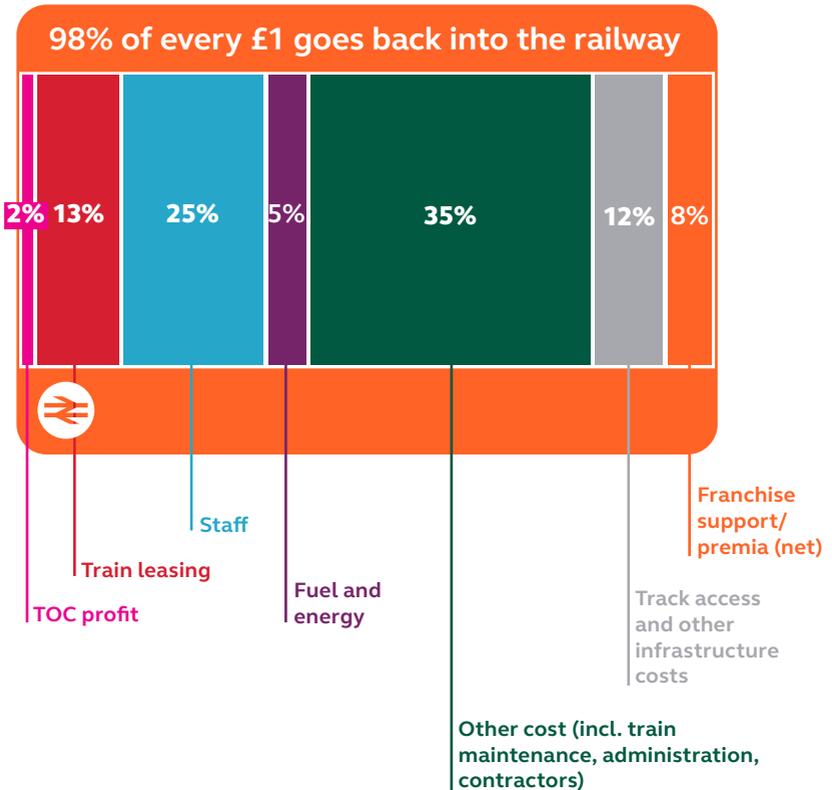
2010-11  
**57%**  
from  
passengers

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'.



Image: Southeastern employee with customers

“

**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 TfL-style networks on some mass-commuter routes, more choice and competition for passengers on some long-distance routes, and services running on other routes 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.

We held a series of events across England and Wales about the proposals over the summer to hear more about what people want from a reformed system. We will publish a report about the events later this year.



Image: Family at station

***Rail Delivery Group***



[www.raildeliverygroup.com](http://www.raildeliverygroup.com)

 [@RailDeliveryGrp](https://twitter.com/RailDeliveryGrp)