



Department  
for Transport

From the Minister of State  
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To: Baroness Neville-Rolfe DBE CMG  
Chair,  
House of Lords Built Environment Committee  
House of Lords  
London  
SW1A 0PW

*Dear Baroness Neville-Rolfe,*

21 February 2022

**Lords Built Environment Committee  
Inquiry: Williams-Shapps Plan for Rail – Fare Reform  
Government Response Follow-up letter**

I am grateful for your follow-up letter of 31 January on behalf of the Committee, requesting further detail on the nature of fares and ticketing reform outlined in the Williams-Shapps Plan for Rail, and the subsequent impact on consumers.

As discussed in my predecessor's letter to you of 13 December, fares reform is a core part of the William-Shapps plan for rail. The Government is backing this with the £360 million investment in fares, ticketing and retail announced in the Spending Review. These reforms will transform the customer experience. I set out below some of the further detail of these plans in response to your queries.

*Yours sincerely*

**WENDY MORTON MP**

**MINISTER OF STATE FOR TRANSPORT**

**Lords Built Environment Committee**  
**Inquiry: Williams-Shapps Plan for Rail – Fare Reform**  
**Government Response Follow-up letter**

**Paragraph 3: The Government has not yet set out how Great British Railways (GBR) will simplify fare structures. What are your (or GBR's) plans to simplify fare structures?**

Great British Railways (GBR) will use its leadership role to simplify the current mass of complicated fares and tickets, ending the uncertainty and confusion about whether passengers are using the right train company.

As a first priority, the Government is committed as part of the Department's £360 million Spending Review settlement, to extending contactless ticketing to urban areas across the country. This includes simplified fare structures in these areas, increasing passengers' confidence that they are getting the best fare.

**Paragraph 4: What are the Government's plans regarding single-leg pricing?**

As part of our fares, ticketing and retail (FTR) reform programme, single leg pricing may be introduced in contactless ticketing areas. This will play a key role in simplifying fares and instilling passenger confidence. We are also developing further options for single leg pricing trials on longer distance routes. This will mean passengers can easily mix and match tickets to their needs, and will substantially reduce the complex set of choices passengers have when making a return journey today. We are working closely with industry to develop these plans.

**Paragraph 5: How does the Government intend to roll out its programme of digitalisation and will this be delivered before the introduction of GBR?**

The wider FTR programme is funded for the current spending review period up until 2024/25. This programme includes multiple routes to digitalisation.

With regards to **digital ticketing** barcode capacity will be delivered to Southeastern, Merseyrail, c2c, the remainder of GTR, some TfL operated stations in London, and capacity will be expanded at other stations.

The Government has also committed to roll out **contactless ticketing** to stations across the network, allowing passengers in urban areas across the country to benefit from a simplified ticket-buying process. Contactless ticketing will be introduced at more than 200 stations in the South East, and more than 700 in other urban areas, including more than 400 in the North. Further details will be available as these projects are developed.

GBR will become an **online retailer** in its own right, ending the current confusion passengers face with multiple train operating company websites. We have asked the Rail Delivery Group (RDG) to start the procurement of what will become GBR's website and app for ticket retailing. The RDG issued a Prior Information Notice in December.

**Paragraph 6: Will the Government revise flexible season tickets?**

Flexible season tickets were introduced in June. The Department will conduct a 12-month review of flexible season tickets to evaluate their impact. We expect the review to report in the summer of 2022.

Flexible season tickets have been priced to offer most 2- and 3-day-a-week commuters savings against buying daily tickets or traditional seasons. They are priced relative to the options passengers already have on their chosen route. The flexible season ticket provides a minimum 20 per cent discount against the equivalent monthly season ticket.

On a minority of routes, traditional season tickets already offer significant discounts for three-day-a-week commuters. In these cases, passengers may find better long-term value through purchasing monthly or annual season tickets, rather than multiple flexible season ticket bundles.

Choosing the best product is easier than ever with the updated season ticket calculator on the National Rail Enquiries website. The 28-day validity period reflects that the product is targeting those travelling at least two days per week.

Independent research conducted by Transport Focus and published in November 2021, indicated that flexible season tickets have been well received among commuters on its Transport User Panel. More than one in three passengers surveyed that expected to commute two or three days per week said they would use the flexi season at least to some extent.

**Paragraph 7: Given that it will be setting GBR's priorities, we urge the Government to set the expectation that a through-fare will always provide the cheapest option and that split ticketing will be redundant. Do you plan to set this as an objective for GBR?**

Our intention is that DfT will set high level strategic priorities for GBR to deliver for passengers and taxpayers. GBR will assume the role of the industry guiding mind and have the operational freedom to discharge those higher-level priorities. This could be undermined if the Department took an overly prescriptive approach to specifying the detailed elements, including resolving fares anomalies, that underpin those priorities.

We are looking to consult on forthcoming legislation to introduce GBR and will reflect on what we hear from responses to that exercise before forming a final view on the level of direction that it is appropriate to provide.

**Paragraph 8: What oversight will there be of commission rates, including for GBR, to ensure that retailers will be treated fairly?**

We welcome the competition and innovation that third-party retailers bring to the market as they can aid the growth of the wider rail market, as well as drive creativity and customer focus. GBR will work with third party retailers as they continue to innovate for customers.