

Lowest overall increase in rail fares for four years

RAIL fare rises for 2014 were finally confirmed on December 23 - just nine days before most were due to come into effect on January 2.

Although for most train companies the overall level of fares for 2014 fell short of a freeze (RAIL 738), the average increase is 2.8% - the lowest in four years.

However, rail fares increases overall are still running at higher than inflation, which stood at 2.1% in December and is likely to rise in the new year with energy bill increases expected.

Some regulated tickets, including season tickets, anytime and off-peak tickets on the national network, will rise on average by 3.1%.

Chancellor George Osborne announced in his Autumn Statement on December 5 that the average increase for regulated rail fares would be in line with July's Retail Prices Index (RPI), rather than the previously planned RPI+1%.

The short space of time between the Chancellor's announcement and the implementation of new fares has been a challenge for train companies and the Rail Delivery Group, which oversees the process.

Fares for journeys wholly within London will not change until January 19 (and rise by 2.7%) the earliest date Transport for London is able to change its systems. The new London fares will be available from January 10.



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The eleventh-hour change to 2014 rail fares rises was criticised by Shadow Transport Secretary Mary Creagh, who said it was "completely unacceptable that passengers have had to wait until two days before Christmas to find out how much their season tickets will cost in the New Year. People deserve timely information to budget effectively".

Rail Delivery Group Director General Michael Roberts defended the Government's decision to introduce a real term freeze in the average price of season tickets next year. "The lowest increase across all fares for four years shows the industry's determination to maintain the phenomenal growth in rail travel since the mid-1990s", said Roberts.

"Nobody likes paying more to travel by train, particularly to go to work, but billions are being spent to serve passengers better," added Roberts, pointing to recently published European Commission research (see page 10).

Creagh promised that Labour would remove the flex in fares increases and implement a "tough cap" although have yet to provide the detail on the pledge.

Passenger Focus acting chief

Headline numbers

cost of season tickets from January 2

£150

approximate rise in season ticket cost to London from Canterbury, Chichester and Milton Keynes

£4,000

cost of annual season tickets to London from Reading, Maidstone and Basingstoke

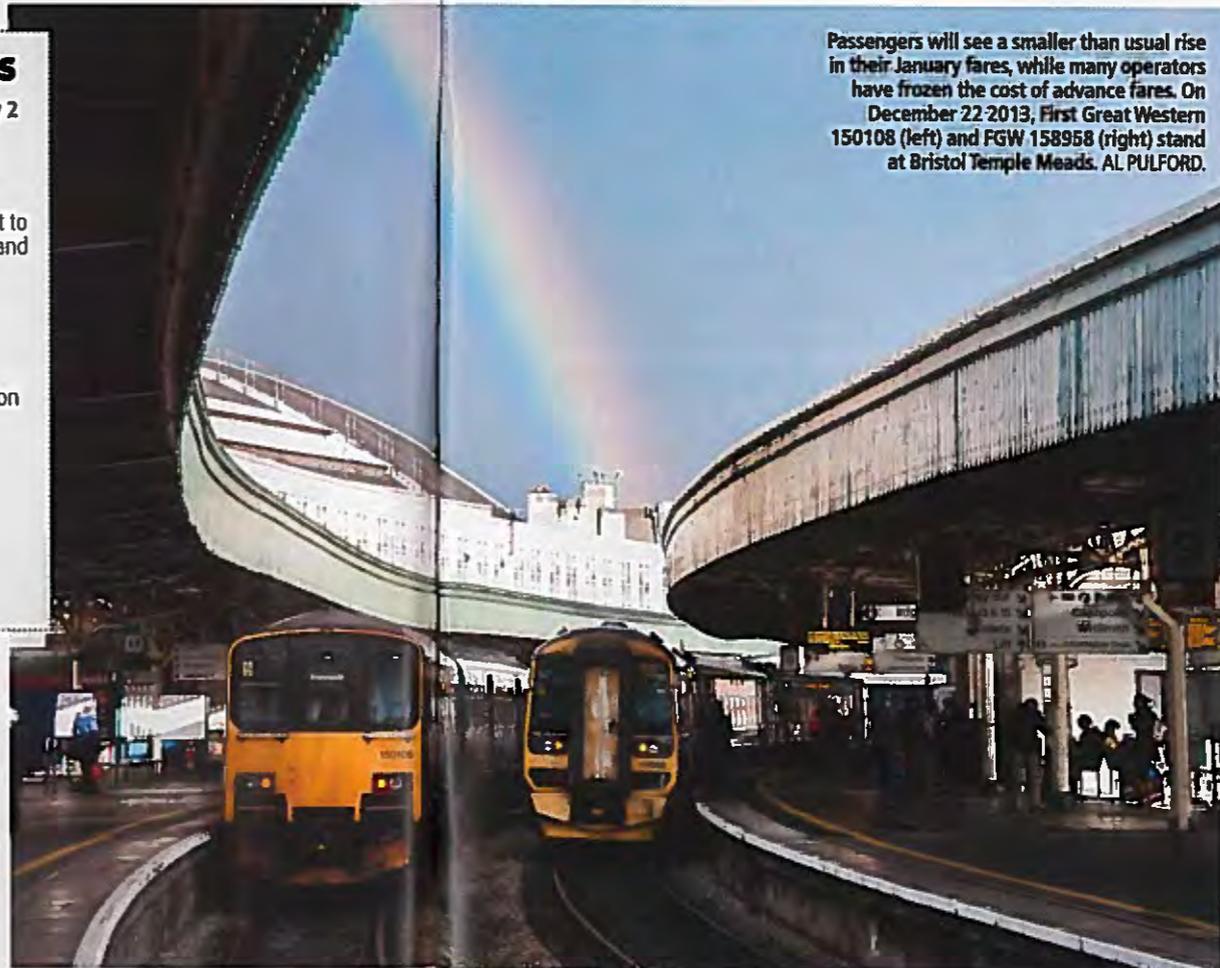
£8,000

cost of annual season ticket from Swindon to London

executive David Sidebottom said that despite the overall increase, passengers would be "relieved" that the average rise was capped at inflation instead of inflation plus 1% for regulated fares as it has been previously.

"It is also good to see that there is much less flexibility for individual fares to go up by more than this. Both of these are things we have called for and we were pleased that Government recognised the

Passengers will see a smaller than usual rise in their January fares, while many operators have frozen the cost of advance fares. On December 22-2013, First Great Western 150108 (left) and FGW 158958 (right) stand at Bristol Temple Meads. AL PULFORD.



need to act to relieve the burden on hard-pressed passengers".

Sidebottom added that it was a "good time" for the industry to look at the value for money of fares. "What is now needed is a more flexible fares structure that delivers the type of products that passengers want."

Campaign for Better Transport Chief Executive Stephen Joseph called on Government to do more to "stop the squeeze on commuters and avoid pricing people off the railways. We need a permanent end to inflation-busting fares rises calculated using an out-of-date formula."

The CBT said new research found that replacing the RPI formula with the Consumer Price Index formula as the basis of fares increases would be beneficial in tackling what it called "runaway" ticket prices.

Joseph said he thought that Government should stop using RPI to calculate ticket prices.

"It over-estimates real inflation so consistently that the Office of National Statistics has dropped it as an official measure.

"Government has already switched to CPI for most things. Doing the same for train fares would have little impact on railway revenues, but it would save passengers money and bring fares into line with things like public sector pensions."