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Dear Dr Mitchell

- **Referral pursuant to Section 76(5) of the Railways Act 1993, as amended:**
- **Great North Eastern Railway Ltd, car parking charges**

On 12 May 2006 GNER advised Passenger Focus of its intention to substantially increase the car parking charges at most of the stations it manages on the East Coast route: in many cases all but doubling the price. Passenger Focus made strong representations to GNER that these increases were not acceptable and requested that they moderate their proposed increases. In a response to Passenger Focus dated 16 June 2006 Christopher Garnett indicated that the main reason for the increase in car park charges is to raise revenue and suggested that the new prices were in line with other local car park prices. GNER's response exacerbates, rather than allays, our concerns. We are aware that other operators are considering similar increases to car park charges and we do not want to see a precedent set. Therefore pursuant to Section 76(5) of the Railways Act 1993, as amended, Passenger Focus has a duty to refer this matter to the Secretary of State.

Our main concerns are:

- 1.** Most passengers travelling to the station by car have no reasonably practicable alternative to parking in the station car park. We believe GNER is *de facto* the monopoly supplier of car parking for rail passenger use in the towns concerned. We do not accept as valid the argument that the new prices are in line with local authority and private car park operators' prices for all day parking in the same towns. As a matter of public policy, many local authorities are attempting to discourage car commuting by deliberately making long stay parking expensive. We believe GNER should regard car parking as integral to facilitating and encouraging use of the railway – and should not, for the stated purpose of raising revenue, emulate pricing policies designed to discourage car park use.
- 2.** Many pricing decisions in the rail industry are based on the premise that business travellers are willing and able to pay more as their employers will pay expenses, while commuters are protected through regulation. Many GNER stations serve passengers making shorter journeys away from the East Coast Mainline, as well as commuting journeys to and from London. The



new car park prices are disproportionate to the cost of even a full price peak time return ticket to key destinations. For example:

- Peterborough to Cambridge: £10 car parking + £13.00 train fare
- Grantham to Nottingham: £9 car parking + £6.50 train fare
- Retford to Sheffield: car parking £4.50 + £8.20 train fare
- Doncaster to Leeds: car parking £9 + £8.70 train fare
- Wakefield to Leeds: car parking £10 + £3.75 train fare
- York to Harrogate: car parking £12 + £7.05 train fare
- Darlington to Hartlepool: car parking £9 + £5.70 train fare

Commuter area standard fares and season ticket fares are regulated to protect commuters from exploitative fare increases. The business market meanwhile is assumed to be price insensitive but “fair game”. Unregulated car parking charges allow the possibility of exploiting an inelastic commuter and business market through the back door.

3. We have not seen projections of how the consequences of higher station car-park charges will impact on road congestion, future rail patronage from affected stations or railheading. GNER have never stated that their pricing policy is to do with car park capacity or the desire to encourage passengers to access the railway via other modes of transport. However, some passengers might be encouraged to get to the station in other ways, and we support initiatives to encourage public transport usage like the trial of the taxi bus at Peterborough. In contrast, we believe that for passengers with limited access to convenient public transport, particularly habitual car users, railheading will occur - as it does in PTE areas where free car parking at stations attract larger numbers of passengers. Furthermore we suspect that some existing, and potential, custom will be deterred from using the railway entirely for trips where car is a realistic alternative.

4. The rail industry should be encouraging travel by rail in the off-peak where capacity exists on trains. There is an issue surrounding car park capacity at some stations even by the end of the peak. However, where there is space, for some longer-distance off peak journeys the cost of parking at the station is now nearly half of the price of the train ticket, and in some cases much more than half, representing a substantial increase in “whole journey” cost to the passenger. For example:

- Peterborough to London: car parking £10 + £22.30 (GNER) or £18.10 train fare (First)
- Grantham to Leicester: car parking £9 + £9.70 train fare
- Newark to Birmingham: car parking £8.50 + £19.80 train fare
- Doncaster to Hull: car parking £9 + £16.30 train fare
- Wakefield to Sheffield: car parking £10 + £6.25 train fare
- York to Scarborough: car parking £12 + £14.30 train fare
- Darlington to York: car parking £9 + £13.70 train fare



Some off-peak passengers may be deterred from using the railway entirely and drive all the way.

5. Passenger Focus believes that car parking charges should be seen as integral to the whole journey cost of rail travel and the impact of increased charges should be fully considered in that context. Furthermore, car park provision and associated costs at railway stations needs to be placed in the context of overall transport policy and not in isolation as a revenue raiser for individually let franchises. We seek clarity and direction from DfT on the role of car parking at stations. Until the Department takes a lead in this matter, train companies are completely unconstrained.

Please accept this letter as a formal referral to the Secretary of State pursuant to Section 76(5) of the Railways Act 1993, as amended. This follows a resolution by the Passenger Focus Board at its meeting on 12 July 2006 that having made representations it is of the opinion that it is unable to achieve a satisfactory resolution of the matter by that means. The Act places a Duty on Passenger Focus to make a referral to the Secretary of State in such circumstances.

We look forward to receiving the Secretary of State's response in due course.

Yours sincerely

Anthony Smith
Chief Executive