



Department
for Transport

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Dear Crispin,

Thank you for your recent letters raising your concerns about fares in the Redhill area. Thank you also for taking the time to discuss these matters with me at our meeting on 13 March.

At our meeting I undertook to look more closely into these matters and I hope this response will answer your queries.

Your letters raised concerns about the Department's actions following Jo Johnson's commitment to resolve the 'Redhill hump' issue by the end of the current Govia Thameslink Railway (GTR) franchise in 2021. I understand that passengers travelling to London from stations between Redhill and Horley could find themselves paying more than passengers travelling from Gatwick Airport.

I know that the current fares system can be vulnerable to anomalies like this. The Brighton Main Line has some particular issues stemming from the previous existence of multiple train companies serving the same stations. At some stations, operators have put in place specific fares that were intended to attract passengers to their services. This has lowered prices for consumers, but has also led to fares that are complicated and illogical, particularly now the services are all run by the same franchisee under different branding. In the Redhill area, this has led to cheap, restricted fares being available between Gatwick Airport and London, which are lower than those at the surrounding stations, giving rise to the 'hump' issue.

Recognising the exceptional circumstances at these stations, my predecessor took the unusual step of intervening in a local pricing decision. He committed to resolving the Redhill fares hump issue by the end of the current franchise in 2021, 'with a reduction in fares coming into effect from this coming January'.

I think it is important to clarify that the commitment made was specifically to address the fares hump issue that you have raised with my predecessors. Consequently, the

fares reductions agreed with GTR were focussed on resolving this specific issue, starting with those fares that were undercut the most. It was not a commitment to a fares reduction in general for any other purpose and I hope this clarifies any confusion that may have arisen. It was not, for example, intended as a form of additional compensation for the punctuality issues your constituents have faced in recent years, or to offset the change in train service that rendered Southern-only fares from Gatwick Airport invalid on the small number of services that transferred to Thameslink (something which was addressed at the time).

You noted there has been some confusion amongst some of your constituents regarding the nature of the change that we agreed with GTR. As you know, we agreed a substantial reduction in the London Thameslink fare, particularly at Horley and Salfords stations. In our meeting you mentioned that this fare is little used, and only valid to two stations. I can clarify firstly that this fare is indeed valid at all the London Thameslink group of stations, including London Bridge, and secondly that following the reduction, this fare is now the cheapest option for passengers wishing to travel to London Bridge (who previously found that the dedicated fare from Gatwick Airport to London Bridge was up to 17 per cent cheaper than the fares available from Horley and Salfords stations). These passengers were most affected by the 'hump' issue previously, which is why this initial step focussed on this. In fact, the fares reduction that GTR implemented has largely resolved the 'hump' issue for many season ticket holders. You can find a more detailed analysis of this in my letter to you of 9 January 2019.

You also raised some specific requests relating to the 'Redhill hump' issue:

- You requested historic data about fare levels. This data is not normally available in this format, however I have asked the team to collate this information and provide it to you as soon as possible.
- You also asked for correspondence between the Department and its franchisee to be shared. Such correspondence between the Department and its franchisee is confidential. We would not want to set an unhelpful precedent and I would be concerned that this would affect our ability to conduct confidential and often commercially sensitive discussions with franchisees in the future. In any case, having reviewed the matter, I cannot see how it would be helpful or relevant to the matters at hand.
- Finally, you asked for a 'clear statement' outlining the plan to address the 'hump' by the end of the franchise. The franchisee is currently developing such a plan and it will be communicated to you once agreed. In the meantime, I would reiterate the Department's commitment to seeing the Redhill fares hump issue fully resolved by the end of the current franchise in 2021.

Looking beyond the specific 'hump' issue, I have also revisited some of the other points you have raised.

You suggested that fares in the Redhill area are priced disproportionately high, with a large jump between stations such as Coulsdon South and the stations further south. As we have established, the 'hump' issue is *primarily* due to the availability of cheap, restricted tickets at Gatwick Airport that are not available at the other stations. Of course, rail fares are based on a range of factors, of which distance is just one. In my letter of 9 January I provided an analysis of fares at a number of comparable stations in the south east that shows how the relationship with distance is not consistent in different parts of the network, but also that Horley and Redhill are not outliers in the broader context. However, there is a broader point concerning the alignment between the zonal fares structure that exists in London, and the point-to-point fares structure that exists outside the capital. This does tend to lead to prices around the London boundary that can appear illogical to passengers.

A more logical fares system – where the price you pay is more closely related to how much you use the rail network – is something I hear called for time and time again. We are currently undertaking a root and branch review of the way the rail industry operates, and I have asked Keith Williams to ensure that the Rail Review recommends a structure that could facilitate the delivery of a reformed fares structure. The Rail Delivery Group's initial contribution to the Review, following its 'Easier Fares Consultation', provides an interesting set of proposals for the future and we are looking into these in the context of the review. Some of these proposals, such as ensuring that end-to-end fares are more closely related to the sum of their parts, could go some way to addressing the issue you highlight.

In addressing this I want to adopt a strategic approach that is consistent, fair and even-handed, rather than taking a case-by-case approach. That is why I have launched the consultation into greatly expanding the scope of the pay-as-you-go travel area in the south east that you referred to in your recent correspondence. I do encourage you to contribute to this consultation, so we can ensure that all voices are heard. We especially need to know we have the support of the travelling public for any simplification of fares that might accompany such a scheme.

I hope this has provided you with the answers to your questions and concerns.

Yours,

Andrew

ANDREW JONES