Dear Lilian,

I am writing in response to your letter following my appearance before the Committee on 8 May 2019 regarding the hearing on Railways: Update with the Rail Minister.

1. Will the Government implement the recommendations of the Williams Review, whatever they are? Do you have any ‘red lines’, e.g. bringing rail services into public ownership?

Keith Williams will make recommendations to government, which we will take forward as a white paper. As we have seen so far, Keith has worked collaboratively and achieved considerable consensus behind his thinking. I expect this approach to continue and look forward to receiving his recommendations in due course. Independent chair Keith Williams has been given a broad scope and he is clear that all options are on the table.

The Review is evidence-led and will consider the right balance of roles and responsibilities across the public and private sectors to meet the needs of passengers and freight users, and to get the best value for taxpayers. As set out in the Terms of Reference which are available at: https://www.gov.uk/government/groups/rail-review#terms-of-reference

2. How confident are you that outstanding/carried over work from CP5 will be finished and that key improvements will be delivered by 2024?

Many of these schemes are already approaching completion, for example completing the electrification of the Great Western Main Line to Cardiff by December 2019. Other schemes include an additional track at the southern end of the West Anglia Main Line that is due to enter into operation in September.
Where deferred schemes did not have a business case, we are working with the rail industry to put these in place and ensure that we fully understand their costs, benefits and risks. We will make announcements on the next steps for such schemes in due course.

Where schemes are in the delivery phase, the vast majority are programmed and funded for completion by 2024. We are working closely with the rail industry to deliver the CP6 programme to budget and programme and to deliver benefits to passengers and freight customers. However, it has always been our intention that some of the larger and more complex schemes could not be delivered during CP6 alone.

3. Are there any limitations on the use of Direct Awards, legislative or other?

Article 5 of Regulation (EC) No 1370/2007 regulates the award of railway contracts and this restricts the duration of a Direct Award in most circumstances to ten years.

In addition, the Department has issued a statement of policy on the exercise of the Secretary of State's power under section 26(1) of the Railways Act 1993. This sets out the circumstances in which a Direct Award is likely to be made, and these are to ensure:

- the effective administration of a sustainable and well-resourced programme of franchise competitions; or
- the fulfilment of government objectives in relation to rail transport (including as to the remapping of franchises).

(a) How many Direct Awards has the Department made since 2012?

The Brown Review recommended that the franchising programme should stagger the competitions and have no more than 3 to 4 franchises awarded in any one calendar year. The majority of Direct Awards (Das) have been awarded to implement this recommendation. Of the 16 DAs since 2012, six were emergency DAs, that is, a short extension allowed to the incumbent operators (or in the case of LNER, the Operator of Last Resort) to ensure a smooth transition into the next franchise and get the best possible deal for passengers and the taxpayer. In the same period, we have awarded nine contracts after a franchise competition.

Direct Awards are a standard part of the franchising system as set out in the Railways Act. They can be effective for ensuring continuity of passenger services, particularly through periods of change on a franchise such as infrastructure and rolling stock upgrades. They are negotiated to ensure the operator delivers better services for passengers as well as value for money for the taxpayer.

We are reviewing options for delivery of passenger rail services on the franchises that are due to expire in the coming years on a case-by-case basis and direct awards are one means by which we can deliver provision of new services.
(b) For 2017/18 how many journeys on the GB rail network were made on an operator running under a Direct Award? What percentage of all journeys does this represent?

In 2017/18 there were approximately 386 million journeys made on these TOCs’ services, which accounted for 23% of all journeys made on the GB national rail network in that year.

4. There are seven companies registered at Companies House under DfT OLR Holdings Ltd. What are these companies for and why are there seven of them?

The Secretary of State has a duty under Section 30 of the Railways Act 1993, to maintain the continuity of passenger rail services in the event that a passenger rail franchise terminates and is not immediately replaced and has therefore established DfT OLR Holdings Ltd (DOHL) as a means by which he will deliver his obligations. It is a company limited by shares wholly owned by the Secretary of State for Transport. DOHL was established as an arm’s length entity in 2018, for the purpose of managing London North Eastern Railway (LNER) and any other operating company established in connection with the Secretary of State exercising his duties under section 30 of the Railways Act.

Following a recent administrative exercise by the Department, several dormant shelf companies, which were previously held first by the Strategic Rail Authority (SRA) and then by Directly Operated Railways Ltd (DOR), were transferred to DfT OLR Holdings Ltd. This has been done simply to tidy up the arrangements and to ensure that DOHL can react accordingly and quickly if a franchise needs to be transferred into public ownership. There is no particular reason why there are currently seven of these companies sitting under DOHL at present; it is simply a reflection of the fact that this is the number of companies that had never traded and were held by DOR at the time the exercise was undertaken.

5. Do any Franchise Agreements compel train companies to introduce driver controlled operation (DCO)?

There are some Franchisees that bid DCO introduction and this is then reflected in contracts. DCO refers to a method of train operation where the train driver is wholly responsible for operational safety, including despatch and operation of the doors, and where a second member of onboard staff, such as a guard, is rostered. This differs from Driver Only Operation (DOO) where only a driver is rostered.

(a) If train companies fail to deliver this, for example because of industrial action, will they be penalised and if so, how?

The Franchisee is required to develop a plan for mitigating the risk of industrial action in relation to DCO implementation. As with any franchise obligation, failure to deliver would be handled in accordance with the contractual terms and, where applicable, the contractual and statutory framework which applies to enforcement (see further https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/604396/enforcement-policy-rail-franchise-agreements-and-closures.pdf).
6. There is widespread support for the Northern Powerhouse Rail to help correct some of the regional disparities we have seen in transport spending. When will NPR be given the go-ahead?

In February, Transport for the North’s Board unanimously endorsed a Strategic Outline Business Case for Northern Powerhouse Rail. It is an ambitious document and represents a significant milestone in achieving our joint vision of a Northern Powerhouse Rail network. It has now been submitted to the Secretary of State and is being considered by Government.

(a) Will you be pushing for NPR to be fully funded as part of the Spending Review?

The Government’s response to the National Infrastructure Assessment will outline our commitment to Northern Powerhouse Rail.

7. In 2016, the Department, industry and others published the Action Plan for information on Rail Fares and Ticketing. This resulted in more than 200,000 instances of confusing language and abbreviations being removed from tickets. How many are left?

(a) How have you assessed the effectiveness of the 2016 Action Plan? What evidence do you have that customers and passengers find it easier to understand rail fares?

The Action Plan for Information on Rail Fares and Ticketing was published in December 2016 and represented a major initiative to improve the quality and availability of information available to passengers. The Actions were specific and measurable, and included a commitment to publish a joint progress report, which was published in December 2017. As a result of this, and ongoing work by the rail industry, over 1 million instances of jargon have now been removed from tickets to help deliver the commitment to increase customer satisfaction by delivering simpler ticketing. Following this, a mystery shopping exercise by the ORR in 2018 found that 91% of surveyors were able to buy the most appropriate ticket for their journey, up from 80% the previous year.

We know, however, that the issue of complexity and dissatisfaction with the fares system is much broader than confusing language and abbreviations and evidence, such as that presented by the Rail Delivery Group’s recent ‘Easier Fares for All’ report, shows that passengers want a simplified ticketing system.

8. What areas of the rail industry’s ‘Easier Fares for All’ report do you find most attractive? What proposals do you think might be difficult to implement?

RDG’s ‘Easier Fares for All’ report is a welcome contribution to the Williams Review, and the proposals will be considered by Keith and his team as they develop recommendations for reform. The report sets out a number of useful fares reform proposals, many of which
we are actively considering. We have sought views on weekly capping through our consultation on PAYG expansion and already require new franchisees to develop better value for money options for people who travel less than five days per week. In the shorter-term, officials are working with the industry on how their proposals might work and be tested in the real world to inform any future reforms.

9. Are you happy with the pace at which train companies are rolling out smart and flexible ticketing?

Train operating companies have made good progress on rolling out smart ticketing. Smart tickets are now accepted at stations across almost all of the network, following work including the DfT’s £80m programme of in-franchise change, Transport for the North’s roll-out of smartcards, and the Rail Delivery Group’s delivery of mobile barcode ticketing.

This programme, ‘Smart Ticketing on National Rail’, has also delivered over 5,000 upgrades to gates, vending and ticket office machines - and all operators now offer barcode and / or smart card tickets.

We have worked with operators to roll-out a smart ticketing offer that is tailored to their passengers as well as focusing on customer service and raising awareness of smart tickets. We are continuing to work with operators to further improve the smart ticketing offer – for example, by preparing to offer cross-franchise travel on smartcards.

(a) When can all passengers expect to be able to get flexible season tickets, that allow them more flexible working patterns and help tackle congestion at peak times?

Smart ticketing makes the experience of purchasing and using rail tickets much easier for passengers. It also provides the opportunity to link tickets to more flexible products.

We require all new franchise bidders to introduce new, more flexible products that meet the needs of passengers who work or commute fewer than 5 days a week.

Progress is already being made on the delivery of more flexible tickets to provide a better deal to part-time commuters: South Western Railway offers a smart carnet product, and Great Northern and Thameslink provide carnet products which can be mixed and matched across the peak and off peak. The new Abellio East Midlands franchise will also include ‘flexipass’ tickets to provide better value fares for passengers who travel less than five days week. Some older franchise agreements do not include this requirement, but we do encourage train operators to adapt to changing travel patterns and customer needs to provide passengers with such an offer where possible.

Pay-as-you-go (PAYG) gives passengers a greater choice as to how they pay for travel, it supports flexible travel patterns and ensures that part-time workers pay a fairer price for using the rail network. We now want to ensure across regional and urban commuter areas smart ticketing can deliver the kind of PAYG structure that is used in London, for easier journeys. We are working with operators to roll out PAYG in such areas – for example, this year Govia Thameslink Railway is rolling out PAYG to 13 of their stations using Transport for London’s technology.
This spring we ran a public consultation with a view to adopting a more strategic approach to PAYG expansion. We suggested a PAYG area in the South-East, which is the next step towards our wider ambition of rolling out PAYG to commuter areas across the country. We also sought views on how a PAYG travel area might work, the principles behind a PAYG area, and how fares could change to complement PAYG ticketing.

10. What assessment has the Government made of the benefits for season ticket holders from the delay repay compensation scheme when compared with that previously offered under the passenger charter scheme?

(a) What assessment has the Government made of the net impact on passenger revenue from the introduction of delay repay where it has replaced the passenger charter scheme?

At the time that the Delay Repay compensation policy was introduced in 2007, the context was one of improved and improving performance across the rail network, with performance levels on DfT franchises that were generally above the level that would have triggered passenger discounts for monthly & longer season ticket holders. In this context, the assessment was that Delay Repay would provide more generous compensation entitlement to holders of all ticket types.

Delay Repay compensation is a uniform scheme, paid on all ticket types, whatever the cause of the delay to the service. In contrast, the Passenger’s Charter scheme had exclusions for events outside of the control of the rail industry and eligibility arrangements varied across franchises. In addition, monthly & longer season tickets under the Passenger’s Charter scheme were not eligible for any delay compensation if performance in the relevant service group was above the relevant trigger level.

In the period since 2007, there have been occasions when performance on a franchise on Passenger’s Charter compensation arrangements has dipped, triggering season ticket holders’ entitlement to renewal discounts. For example, the circumstances at the start of the SWR franchise in 2017 were exceptional as it was the first time since the start of the previous South West Trains (SWT) franchise in 2007 that performance had dipped to a level which ‘triggered’ the entitlement of season ticket holders to such a level of discount. In line with our franchising policy on passenger compensation, bidders for the SWR Franchise were required to implement Delay Repay from the start of the new franchise. Because performance had dropped below the trigger thresholds for the passenger’s charter discount for season ticket holders in the very last reporting period of the previous franchise, passengers who had purchased a season ticket before the new passenger’s charter compensation arrangements for Delay Repay came into force on 5th September 2017 were entitled to the 5% discount on renewal. There was therefore a cut-over period of 12 months (for annual season tickets) between the different compensation arrangements for season ticket holders. From September 2018, no renewal discount has applied to annual season tickets.

More recently, Delay Repay was introduced on 1 April 2019 on Great Western Railway. An assessment was made regarding the impact on season ticket holders from moving to Delay Repay. In light of the fact that discounts had for some time been received by
season ticket-holders on a number of service groups due to poor performance, the Department decided to introduce Delay Repay only for daily, return and weekly season tickets, with holders of monthly or longer season tickets remaining on the old Passenger’s Charter arrangements while the present under-performance on these services continues. Whilst recent performance has shown some improvement, it is likely to be a while before we move out of trigger for the four biggest service groups as this is based on the 13 period moving annual average. Once performance improves on a sustained basis we will then look to also moving these passengers onto Delay Repay.

The introduction of the Delay Repay scheme is an important factor in explaining the significant rise in the total compensation paid to passengers over recent years. The latest figures, published in October 2018, show that there was an 80% increase in the compensation paid by TOCs to passengers over the previous two years (these figures are published at the weblink: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/744567/2017-2018-passenger-compensation-figures.pdf.

11. According to figures from the British Transport Police, between 2014 and 2018 reported sexual assaults on the railways increased by more than 60%, while knife crime has tripled in three years. What are you doing to tackle crime and passenger safety issues on the railways?

The Department and the British Transport Police (BTP) are committed to reducing crime, anti-social behaviour and the fear of crime wherever it occurs in the transport system. We want to see more and more people using public transport - one of the key ways of encouraging this is to make sure it is a safe option.

The risk of becoming a victim of crime on the rail network remains low. In 2017/18, 19 crimes were recorded per million passenger journeys. Less than one journey in a million involves an incident leading to any physical injury. Despite fluctuations in rates year on year, crime on the railways is significantly lower when examined in the longer term. Ten years ago, there were around 30 crimes per million passenger journeys recorded on the rail network. It is also important to note that the recent increases on rail mirror the national crime picture. For example, police forces in England and Wales registered an overall rise of 18% in the “violence against the person” category in 2017/18.

However, BTP takes the issue of crime very seriously and runs and supports a number of initiatives to encourage reporting, including ‘Project Guardian’ and ‘Report it to Stop It’ which target sexual crime. The recent rises in reported crime can be attributed, at least in part, to the success of these initiatives in increasing reporting of offences.

Another factor contributing to increase in recorded crime is the popularity of BTP’s confidential text service, 61016, to report crime. For example, in 2016/17, 304 sexual offences were reported to BTP via text, by 2017/18 this number had risen to 528. In addition, as part of franchise agreements, DfT requires Train Operating Companies to work with BTP to tackle crime on the railway.

DfT and BTP run the secure stations scheme, which was refreshed in late 2017. Crime figures are a factor in achieving accreditation, together with other elements including
safeguarding of vulnerable people. As part of new franchise agreements, TOCs are required to seek secure stations accreditation for stations that they operate where there are crime-related issues.

In response to recommendations made by the Women & Equalities Committee in their recent report on Sexual Harassment of Women and Girls in Public Places, the Rail Delivery Group committed to coordinate and lead the delivery of a package of measures to tackle sexual misconduct across the network. Potential measures being explored include improvements to staff training and support for operators, adoption of a national campaign based on the Report It to Stop It principles and supporting BTP operational activity. In May, the Secretary of State wrote to the Rail Delivery Group to reconfirm the importance the Government places on this issue, its expectations of the industry, and its commitment to making the railways a safe and welcoming environment for all passengers. We will continue to work closely with the Rail Delivery Group on it.

**Sexual Offending**

BTP undertakes a range of activities to target sexual offending. The size of the Sexual Offences Unit (London) has also been increased. In 2017 it consisted of 2 Detective Sergeants (DSs) and 14 Detective Constables (DCs). As of May 2019, the unit will comprise of 5 DSs and 25 DCs.

Alongside the Report It To Stop It Campaign, days of action take place throughout the year, during which BTP produce a list of wanted suspects for both frontline and proactive tasking team officers to make arrest attempts.

BTP have a dedicated team of officers working to view and request CCTV on behalf of officers, generating still images of suspects within minimal timescales. The level of training officers in the unit receive has been enhanced: all officers in the SOU now attend an annual development day with the Metropolitan Police (MPS), receiving inputs from a wide range of experts and support agencies.

**Knife Crime**

BTP is undertaking a range of activities to reduce violent offences against passengers, rail staff and BTP police officers & staff and will target and deploy resources where they have the best effect in preventing & reducing crime, arresting offenders and improving the confidence of rail users and staff by reducing their fear of crime.

Op Sentinel is a BTP force-wide lead operation which is targeting weapon enabled crime, serious violence and robbery. There is a supporting national force media strategy underpinning the campaign with the strap line 'Focused on your safety.' This is set to launch in June and will tie the key aims of the operation together. BTP has been working on these areas for several months under Operation Engulf (Stratford) and Operation Viking (other locations). These operations continue on a monthly basis in support of the Force Op Sentinel strategy.

The deployment locations are driven by a threat, risk and harm assessment that takes into consideration both BTP and neighbouring forces' intelligence surrounding weapon enabled crime, serious violence and robbery. Much of this information comes from the
MPS and BTP works closely with the MPS Violent Crime Task force, seeking to overlay resources at stations within MPS priority red graded risk boroughs where the key crime types are high.

Once deployments are decided, resources are assigned made up of local, central (Operational Support Units) and FHQ based specialist assets, like Behavioural Detection Officers and Dogs. Deployments have been proving fruitful in terms of the detection of weapons and continue to gain wider support from other forces who are keen to focus deployments at Transport Hubs, particularly the MPS.

BTP meet with the MPS Violent Crime Task force each month to discuss and co-ordinate future joint deployments and support the MPS each month with the Op Sceptre (National Knife Crime Operation).

I hope you find this helpful, please let me know if you need any further information.

Yours,

Andrew

ANDREW JONES MP