

GREENPEACE

Fare Britannia

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GREENGAUGE21
Shaping tomorrow's railway

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Preface

The Labour Party campaign highlighted the cost of living crisis for many, and the need to grow the national economy. A good response to these twin challenges would reduce dependency on fossil fuel. For households, it's expensive fossil fuels that have driven up prices across the board.

One way to reduce fossil fuel use, ease inflationary price pressures and tackle the national productivity problem is to provide an alternative to ever-increasing car use – and a more congested national road network.

Affordable public transport will reduce polluting private car use, give people wider access to work and education opportunities. Less congestion and wider connectivity will boost economic productivity.

In creating better and cheaper public transport, the challenges of cost-of-living and climate change come together.

That's why Greenpeace commissioned this report: there's an opportunity to learn from European countries that have sought to boost public transport usage by a transformational approach to ticketing.

Transport in the UK is dominated by private cars and vans both in terms of distance travelled (around 80%) and as the biggest source of carbon emissions. Transport itself is now the UK's most stubbornly high emitting sector. Decarbonising cars and vans is essential.

Partly this can be achieved by switching from internal combustion engines to electric. But new cars with internal combustion engines will remain available until 2035, so there will be many millions of cars with an internal combustion engine on UK roads well into the 2040s. To meet our national carbon emissions commitment, we need to reduce the distance travelled by UK cars by at least 20% by 2030.

Much of this reduction will need to be achieved through shifting journeys from cars to public transport, in particular to trains for medium and longer distance journeys. Like wind farms, solar panels and home insulation, our trains, buses and trams are a critical climate solution.

The new Labour government has made economic growth its central aim. A better, less congested, and more reliable transport system will generate economic growth. Building more roads is the wrong answer because it induces more car travel, exacerbates climate change and adds yet more traffic. To grow the economy, travel by train and public transport needs to be made much more attractive.

Almost a third of people on low incomes have no access to a car so cheap, accessible public transport is essential to reduce inequality and increase economic opportunity.

But why did Greenpeace want a proposal about a climate ticket in particular? Because it's part of the challenge – if you want more people to use trains, ticketing needs to be simpler and cheaper.

So long as train tickets remain significantly more expensive than the equivalent journey in a car, it's going to be difficult to shift away from car journeys in significant numbers.

Of course, prices aren't the only thing that matter. Frequency, reliability, safety and quality are all important and to absorb more travellers by train we will also need to increase capacity in some places.

But without a different approach to ticketing – cheaper, simpler and more integrated across modes – the current damaging unsustainable status quo will continue.

This report explores how ticketing could be transformed if we learn the lessons available from other countries which have tried similar things.

Public transport is key to unlocking economic growth and emissions reductions. We believe a new approach to ticketing is the key to making sure public transport can deliver on both.

Foreword

The new Labour Government would be well advised to fully study the recommendations in this report. The authors are to be commended for writing such a well-researched report on the take up of 'Climate Card' across Europe as a new way of paying for rail travel, like the subscription model we are all familiar with for mobile phones or streaming services such as Netflix.

It would change the dynamic when it comes to paying for rail and help to close the gap between the continued disparity in the cost of rail travel compared with driving or flying.

Since 2010 fuel duty has been cut by 34% in real terms costing the Treasury around £100 billion in lost revenue. This has made rail travel much less competitive compared to its main competitor, the car. The pro car stance taken by the previous Government has come at a cost in terms of fewer trips by public transport, more traffic and congestion on the roads and increased CO₂.

The new Government needs to be fully aware of the consequences of continuing to reduce fuel duty in real terms which is why it is imperative that innovative measures such as 'Fare Britannia' recommends in this report should be considered.

When Labour was last in power, the Deputy Prime Minister, John Prescott, wanted to change how we travel by achieving a modal shift away from the car. It was the German model he wanted to emulate where even though car ownership was higher than the UK, car use was lower. This can be explained by the German public transport system which is more integrated and subsidised than ours. Given the constraints on public finances there will be no large Treasury cheque available to reduce rail fares to German levels. However, we can adopt our own version of 'Deutschland Ticket' which has demonstrated impressive results with a 28% growth in rail travel for a relatively small £45 million revenue loss (less than 0.5% of total rail revenue).

The subscription model will also bring rail travel more into line with driving where the fixed cost of running a car is high – purchase price, insurance, etc. – incentivising car owners to use it for most trips. We have this to an extent on the railway with season tickets, but with the change in commuting patterns they have become much less popular accounting for only 14% of total rail revenue compared with 34% 5 years ago. With a monthly subscription for rail travel passengers will be encouraged to make more trips by rail and the evidence from across Europe is that one third of the extra rail trips would have otherwise been car trips. In any cost benefit analysis appraisal, the reduction in congestion, pollution and CO₂ will produce an excellent return from the modest loss in rail revenue from 'Fare Britannia'.

The authors are right to recommend that the scheme should be trialled in parts of the UK where there is sufficient spare capacity to accommodate the extra journeys. Creating the right interface with Transport for London's already excellent fares system will need to be designed carefully. To start with, therefore, it's right to focus an introduction on the north of England and the Midlands – and

potentially the South West, Wales and Scotland. It would also support the levelling up agenda and crucially for a government which has placed so much priority on stimulating economic growth, widen the catchment area for people traveling to work. We used to pay much more attention to social exclusion and for those without access to a car more affordable rail travel is crucial.

The recommendations put forward in this report offer a transformative approach to addressing the pressing issues of rail travel affordability and environmental sustainability. It is crucial for the new Labour Government to consider these innovative measures to ensure a more equitable transport future for the UK.

Professor David Begg

Former Chair of the UK Commission
for Integrated Transport

Chair of the Northern Way Transport Group
Non-executive director on British Rail
Board and the Strategic Rail Authority

Executive Summary

Increasingly, across Europe, a new way to pay for travel by train is available. In place of individual tickets, travel by rail – indeed on public transport across whole countries – can be paid for on a subscription basis, through a monthly account.

It's a payment approach familiar today to many people who have similar arrangements for mobile phone usage and for streaming services. It offers the great advantage of simplicity and – in the case of rail – it signals an end to separate charges for each and every journey.

Travel in Great Britain by train today

This is in stark contrast to the UK's current rail fares system which is overly complex. So much so that people have little trust in being able to obtain the cheapest ticket. To an unknowable extent, this unwanted (and costly) complexity deters people from travelling by train.

There are exceptions, however, and an extremely important case is London, where the fare system has evolved into an automated Pay-As-You-Go (PAYG) system. This has

entailed significant investment in ticket gate systems over the years, and has so far proven impossible to emulate in other city regions because of high capital investment costs.

So it is worth asking if this new approach for paying for rail (and public transport travel) could be adopted in Great Britain. This report sets out to answer that question.

The birth of Climate Card

Launched in Austria in October 2021, the new way of paying for train travel through subscription was called Climate Card. The aim was to encourage people to switch to more energy efficient forms of transport, and be less reliant on the use of cars. Germany followed suit, and there are also now applications in Hungary, France and Portugal. It is a growing phenomenon.

With a price set at €49/month, Climate Cards have attracted significant increases in rail use. Discounts on this price level include lower rates for the elderly, for young travellers, and these can be extended to job-seekers, and armed forces and so on.

Learnings from abroad

There is much to admire, and some key lessons to learn. Four points stand out:

- A substantial increase in rail use can be expected. In Germany rail use has increased by 28%, and there is evidence that a similar uplift could be expected in Great Britain (indeed, a similar level of increase was experienced with the introduction of London's Travelcard).
- With a fall in the price of each journey, total revenues may decline.
- By excluding some types of train travel, adverse revenue impacts can be contained. The Deutschland Ticket cannot be used on German inter-city or high speed services. The initial offering in France in 2024 is not available for journeys to/from/in the Greater Paris region, is only for two summer months and is also restricted to availability for young travellers only.
- Care needs to be taken in establishing revenue allocation systems, to ensure that authorities with devolved transport funding arrangements are treated fairly as partners to the endeavour.

For an application in Great Britain, we can learn from experience elsewhere and define an approach best suited to our national needs.

Options and the right approach for Great Britain

Three possible approaches were compared for charging through a subscription-based approach in Great Britain: (i) zonal (in effect a nationwide extension of the London system); (ii) per mile travelled; (iii) monthly rate. The conclusion reached is that a monthly flat rate – as adopted in Germany and elsewhere – is the best approach.

We call this approach Fare Britannia. Its adoption can be expected to restore trust in the national fares system. The monthly charge is proposed to be set at £49.

Fare Britannia is assumed not to be usable on InterCity services, and travel to and from London would entail an add-on Zone 6/all-zone supplement (which would be payable on a Pay-As-You-Go (tap in/tap out) basis using London's established ticketing infrastructure).

Benefits

The report sets out a preliminary strategic, economic and financial case for Fare Britannia. The economic benefits will be experienced most across the English regions (and devolved nations, assuming the Scottish and Welsh authorities elect to join the scheme). It will help people access jobs and allow businesses to expand their employee catchments. It will encourage domestic and inward tourism, especially to less visited parts of the country.

A transfer of some people from car use to rail brings climate change and other environmental benefits and takes pressure off the nation's over-stretched strategic highway network.

To test financial effects, an example of Fare Britannia with restricted deployment was selected. This test case does not permit Fare Britannia travel to/from/within London or travel on InterCity.

It is therefore a restricted example, in effect a regional version. Interestingly, the travel stimulus effects experienced in Germany through its national Deutschland Ticket were similar to those achieved with the London fares simplification using Travelcard. The change in annual rail revenue is estimated to lie within a range, with net annual revenue loss between a very modest level of £45m and a more significant reduction of £637m. This impact would be mitigated if rail demand and revenue took a higher growth path with Fare Britannia, as well it might.

Staged implementation

A regional version of Fare Britannia could be a good first stage application, perhaps centred on the north of England.

An increase of 28% rail demand would need to be met by a suitable mix of measures to increase rail passenger capacity. Nine candidate measures to achieve this are set out. In the north of England, where train provision is today often provided by short 2-car or 3-car trainsets, train lengthening would be a likely approach.

Expanding to a national application, it would still appear wise to exclude InterCity/high speed services, while incorporating the option of London travel. The London facility would be an optional add-on to the national Fare Britannia card, using the Pay-As-You-Go facilities, as enjoyed by London travellers today.

The absence of InterCity means that existing parallel inter-regional train services which typically serve key intermediate destinations rather than running non-stop between the larger cities, would need to be strengthened. A common feature of such services is that they are less well used post-Covid at peak times, since they catered for commuter flows that are now significantly diminished in scale. Ways in which a network of inter-regional services could be fashioned from today's timetable have been examined and include the re-creation of some services cut-back in recent years.

Revenue allocation systems

Implementation of Fare Britannia requires detailed work on revenue allocation. It is recommended that Great British Railways (GBR) is tasked with this work and with bringing Fare Britannia into existence.

GBR would be responsible for negotiating with key third parties – with Transport for London, with the transport bodies of the devolved nations and with others at a regional/city region level as appropriate. The public sector must lead on these activities, and be expected to be held responsible for Fare Britannia. GBR would be accountable to Ministers for its implementation and forward management.

It should be possible, given a prompt start, to implement at least a regional version of Fare Britannia within the first two-three years of the current Parliament, with a full national version to follow.



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Introduction

This study explores whether recent experience across Europe in simplifying rail fares could be successfully applied in Great Britain.

Key aims of such an approach in Britain would be:

- (i) to restore confidence and belief in rail travel and rail fares
- (ii) to attract car users to rail and reduce carbon emissions, road congestion and pollution.

This report introduces Fare Britannia, a new way of paying for rail travel. It follows the radical changes being adopted across a number of major European countries, through the adoption of Climate Card to pay for rail travel.

The notion of simplifying fares for rail travel, maybe even across public transport as a whole, is not a new idea. But ongoing attempts at simplification in the UK have often come to be seen as adding an additional layer of complexity. Many attempts at simplification apply to some individual train operating companies but not others. To be effective, a new approach has to be comprehensive.

The experiences from other countries we have found helpful, both for pointing to successful outcomes and also in that they show up some potential pitfalls. We can also learn from successes at home, including from the fare system developed for London available across the public transport modes, which has been 40 years – it should be noted – in the making. It remains an object of envy for other parts of the country.

More generally, since 1st January 2023, there has been a cap on individual bus journey fares of £2 on bus journeys across England (outside London). Government has said that the fare cap aims to ‘encourage people back on the bus, which can help reduce congestion and emissions.’¹

There are challenges to be faced with a radical, fairer way of setting rail fares, and the report sets out how these might be addressed. They include a consideration of whether rail services may face overcrowding with a new

1. <https://www.gov.uk/government/news/government-extends-2-bus-fare-cap-and-protects-vital-services>

easy-to-use system across the whole country. And we examine carefully the question of likely impacts on the rail sector's overall financial position.

Rail ticketing in Britain today

Comparing the current customer experience of paying for car travel and for rail travel is informative. Car drivers typically fill their car with petrol or diesel (say) once a week (or charge their electric vehicle overnight). Then for most trips there's no need to think about individual journey cost at all, apart from possible parking charges. Interestingly, 90% of new cars are purchased using PCP (Personal Contract Purchase) using a rolling monthly online payment.²

Outside London, the experience for a rail traveller is much more complicated and uncertain. There are decisions for passengers to make about how and where to purchase a ticket, what type of ticket to buy, and even whether to try and find a "split ticket". The undercurrents to these decisions are concerns about ticket validity, whether a cheaper ticket may have been available, and indeed whether a penalty fare may be payable.

Complicated rail fare choices lead to a lack of trust and poor perceptions of value for money. This is in contrast with how car drivers pay for their fuel which is easy and divorced from the actual journey. London's Oyster or contactless Pay-As-You-Go (PAYG) is closer to car drivers' experience and this makes using public transport in London comparatively painless.

For regular rail users, Annual Season tickets (in some cases bought with an employer providing an interest-free loan) simplifies matters. But with the move of many office staff to hybrid working, commuting for many rail users is no longer a 5 day/week experience. Season tickets are now much less popular and as a proportion of rail revenue their use has sunk over the last five years, from 34% to 14%.³ In Scotland, an interesting development was off-peak train fares applied all day with an increase in rail use, although with some decline in revenue, as expected. Because of budget pressures, this experiment was cancelled in August 2024.

Perceived value for money

Rail travel today for many people is complicated, and the perception of value for money amongst rail passengers is poor. According to YouGov's April 2024 tracker poll, 72% say that rail fares are either fairly bad value for money or very bad value for money. The only comparable service/utility with lower satisfaction ratings is internet reliability.

2. Source: Finance & Leasing Association (fla.org.uk)

3. [Passenger rail usage – October to December 2023 \(orr.gov.uk\) Table 1.1](#)

Transport Focus customer research findings

“The plethora of ways to buy tickets was felt to be overwhelming for some of our passengers; current systems are not joined up, and it is difficult to know which purchase route is likely to offer the most cost-effective solution for their journey”.

“We increasingly lead, flexible, spontaneous lives, and whilst planning is sometimes a necessity, people also value the ability to change their plans in an instant. There have been a number of innovations in the past few years, that have provided greater access to a wider range of transport solutions e.g. Uber, Zipcar etc. These have brought mobility solutions closer to being able to support flexible and spontaneous lifestyles. However, the rail network is lagging behind other transport modes. Paying to use the rail network is not convenient, quick, reliable or flexible”.

Source: Transport Focus

- Many rail users said the idea of having an online account was appealing, as it made ticket purchase simpler and more convenient. However, there are also passengers who like the comfort of having a paper ticket and didn't want to be “pushed into technology”.⁴

Rail travel's recovery from the Coronavirus

Rail use is now (in Spring 2024) at around 85% of the pre-Covid 19 level, following a clear if gradual path of recovery. Train service levels remain lower than pre-Covid 19, at 90%, measured in train-kms operated. Passenger yields (average fare/passenger) have not diminished.

The pattern of rail use, with rail revenues below earlier levels has been the subject of repeated comment by Government transport Ministers. But the stability of fare yields is encouraging a view that the right policy going forward is to aim to stimulate more travel by train. There is scope to increase seating capacity, as needed, and the pattern of service provision will no doubt need to be updated, to match post-Covid demand shifts.

Transport Focus has found that:

- Passengers are looking for a ticket which offers value for money, convenience and simplicity. They are looking for something which makes their lives easier

4. 'The Future of ticketing', Transport Focus, 2019; 'Smart Ticketing in the north', Transport Focus, 2016; 'Smart ticketing – what rail passengers want', GfK NOP for Transport Focus, 2013



Climate Card experience across Europe

The story of Climate Card started in Austria three years ago (some 15 years after it was first proposed). Its name was prompted by a wish to encourage people to use cars less and low-carbon or zero emission public transport instead.

Early success in Austria led to the introduction of similar offerings across Germany, France, Portugal and Hungary.

(i) Austria

Introduced in October 2021, the Klimaticket (Climate ticket), offers seamless travel across all modes of public transport across Austria, including Inter City trains.¹ It was intended to galvanize the nation's fight against climate change.

The annual pass, priced at €1,095, works out at just €21 per week. Specified as a fully national system, Klimaticket purchase and use has since thrived in a country which has very high rail use anyway, and a tradition of low fare levels. It is usable on all services, so it is in practice a national rail pass, open to all.

1. <https://www.klimaticket.at/en/>

In effect, it takes 20–30% off public transport prices, and there are regional versions of the Klimaticket available too. There are also discounted versions available for those aged 25 or younger; for those aged 65 or older, and for disabled people, for whom a reduced fee of €821 applies (and there are also special tickets for families and for members of the armed forces).

Equivalent annual tickets for comprehensive use such as this do exist in other countries: for example a ticket that can be used on buses, trams, trains and metros across the Netherlands, but here it is much higher priced, at €3,066 per annum. Switzerland's General Abonnement (GA) travelcard offers unlimited use of the Confederation's entire public transport network, but costs three times as much as Austria's Klimaticket.

The Austrian Klimaticket was intentionally a game-changer, and it has proven popular.²

2. <https://www.euronews.com/next/2023/09/18/austrians-still-ignore-public-transport-green-klimaticket>

(ii) Germany

The German equivalent to Austria's Klimaticket was introduced next, in May 2023, and it has proved hugely popular. So far, there is a political will to keep it going.³

The German Klimaticket is a subscription approach known as the Deutschland Ticket. Within a week of launch, 250,000 had been sold. Priced at €49 per month, it has totally replaced season tickets. Three months after its introduction, the German transport ministry reported that 11 million people had subscribed to the ticket. Of this total, 5 million were existing subscribers to monthly transport passes (season tickets), 5 million were new subscribers from existing public transport ticket holders and 1 million were new users of public transport.

As in Austria, the German version of the ticket is usable on bus, metro, tram, U-bahn and S-bahn services as well as rail, nationwide. But – unlike in Austria – it is not available on Germany's InterCity train network (IC) or its high speed (express) services (ICE), where fares are set at higher levels by the federal government.

The ticket is available from the German Länder (these are the 16 federal states) who provide many of the public transport services alongside the state-owned national rail provider (DB). Some communities have additionally subsidised the ticket for those on low incomes, for senior citizens and for apprentices. The city of Tübingen, for instance, went as far as subsidising the ticket to every

resident who can get it for just 34 euros per month; in the city of Stuttgart, the local council offered the Deutschland Ticket as an employee benefit.

There were some tangles over compensation rates: the Länder, which are responsible for public transport in their regions, argued they need a bigger subvention from central Government to cover expected revenue losses. It would have helped, it has been acknowledged, to have had a longer period to resolve differences over these arrangements between the regional and federal authorities.

The German Parliament agreed to fund an extra €1.5bn to cover half of the expected extra costs and revenue loss for 2 years. The country's 16 federal states must match this and cover the other half. Six months on, the 16 federal states appear to agree that a clearing house type system is needed to distribute revenue based on where residents live, along with standardised national rules for discounts for students and other specific traveller categories.

The Deutschland Ticket is valid for a calendar month, and is automatically renewed, with payment taken by direct debit from the user's bank account or by credit card. The subscription can be cancelled by the 10th day of each month. Users wishing to purchase a new subscription for the current month on the 11th day of the month or later must pay for at least the current and the following calendar month.

3. "Regional governments keen to keep Deutschland Ticket" (Rail Gazette International, 30 April 2024)

Demand response

A year after introduction, Deutsche Bahn (DB) declared that there had been a 28 per cent increase in passengers on regional trains. Nearly two-thirds of passengers on DB's local and regional services were by then using the Deutschland Ticket, primarily for commuting purposes. Sufficient commuting capacity was not a challenge: services in regional cities as well as into the capital, Berlin, routinely provided by high-capacity 5-car and 10-car train-sets.

There are heavy levels of abstraction. Market research by German public transport authorities suggests 8% of Deutschland Ticket holders are new customers who didn't (or rarely) used public transport prior to its launch. This may be a modest proportion, but these 'modal switchers' have led some people living in Germany to give up their private cars, seeing them as no longer needed, or no longer a justifiable expense.

Half of the journeys taken with the Deutschland Ticket are for commuting to work or school. Additionally, the ticket, according to DB, is increasingly being used for leisure trips and weekend getaways (see Figure 1). On average, DB passengers travel around 20 per cent further with the Deutschland Ticket.

It is seen as having helped people on lower incomes, a contribution to social equity aims. It has already achieved a notable reduction of over one million tonnes in transportation-related CO₂ emissions.



Figure 1: Routes in Germany with strong Deutschland Ticket take-up: the top twenty most popular routes

Source: Railtech.com; data by Deutsche Bahn

Transferability

There are some cultural differences to note when considering the transferability of the German experience. There was a different post-Covid commuting response in Germany, with more of a sense of duty to be present in the office each day: there is less working from home, following Covid than in the UK. To encourage more people to use regional public transport, DB is offering the Deutschland Ticket as a 'job ticket'. Hundreds of companies and organisations, including major corporations such as Siemens and Porsche, are already customers. Companies can offer employees the Deutschland Ticket as a job ticket from day one, with employers funding up to 25% of the cost tax-free.



The introduction of the Deutschland Ticket also led to a significant shift in passenger purchasing behaviour, with 78 per cent of all tickets for regional and local transport now being sold digitally through the Deutsche Bahn (DB) website or app. This represents a doubling of the proportion of tickets bought through digital channels. In response to this digital shift, DB is enhancing its DB Navigator app to serve passengers in public transport better. It will no doubt be able to reduce the cost of its conventional face-to-face ticket sales facilities in due course.

The Deutschland Ticket is reported to have led to some over-crowding at weekends, when there is less capacity on offer, so it is not regarded as an unalloyed success.

There are some important differences between Britain and Germany in the way rail timetables are structured. In Germany, alongside the InterCity (IC) routes which are not available to Deutschland Ticket holders, there is an established network of Inter Regio (inter-regional) services (IR), which are available to Deutschland Ticket holders. So the new ticket allows travel across the entire country, but not on the fastest trains.

“The Deutschland-Ticket is a “game-changer” for regional travel, our most popular ticket for public transport – simple, flexible, and digital. Since the flat-rate ticket was introduced a year ago, more passengers are travelling with us. It is a ticket for everyone, a true citizen’s ticket. More and more people are using environmentally friendly public transport”.

Evelyn Palla, a DB board member for regional transport

(iii) France

Seeing the Austrian and German initiatives in this area, it was made clear at senior levels in Government that France would follow suit. On 4 September 2023, French president Emmanuel Macron said his government was looking at a French equivalent of the Deutschland Ticket.

But in France, there was some disagreement about compensation levels for those regions that have a key role in funding public transport service provision.

Initially, French Minister of Transport, Clément Beaune said a similar scheme would allow unlimited travel throughout France on the country’s regional trains and the regular Intercités priced similarly at 49 euros per month. But the president of the Île-de-France region, Valérie Pécresse, suggested the cost of such a scheme would be around 1.8 billion euros for her region, and that this was unaffordable. So the scheme has ultimately had to proceed without the participation of the Île de France region, which covers Greater Paris and where (as with London in Great Britain) there is a high proportion of public transport service and revenue.

The French compromise for 2024

Nonetheless, France is set to launch its initial version in summer 2024, but major compromise has been necessary. The French version will also cost €49, but for two months, and it will only be available to around 700,000 young people under the age of 27 (for July and August).

and it does not cover the Île de France region. It was expected to allow unlimited travel on TER and Intercity trains but will exclude high speed TGV trains.⁴

The exclusion of the Ile Île-de-France region (the most populated in France) has caused some frustration. To travel around France, an additional ticket costing up to €16 in the Île -de-France region in addition to the Rail Pass is needed in order to transfer between French regions (journeys which, by rail, typically require a transit across Paris).

Despite concerns, regional authorities have now agreed to the plans. It will initially be a one year experiment.

(iv) Portugal

A few months after the German 49-euro ticket went on sale, in August 2023, Portugal launched its own National Rail Pass. This is again a monthly 49-euro pass for regional trains, and was launched by Comboios de Portugal (CP), the state-owned company which operates passenger trains in Portugal.⁵

The €49 pass allows unlimited travel on Portugal's regional trains. The pass cannot be used on intercity, high speed and international services, but as in Germany, there are slower speed trains available for which the ticket is valid.

4. <https://www.euronews.com/travel/2024/04/04/france-set-to-launch-49-rail-pass-this-summer-who-is-eligible-and-when-will-it-start#:~:text=The%20scheme%20is%20expected%20to,exclude%20high%2Dspeed%20TGV%20trains>

5. <https://www.railtech.com/policy/2023/08/08/comboios-de-portugal-launches-49-euro-national-train-pass/>

(v) Hungary

On the same day in 2023 as the Deutschland Ticket launch, Hungary introduced two types of new tickets allowing unlimited travel across the country. Prime Minister Viktor Orban announced the scheme in his State of the Nation speech in February and the changes were introduced on 1 May.

In summary

An idea that started in Austria is spreading across Europe. Germany provides the most helpful evidence on its affect in the travel market-place, and its adoption in France highlights the challenge of applying a nationwide facility where there is a dominant capital city with a major rail network supported through a devolved funding arrangement.

A key feature of the Climate Card is that it marks a shift away from conventional rail travel ticketing. In its place is a subscription model, an approach that has also been applied by some commuter airlines in the USA – for instance Alaska Airlines, where interestingly the same price point is being used, \$49/month, in this case to have access to deep discounts on flights.

Satisfaction surveys have shown that the main reason for buying a Climate Card is not having to worry about buying tickets anymore, in other words: convenience. In Great Britain, the train operators group, Rail Partners, themselves acknowledge in their 'Easier Fares for All' 2019 public survey that: "[the] public find costly and complicated fares put them off taking the train".

3



Alternative ways forward for rail ticketing

Ways of paying

Before looking at options for a new rail fare or fare system it's worth acknowledging some of the wider trends in how people today are paying for services.

In the UK and elsewhere, the use of subscription pricing is familiar territory for many. Nearly 8 in 10 (79%) of adults are signed up to at least one subscription service¹ with popular ones including streaming services Spotify, Netflix and Amazon Prime Video, and of course, mobile phone contracts. In fact, in 2022 there were 71.8 million mobile contracts in the UK, which is 4.2 million more than the UK population.

Santander Cycles in London is another example, now available for £120/year on a subscription basis.²

While the public sector needs to play the part of the hero in introducing fare Britannia into existence, the subscription model with the benefit of open access to the (banned) ticket is viable, expanding 68% of the choice, perhaps with differing services to meet customer needs.

Arguably then, a rolling subscription would be an ideal way of paying for rail travel, administered by trusted third parties such as Trainline or Transport for London. Great British Railways (currently operating in 'shadow' form) could also take on this role. Aside from ease and familiarity, a key advantage is that subscription would be clearly differentiated from existing fares and tickets, so initially could work alongside them.

1. What are the most popular subscription services in the UK? – Finder UK
2. What you pay – Transport for London ([tfl.gov.uk](https://www.tfl.gov.uk))

3. Source: Usage of subscription services: key findings of survey (Opinium, November 2021) – GOV.UK (www.gov.uk)

Current rail retailers

Occasional rail travellers might search for a train ticket on-line and at the National Rail web-site they would be told: "there are lots of options to find the best fares in the most convenient place. For example, you can use the National Rail website or app, or visit a station ticket office or ticket machine."

The National Rail website often does not offer fares itself, but will pass customers onwards to individual train operating companies (TOCs), having declared their intended travel destinations. Alternatively, many customers searching on-line will be directed to the Trainline website where they will be offered fares which include Trainline's commission, so are more expensive than going direct to the train operator.

Selling rail tickets is big business. One of the most successful companies is Trainline. It charges a booking fee and receives 5% commission on sales. With turnover reaching £5 billion in Trainline's latest financial year, thanks to a rebound in rail travel and a surge in the online ticketing services across European markets, its operating profits have doubled to £56 million.

If instead tickets are bought on-line from specific train operating companies (TOCs) – who are able to book through tickets using other train operating company services as required – no commission is charged. But Trainline clearly appeals nonetheless, and it is alone responsible for about one third of ticket sales by value in Great Britain.

Buying rail tickets

In practice, this is now a competitive market-place, and finding the cheapest option is a challenge on-line and, except for simple local journeys, can pose difficulties even at a railway station booking office.

Here, would-be travellers may be required to answer questions covering flexibility of journey timings, preparedness to change trains, wish to use or avoid specific routes, travel class, return journey details, applicability of discount railcards, and so on.

The lead time ahead of journey will likely be a key factor in ticket prices for longer journeys where the cheapest ticket is likely to be an advance fare requiring booking on a specific train. The cheapest ticket available may well involve 'split ticketing', that is having multiple tickets, with the journey broken into travel stages without necessarily actually changing trains. But many people remain unaware of this option or are wary of its legitimacy. The very existence of 'split ticketing' reinforces the perception of complexity and risk of being treated unfairly.

There are others in the marketplace – too many to list here – but they include, for example (in no particular order): Ticket on Departure, traintickets.com, Railboard, TrainPal (which is Chinese owned), RedSpottedHanky.... These are businesses that compete on added-value features as well as on price.

This situation has its advantages: competition drives innovation. New players are joining the market too, with the recent launch of train tickets on Uber, for example, which offers 10% back in Uber credits for every pre-booked train. Other channels offer booking of other add-ons such as bus and coach travel and accommodation.

But arguably, there wouldn't be so many businesses in this market place if there wasn't such complexity in what should be a simple task.⁴ While there was intended to be a centralised national replacement of the current ticketing system under the Williams-Shapps plan to reform the rail sector⁵, this was subsequently dropped.

London

London travel by rail is a special case. Here fares simplification across the various public transport modes started as long ago as the early 1980s with adoption of travel zones. This progressed through unlimited use Travelcards, Pay-As-You-Go (PAYG) Oyster cards (initially procured through a PFI programme) to the use of digital payment systems on a tap-in tap-out basis, perpetuating the 'Pay-As-You-Go' feature.

Much can be learned from the London experience, which amounts to a total simplification in what was previously a very complex set up with different fares systems on bus, rail and Underground travel modes.

The consequences of the coronavirus on travel habits, with the collapse in 5-day/ week commuting and the travel ticket designed to facilitate it (season tickets, monthly, quarterly, annual) have left a gap in ticket offerings. While around half of the TOCs running into London offer season tickets on smart cards, within London the digital PAYG system is ubiquitous and much envied in other parts of the country, where it has proven to be a slow haul to fund and implement the station ticket-line systems needed to make PAYG work, with card-based as well as electronic (digital) tickets.



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4. Roger Ford, Modern Railways, May 2024

5. <https://www.gov.uk/government/publications/great-british-railways-williams-shapps-plan-for-rail>



		
		
BUS STOP		
British Library		
towards Angel Islington, Tufnell Park or Holloway		
30	73	91
205	390	N73
N91	N205	

London Travelcard Impacts

The introduction of an unlimited use ticket product in London in the 1980s led to very significant demand growth of up to 30%.

Between 1981 and 2001, bus travel in the Metropolitan areas outside London fell from 2.0 to 1.1 billion trips, whereas within London, after remaining broadly static during the 1980s, it rose from 1.1 to 1.4 billion trips.⁶

When the Travelcard season ticket was introduced in the 1980s, it took three or four years before the switch to Travelcard in place of point-to-point season tickets was complete.⁷

The market impact of the Travelcard has been extensively studied and reported, with a significant study undertaken by Malcolm Fairhurst for London Regional Transport) in 1993. Helpfully, this analysis sought to isolate the impact of fares integration per se by removing the estimated market impact of fare level changes associated with the introduction of Travelcard.

The estimated market impact of fares integration alone was as follows:

- Tube patronage increased by 10% between 1983 and 1992;
- Tube passenger miles increased by 33% between 1983 and 1992;
- Bus patronage increased by 16% between 1983 and 1992; and
- Bus passenger miles increased by 20% between 1983 and 1992.

The May 1983 fare structure revisions and introduction of the all-mode Travelcard led to a 30 percent increase in bus passenger miles and a 48 percent increase in Underground passenger miles. Part of this was attributable to a drop in average bus fare paid of 19 percent, and a drop in average Underground fare paid of 28 percent. Yet, when this fare level change was isolated out in a 20-year time-series analysis by the London Transport Planning Department, the fare structure revisions and introduction of Travelcard alone were shown to have had their own positive impacts. These Travelcard impacts included increases in bus revenues of 4 percent, bus passenger miles of 20 percent, Underground revenues of 16 percent, and Underground passenger miles of 33 percent (London Transport, 1993).⁸

6. "Oyster" and "Pre-Pay" Malcolm Fairhurst, Fares and Ticketing Manager, TfL University College London 28th May 2003 TEG Meeting.

7. Malcolm Fairhurst evidence to GLA Budget Committee – 22 June 2006

8. "London Transport Fare Elasticities and Travelcard Impact." In Transportation Research Board – National Research Council, 2004, Transit Cooperative Research Program Report 95: Transit Pricing and Fares – Traveler Response to Transportation System Changes



Climate Card variants for GB

A Climate Card could be deployed in the UK in a number of ways and at various pricing levels. While the analysis in this report points to a preferred way forward, it also identifies a range of approaches and pricing levels. For Government to adopt a Climate Card approach here, more detailed work and the views of stakeholders will be needed.

But here we are able to show the key risks and benefits of differing approaches.

Options for a new way of paying for rail travel

We set ourselves the following requirements for a new ticketing system for Great Britain that could have similar impacts to the Climate Card now being introduced across Europe. The new approach needs to be:

- easy to understand
- can work with a subscription model
- can be differentiated from existing tickets
- seen as an attractive alternative to car use.

Rather than only considering a European-style fixed monthly subscription approach, we looked at two other subscription approaches as well for comparison purposes:

1. Price per mile
2. Zonal.

The three options would each apply to rail travel, but we remain conscious throughout of the opportunity to make such ticketing applicable across the various public transport services available, such as bus and tram.

With each approach, there are also questions of whether a fully comprehensive rail offering would be viable, noting that in both Germany and France, some restrictions on use have been found necessary to avoid excessive revenue abstraction.

(i) Price per mile

Passengers would purchase a ticket for a station-to-station journey with the cost reflecting the distance by rail. The attraction of this pricing principle is that it is logical, cost reflective and

easy to explain.¹ It might be equivalent to how people pay for a car journey in future as/when (or if) a road user charging system is introduced to replace fuel duties for private cars.

A subscription approach with this model could be established on the same basis as a typical mobile phone contract, where there is a standard monthly charge based on a pre-specified monthly number mileage cap, then an additional charge for extra mileage incurred.

Different levels of cost per mile could relatively easily be applied to children, students, and concessionary travellers such as retired or disabled passengers.

The technology for logging mileage would be achieved through mobile device tracking. This itself represents a possible draw-back: not everyone has a smartphone (or similar). However, a price-per-mile fare could be difficult to administer across the various public transport travel modes.

(ii) Zonal

The country would be divided into fare zones. This would work in a similar way to the London Travelcard zonal system, much expanded.

Note that when looking at longer distance journeys, remote locations could be identifiable in aggregated zones – so a journey from say Zone 3 in London's system might be taken to an aggregated Yorkshire zone, rather than to

an equivalent zone within West Yorkshire such as Bradford. There is no need for separate fares to be set for every zone to zone pair feasible at a national level.²

The cost could be lower for concessionary travellers and in theory there could be a cheaper off-peak only fare to encourage people to avoid peak periods.

A subscription version could be based on a monthly ticket paid for on a rolling basis.

(iii) Monthly fee

This would be based on a flat fee per month paid for using a rolling subscription, similar to the Deutschland Ticket described earlier.

A key attraction is its simplicity, although as in Germany and Austria, there could be varying price levels that might match the various railcards on offer in the UK – so for families, senior citizens, young people, services personnel, job-seekers – set at more affordable levels. Equally, there may be some plausible add-ons – perhaps a matter for individual retailers to consider.

1. Although the national rail network offers route choices for many journeys which complicates a charge per mile travelled approach

2. Greengauge 21 has studied the feasibility of a national zonal fares system previously (in 2014) – see https://bettertransport.org.uk/wp-content/uploads/legacy-files/pdfs/Stepping_Stones_final_version.pdf

Option assessment

The three options identified for a new way to pay for rail travel were evaluated using a qualitative “Multi-Criteria Assessment” approach (see Figure 2). This involved examining each option through the lens of five criteria:

- **Simplicity** – how easy is it for passengers to understand and use?
- **Fairness** – how fair and equitable is it?
- **Impact** – how much impact is it likely to have on traveller behaviour, including attracting car users to rail, and so reducing congestion and carbon emissions?
- **Operations** – how might it affect rail operations, including its impact on crowding and train capacity requirements?
- **Feasibility** – what are the practical issues with its administration, including retailing and ticket checking / revenue protection system requirements?

Note that affordability is another, critical, factor. But performance on this criterion is primarily determined by the fare level rather than the fare structure or type. It is not considered within this comparative assessment, but in the financial analysis described in Chapter 6. Here it has been assumed that the pricing level across each of the three fare types is sufficiently low to attract new customers to rail.

A price per mile fare has a basic rationale and the principle of paying more for longer journeys is likely to be seen as logical and fair, but this benefit is achieved at the expense

of complexity. Differing routes across the network have their own mileages, and adding in other public transport modes is potentially problematic.

A zonal approach is attractive as a concept, but as with the London 6+ zonal system, there will inevitably be unwanted boundary effects.

A flat monthly fee has the advantage of being simple and replicates the standard charge subscription approach now commonly used in other fields. It is a modern way to replace the rigidity of season tickets, the sales of which have collapsed, while encouraging greater rail use since there is no additional cost for making more rail journeys. In copying the approach being adopted in Europe, there is an opportunity to learn from perceived successes (as well as some implementation problems).³

We conclude that a new flat fare subscription-based approach for a UK version of Climate Card is the best format.

3. A problem with fraud involving the purchase of the flat-fare Deutschland-Ticket has recently been uncovered. Numerous cases of criminal activity involving purchase of the popular ticket have led to losses of around €1.4bn with ‘nearly all transport undertakings’ in Germany understood to have been affected, according to Railway Gazette International 24 May 2024. The problem appears to have arisen because, in an attempt to simplify purchase of the Deutschland-Ticket, the usual bureaucratic procedures with credit checks were deemed unnecessary.

Criteria	Price per mile	Zonal	Monthly fee
Simplicity	Although it is a simple concept, the availability of multiple routes of differing lengths for the same journey causes complexity in practice.	Although the concept is well understood in London at least, a national scale system will be much harder to comprehend.	A flat fare, monthly fee is inherently simple and easy to understand. The similarity with widely-used subscription services for streaming and smartphones also helps.
Fairness	A cost per mile pricing is likely to be seen as fair but it does penalise those served by longer, slower routes and benefits those using fast, direct routes.	For those making short journeys which require crossing a boundary or 'just over' a zone boundary a zonal system could be seen as unfair	A monthly charge benefits those making longer and multiple journeys over those only needing to travel short distances, or occasionally
Impact	The impact of a price per mile fare is likely to be largely driven by the price set, and how it compares with the perceived cost of car.	The impact of a zonal fare will depend on the number of zones and the fare increments for number of zones used	Experience from Germany suggests this could have a very significant impact on demand and attracting car drivers to rail, depending on pricing.
Operations	This fare could encourage additional demand on fast, direct routes which are already popular and wouldn't help with filling capacity on less direct routes.	The zoning system could have unintended impacts on demand patterns, and is unlikely to be helpful in managing crowding.	The flat fare could generate additional demand and exacerbate crowding problems.
Feasibility	The variability of fares paid makes revenue protection more complicated. Retailing more complicated too due to the need to calculate route-specific mileage.	The complications associated with zones and zone boundaries means checking the correct fare has been paid is somewhat more complicated.	The simplicity of the fare makes it relatively easy to administer and check.

Figure 2: Multi-criteria Assessment of Options

The UK version of Climate Card – Fare Britannia

We have adopted Fare Britannia as the working name for a monthly subscription-based Climate Card

It is intended to bring about:

- Restoration of trust in rail fares/ticketing
- Stimulation of modal switch from high carbon travel modes (especially car)
- Increased rail ridership (to pre-Coronavirus levels and higher)
- Provision of an affordable, easy-to-use facility for public transport travel across Britain
- An attractive alternative to motorway/primary road travel, so reducing highway congestion

while

- Protecting the rail sector's revenue base, and
- Creating scope for efficiency savings, while
- Ensuring sufficient capacity is on offer to accommodate the modal switch to rail.

The precise definition of the Fare Britannia product and evaluation of detailed options is beyond the scope of this initial piece of work. Naturally, it will need to be the subject of debate and discussion amongst stakeholders, including passenger groups, to shed light on its acceptability, and on trade-offs between objectives and funding

decisions. However, for the purposes of demonstrating “proof of concept” we have considered the impacts of a specific Fare Britannia scenario as follows:

- It is assumed to be priced at £49/month⁴, payable on a subscription basis.
- As in Germany, it is assumed not to be usable on ‘InterCity’ services.
- Initially, we have also assumed that for travel to and from the capital, in order that Transport for London’s revenue base is protected, an add-on Zone 6/all-zone supplement would be payable on a Pay-As-You-Go (tap in/tap out) basis).

These are assumptions for the purpose of an initial analysis, and all would be subject to further study and reconsideration before Fare Britannia is launched. But it is important that at this stage that we have a clear set of assumptions with which to conduct our initial assessment.

4. This may be compared with the €49 in Germany/France. Noting the exchange rate (£1 = €1.18 as of May 29th 2024), the Fare Britannia tested here is more expensive than the equivalents available elsewhere in Europe.



Preferred approach – a preliminary assessment

Our analysis of Fare Britannia is based on an assumed price-point of £49 per month, and in this chapter we subject the proposition to an initial assessment based loosely on the HM Treasury's Five Case Model.

To protect the rail sector's national revenue base from excessive abstraction of income, as in Germany, it is assumed in this preliminary analysis that Fare Britannia is valid on all rail services except InterCity journeys and those starting or ending in Greater London (the latter accounting for an astonishing 60% of rail journeys in GB). As defined, this is an offer for 'the rest of the country'.

Other assumptions are of course possible, and we explore the practicalities of these limitations/exclusions in this and the next chapter.

Economic case

The preferred Fare Britannia option is considered here in terms of its potential benefits realisable across sectors of the economy. In order to address the issues of potential crowding and

revenue abstraction, one specific scenario is then examined in terms of its financial case and the potential implications for usage and subsidy.

First, we need to consider the economic rationale under-pinning the existing complicated fares model.

The gradual move over the years towards more ticket choices on the national rail network has been as a result of an attempt to segment the market and maximise the revenue that can be extracted from each identifiable market segment.

Thus, peak fares and season tickets were aimed at commuters; walk-up longer-distance fares were aimed at business travel; advance fares were aimed at those who are able to commit and willing to plan ahead.

Historically, for parts of the rail network, it can be argued that this was an efficient way of allocating scarce capacity to those who will benefit most – this applies to the London commuter market and (arguably) to main line (InterCity) services operating at peak times.

However, this incremental approach now needs to be seen in light of the following:

- Clear evidence that the complexity of ticket choice and perceived high fares is acting as a deterrent to rail travel, particularly among those who are only occasional users of trains
- The changing volume and pattern of rail demand post-Covid, with on the one hand, reduced volumes of commuter and business travel which have low fares elasticities (which means these are markets less resistant to fare rises, with more limited alternatives available and higher income travellers) and on the other hand, higher volumes of leisure (discretionary) travel which typically shows a significantly higher fares elasticity, with lower income travellers and more alternatives available
- The blurring of boundaries between market segments with, for example, commuters moving away from season tickets towards tickets used by business and leisure travellers (as noted earlier, this trend can be seen in ORR statistics which show that the share of trips made by season tickets fell from 35% in 2017/18 to 15% in 2022/23). The consequence is that traditional ways of segmenting fares are increasingly ineffective
- The policy of achieving net-zero carbon emission targets which, as the DfT Decarbonisation Plan makes clear, entails achieving an element of modal switching as well as an overall reduction in car-based travel.

In economic welfare terms, a new and more appealing re-set fares model could encourage more train travel up to the point where the incremental utility gained by passengers plus the external benefits arising (reduced congestion, reduced carbon, economic activity spillover effects, for example) would equal the marginal costs of providing trains plus any external costs (such as more overcrowding).

The Fare Britannia product has the potential to move towards this economic aim, essentially by providing welfare gains to travellers through encouraging additional trips at low or zero marginal fares cost, assuming that crowding impacts are not prohibitive (as measured in terms of both welfare impacts on travellers and financial costs of mitigation).

In strategic terms, evidence from Germany and elsewhere is that a product such as Fare Britannia has the potential to make a step-change in economic behaviour. For example, it could negate or delay car ownership decisions, leading to more sustainable travel choices in the long-term, with second order beneficial effects on housing and business locations and density.

In terms of wider economic impacts, some of the potential benefits are explored in the following sub-sections.

(i) Commuting

By making commuting by rail more affordable Fare Britannia can open up firms' access to labour and conversely a broader range of jobs for workers. More specifically, the fixed subscription model would encourage workers to travel further afield at no financial penalty and therefore have the effect of extending job search catchments, thus improving prospects of matching jobs to skills. The equivalent effect would apply for access to tertiary and further education, thus removing a barrier to skills development for the economy in the longer term.

In both employment and education spheres, take up of Fare Britannia could reduce pressure on high-cost housing areas, and reduce the need for residential re-locations to more easily accessed employment opportunities that can deprive communities of younger residents.

For commuters, Fare Britannia removes the affordability constraint of travelling more frequently into the office. This can have productivity gains for firms and professional development benefits for younger workers in particular. And this in turn would increase activity and footfall in town and city centres, leading to multiplier effects for the service sector, especially hospitality businesses many of whom are struggling at present in light of the aftermath of the cost-of-living crisis and difficulties with staff costs and recruitment shortages.

(ii) Leisure

Fare Britannia can encourage spillover benefits to the domestic economy through leisure travel in a couple of distinct ways:

- By offering discretionary leisure travel by train at zero marginal cost, evening and weekend activities are encouraged and people would consider travelling further afield to domestic destinations for shopping, hospitality, sports and entertainment purposes
- The potential for domestic tourism is enhanced, for both British citizens and overseas visitors. By acting as a domestic Inter-rail card, itineraries to explore regional cities, rural or coastal areas can be designed more conveniently and cost-effectively. Where these trips replace foreign travel for UK citizens, this acts as a boost to national income by reducing 'imports' by British tourists into holiday destination countries, as does the increase in 'export' value from more overseas visitors.

Each of these effects would incorporate important local multiplier effects for businesses. Visitors travelling by train are less likely to bring their own provisions for multi-day trips, for example. For domestic tourism in particular, there would be valuable marketing opportunities through Fare Britannia and the chance to bundle visitor attraction entries. For international as well as domestic tourists, visits to remoter areas across the regions and devolved nations would become more attractive, helping re-balance the national picture of tourism destinations, a long-term policy ambition.

(iii) Business

This category covers both employers' business and personal business travel. Here, Fare Britannia can offer the incentive to make face-to-face contact with clients & customers and between staff and managers, using the time spent travelling to safely make work calls and to prepare for meetings.

There are mental health and well-being advantages as well as improved business efficiencies. As with other travel purposes, the use of Fare Britannia to switch to rail will also have the wider beneficial impact of reducing car use with congestion benefits on the highway network.

Financial case

A successful railway system needs to be seen as affordable both to those who use it and to those who fund it. The economics of the railway are sometimes portrayed as a direct trade-off between the interests of passengers and taxpayers. Putting aside the fact that most passengers are also taxpayers, the terms of this equation can be improved beyond a 'zero-sum game' if by making fares affordable, demand increases sufficiently to generate revenue at least to offset partially any additional burden on taxpayers.

Our financial analysis draws on the observed results from monitoring of the Deutschland Ticket where the key outputs were:

- Regional and local rail passenger trip numbers grew by 28%
- Around two-thirds of these journeys were made by those travelling on the Deutschland Ticket

- Half of trips made with the Deutschland Ticket were for commuting purposes.

The option to provide a Fare Britannia ticket assessed here excludes availability on InterCity (including open access operators unless they wished to opt in) and trips to/from Greater London .

Table 1 below presents the existing market and revenue size and the effect should the impacts of the Deutschland Ticket be repeated here. A simplifying assumption used here, in the absence of better information, is that fare yield for those who choose not to purchase the Fare Britannia remains the same as the overall base yield.

	Existing Rail Market Eligible for Fare Britannia (Regional plus Network South East, excluding London) (see market definition in Annex A) (ORR for 2023)	Fare Britannia
Total Passenger Journeys per annum	435m	557m
Fare Britannia user journeys		362m
Existing ticket user journeys		195m
Rail Revenue	£1956m	
Existing ticket product revenue		£876m
Average fare/passenger	£4.50	£4.50 (assumption)

Table 1: Fare Britannia financial effects assessment using German experience as a guide

The number of Fare Britannia subscribers has been calculated based on the mid-point between two alternative outcomes:

- 40 trips per month – representing a 5-day per week commuter
- 11 trips per month – representing the minimum number of trips to make the £49/month worthwhile (at existing average yield).

This gives a central assumption of 26 trips per month using Fare Britannia, which is consistent with the Deutschland Ticket experience.

The impact on overall fares revenue is shown in Table 2 for two cases. The first we have termed the benchmark case, with 26 Fare Britannia trips per month, and alongside this, we show a cautious case, with 40 trips per month.

	Benchmark Case	Cautious Case
Trips per month	26	40
Trips per annum	306	480
Fare Britannia subscribers	1,761,000	754,000
Fare Britannia Revenue pa	£1,035m	£443m
Existing ticket product revenue	£876m	£876m
Total Scenario Rail Revenue	£1,911m	£1,319m
Incumbent rail revenue	£1,956m	£1,956m
Change in Rail Revenue	-£45m	-£637m
Total GB Rail Revenue	£10,061m	£10,061m
Percentage change in GB rail revenue	-0.4%	-6.3%

Table 2: Estimated financial impact of Fare Britannia

We can conclude as follows.

The initial (2023) Deutschland Ticket experience with a significant upswing in rail travel could be replicated by Fare Britannia, which – as is the case in Germany – excludes discounted travel on high speed InterCity services.

This is reflected in the 'Benchmark Case' in Table 2, and it suggests an annual rail revenue loss of just £45m, based on a replication of the 2023 experience with the Deutschland Ticket in Great Britain with Fare Britannia.

But we believe it makes good sense also to consider a number of other factors, which could result in a less favourable financial outturn. This we have called the Cautious Case in Table 2, and it shows a revenue loss of £637m. So there is uncertainty about revenue impacts and the new Great British Railways body will no doubt wish to undertake their own studies on this issue.

Subsequent data from Germany for 2024 points to continuing growth in all rail travel, which is encouraging. But it also indicates that long-distance rail travel declined, with revenue losses of 7%. This may be due to the impact of strike action and service disruption on Deutsche Bahn during the first half of 2024, but we cannot be sure.

What it may in fact reflect is a wider shift in travel behaviour given the availability of subscription ticketing that is not taken into account in Table 2. This could take the form of downtrading from Inter City Express (ICE) travel to inter-regional and regional trains. And this may also be indicative of shifts in consumer destination choices. The same could also happen under Fare Britannia.

We took this into account in the second estimate of revenue impacts in Table 2 – the Cautious Case, which also reflects another uncertainty.

There will likely be some very large gainers from Fare Britannia who are frequent travellers (especially commuters). Frequency of peak period rail travel has shifted downwards over the last few years because of an increase in work from home (wfh). Season ticket purchases have declined, and are expected to fall further. They now represent poor value to most customers, but are a rich source of railway revenue, albeit in decline. The revenue impacts of Fare Britannia introduction will also depend on whether and how fast this trend continues.

It should be noted that this is not a detailed forecast, the scope of which is beyond the terms of reference of this research. The relatively wide range of revenue change identified by two tests shown in Table 2 reflects this. An interesting financial comparator is with road user tax reliefs. It has been estimated by the IFS that the annual loss to the exchequer from not raising road user fuel duty is £9bn.¹

1. Source: <https://ifs.org.uk/>

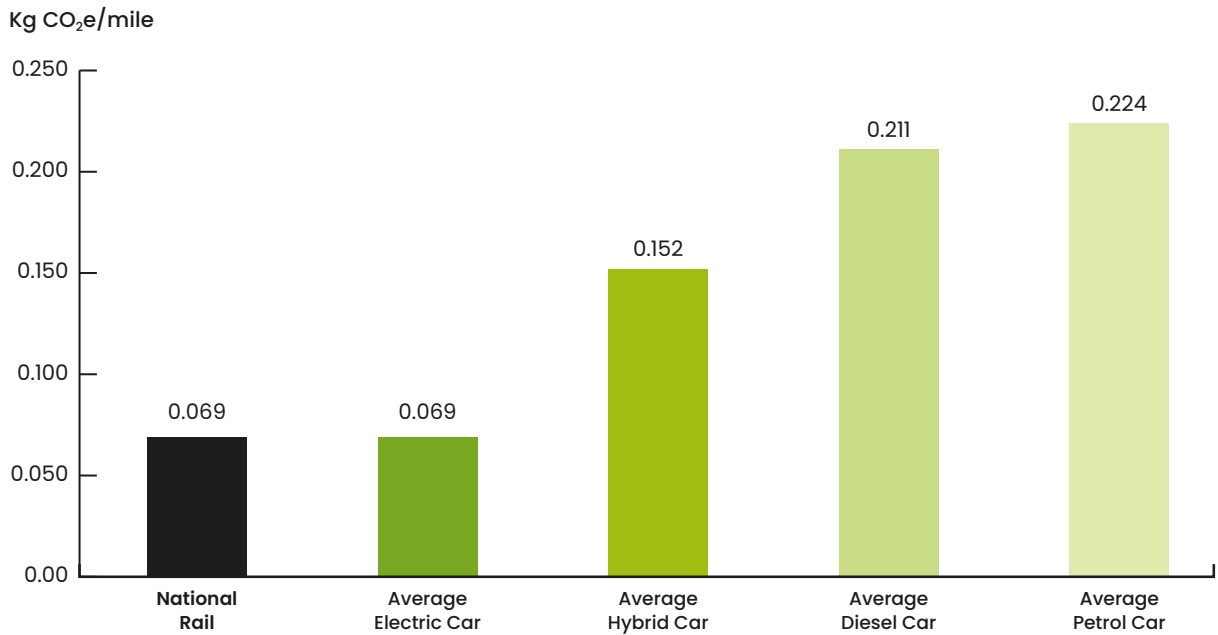


Figure 3: Carbon emissions by mode

Source: Department for Transport

Strategic case and environmental impacts

The strategic case for Fare Britannia is based on making rail travel more attractive and in particular, encouraging mode switching from car to rail. This has a number of benefits such as reduced road congestion, improved air quality, and lower carbon emissions. The scale of the benefits to the climate are illustrated in Figure 3, which shows that emissions from an average petrol powered car are over three times that of rail. Although sales of EVs are increasing rapidly (they represent 16.9% of sales of new cars with this percentage on an upward trend), fully electric cars currently only represent 2.4% of vehicles² and it will be some years before they start to have a substantive impact on the emissions from cars.

Using the experience from Deutschland Ticket as set out above in the financial analysis (Table 1) we have estimated the likely carbon savings (see Table 3). It is estimated that Fare Britannia would generate an additional 122m rail trips a year, of which 40m are switched from car. This mode switching would result in a reduction of 378.7 thousand tonnes of carbon emissions (CO₂e). Typically, cars cost £319 per month to run (source: NimbleFins). Rail season ticket prices vary as a function of distance, but for comparison, a monthly rail season ticket from York to Leeds is £217.00 and from Wigan to Manchester is £137.50 (source: Trainline).

2. Source: [GOV.UK](https://www.gov.uk)

	Assessed Impact	Sources and notes
Increase in rail trips (m pa)	122	See Table 1 difference between current and Fare Britannia demand
% of increase from mode switching	33%	Assuming growth is one third from mode shift and two thirds from demand generation
Reduction in car trips (m pa)	40 ¹	Calculation (increase in rail trips x % increase from mode switching)
Average length of car driver trips switched	38	Based on average rail trip length with 20% increase based on Deutschland Ticket
Reduction in car KMs (m pa)	1,513	Calculation (reduction in car trips x average trip length)
Reduction in emissions (tonnes CO ₂ e pa)	378,700	Emissions for car=0.224 Kg CO ₂ e per mile; rail =0.069 Kg CO ₂ e per mile (DfT Table ENV0701)
Value of emissions reduced (£m pa)	£95	Based on £252/tonne CO ₂ e Marginal Abatement Cost 2023, GOV.UK

Table 3: Carbon impacts of Fare Britannia

Summary of the case for Fare Britannia

Our outline assessment of the case for Fare Britannia has identified the following key benefits:

- In **economic** terms it provides welfare gains to travellers through encouraging additional trips at low marginal cost; opens up firms' access to labour and a broader range of jobs for workers; and encourages domestic tourism with important local multiplier effects.
- The **financial** case achieves an affordability balance between passengers and taxpayers.
- The **strategic** case is based on the multiple benefits from switching travel from car including a substantial reduction in transport related greenhouse gas emissions, improvements in air quality and a reduction in road congestion
- The **commercial** case would provide new opportunities for existing and new retailers, whilst the subscription model provides an opportunity to build customer relationships and to cross-sell complementary products.
- The **management** case would be consistent with reforms to rail service delivery and revenue allocation.

1. This equates to 11% of all Fare Britannia subscribers trips (362m pa from Table 1).





Rail capacity

Despite the benefits set out above in our outline assessment, there is a particular challenge that Fare Britannia will face: its impact on train crowding levels. Here we discuss some options for mitigating this risk.

The additional demand that Fare Britannia will drive calls into question whether the rail network will cope. Should the Deutschland Ticket experience be replicated, then there would be a 28% growth in rail travel for those markets for which Fare Britannia is eligible. In the central estimate assessed in Chapter 5, there would be an additional 122m trips per annum (equivalent to +8% in national rail usage). However, this may be an underestimate since there is likely to be an increase in average trip length too, so the growth in passenger-miles (a better indicator of crowding effects) is likely to be somewhat larger.

It could also be argued that since rail demand hasn't yet returned to pre Coronavirus levels there is some spare capacity. The picture is complex though with variations across the country and across days of the week and times of day: weekends are busier than before, and while

Monday and Friday commuting levels have dropped, Tuesday/Wednesday/Thursday volumes are back at pre-Coronavirus levels. The exact pattern of recovery varies across the nation.

Helpfully, the Office of Road and Rail Regulation (ORR) has recently published data on the level of utilisation of the national rail network.¹ The dashboard shows the situation for the timetable from December 2023 and indicates usage of 84 percent of the rail network capacity.

It is important to recognise what this means. This new ORR measure indicates what proportion of the available paths on the network are planned to be taken up in current timetables. This will cover both freight and passenger trains. The day to day variability in take-up of freight paths mean this it is (in fairness) impossible to utilise 100% of freight paths available. But the 84% score suggests nonetheless that more trains could be accommodated on the network to allow for additional demand generated by Fare Britannia.

1. [ORR Publishes Track Access Dashboard for UK Rail Network | Railway-News](#)

Some train operating companies including the busy South Western Railway which operates out of London's Waterloo station to serve Surrey, Hampshire, Wiltshire and Devon is operating notably fewer services than it did pre-Coronavirus. Across the north, local services are generally provided with short, 2-car or 3-car trains, readily extendable to provide more capacity if rail travel demand increases.

But there has to be a caveat. Spare network and train capacity may not be available in locations where extra demand from Fare Britannia is likely to arise, or at least to any great extent. It has to be recognised that the experience of the last 10 years for some over-stretched parts of the rail network where extra services have been provided in response to demand pressures has been a deterioration in service punctuality. Moreover, some of these pinch-points have been reconciled by removing some services (or by not introducing previously planned additional services). Constraints such as these affect a number of crucial parts of the national network including:

- The York-Newcastle section of the East Coast Main Line (where planned service enhancements have been put on hold)
- The Castlefield corridor in central Manchester (some services have had to be removed to restore operational reliability)
- Thameslink (where the planned 24 trains/hour over the core section across central London has not yet proved feasible).

In short, it would be unwise to assume that additional services could be introduced over the national network except in specific locations, typically on the fringes of the network, rather than over already busy lines.

Nonetheless, train capacity could be increased, in the short term by increasing train lengths. There is a significant number of serviceable, recently taken out of service or about to be introduced, train sets available to lengthen existing trains. Their deployment may in turn cause issues with platform lengths, but if pressed, railway operations management are adept at finding appropriate solutions – using 'selective door opening' is one such approach.

In terms of capacity to cope with extra passenger demand there is first, in any event, a question of what proportion of the seats (and standing capacity) of each train is currently taken up, and to what extent could further demand be accommodated using spare seats. This is a highly complex picture and no summary data equivalent to the new ORR train path data noted above is available (even at individual TOC level) to guide us.

But we can take comfort from past experience in accommodating demand increases and the various measures available. The Virgin West Coast franchise for example trebled passenger volumes over a ten year period. It took a major line of route upgrade and a new train fleet operating faster and more frequent services to do so. But it serves as an encouraging precedent. Within 10 years, HS2 will free up capacity along what is the country's busiest corridor (subject to completing those sections for which Parliamentary powers have already been obtained to Crewe and Euston).

But major investment is not the only way to improve network utilisation. A standard calling pattern on main lines rather than seeking to accommodate a variety of competing operators keen to demonstrate that they are serving 'new markets' could also yield overall capacity gains.

In summary, want of spare capacity is no reason to shy away from Fare Britannia. The measures available to increase capacity include:

- Using spare capacity on existing train services
- Restoring service levels cut during the Coronavirus period
- Increasing Sunday services (and shifting track maintenance periods to other, less busy, times)
- Lengthening trains
- Re-setting timetables to maximise overall capacity
- Implementing capacity enhancement measures through re-signalling programmes
- Narrowing train speed differentials to increase line capacity
- Adding more services on the network

and for the longer term,

- Adding network capacity through major investments at key junctions/stations.

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TICKETS,
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Implementation challenges and opportunities

Introducing an entirely new type of ticket will be challenging and here we identify two major challenges at this stage:

Would the exclusion of InterCity¹ services that attract a good deal of premium fare business mean that Fare Britannia is not available on a truly national basis, so diminishing its perceived value?

Can the need to protect the Transport for London revenue income base be overcome, while making travel to/from London a viable part of the Fare Britannia product offer?

1. InterCity was a brand used by British Rail but is no longer in use – hence the quotation marks. The InterCity routes in this analysis (and assumed to apply with Fare Britannia application) are all London long distance routes along with the key long distance North East–South West service axis via Birmingham. In practice, this NE–SW corridor could usefully be split into an accelerated InterCity service (so competing better with short haul domestic airlines) and an Inter-regional service available to Fare Britannia subscribers serving key intermediate destinations.

Achieving national coverage

Assuming that Fare Britannia is not available for InterCity services, there is a need to ensure that suitable inter-regional services are available to provide a nationwide capability for Fare Britannia subscribers.

The good news is that, while not marketed as such, inter-regional services already exist for many of the key national rail lines. They serve intermediate towns which are generally not served by non-stopping InterCity services. While not branded as such, they could be – quite easily it transpires – denoted as inter-regional services, in a way analogous to the hierarchy of service offerings in the German national timetable.

On the two main north–south lines (east and west coast, respectively) where InterCity services pre-dominate, for example, inter-regional services are already provided to intermediate stations that are generally passed non-stop by 'InterCity' trains.

On the east coast main line, there is already a regular 2-hourly inter-regional service from London Kings Cross to York (although not advertised as such). It takes 2h24, while serving Stevenage, Peterborough, Grantham, Newark, Retford and Doncaster – with each station offering a useful interchange on to a wider catchment, en route. The fast InterCity services, by way of contrast, take around 2h02 for the same trip. At York, the inter-regional service typically connects into an onward service to Newcastle and Edinburgh. And north of York, there are other long distance services available to fulfil the inter-regional function (Trans Pennine Express for example).

In short, for a journey of around 175 miles, the Inter-Regional service that would be available to Fare Britannia users would take around 20 minutes longer. Service frequency and train lengths – so seating levels – could readily be increased.²

On the west coast main line, there's a more frequent but slightly slower inter-regional service on offer. Here, a regular hourly inter-regional service from London to Crewe calls at Milton Keynes, Northampton, Rugby, Polesworth, Tamworth, Lichfield, Rugeley and Stafford, taking 2h08 for the journey (whereas InterCity trains take just 1h30).

Journeys onward northwards (this time from Crewe) are again available, in this case to key centres in north west England, north Wales and in Scotland, provided by a mix of InterCity and inter-regional train companies.

In effect on these two trunk route corridors there is an existing choice between a faster non-stop journey and an inter-regional services that adds 20-35 minutes to journey times. Prices are generally (much) higher for the faster (InterCity) services already.

In future this choice would remain, and Fare Britannia subscribers would be able to travel with no additional charge on the inter-regional services (an add-on would be applicable for travel to/from London). The trains used to operate these services (air conditioned, with on-board wi-fi, but catering limited to a trolley service) typically travel at top speeds of 110 mile/h rather than 125 mile/h and may need to be lengthened to accommodate the increase in demand that Fare Britannia would engender. Since they are generally operated by shorter trains than the parallel InterCity services, this is no real problem. Here extra demand would be welcome, especially since longer distance commuting into London which these services were partly designed for has declined post-Covid.

On other main lines with InterCity services, this 2-tier service pattern is not so apparent. In several of these cases, inter-regional services do exist, but generally using a different route. London-Exeter is a good example of this: InterCity trains operate via Taunton from London Paddington, while what we are identifying here as inter-regional trains serve more intermediate towns operating from London Waterloo to Exeter via Salisbury. Beyond Exeter and across Devon and Cornwall, there are inter-regional services available.

2. The current alternate hour London-Lincoln 'inter-regional' service would be switched to the alternative Midland Main Line route by extending London-Nottingham semi-fast services on an all-day basis.



An alternative (inter-regional) route between London and Bath & Bristol has also been provided in the recent past, and offered connectivity to the towns of Warminster and Trowbridge en route, places otherwise not linked to the capital directly. This route could readily be re-established as the inter-regional route for Fare Britannia subscribers. Another approach would be to distinguish between 'Inter-regional' trains now operated on some London-Bristol services formed of spare long-distance commuter trains available post-Covid, and 'InterCity' trains operated by 125 mile/h units.

Indeed, this pattern of having a choice of routes to London and a choice of train operating company is a feature of many places, including Oxford, Cambridge, Reading, Birmingham, Liverpool and Bradford. Fare Britannia subscribers would be able to travel to/from such places, but in general not on the fastest – and more expensive – InterCity route.

There is a wider benefit of Fare Britannia: the opportunity it provides to encourage non-London routing of longer distance trips for example Bristol/Bath to Gatwick/Brighton via Reading. In other words, Fare Britannia should help stimulate the development of second tier, more affordable rail travel across the nation and reduce overcrowding of trains to/from London in the process. Meanwhile the higher yield InterCity services will remain for those happy to pay a premium fare for a faster journey.

Separating out longer distance services into InterCity and 'inter-regional' goes with the grain of the way in which the national rail timetable is likely to develop. Adopting Fare Britannia which provides access to a network of inter-regional as well as local rail services at an affordable monthly price sits comfortably alongside a policy

that reduces the number of intermediate station stops on accelerated InterCity services which generate higher revenues (ultimately, to HM Treasury) and can achieve their own modal switch benefits by attracting more domestic air travellers to low/zero carbon travel.

Of course, while this would be the general principle to follow, there would be scope for some flexibility – for example, allowing selected use of poorly patronised InterCity services (such as evening trains) by Fare Britannia subscribers.

Moreover, this two-handed approach resolves a problem that plagues price-setting on rail as much as other services. Income distributions are now heavily skewed, with a few very high earners, for whom InterCity fare levels remain affordable, and a large proportion of the population on low incomes, with limited spending power.

Providing good functional and comfortable rail travel for all across Britain with subscription-based public transport (Fare Britannia) – for which specific discounts might be provided for the elderly and students, for example – can sit well alongside the generally higher fares charged for InterCity services.

London

There are several options for embracing rail travel to/from/within London and the Fare Britannia card. The aim must be to avoid the blanket exclusion that the approach adopted in France for the capital city for 2024 (the year of the Paris Olympics of course) has to endure.

While these options are being developed, analysed and financial terms are negotiated, it would be perfectly possible to launch Fare Britannia nationally, leaving London out.

But over 60% of all rail travel is to/from/within London: it dominates, nationally, in rail, just as in other matters. So a solution would need to be found and fortunately there is one to hand which only adds a limited amount of complexity.

Given the popularity of Contactless Pay As You Go (PAYG) payment as a way of paying for public transport in London, travel in London could seamlessly be accommodated by linking a customer's Fare Britannia account with a PAYG account. For those already with a TfL PAYG account, they would be invited to link this account when setting up their Fare Britannia subscription. For those without a TfL PAYG account, they would be invited to establish one when setting up their Fare Britannia account, potentially with some kind of discount/incentive.

London's Contactless Pay As You Go (PAYG)

Contactless PAYG was introduced by TfL in 2012, first for bus travel and then two years later on the Underground. Since then, its popularity has risen year on year due to its ease and convenience, and the daily price cap which ensures it is never more expensive than the Travelcard or Oyster alternative. Customers can pay using a bank card, smart phone, Apple watch or similar device. Its popularity is such that Contactless PAYG now accounts for around three-quarters of all journeys made in London.

In other cities such as Greater Manchester, there are ambitions to achieve equivalent easy to use payment arrangements across the various public transport modes. Introduction of Fare Britannia needs to be handled with care and with the involvement of city region authorities, with appropriate arrangements as needed to reconcile funding streams.

Regions and devolved nations

One possible implementation approach would involve a large-scale regional application as a first stage – with the add-on London Pay-As-You-Go feature to be added later. The North alone might be considered sufficiently large in scale to work (and a lower price might be appropriate, when national coverage is not available). This could be enlarged, to include the Midlands (East and West), for example. If Transport for Wales and/or Transport Scotland were amenable, coverage could be extended across either or both of the devolved nations. It would chime well with re-balancing the national economy if the wider benefits from Fare Britannia were experienced outside London/South East first.



Conclusions

We have looked at the growing trend across Europe to offer a monthly subscription rail travel facility, with a price set at a level designed to boost rail travel and improve the transport sector's carbon footprint. In Britain, transport remains the biggest source of carbon emissions.

It's interesting that the radical fares simplification projects we've looked at here (DB's Deutschland Ticket; London's Travelcard) while differing in important details, have each produced public transport trip growth of about 30%.

An approach that follows this model we have termed Fare Britannia. And it would be fair, since it would offer people a much lower cost way of using the national rail system, while leaving in place the option for those on higher incomes to travel on what would in effect become premium InterCity services.

Our analysis demonstrates that the financial risk of Fare Britannia can be contained in the first instance by restricting eligibility; InterCity and London-based trips would both be excluded. On this basis, the total extent of fare revenue which could transfer to Fare Britannia

would be broadly £2bn per annum. We estimate the financial impact to the rail revenue account as being a loss of between £45m and £637m per annum.

Policy-makers may need to be reminded of the many benefits this brings, with an easy to pay system offering scope for productivity gains across the rail retailing system; offering too such diverse benefits as less traffic congestion on our national motorway system and a boost to inward tourism.

Fare Britannia offers a chance to achieve the much sought-after simplification of the national fares system and restore trust in rail travel, trust which, as we have shown, has deterred people from choosing rail travel, put off by the complexity of fare choices on offer.

It could form a central, winning, feature of the long-expected Great British Railways entity which is expected to provide a guiding mind for the industry.

Recommendations

As a guiding principle, we believe the proposal in this report for Fare Britannia should be designed to transform the appeal of rail travel taking advantage of its striking simplicity and convenience.

We recommend that the Labour Government looks carefully at the benefits of Fare Britannia, noting it represents a unique opportunity to transform the current costly and unloved rail fares system and bring the wider benefits outlined in this report.

As we have shown, there are useful lessons to be learned from those who have gone first with this concept, especially in Germany and France. So, we recommend a 'look and learn' approach, designed to smooth implementation in Great Britain. Having done so, it is reasonable to expect that at least an initial 'regional' version of Fare Britannia could be up and running within 2-3 years.

We also recommend that from the outset it is recognised that while the value of this initiative centres on resolving the complexities and lack of appeal of the existing overly-complex system of rail fares, it can and should also form the basis of paying for travel across all public transport modes. Indeed, the scope to add-on cycle hire, taxi and other services is already apparent.

While this points towards an open approach that allows multiple sales channels and travel ticket providers which might differentiate themselves by offering customer add-ons in due course, we recommend that Great British Railways (GBR) is tasked with bringing Fare Britannia into existence.

GBR would be responsible for negotiating with key third parties – with Transport for London, with the transport bodies of the devolved nations and with others at a regional/city region level as appropriate. The public sector must lead on these activities, and be expected to hold responsibility for Fare Britannia. GBR would be held accountable to Ministers for its implementation and forward management.

Implementation will need care, given the devolved responsibilities at play. Meaningful discussion and negotiation with the transport authorities in Wales, Scotland and London will be needed – and also with the City Mayoral Authorities. Experience in Europe highlights the importance of protecting (or adjusting) regional and city-region revenue bases.

Based on this principle, Fare Britannia needs to live up to its name and be applicable nationwide, even if its launch starts with a regional approach as suggested in this report.

Customers would certainly expect and hope that Wales and Scotland would be included, but in each case transport is a devolved matter, and there may need to be variants available to meet national conditions. Early engagement with both administrations is essential to fashion a suitable Britain-wide facility. It may also prove possible to extend the facility to Northern Ireland (although a whole-Island approach would have much greater customer value).

We recommend a period of consultation with key stakeholders such as Transport Focus.

Similarly, in London a simple way of integrating Fare Britannia with the Pay-As-You-Go digital system passengers use to travel in London, needs to be found and we have identified a potential solution. The aim is to facilitate seamless travel for passengers on both rail and on the broader TfL tube/bus/tram network.

London's existing PAYG infrastructure provides a strong starting point for a practical solution, as suggested in the report (Chapter 7). A preferred option will need to balance the interests of passengers, operators and funders whilst being mindful of crowding impacts on the network. We recommend discussion with the Mayor for London on these arrangements to ensure that revenue flows do not leak across boundaries, or indeed other unintended consequences do not arise.

Change is needed and this is widely acknowledged, but our clear view is that radical change is preferable to years more of ineffective tinkering. Our research has led us to recommend a new Fare Britannia approach and perhaps, as a first step, its introduction on a regional basis.



Annex A:

Rail market definition used for preliminary assessment of the business case for Fare Britannia

The market definition for the business case analysis set out in Chapter 5 excludes InterCity and London rail travel.

It has two elements which have been brought together and used to define the rail services for which Fare Britannia would be applicable. This forms the basis for the estimation of travel demand and revenue effects in the case analysed in Chapter 5.

The two sources used are:

First, all passengers travelling in 2023 on services operated as the Regional sector as defined by ORR.¹ The following operators are included:

- Caledonian Sleeper (although it is anticipated these would require a supplement)
- CrossCountry (services between Cardiff and Nottingham, and services between Birmingham and Stansted Airport)

- East Midlands Railway (except services to and from London St Pancras; includes the Liverpool to Norwich service as well as local services in and around Derby, Nottingham, Lincoln and Newark)
- Great Western Railway (includes the Cardiff to Portsmouth service as well as local services in the West of England)
- Merseyrail
- Northern Trains
- ScotRail
- TransPennine Express
- Transport for Wales (TfW) Rail (Includes journeys made on TfW Rail services operated on the Core Valley Lines)
- West Midlands Trains (West Coast Main Line services north of Milton Keynes or Northampton as well as services in and around Birmingham)

The second market segment is taken from Regional Rail data reported by ORR² and represents all rail trips made wholly within the Eastern Region and those wholly within the South East Region. These will exclude any trips made to/from/within or through London.

1. [Passenger rail usage – Quality and methodology report \(orr.gov.uk\)](#)

2. [Regional rail usage | ORR Data Portal](#)



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