

March 10, 2013 5:36 pm

Peak fares rise set to be abandoned

By Jim Pickard and Mark Odell

Plans to charge train passengers higher fares during rush hour are set to be quietly shunted into the sidings amid ministers' fears of a furious commuter backlash.

The controversial plan was put forward in a review of the railways by Sir Roy McNulty, former chairman of the Civil Aviation Authority.

The study called for a review of ticketing to manage peak demand better by charging more for the busiest trains.

Last year Justine Greening, then transport secretary, followed that with a fares review that looked at whether "financial incentives" should be used to encourage passengers to travel on less busy trains.

While Britain has intense commuter peaks between 7am to 10am and 4pm to 7pm, overall usage of the railway system is the lowest – in average volume of passengers per train – of any large country in Europe, according to the consultation paper.

The document raised the argument for "using price signals to smooth demand" by raising prices on the busiest trains and dropping them on relatively empty ones. This could alleviate overcrowding and discomfort for many passengers, it argued.

In several weeks, however, the government will reject the McNulty recommendation. Patrick McLoughlin, transport secretary, is expected to say he has listened to passenger groups, who warned the idea would prompt outrage.

"It doesn't take a genius to work out that this would be electoral suicide," said a government official. "Why give ourselves another policy headache?"

Ministers have been under pressure from Maria Eagle, shadow transport secretary, to drop the idea of "super-peak" fares for commuters.

The government was also urged just weeks ago by the Commons' transport committee to rule out a shake-up of fares.

The committee said it feared that proposals for more "flexible ticketing" would end up being a "tax on commuters" who had no choice over when or how they travelled. The committee

said there were limits to what the policy could achieve: “Many lower-paid workers have no choice but to travel at peak times,” the report said.

Ticket prices have risen 40 per cent in the last decade, according to the Campaign for Better Transport. Commuters are facing annual above-inflation rail fare rises as the government attempts to shift the burden of financing the network off the taxpayer.

Ministers have been forced to back down from the policy of increasing fares by an average of 3 percentage points above inflation, capping the rise last autumn to the retail price index plus one per cent for the current year.

The transport department is keen to avoid controversy after fiasco over the West Coast main line rail bid in the autumn. The FT revealed last week that the ministry had delayed plans for a green paper setting out options for privatising the trunk roads and motorways.

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