

Rail fare rises capped at 2% over inflation



The taxpayer will be subsidising the rail network still further with the rise Times photographer David Bebbler

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Rail fare rises will be capped at 2 per cent above inflation from next year rather than 5 per cent, ministers will announce today, in the first of a series of weekly announcements intended to help with the cost of living.

The move comes as the Department for Transport publishes the conclusions of its rail fares review, which is likely to result in the taxpayer, rather than train operating companies, paying hundreds of millions of pounds more to further subsidise the network.

However companies will still be allowed to increase fares on some routes by up to 5 per cent above inflation, so long as the average rise is 1 per cent.

Patrick McLoughlin, the Transport Secretary, will confirm that he is looking at a series of trials likely to include discounting tickets for people travelling at quieter periods at either end of the rush hour and flexible season tickets to benefit people who do not work five days a week. He will also say that trials will begin shortly on a plan to ensure that single tickets are half the price of returns, rather than the same.

Mr McLoughlin said that the so-called “flex” would be reduced to 2 per cent. “This will keep fares at more affordable levels meaning people have a much clearer idea of what they can expect and preventing the large rises that we’ve seen in the past,” he said.

The Department for Transport said this meant a commuter from Colchester or Bicester to London could save about £10 a month and a commuter from Warwick more than £20 a month.

The announcement comes in a speech by the Transport Secretary that seeks to link living standards to the health of the economy, in a move designed to challenge Ed Miliband’s desire to split the two subjects.

“To really raise living standards in the long term you’ve got to do some big things to your economy because just a 1 per cent rise

in interest rates would increase the average family mortgage by £1,125,” Mr McLoughlin said.

The move was welcomed by the rail industry. David Mapp, commercial director at the Association of Train Operating Companies, said: “Train companies and passengers will welcome the planned reduction in flex. Although the level of flex has always been a matter of government policy, the reduction being proposed is in line with that suggested by train companies and should help to encourage greater rail use.”

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