

Department for **Transport**

Philip Willcox
Office of Rail Regulation

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Dear Philip,

This letter is the Department for Transport's response to the Office of Rail Regulation's (ORR) July 2012 consultation on its approach to transparency.

Officials have spoken about the contents of this letter with the ORR and look forward to continued productive discussions on these issues.

Introduction

The Government's Open Public Services White Paper highlights that public services must be responsive to the people they serve, and organisations delivering public services should be held to account by citizens and elected representatives. Transparency and open data, which are at the heart of the Government's efficiency and reform agenda, are crucial if this is to happen. Chapter 5 of the March 2012 Rail Command Paper – *Reforming our Railways: Putting the Customer First* – reiterated these principles and set out plans for greater transparency in respect of:

- the rail industry's finances;
- the railway's performance; and
- openly available rail data.

The Government therefore strongly welcomes the ORR's consultation paper, and its recognition of the important role that transparency can play in making rail organisations more accountable and responsive to passengers and freight users, bringing improved performance and efficiency. The ORR has a central role to play in facilitating improved outcomes in the rail industry through greater transparency and the initiatives it has outlined.

In carrying out this role, the Government attaches importance to the regulator working in close partnership with train operators and other stakeholders to ensure that the goals and scope of transparency initiatives is clear.

It is also important that ORR itself provides a comprehensive and easily-accessible source of information. In that regard, there may be scope to develop further the existing data portal so as to improve the signposting and explanation of this material.

The rest of this letter makes some comments on specific areas of the consultation document.

Subsidy analysis

In the Rail Command Paper, Government committed to provide more disaggregated information about the use of subsidy in the rail industry. We are currently working with train operators and the ORR to develop information showing the amount of subsidy by journey flow and the ratio of taxpayer to farepayer funding by franchise.

Industry finances and rolling stock

The Government notes the work being done by the ORR with train operators on understanding the differences in train operators' costs, and their drivers. It would be useful for this exercise to include rolling stock costs. On that subject, the Government welcomes the ORR's plans to review the effectiveness of the transparency remedies put in place by the Competition Commission.

Performance

The Government welcomes the steps being taken to provide further disaggregation and extension of performance data, including 'right time' information. It would be helpful for the ORR website to give a clearer explanation of the significance of all the different metrics for the lay reader, including the continued primacy of PPM for regulatory purposes, and how they fit together.

Crowding data

The consultation notes initiatives by South West Trains, London Midland and Chiltern to produce posters informing passengers of the likelihood of securing a seat on train services from certain stations during the peak. The Government welcomes these developments and notes the future opportunity to provide real time train crowding information to passengers, as train loading data improves.

Yours sincerely,

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