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Dear Mr Tyler

'Reforming our Railways'

I have been asked to respond to your letter of 19 March 2012 to the Secretary of State for Transport, regarding the Command Paper *Reforming our Railways*.

The Government's policy, as set out in the Command Paper, is to encourage greater use of the railways and increased investment in new and upgraded facilities, but this must be paid for by efficiency improvements to drive down costs. Closer working between industry parties, including formal alliances and joint ventures where appropriate, is expected to be the most effective way of delivering savings.

Your letter makes it clear that you support the Government's wish to achieve greater unity of purpose across the railway industry and that you recognise that another major reorganisation is not desirable. However, you express some serious concerns about the ability of the present timetabling process to deliver efficient use of the rail network and a pattern of train services that meets passengers' requirements, and you propose the creation of a National Timetabling Authority to oversee construction of future timetables.

The Government agrees that the detailed work of timetable construction needs to be overseen by a 'single guiding mind', but creation of yet another new organisation is not desirable. Network Rail must fulfil this role as part of its System Operator responsibilities, balancing the aspirations of individual train operators against infrastructure capacity and the need for operational reliability. Although Network Rail will continue to take the lead, it is important that train operators to play a central role in timetable design to ensure that train service patterns are responsive to market demand and to minimise the risk that timetables become unduly influenced by operational convenience or planning theory. Future franchise specifications will be less prescriptive than previously, allowing train operators greater freedom to propose amendments to their train services to meet passengers' needs. In turn, less prescriptive franchise requirements should provide more scope for Network Rail to discharge the System Operator responsibilities described above.

This approach is intended to bring together the benefits of co-ordinated planning and responsiveness to market pressures to secure a timetable which meets passengers' requirements better than has been the case in the recent past and which can be operated efficiently and reliably. The use of regular service patterns, as advocated in your letter, is likely to continue over most of the network – and to be introduced where it doesn't exist today - because there are clear advantages for both passengers and operators, but we will avoid the rigidity and unnecessary costs that can arise from the wholly centralised approach to train planning that applies in some European countries.

The Office of Rail Regulation (ORR) will continue to ensure non-discriminatory access to the rail network, and will adopt an enhanced role as 'passenger champion'. ORR already has explicit duties to protect and promote whole industry benefits such as through ticketing and convenient connections between services provided by different train operators. ORR discharges these duties through its decisions on licensing, its approval of track access contracts and its regulation of Network Rail. To this end, the Department for Transport is currently reviewing its Directions and Guidance to ORR, and we will be considering whether we should require ORR to place a greater emphasis on delivery of network-wide passenger benefits through collaboration between industry parties rather than, for example, through increased competition.

Thank you for your letter and supporting information. I hope I have been able to reassure you that the Government's policies set out in the Command Paper are designed to secure the better railway system that we all want to see.

Yours sincerely

Peter Foot
Rail Operations Advisor