



Department  
for Transport

From the Secretary of State  
**The Rt. Hon. Grant Shapps**

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To All MPS in Great Britain

23 March 2020

Dear Colleague

### **Covid-19: Measures on Railway**

The railway has an important role to play in ensuring Britain's key workers can travel and vital supplies are kept moving. My absolute focus is on making sure services continue so that journeys that are vital in tackling this public health emergency can continue to take place. The Government is also taking action to ensure passengers are not left out of pocket and that current events cause as little disruption as possible in the longer term for passengers, staff and taxpayers.

Last week I announced that we had agreed with train operators a reduction in service levels following reduced passenger demand, but that we would be maintaining a strong core service to ensure those key workers who are playing critical roles in managing this crisis could continue to do so.

We are aware of some instances of overcrowding on certain train services, and are working with operators regarding capacity on specific lines as needed to make sure there is space to be safe.

Today, to make sure our railways stay open, I have announced that we are providing train operators the opportunity to suspend the normal financial mechanisms of franchise agreements, transferring all revenue and cost risk to the government on temporary basis.

This will provide greater flexibility to the train operators and the government and make sure the railway can continue to react quickly to changing circumstances and play its part in serving the national interest. It will ensure

vital services continue to operate for the key workers who are keeping the nation running.

In the longer term these agreements will also minimise disruption to passengers and cost to the taxpayer. The railways have already seen up to a 70% drop in passenger numbers, with total ticket sales down by two-thirds from the equivalent date in 2019. Suspending the usual financial mechanisms will ensure that services can be sustained over this difficult period, it will also provide certainty for staff working on the railways, many of whom are working extremely hard every day in difficult conditions to make sure we keep the railway running.

This is not a new model, it is a temporary solution, taking the steps necessary to protect services now in a cost-efficient way, and ensuring current events have as little impact as possible on the railway in the longer term. Allowing operators to enter insolvency would cause significantly more disruption to passengers and higher costs to the taxpayer.

Fees will be set at a maximum of 2 per cent of the cost base of the franchise before the Covid-19 pandemic began, intended to incentivise operators to meet reliability, punctuality and other targets. The maximum fee attainable will be far less than recent profits earned by train operators.

Alongside our focus on keeping the railways open to support key workers, we recognise there will be many who have heeded Government advice and chosen not to travel. We don't want people to lose money for doing the right thing. Therefore I have also announced today that passengers who have purchased Advance tickets for journeys planned from today will be able to get refunds for journeys they aren't able to take, with no administrative charge.

Those holding a season ticket that they no longer wish to use will also be eligible for a refund, determined by the amount of time remaining on the ticket, as per existing practices. Please encourage constituents who require refunds to contact their season ticket retailer for further details.

Given the significant timetable changes that have put been in place we are also asking operators to use discretion to allow passengers with Advance tickets to travel on an alternative train at a similar time or date if their ticket is no longer valid as a result of cancellations, but they still wish to travel.

We are operating in extraordinary times, but please be assured my Department will continue to do all it can to make sure the railway continues to

play its part in serving the national interest and that we take necessary steps to protect staff and passengers in this crisis.

Yours ever,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

**Rt Hon Grant Shapps MP**

**SECRETARY OF STATE FOR TRANSPORT**