



From the Secretary of State

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Councillor Ian Auckland
Cabinet Member for Sustainable
Development and Transport
Sheffield City Council
Town Hall
SHEFFIELD
S1 2HH

1 - APR 2009

Dear Councillor Auckland,

Thank you for your letter of 16 March about the installation of automatic ticket barriers at Sheffield Station. As you say in your letter there has already been correspondence about this issue and there is little that I can add to the earlier responses to the Council.

East Midlands Trains is offering everyone access across the station once the gating is in place, by means of a timed pass. People with disabilities will be given access without a pass. When the gates are not in use, they will have to be left open, which will mean anyone can freely cross the station.

It may be useful for me to set out how the gating obligation came to be captured in the Franchise Agreement. Bidders submit their proposals based on the Invitation to Tender issued by the Department, these proposals are in standard format, and all bids are considered on a level playing field. Once an extensive and complex evaluation process has been carried out, negotiations are held with the bidder who has been judged to have provided the best value for money, deliverable bid. At this stage, specific obligations are included in the Franchise Agreement which are proposals made by the bidders to run the business efficiently. These are called "Committed Obligations". This is how the Sheffield and other gating schemes came to be included in the Franchise Agreement, and it is one of several commercial schemes that East Midlands Trains consider to be essential to deliver the franchise. It is therefore for East Midlands Trains to propose any change to that commercially driven scheme, which it has not done.

I think it may be useful to consider also:

- The obligation in the Franchise Agreement is absolute in that it states "the Franchisee shall invest ...". It is for East Midlands Trains to advise

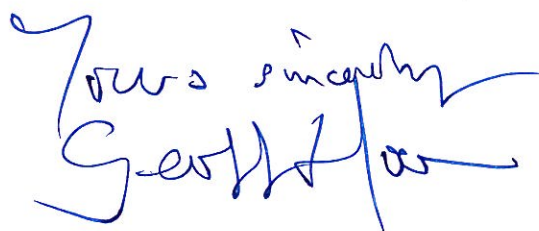
- the Department that it cannot practicably carry out the scheme and to propose a viable alternative, which it has not done.
- Any change proposed by the Department would result in a claim from East Midlands Trains for loss of revenue or additional costs, as well as for costs incurred so far in the planning of the project. Other Train Operating Companies might also claim losses of revenue which they might reasonably have expected through the installation of the gating system.
- Tram tickets compatible with the system will be available via ticketing machines at no additional cost, and the majority of tram users will have access to timed passes.
- Any gating system will be subject to Disability Discrimination standards. The gates will be staffed, giving disabled passengers more assistance rather than less.

I appreciate that a lot of public money has been spent on the station, but I cannot agree that the introduction of gating will negate that investment. East Midlands Trains is offering access to all, at all times. In addition I think it significant that recent manual gating exercises have shown considerable levels of ticketless travel, indicating a loss to the public purse, which will be rectified by the gating. The Department is currently conducting a review of the benefits of gating stations, and research is showing typically that gating reduces ticketless travel by approximately half that currently experienced on East Midlands Trains (10 per cent) – this represents a considerable revenue gain at major stations such as Sheffield.

All stakeholders should continue to liaise closely with East Midlands Trains to optimise the benefit of revenue protection systems at Sheffield.

I remain committed to looking constructively at any viable alternative proposals made by East Midlands Trains and the Department will work to encourage train operators to minimise fare evasion, improve security on stations and comply with Franchise Agreement provisions.

Unfortunately, diary pressures still mean that I am unable to meet with a delegation in the near future, but I have asked Andrew Adonis who will be visiting Sheffield shortly to arrange a meeting with you. Please contact his Diary Manager, Ellen Gyampoh on 020 7944 4484 to arrange a meeting.

A handwritten signature in blue ink, reading "Yours sincerely Geoff Hoon". The signature is written in a cursive style with a long horizontal flourish at the end.

GEOFF HOON