

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2810

Title: Zoning stations for Northern Line Extension

Executive Summary:

The Northern Line Extension (NLE) is opening as part of the London Underground network in Autumn 2021. The NLE will see two new stations, Nine Elms and Battersea Power Station, open at that time. This Decision asks the Mayor to direct Transport for London (TfL) to designate those stations as within Zone 1 of the charging zones that apply on the London Underground. This Decision also asks the Mayor to direct TfL to re-zone Kennington station from Zone 2 to Zone 1/2. These decisions need to take effect from 16 May 2021 to ensure ticketing system readiness when the NLE opens.

Decision:

That the Mayor:

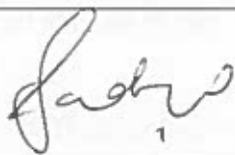
- 1) approves Nine Elms station and Battersea Power Station station being designated within Zone 1 of the charging zones that apply to London Underground services, with effect from 16 May 2021;
- 2) approves Kennington station being re-designated from Zone 2 to Zone 1/2 of the charging zones that apply on London Underground services, with effect from 16 May 2021; and
- 3) signs the attached Direction to TfL issued pursuant to the power in section 155(1)(c) of the Greater London Authority Act 1999 to implement these zoning decisions on 16 May 2021.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

11/5/21

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

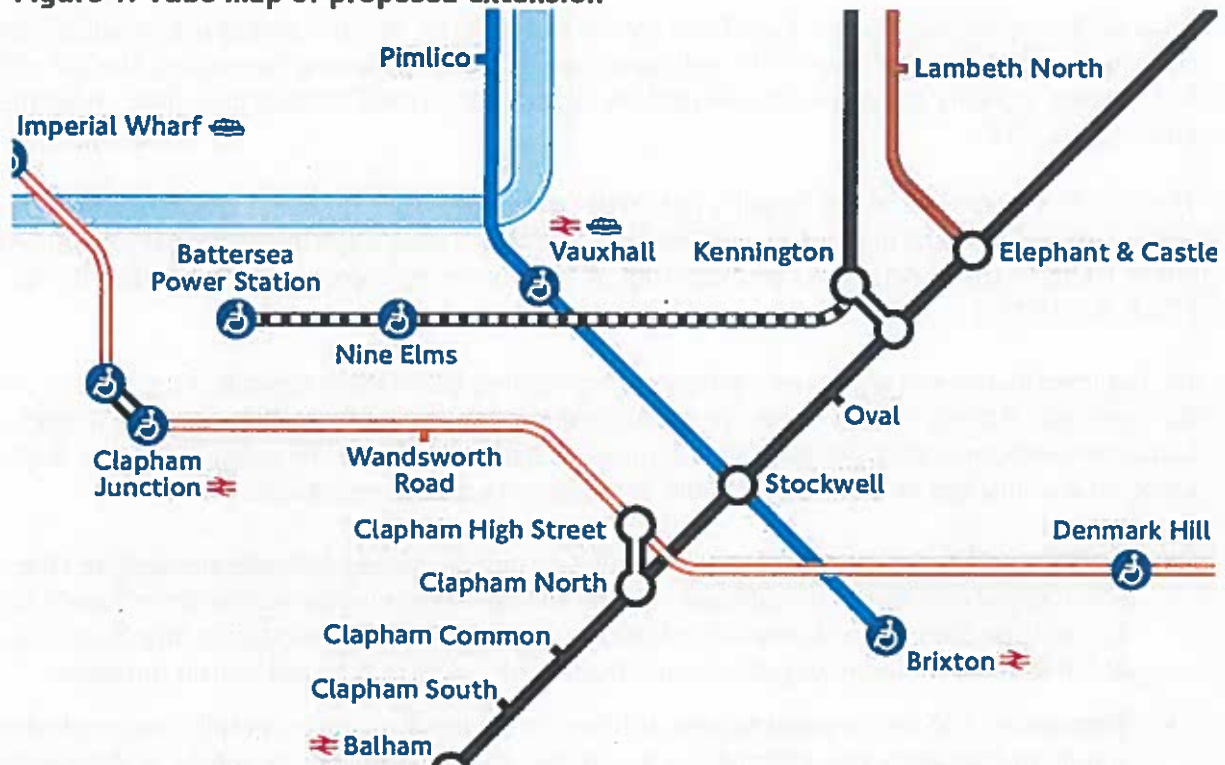
1. Introduction and background

- 1.1. Following a series of consultations in 2012 and a public inquiry in 2013, the Northern Line Extension (NLE) project was agreed in 2014 with powers to construct the new line granted to Transport for London (TfL) by the Secretary of State for Transport.
- 1.2. Construction work for the NLE commenced in 2015 and it is scheduled to open in Autumn 2021. The NLE will see two new stations opened, Nine Elms and Battersea Power Station, and a new interchange created at Kennington station between the existing Northern line and the new extension services, on the London Underground.
- 1.3. Fares on the London Underground are charged according to a zone system, with different fares payable depending on the zoning of the stations travelled through. This zonal charging system also applies to most other rail services operating in London. The station zones are fixed in the Travelcard Agreement between TfL and the Secretary of State for Transport. Both TfL and the Secretary of State have consented to the zoning changes described below. This Decision asks the Mayor, who is responsible for determining the general level and structure of the fares to be charged for public passenger services to be provided by TfL, to direct TfL to implement the changes as further described below.
- 1.4. A map of the NLE is included below (Figure 1). Should this Decision be approved, the two new stations, Nine Elms and Battersea Power Station, will be designated as within Zone 1. A Zone 1 designation is the most appropriate geographically and is in line with a commitment, contained in a commercial package relating to the NLE between TfL and Nine Elms developer, which envisages that the NLE stations will be zoned in this way.
- 1.5. Currently, Kennington station is designated as within Zone 2. However, once the NLE is complete, if Kennington were to remain in that zone the result would be that customers travelling to and from the new stations on the extension would have to pay a Zone 1 to 2 fare to reach the rest of Zone 1. This would be hard to explain or justify.
- 1.6. To prevent this from happening, the Mayor is asked to direct TfL to re-zone Kennington from Zone 2 to Zone 1/2. Customers travelling from the south would then continue to pay the Zone 2 fare to reach Kennington while customers travelling from the north would be able to access the new Northern line stations without leaving Zone 1.
- 1.7. The consequence of re-zoning Kennington will be that Pay-As-You-Go (PAYG) adult single fares for customers who travel to and from Kennington station into Zone 1 go down. All other fares, including the PAYG caps, printed ticket fares and Travelcards, will remain the same. In approving this re-zoning, the Mayor would be delivering on a commitment given as part of a commercial package to finance the extension.
- 1.8. If TfL's ticketing system is to be ready in time for the opening of the NLE in Autumn 2021, the decisions to designate Nine Elms and Battersea Power Station as within Zone 1, and to re-zone Kennington station, need to have been taken before, and have come into effect by, 16 May 2021.
- 1.9. This May date is one of three annual, routine dates when TfL and National Rail have agreed that rail fares across the UK may change. The other dates are January and September. Fares changes are complex and, amongst other things, involve contractual and technical ticketing system changes.

These three periods are nationally set to ensure that any system changes are delivered in a controlled manner for the entire UK rail network.

- 1.10. The May date is the last of these dates available when TfL can amend its systems to insert the new stations and the change in the status of Kennington while allowing for proper testing before the extension opens. Although the new stations are not open to the public as yet, it will nonetheless be possible for TfL staff to test the equipment and check that the ticketing logic in the gates is working properly.

Figure 1. Tube map of proposed extension



2. Objectives and expected outcomes

- 2.1. The Mayor is under a statutory duty to develop and implement policies for the promotion and encouragement of safe, integrated, efficient and economic transport facilities and services to, from and within Greater London.
- 2.2. The NLE will improve transport links and public spaces in the Vauxhall, Nine Elms and Battersea area, which is a designated regeneration area on the South Bank. Up to 25,000 jobs and 20,000 new homes could be created. Journey times from Nine Elms or Battersea to the West End or the City will, in some cases, be less than 15 minutes. An independent report on the economic impact of the NLE has shown it could generate substantial benefits to the area.
- 2.3. The NLE will deliver two new stations, Nine Elms and Battersea Power Station, when it opens in Autumn 2021. If this Decision is approved, these stations will be designated in Zone 1. Kennington Station will be re-zoned to Zone 1/2, from Zone 2, on 16 May 2021 to ensure that the new stations are not located in a Zone 1 "island". This preserves the integrity of the charging zones, supporting the provision of integrated and efficient services.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, as public authorities, the Mayor and TfL are subject to a public sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Relevant protected characteristics under section 149 of the Equality Act are age, disability, deprivation, gender re-assignment, marriage, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 3.2. An equality impact assessment (EQIA) was carried out in 2014, which assessed the equality impacts of construction and the operation of the extension, and has been reviewed throughout the life of the NLE project. Equality impacts were assessed for all protected characteristics identified under the Equality Act 2010.
- 3.3. The duty in section 149 of the Equality Act 2010 (mentioned above) applies to the decisions the Mayor is asked to make in this Mayoral Decision, and which arise by virtue of the Mayor's duty to direct TfL as to the general level and structure of fares under the Greater London Authority Act 1999 ("GLA Act 1999").
- 3.4. TfL has identified seven groups of Londoners (highlighted below) who typically face barriers to public transport use. Among the key issues for these groups is the cost of fares. The potential impacts for Londoners with protected characteristics who are likely to be affected by changes in fares, such as those on low incomes or who rely on public transport, are considered below.

- **BAME Londoners** are more likely to live in low income households and are likely to cite affordability as a barrier to transport. The re-zoning of Kennington station from Zone 2 to Zone 1/2 will see fares for customers who travel to and from Kennington station into Zone 1 go down. All other fares for journeys made to and from Kennington station will remain the same.
- **Women** tend to be the primary carer at home so are less likely to be in full-time employment and more frequently cite affordability as a barrier to transport. The re-zoning of Kennington station from Zone 2 to Zone 1/2 should have a positive impact on women as fares will either remain the same or fall when travelling from Kennington and within Zone 1.
- **Older Londoners** are more likely to be retired, and many live on low incomes. The 60+ concession and the Freedom Pass for older and disabled people mean that the change in zones for Kennington station will have a limited positive impact on older people as the concessionary scheme will remain unchanged by this. Where paid journeys have to be made from Kennington station into Zone 1, fares will be lowered by this change. All other fares for journeys made from Kennington would remain the same.
- **Disabled Londoners** are more likely to live in low income households. One in three families in London with a disabled child live in poverty. One of the reasons for this is the higher costs of supporting a disabled child. In some cases, it can be three times more expensive to bring up a child with an impairment. Carers are also likely to experience financial hardships as a knock-on effect of the need to take lower-paid and part-time work.

While the Freedom Pass for disabled people will mean that the re-zoning of Kennington station from Zone 2 to Zone 1/2 will not impact some disabled people, it is important to recognise that parents of disabled children and some disabled Londoners whose income is impacted by these barriers to employment are not eligible for a Freedom Pass. This change will have a positive impact in that fares into and from Zone 1 to Kennington station will be lower, while all other fares for journeys to and from Kennington will remain the same.

- **Younger Londoners** are less likely to be physically disabled but more likely to be from a BAME community and therefore more likely to be experiencing the financial barriers discussed above.

The Zip card concession will benefit from the re-zoning of Kennington station from Zone 2 to Zone 1/2 as fares will either remain the same or be lower when travelling to and from Kennington station into Zone 1.

- **Londoners on low incomes** tend to be women and older, BAME and disabled people, and those not in work. Low income largely reflects working status, though the underlying causes may be tied to the cost of housing, childcare and transport as well as access to education, qualifications, and health. Re-zoning Kennington station from Zone 2 to Zone 1/2 will see journeys into Zone 1 from Kennington station go down with fares for all other journeys remaining the same.
- These changes will have a positive impact on the fares for **LGBTQI+ Londoners** pay when travelling to and from Kennington station, as fares will be lower for journeys involving zone 1.

4. Other considerations

Links to Mayoral strategies and priorities

4.1. The NLE contributes to the following policies and proposals in the Mayor's Transport Strategy:

- **Policy 16:** The Mayor, through TfL and the boroughs, and working with stakeholders, will seek to transform London's rail-based services to provide safer, modern, reliable, integrated, accessible and user friendly services, with improved journey times and an increase in capacity of at least 80 per cent by 2041 to tackle crowding and facilitate mode shift to rail.
- **Policy 21:** The Mayor, through TfL and the boroughs, and working with stakeholders, will ensure that new homes and jobs in London are delivered in line with the transport principles of Good Growth for current and future Londoners by using transport to: a) Create high-density, mixed-use places, and b) Unlock growth potential in underdeveloped parts of the city.
- **Proposal 55:** The Mayor, through TfL and working with the DfT, Network Rail and other stakeholders, will make the transport network more accessible and inclusive by: a) Using Inclusive Design, for example for station and train layout and facilities, including signing, information and seating, giving consideration to those with visible and invisible disabilities. b) Providing step-free access at selected rail and Underground stations and on all new infrastructure, to halve the additional journey time required by those using the step-free network only, so that journey times on the step-free network become comparable to those on the wider public transport network.
- **Proposal 63:** The Mayor, through TfL, will invest in the Tube network to improve the capacity and reliability of its train services.

4.2. The adult peak pay as you go fare for a journey between Kennington and most stations in Zone 1 will be reduced from £3.00 to £2.40 and off peak pay as you go fares will be reduced from £2.50 to £2.40.

Key risks and issues

- 4.3. GLA officers consider that implementation risks are minimal.
- 4.4. Failure to implement may result in issues with the ticketing system that were not able to be tested prior to the extension opening.
- 4.5. GLA officers involved in the drafting or clearing of this Mayoral Decision are likely to be affected by the change in fares when travelling on public transport. There are no other interests to declare.
- 4.6. There is no statutory requirement for the Mayor to conduct a consultation in relation to fares decisions.

5. Financial comments

- 5.1. The re-designation of the zoning of the stations on the NLE extension is critical to generating the income the GLA requires to repay the £1bn the GLA has borrowed to finance this project. In the light of the current uncertainty on business rates, which has impacted on the existing plan for the GLA repaying this debt, a thorough review is being undertaken to re-assess this plan.
- 5.2. The revenue forecasts pre-COVID estimated that the NLE would generate around £7m p.a. in the early years until the opportunity area is fully built out. Based on the current post-COVID recovery demand forecasts, it is estimated that the revenue generated will be around half that in the first two years of operation.
- 5.3. Re-zoning Kennington prior to the scheme opening will have a slight impact on revenue generated between May and Autumn 2021, with an estimated revenue loss of up to £200k, depending on the rate at which demand recovers as pandemic-related restrictions are eased. The position will be monitored and provision will be made to compensate the potential loss of income from other TfL budgets (where appropriate).

6. Legal comments

- 6.1. The Mayor may issue general directions, under section 155(1)(b) of the GLA Act, as to the manner in which TfL is to exercise its functions, as well as, under section 155(1)(c), specific directions as to the exercise of TfL's functions. Under section 174(1) of the GLA Act, the Mayor is under a duty to exercise his powers under section 155(1) so as to ensure that the general level and structure of fares for public passenger transport services (provided by TfL or other persons who provide services under agreement with TfL) are determined. This decision is consistent with those statutory obligations.
- 6.2. Under section 149 of the Equality Act 2010, due regard must be had, when the Mayor exercises a function such as the making of this decision, to the equality obligations referred to in the "Equality comments" above. Consideration is given above to the likely effects of the fare proposals on protected groups

7. Planned delivery approach and next steps

- 7.1. Set out how the project will be delivered and complete the outline timetable

Activity	Timeline
Mayoral Decision and Direction to TfL	26 April 2021
Announcement	14 May 2021
Delivery end date	16 May 2021

Appendices and supporting papers:

Appendix 1- Direction to TfL

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: To align with announcement of Mayor's zoning decisions.

Until what date: Until after the announcement of the zoning changes, expected 14 May 2021.

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Catherine Seaborn has drafted this report in accordance with GLA procedures and confirms the following:

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

Mayoral Adviser:

Heidi Alexander has been consulted about the proposal and agrees the recommendations.

Advice:

The Finance and Legal teams have commented on this proposal.

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on the 26 April 2021.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

D. Gove

Date

26 April 2021

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

26 April 2021

