

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3014

Proposed permanent changes to free travel arrangements for older Londoners

Executive summary:

Since May 2020, there has been a series of extraordinary funding settlements with the government to ensure that Transport for London (TfL) can continue to deliver an effective and efficient transport service to Londoners throughout the COVID-19 pandemic and beyond. This funding support has been given with a range of strict conditions, not least the commitment to raise additional funds for TfL. These government conditions directly affect two travel concession schemes that allow Londoners aged 60 and over to travel for free on the TfL network.

The funding settlement with the government dated 1 June 2021 required the Mayor and TfL to undertake a joint options review and feasibility study of mechanisms within existing powers, to generate between £500m and £1bn of additional net revenue per annum from April 2023 (the Review). As part of this process, TfL has had to consider a number of changes to its fares structures and ticketing. This meant TfL had to propose permanently restricting free travel between the hours of 4:30am and 9:00am on weekdays (excluding bank holidays) for Older Persons' Freedom Pass and 60+ London Oyster photocard holders on TfL's bus, tram, and rail services (including the London Underground, the DLR, the Elizabeth line and the London Overground) in order to meet this revenue target. This time restriction has been in place temporarily since 15 June 2020, when it was introduced by Mayoral Decision (MD) (2642) in response to the COVID-19 pandemic as required by the government. The proposal in this MD (3014) is to make this time restriction permanent, in line with the government funding settlements, thereby helping TfL move to a financially sustainable position by April 2023 in a context of continuing funding challenges due to reduced fare revenues and conditions imposed through government support.

The change would not affect holders of the Disabled Persons' Freedom Pass on either TfL or National Rail services, where current acceptance would continue unchanged.

Decision:

That the Mayor:

1. approves the proposed revisions to the Older Persons' Freedom Pass and the 60+ London Oyster photocard validity to permanently remove free travel between the hours of 4:30am and 9:00am on weekdays (excluding bank holidays), to be implemented as set out below
2. directs TfL to implement the above changes on and from 18 January 2023, by signing the attached Direction (Appendix A) issued pursuant to the power in section 155 (1)(c) of the Greater London Authority Act 1999.

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:

17/1/23

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

Decision required – supporting report

1. Introduction and background

Background

- 1.1 Until the COVID-19 pandemic, TfL's efficiency programme had ensured it was on a path to break even on the cost of operations, maintenance, financing, and core renewals. TfL had taken almost £1bn out of its net operating costs over the four years prior to the pandemic. However, the funding model in place since 2015, following the government's withdrawal of its operating grant for the delivery of the transport service, is heavily reliant on fare revenues. This dependence on fares revenue, coupled with its high fixed costs, means TfL is significantly exposed to changes and shocks in passenger demand.
- 1.2 Low ridership during the pandemic had a seismic negative impact on TfL's finances, requiring the Mayor to obtain extraordinary funding from the government to keep TfL running. This government funding has been provided under a series of funding settlements since May 2020, to which significant conditions have been attached. These conditions directly affect two travel concession schemes that allow Londoners aged 60 and over to travel for free on the TfL network.
- 1.3 The first such travel concession scheme is the 60+ London Oyster photocard. This is operated and funded by TfL and is available to London borough residents over the age of 60. The second is the Older Persons' Freedom Pass, which is available to London borough residents over state pension age. The Older Persons' Freedom Pass scheme is operated by the London boroughs collectively (London Councils) under an agreement with TfL (the Freedom Pass Agreement). Under the Freedom Pass Agreement, London boroughs pay TfL compensation for allowing Freedom Pass holders to use the TfL network for free at weekends and on bank holidays, and from 9:00am until 4:30am the following day on weekdays. The travel concessions conferred under the agreed Freedom Pass Agreement constitute the travel concessions that Londoners of state pension age are entitled to under statute.
- 1.4 The 60+ London Oyster photocard was introduced in 2012 when the Older Persons' Freedom Pass concessionary scheme eligibility was changed in line with changes in the state pension age for women. The 60+ scheme was introduced for those who chose or had to retire early and was intended to bridge the gap between them retiring and waiting for their state pension age, when they could apply for an Older Persons' Freedom Pass.
- 1.5 Until June 2020, both the TfL 60+ London Oyster photocard and the Older Persons' Freedom Pass allowed free travel at all times on the TfL network. During this time (from January 2009¹ until June 2020), TfL bore the cost of free travel by holders of the Older Persons' Freedom Pass on weekdays before 9:00am.
- 1.6 In June 2020, temporary time restrictions were placed on both concessions, temporarily withdrawing free travel between 4:30am and 9:00am on weekdays, excluding bank holidays. These temporary restrictions were introduced by MD2642 in response to the COVID-19

¹ Before January 2009, the Older Persons' Freedom Pass was only available after 9:00am on weekdays, and TfL did not bear any costs of the concessionary scheme.

pandemic and a government funding settlement dated 14 May 2020. This required TfL to bring forward proposals to optimise the use of the available safe transport capacity, including but not limited to temporary suspension of free travel for Older Persons' Freedom Pass and 60+ London Oyster photocard holders during peak hours. The temporary restrictions to the Older Persons' Freedom Pass were consistent with, and did not require any change to, TfL's Freedom Pass Agreement with the London boroughs, because the free travel affected (before 9:00am on weekdays) was funded by TfL. The temporary restrictions to both concessions currently remain in place.

- 1.7 Since the May 2020 government funding settlement, there have been a further four substantive funding settlements, dated 31 October 2020; 1 June 2021; 25 February 2022; and 30 August 2022, respectively. These settlements have been necessary due to the financial stresses created for TfL by the COVID-19 pandemic and the consequent loss of fares income. They represent the outcome of complex funding discussions.
- 1.8 A condition of the funding settlements is that:
- "If you [the Mayor] and TfL wish Londoners to continue to benefit from travel concessions and/or other benefits above those typically available elsewhere in England (such as free travel for all Londoners aged under 18 and 60-65, excluding statutory entitlements including under the Education Act 1996) then TfL and you recognise that the costs of these additional benefits will not be met by HMG funding; and TfL and you commit to meeting the costs of these additional benefits during the Funding Period,² without recourse to additional borrowing, savings, service changes, the new revenue streams resulting from paragraph 11a [of the August 2022 funding letter] or deferrals."*
- 1.9 The 60+ London Oyster photocard confers concessions that are not typically available elsewhere in England and are not statutory entitlements. Throughout the time that TfL has been in receipt of extraordinary government funding (and to date), the Mayor has maintained the 60+ concession, electing to meet its £80m annual cost by maintaining changes to Congestion Charging implemented in June 2020, and increasing the existing TfL element of the GLA council tax precept in the 2021-22 and 2022-23 GLA budgets.
- 1.10 At the core of the funding settlements is a requirement for TfL to reach financial sustainability as soon as possible, with a target date of April 2023. In support of this, the funding settlement with the government dated 1 June 2021 required the Mayor and TfL to undertake the Review.
- 1.11 The Review is explained in more detail below, but one of the options identified as a means of generating part of this additional net revenue was to permanently restrict the times during which Londoners aged 60 or over could travel for free on the TfL network, by withdrawing free travel between 4:30am and 9:00am on weekdays, excluding bank holidays. This option was identified by the Mayor to the Secretary of State in a letter dated 15 December 2021. The subsequent funding settlement with the government, dated 25 February 2022, required TfL to progress this option, subject to decision-making processes. The funding settlement with government, dated 30 August 2022, assumes TfL will progress this option with a view to ensuring implementation by 2023.

² Until 31 March 2024 or until TfL and DfT agree TfL has reached financial sustainability.

Overview of the proposed changes to TfL's concessions for older people and associated fares implications

- 1.12 If this MD is approved, then from 18 January 2023 onwards, the Older Persons' Freedom Pass and the 60+ London Oyster photocard would not be valid for travel on TfL's bus, tram, and rail services (including the London Underground, the DLR, the Elizabeth line and the London Overground) between 4:30am and 9:00am on weekdays, excluding bank holidays. It would make permanent the temporary restrictions to the concessions that were introduced in June 2020 by MD2642 (see above).
- 1.13 The permanent changes proposed would not prevent 60+ or Older Persons' Freedom Pass holders travelling before 9:00am, but would introduce a charge to do so; this would be a full adult rate. Card holders would need to either use pay-as-you-go (PAYG) with a contactless or Oyster card, or buy a paper ticket. There are no plans to make changes to the Disabled Persons' Freedom Pass.
- 1.14 If the proposed changes to the 60+ London Oyster photocard and the Older Persons' Freedom Pass concessionary travel schemes are approved, those concessionary schemes would still allow free travel on TfL's bus, tram, and rail services (including the London Underground, the DLR, the Elizabeth line and the London Overground) on weekdays, albeit from the later time of 9:00am, and at all times at weekends and on bank holidays. In addition, the concessions will remain more generous than the statutory provisions for older persons' concessionary travel schemes in England. Under these schemes, free travel is usually restricted to buses between 9:30am and 11:00pm for those of state pension age.

The impact of the pandemic on TfL's finances prior to the Review

- 1.15 In 2015 the government started to phase out TfL's "operating grant" – grant funding to operate and deliver its transport services. The central government operating grant came to an end entirely at the end of the 2016-17 financial year.
- 1.16 The withdrawal of the operating grant meant TfL relied substantially upon passenger fares income as a source of revenue to meet its operational costs. In 2018-19, passenger income accounted for half of all TfL's revenue income, and over 70 per cent of its operating income. The severity of negative impact from the COVID-19 pandemic was directly related to the way in which TfL's finances are currently structured. The dependence on fares revenue, coupled with high fixed costs, means TfL is significantly exposed to changes and shocks in passenger demand.
- 1.17 When the pandemic struck, social distancing measures and national lockdowns were introduced by the government. The pandemic has had a significant impact on TfL's finances. Between the end of March 2020 and May 2020, ridership was down over 95 per cent on the Tube, and down over 85 per cent on buses; and TfL's passenger income was reduced by more than 90 per cent. The 2019 Business Plan forecast passenger income of £5.1bn in 2020-21 and £5.4bn in 2021-22 – compared to actual income of £1.6bn and £3.2bn. This collective loss of £5.8bn in passenger income, compared to forecast, is coupled with other financial pressures.
- 1.18 This resulted in TfL publishing an emergency budget in May 2020, which identified the need for up to £1.9bn of government funding for the first half of 2020-21 and £3.2bn for the full financial year, based upon early estimates, from April 2020, of the impact of the coronavirus pandemic on its revenues. This funding was identified as necessary to ensure services ran at

pre-COVID levels to maintain social distancing wherever possible. TfL's analysis indicated starkly that, without support from the government, it would not be able to present a balanced budget while continuing to run services; and, therefore, its statutory Chief Finance Officer would have no choice but to issue a notice under section 114 of the Local Government Finance Act 1988 (which is effectively a declaration of bankruptcy of a local government body).

- 1.19 To avoid this outcome, the Mayor and TfL were required to obtain extraordinary funding from the government to keep TfL running. The first extraordinary funding settlement from the government, dated 14 May 2020, provided TfL with a £1.6bn initial grant and loan package, and a further £300m contingency for the period from 1 April 2020 to 17 October 2020. Since the May 2020 government funding settlement, there have been a further four substantive funding settlements, dated 31 October 2021; 1 June 2021; 25 February 2022; and 30 August 2022, respectively. The settlements have been necessary due to the financial stresses created for TfL by the COVID-19 pandemic and the consequent loss of fares income. They represent the outcome of complex funding discussions and significant conditions have been attached to the funding.
- 1.20 The extraordinary funding settlement from government, dated 30 October 2020, required TfL to produce a Financial Sustainability Plan (FSP) by January 2021, detailing how a trajectory to financial sustainability could be achieved as soon as possible, with a target date of April 2023. The October settlement was the start of a process whereby TfL has been required to conduct a widescale review of its financial and funding arrangements.
- 1.21 The June 2021 settlement contained further conditions as to the provision of this funding, including a number of work streams to be delivered or implemented in 2021, as well as longer term programmes. The work streams to be delivered or implemented in 2021 included delivery of further operating efficiencies; accelerating TfL's existing organisation programme, and a review of their pension scheme and reform options. It also included the following requirement for a review of revenue generation options:
- "Identification and consultation on new/increased income sources of between £0.5bn and £1bn p/a from 2023 through new/increased revenue within the Mayor and TfL's existing powers and compared to current plans."*
- 1.22 The Review is explained between sections 1.23 and 1.34, below.

The Review

- 1.23 The Review, which was required as a condition of the June 2021 settlement, sought to identify viable new sources of income that could be delivered to raise additional revenue of between £0.5bn and £1bn by April 2023, as required by the 1 June funding agreement. This range of required additional revenue was identified in the FSP published by TfL in January 2021. The FSP noted that a build-up of a considerable debt burden, and the reduction and then withdrawal of its government grant, meant that TfL was showing a projected funding gap estimated at between £0.5bn and £1bn per annum from the mid-2020s onwards. The FSP noted that the pandemic led to a crisis for TfL's immediate financial position; but if it led to more permanent changes to travel demand in London, it could also impact the organisation's long-term finances and funding gap. A constrained assessment estimated the long-running demand reduction at 20 per cent below previous forecasts, which would increase the long-term funding gap by an additional £1bn per annum. This would increase the gross average funding gap to circa £2bn per annum between 2023-24 and 2029-30.

- 1.24 The outcome of the Review was set out in a document entitled: “New revenue sources”, dated August 2021.³ Relevant extracts of this document are attached at Appendix B to this MD.
- 1.25 The Review considered the current state of TfL’s income and considered existing revenue sources prior to the pandemic and how they evolved. This is contained in section 2 of the Review, and the Mayor is referred to that section for this information.
- 1.26 The Review assessed any potential new revenue source option against appraisal criteria that had been agreed with the government in June 2021. The assessment criteria covered:
- outcome assessment: assessing the economic impact of the option, as well as any impact on key outcomes core to the Mayor’s Transport Strategy
 - financial assessment: assessing the financial impact of the option considering income generated, implementation costs, recurring costs and net present value
 - feasibility assessment: assessing the feasibility of delivering the option, taking into account technical, legal and stakeholder considerations, as well as identifying suitable benchmarking.
- 1.27 These assessments led to the recommendations of the Review, which are contained in section 4 of that paper. The Review recommended three overarching areas for further development: optimising the fares system with a focus on consistency; incremental options on taxation; and changing the way TfL charges for road use. Each of these areas contained several options that remain under consideration.

Optimising the fares system

- 1.28 The area of ‘optimising the fares system with a focus on consistency’ is the one directly relevant to the proposal in this MD.
- 1.29 As part of the assessment process, TfL undertook an exercise to identify a shortlist of fares options. In arriving at the shortlist of options, TfL sought to meet the following criteria, as outlined in the funding letter:
- Options should provide a recurring revenue income stream from 2023. Therefore, options that only provided a one-off income benefit (e.g. asset and property disposals) were discounted.
 - Options should be within the Mayor’s or TfL’s current statutory powers. Some options not within existing statutory powers were retained based on their contribution to the other assessment criteria; but it was noted that government support would be required for legislation for these.
- 1.30 The funding settlement with the government, dated 25 February 2022, requires TfL to progress these options, subject to decision-making processes. Further to the analysis and assessment explained above, TfL narrowed down the options that merited further development work, focusing on the options that met the criteria outlined in the funding settlement (see above) and recognising that it would not be possible to achieve the £0.5bn

³ There was a follow up report, “New revenue sources: follow-up report,” dated November 2021 but this is not relevant to this MD.

to £1bn p.a. increase in revenue required by government without action to optimise the fares system.

- 1.31 One of the options identified for changing fares as a means of generating additional net revenue was to permanently restrict the 60+ concession for use only after 9:00am. The following is a high-level summary of these assessments of this option undertaken as part of the Review:
- Major MTS/economic outcomes and impacts:
 - some shift to private vehicles possible as public transport cost increases
 - balanced positive and negative impacts with the shift to more private vehicle use, or walking/cycling.
 - Equality impacts: increase in barriers to travel at relevant times for over-60s in particular for those on low incomes.
 - Costs and income: income p.a.: £40m. (Average net income should the intervention be introduced. The average net income figure is calculated up to 2027-28.)
 - Key risks and issues: potential reduced accessibility for lower socio-economic groups.
 - Earliest go-live date: early 2022.
- 1.32 The Review did not recommend increasing fares beyond the Financial Sustainability planning assumption of RPI+1 in each subsequent year up to 2024-25. It was considered that further increases beyond this level would create risk to economic recovery and to keeping the network accessible to all users. It was, however, noted that fares and ticketing structures could offer greater consistency, and the option of permanently restricting the 60+ concession for use only after 9:00am was one of a number of options that was recommended for further consideration.
- 1.33 It was calculated that this proposal would raise an average of £40m net revenue per annum calculated up to 2027-28, through not having to fund the revenue foregone. This was based on pre-COVID demand, and assumptions as to travel patterns, fares changes and population growth for this period.
- 1.34 While this is a relatively small proportion of the £0.5bn–£1bn p.a. that TfL was required to identify, it was significantly challenging to find that amount of revenue from sustainable, recurring, new sources that: could deliver by April 2023; were in line with the criteria outlined in the funding settlement; were consistent with the Mayor's Transport Strategy; and would have marginal negative impacts on TfL's ambition to achieve net-zero-carbon by 2030. This meant it was appropriate for this option to be recommended for further development.

TfL's current financial situation

- 1.35 TfL continues to face a significant financial challenge as the impact on demand from the pandemic persists. Changes in passenger behaviour as a result of the pandemic mean that passenger fares income remains depressed, and is not expected to recover to pre-pandemic levels for several years. This creates a significant, ongoing funding gap for TfL. Under the government funding settlement, dated 30 August 2022, TfL expects to receive further base

funding of around £1.2bn from the government until March 2024. A condition of this settlement is that the government assumes TfL will progress its recommended options for generating between £0.5bn and £1bn p.a. of additional revenue, with a view to implementation by 2023. The proposal in this MD is one of these options.

- 1.36 In addition to generating this £0.5bn-£1bn p.a. additional revenue, TfL is also required to cover a further funding gap after the base funding in its budget of around £740m across 2022-23 and 2023-24; a gap that was left by the government funding settlement, dated 30 August 2022. While TfL has managed to identify some measures to cover part of this further gap – including the release of contingency from its budget – further funding gaps remain, which TfL is required to cover in order to balance its budget.

2. Objective and expected outcomes

- 2.1 Given TfL's current financial situation (see above), it is important that action is taken to generate the additional income of £0.5bn-£1bn p.a. that the Mayor and TfL have committed to achieving in the funding settlements of 2022. The proposal in this MD is an important contribution to this, as it is expected to generate an average of £40m net revenue per annum calculated up to 2027-28, through not having to fund the revenue foregone. The proposal in this MD is therefore also an important contribution towards enabling TfL to reach financial sustainability by April 2023 and to balance its budget in the financial years 2022-23 and 2023-24, from a sustainable, recurring, new revenue source that: can deliver by April 2023; is in line with the criteria outlined in the funding settlement; is consistent with the Mayor's Transport Strategy; and will have marginal negative impacts on TfL's ambition to achieve net-zero-carbon by 2030.
- 2.2 Financial sustainability is key to the continued long-term delivery of an effective and efficient transport network, which will positively impact all customers and London. Not achieving financial sustainability would result in TfL being unable to maintain current levels of service, creating adverse conditions that would limit TfL's ability to generate revenue to deliver longer-term capital funding, negatively impacting all customers and London.
- 2.3 It is also crucial that TfL is able to balance its budget, as the alternative is to issue a notice under section 114 of the Local Government Finance Act 1988 (which is effectively a declaration of bankruptcy of a local government body).
- 2.4 TfL is also committed to meeting the conditions of its funding agreement in order to help ensure continued funding support from government, and the proposal in this MD is one element of this.
- 2.5 If the proposal is approved, it will have some negative impacts on some Londoners aged 60 and over, most likely those on low incomes or living in poverty, who may also be further impacted if the so-called 'cost of living crisis' develops further. The equality impacts of the proposal have been assessed in an Equality Impact Assessment (EqIA), which is attached at Appendix C and summarised in section 3, below. There is significant opposition to the proposal from Londoners aged 60 and over, and from Age UK London. The main themes of representations from stakeholders and customers that have been received are contained in the EqIA and are also summarised in section 4, below.

- 2.6 However, these negative impacts need to be considered in the context of concessions for Londoners aged 60 and over still providing free travel on TfL's bus, tram and rail services at all times other than between 4:30am and 9:00am on weekdays, and at all times at weekends and on bank holidays, and continuing to be more generous than the free concessionary travel for older people that is typically available throughout the rest of the country. They should also be considered in the context that this proposed decision would make an important financial contribution to TfL achieving the necessary additional revenue in order to: meet its commitments under the government funding settlements; achieve financial sustainability by April 2023; and balance its budget.
- 2.7 Given the above, the targeted restriction of the over-60s concessions proposed in this MD is considered an appropriate means of delivering on TfL's funding commitments and towards its goal of financial sustainability; notwithstanding that, it will have some negative impacts upon some of those directly affected.

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:
- eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected relevant characteristic and those who do not.
- 3.2 Relevant protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The duty applies to the Mayor's duty to direct TfL as to the general level and structure of fares under the Greater London Authority Act 1999.
- 3.3 An EqIA of this proposal has been undertaken by TfL. It is attached as Appendix C. The evidence base that informs the EqIA is an appendix to the EqIA.
- 3.4 The key positive impact of the proposed decision is that it is an important financial contribution to TfL achieving the necessary additional revenue required by government, in order to achieve financial sustainability by April 2023. Achieving financial sustainability will ensure TfL can deliver an efficient and effective public transport network in the long-term, which will have positive impacts for all customers and London.
- 3.5 The EqIA did identify potential negative impacts on older Londoners as a whole; and on Londoners who are older, female and from a Black, Asian or Minority Ethnic background. The main impacts are summarised below, but need to be considered in the context of the concessions for Londoners aged 60 and over that will remain unaffected by this decision.
- 3.6 Londoners aged 60 and over will still be able to travel for free on TfL's bus, tram and rail services (including the London Underground, the DLR, the Elizabeth line and the London Overground) at all times other than between 4:30am and 9:00am on weekdays (travel between these times will be free at weekends and on bank holidays). With the exception of

children under 10, no other TfL concessions permit free travel on this number of modes. In addition, the concessions will continue to be more generous than the statutory provisions for older persons concessionary travel schemes in England, where free travel is usually restricted to buses between 9:30am and 11:00pm for those of state pension age.

- 3.7 Trust for London figures on proportions of poverty in London suggest that (with the exception of 20-29 year olds) the proportions of those aged 60-64 in poverty are not materially different to the proportions of other age groups of working age in London. Most of these other age groups are not entitled to any free concessionary travel, whereas under the proposed decision the over 60s will remain eligible for free travel at all times other than between 04:30-09:00 on weekdays, excluding bank holidays.
- 3.8 While not a concession, those travelling by bus can continue to benefit from the Hopper fare, which allows unlimited bus and tram journeys within an hour for the price of a single fare. This was introduced to make bus travel across the capital more affordable and accessible to everyone. There are no plans to amend this fare; as such, older people who still need to travel before 9:00am may be able to travel for the cost of a single bus fare (£1.65 at the time this MD was prepared) in the morning peak, with return journeys made for free using their concession. Door-to-door (Dial-a-Ride) services are also available for people who are unable to use public transport and cover a travelling companion where needed. These services are free.
- 3.9 The EqIA did also identify potential negative impacts on disabled Londoners affected by the proposed decision. A summary of the other main impacts identified in the EqIA is given in sections 3.10 to 3.20, below.

Older Londoners

- 3.10 All 60+ and Older Persons' Freedom Pass holders will be required to pay for their travel between 4:30am and 9:00am on weekdays, excluding bank holidays. This is a negative impact relative to the situation prior to June 2020 (when such travel was free). However, the retained concessions are more generous than those provided to other age groups in London, and more generous than the free concessionary travel for older people that is typically available throughout the rest of the country.
- 3.11 Average household incomes are substantially lower for Londoners over 65 than Londoners overall and so the proposed decision could negatively impact this age group – the cost making it more difficult for over 65s to travel in the morning peak relative to other age groups. However, Londoners over 65 are significantly less likely to travel for work or work-related purposes on weekdays (journeys that are more likely to require travel in peak hours) and are significantly more likely to travel on weekdays for shopping, personal business, or leisure (not necessarily requiring travel in peak hours).
- 3.12 Of Londoners aged 60-64, 58 per cent were in work in 2021; and of those, 40 per cent were in full-time work. Around 20 per cent of Londoners aged 60-64 use the TfL network for work or work-related travel. Working Londoners aged 60-64 are likely to need to travel before 9am, and so are likely to be negatively affected by the removal of pre-9am free concessionary travel; this group may find it a barrier to travel, dependent on their financial circumstances. Those on low incomes are most likely to be negatively affected.
- 3.13 There is evidence that people aged over 60 are more likely to be informal carers and more likely to be volunteers compared to other age groups. Those within these groups travelling

before 9am on weekdays will be negatively affected by the removal of free pre-9am travel, and may find the cost a barrier to travel. Some stakeholder feedback says that those aged over 60/65 will be negatively affected by the proposed decision because they will have to pay to travel to medical appointments (or refuse these appointments) before 9:00am. To help address this impact, TfL plans to work with boroughs to signpost other options available for reimbursement for hospital travel.

- 3.14 Some stakeholder feedback also says that those aged over 60s/65 are grandparents who accompany their grandchildren to school in the morning, and so would be required to pay for this travel. Those within these groups are likely to be negatively affected by the proposal, through having to pay the additional costs of travel, and may find it a barrier to travel.
- 3.15 Older people are more likely to use cash than other age groups. Older people who need to travel before 9am on weekdays, and who top up using cash, may have to exit the station to travel to an Oyster ticket stop, negatively impacting them.
- 3.16 Black, Asian and Minority Ethnic Londoners over 60 are more likely to live in low-income households, and are more likely to retire later than their White peers. Black, Asian and Minority Ethnic Londoners over 60 travelling before 9am on weekdays are more likely to be negatively affected by the removal of free pre-9am travel than White people travelling at these times. Black, Asian and Minority Ethnic women, including those who are carers, may also be more likely than others to be negatively affected by the proposed decision due to the cost of travel, as they are more likely to be on low incomes. The cost may also be a barrier to travel in the morning peak.

Women

- 3.17 More women are retired than men. Given that work or work-related travel is more likely to require travel in peak hours, women may be less directly impacted by the proposed decision than men over 60/65. However, women aged over 60 are more likely to earn less than men over 60, and may therefore be more likely to be negatively affected by the proposed decision than men, due to the cost of travel. Women over 60 are more likely to be carers or volunteers than men. Given this, and the evidence that they are more likely to be on lower incomes than older men, women over 60 in these roles may be more likely to be negatively affected by the proposal than men over 60. The cost may also be a barrier to travel in the morning peak.

Disabled Londoners

- 3.18 Not all Londoners aged 60 and over who are disabled within the meaning of the Equality Act 2010 meet London Councils' eligibility criteria for a Disabled Persons' Freedom Pass, which is stricter. Those that are not eligible would need to pay for their travel before 9am on weekdays, under the proposed decision. Disabled Londoners aged over 60 are more likely to be on lower incomes or live in poverty than other Londoners aged 60 and over. Therefore, those who are not eligible for a Disabled Persons' Freedom Pass may be more likely to be negatively affected by the proposed decision than non-disabled people, due to the cost of travel. Those within this group travelling before 9am on weekdays are also therefore more likely to be negatively affected by the removal of free pre-9am travel than non-disabled people travelling at these times. The cost may also be a barrier to travel in the morning peak. To the extent that disabled people who are not eligible for a Disabled Persons' Freedom Pass are workers on low incomes, carers, or volunteers, the proposal may

negatively affect them more than non-disabled Londoners aged over 60, due to the cost of travel. The cost may also be a barrier to travel in the morning peak.

- 3.19 Feedback from some stakeholders is that some boroughs are allocating an Older Persons' Freedom Pass to people over 65 who are entitled to a Disabled Persons' Freedom Pass, as part of the renewals process. Other feedback is that some older people who may be eligible for a Disabled Persons' Freedom Pass apply for a 60+ or Older Persons' Freedom Pass, rather than a Disabled Persons' Freedom Pass, to avoid the lengthy application process. To help address this, TfL plans to speak to London Councils/boroughs to make sure boroughs are issuing the correct concession. TfL will also update its website and work with boroughs to ensure people are applying for the right concession, ensuring that those affected by this change who are older and disabled, apply for the Disabled Persons' Freedom Pass.
- 3.20 In MD3028, the Mayor approved two proposals for generating income identified in the Mayor's letter to the Secretary of State of December 2021; a proposal to increase the fee for obtaining an Oyster card from £5 to £7 and making this fee non-refundable; and applying a peak fare to all journeys to/from Heathrow that include Zone 1 travel. These were implemented with effect from 4 September 2022. MD3028 identifies that neither the increase in the fee for obtaining an Oyster card, nor the application of applying a peak fare to all journeys to/from Heathrow that include Zone 1 would impact 60+ Concession or Older Persons' Freedom Pass card holders. Those affected by the proposal in this MD will be affected by the increase in the Oyster card fee, should they wish to purchase and use such a card, as opposed to using contactless, to travel before 9am on weekdays. They would also be affected by the increase in fares for travel to Heathrow, should their journey include travel in Zone 1 before 9am on weekdays.

4 Other considerations

Key risks and issues

- 4.1 GLA officers consider that all implementation risks have been addressed above.

Links to Mayoral strategies and priorities

- 4.2 The Mayor has 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. The proposals to permanently restrict the ability of older people to travel free of charge during weekday morning peak hours, as described above, are consistent with the need for TfL to reduce financial costs and generate revenue, to enable it to continue running a substantial service for the public across TfL's services.
- 4.3 The changes have been proposed in response to the requirements of the recent funding settlement between the Mayor and the DfT; and to support TfL in meeting its obligation to become financially sustainable by 2023.
- 4.4 The Mayor's Transport Strategy highlights the importance of improving transport for all Londoners and, in doing so, ensuring that transport costs are affordable. The proposed permanent restriction of older Londoners' free travel before 9:00am on weekdays, excluding bank holidays, may increase the barrier to travel at these times, particularly for those on lower incomes. However, weekday restrictions on travel between 4:30am and 9:00am have a part to play in ensuring TfL can continue to deliver its core transport investment

programme, and the maintenance of TfL's bus and rail services. Changes in passenger behaviour as a result of the pandemic means that passenger fares income remains depressed, with little certainty of when it may recover or achieve previous projections. The changes proposed will ensure the continued delivery of the transport objectives of the London Plan and the Mayor's Transport Strategy.

Consultation and assessment of the impacts of the proposals

4.5 A condition of the February 2022 government funding settlement letter was that TfL would progress its recommended options for generating between £0.5bn and £1bn in accordance with decision-making processes, taking into account any need for consultation. The Mayor is not required to conduct, or require TfL to conduct, a consultation in relation to fares prior to making a decision. TfL has, however, sought, received and taken into account feedback and representations from key stakeholders in relation to this matter. It has also received and taken into account representations from customers. A detailed summary of stakeholder feedback is contained at Step 4 of the EqIA, which is attached at Appendix C.

4.6 A summary of the issues raised and the proposed mitigations are included below.

Theme	Summary	Mitigation/response
Penalises the poorest Londoners (raised by Age UK London, MPs and Assembly Members, Wandsworth Older People's Forum, Customer Correspondence)	Older Londoners are often living in low-income households, affected by the cost-of-living crisis; any extra cost incurred to travel before 9am would put an additional pressure on finances.	TfL will work collaboratively with boroughs to promote the range of concessions and best tickets available so that all Londoners know what their available options are.
Boroughs are giving disabled people over 65 an Older Persons' Freedom Pass as part of the renewals process (raised by RNIB, London Vision, Transport for All, Kensington and Chelsea Council Mobility forum)	Some boroughs are allocating an Older Persons' Freedom Pass to people over 65 who are entitled to a Disabled Persons' Freedom Pass, as part of the renewals process.	TfL is speaking to London Councils/boroughs to start working with boroughs to issue the correct concession going forward and reassess any customers on the wrong concession. TfL will also update its website and work with boroughs to ensure people are applying for the right concession – those who are older but also disabled, apply for the Disabled Persons' Freedom pass.
Difficult for older Londoners to get to early-morning hospital appointments (raised by Age UK London, London Travelwatch, Redbridge Pensioner Forum, City of London Pensions Committee,	People who are 60 and over are having to pay to travel or refuse pre-9am hospital appointments because they can't afford to pay.	Work with boroughs to signpost to other options available for reimbursement for hospital travel. Some NHS trusts have funds available to help with travel costs so can refund any travel

Executive Member of Health and Social Care – Islington, MPs and Assembly Members, Greater London Forum for Older People, Wandsworth Older People's Forum, Alderman on Pensions Committee – City of London, Customer Correspondence, Kensington and Chelsea Council Mobility forum)		made before 9am. They also may provide hospital transport. City Hall will write to healthcare providers in London to request appointments after 9am for over-60s. A letter will be sent from the Deputy Mayor for Transport to all London NHS Trusts and GP Bodies. The letter will seek assistance in enabling appointment times to be scheduled later in the day for patients over 60 if this is their wish/as appropriate.
Additional financial pressure on those who are 60 and over who have to work (raised by Age UK London, London Travelwatch, IDAG, Age Concern Orpington, Greater London Forum for Older People, Wandsworth Older People's Forum, Customer Correspondence)	Many people over 60 are still in work; many are key workers such as NHS employees, carers and supermarket workers. These jobs can often be low-paid, but these people often have no choice but to travel before 9am.	Work with boroughs and other organisations to ensure that people over 60 know the best options for paying for travel before 9am by using their communication channels.
Older people rely more on public transport (raised by MPs and Assembly Members)	Due to the nature of older people's health, they are more reliant on public transport as they can't walk for long distances/periods of time.	Work collaboratively with boroughs to promote the range of concessions and best tickets available so that all Londoners know what their available options are.
Some older people applying for the wrong type of pass (raised by Transport for All)	Some older people may apply for an Older Persons' Freedom Pass, rather than a Disabled Persons' Freedom Pass, to avoid the lengthy application process; but they are unaware of the impact of this.	Support London Councils in creating clear information about the concessions so that those who are older, but also disabled, apply for the Disabled Persons' Freedom Pass.

Communicating and implementing the proposed changes

- 4.7 TfL and London Councils will ensure that 60+ Oyster and Older Persons' Freedom Pass holders are aware of the permanent change to the weekday morning travel times, should the Mayor approve the proposal. This is expected to include updates to websites and emails to all card holders.

- 4.8 In addition, TfL and London Council staff will be briefed on the changes and other concessions so they can give appropriate information to customers. This is detailed in Step 4 of the EqlA.

Conflicts of interest

- 4.9 There are no conflicts of interest to note for those involved in drafting or clearing this decision.

5 Financial comments

- 5.1 TfL's latest budget-setting activity has removed provisions for funding free travel for Londoners aged 60 and over on their network between the hours of 4:30am and 09:00am, excluding bank holidays. The opportunity cost of this decision is expected to generate £40m revenue which will help stabilise TfL's financial position.
- 5.2 There are no direct financial implications for the GLA from these proposals.

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, as public authorities, the Mayor and TfL are subject to the public sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act ; (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, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The duty above applies to the Mayor's duty to direct TfL as to the general level and structure of fares under the Greater London Authority Act 1999.
- 6.3 In deciding whether to approve this decision, the Mayor is required to have due regard to these matters and the equality impacts of the proposed decision assessed in the EqlA, which is attached at Appendix C and summarised in section 3, above.

7. Planned delivery approach and next steps

Activity	Timeline
MD and direction to TfL	January 2023
Announcement	January 2023

Planned start date

January 2023

Appendices and supporting papers:

Appendix A: Direction to TfL

Appendix B: The Review

Appendix C: Equality Impact Assessment

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval 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 coincide with public notification of the changes via customer communication channels

Until what date: 18 January 2023

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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 (✓)

Drafting officer:

Kat Stretton has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

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:

Seb Dance 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 16 January 2023.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in preparing this report.

Signature

Date

17 January 2023

D. Gane

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

17 January 2023