

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2018

One hour Bus & Tram transfers

Executive Summary:

This paper sets out how Transport for London (TfL) will implement the Mayor's manifesto proposal to introduce a new 'bus hopper' fare. This will allow customers to pay only one single fare to use two buses and/or trams consecutively, provided that the second journey commences within an hour of the first. The associated Direction empowers TfL to implement this fare change on **11 September 2016**

Decision:

The Mayor:

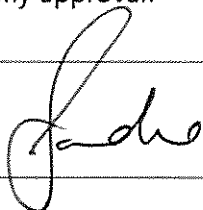
- (i) Approves the proposed revision to TfL fares to be implemented from 11 September 2016 as set out below; and
- (ii) Directs TfL as per the attached Direction issued pursuant to the power in section 155 (1)(c) of the Greater London Authority Act 1999 to implement these fares on 11 September 2016.

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:

2/9/16

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

Decision required – supporting report

1. Introduction and background

- 1.1 Currently bus pay as you go (PAYG) users are charged a single bus & tram PAYG fare of £1.50 each time they validate upon boarding, unless they hit or have already hit a PAYG price cap.
- 1.2 Tram PAYG users pay the same single fare when starting a journey by Tram by validating at a Tram Stop. Interchanges between trams or between one of the seven bus routes designated as a tram feeder route and a tram are free in either direction, provided these take place within 60 minutes of first validating.
- 1.3 The same PAYG single fares and caps apply to both bus and Tram journeys, therefore the proposed policy applies to both modes.
- 1.4 The Mayor proposed in his manifesto that Transport for London (TfL) introduce a new 'bus hopper' fare, which would allow unlimited changes between different buses within a 60 minute 'window' for a flat fare of £1.50.
- 1.5 As a first step to deliver this pledge, TfL is now proposing that the use of two consecutive buses or the use of a bus and a tram consecutively should incur only a single fare, provided the second journey starts within 60 minutes of the first bus or tram fare being paid. The existing facility to interchange between trams and the designated tram feeder routes will be extended to all bus routes.
- 1.6 If a third bus or Tram journey is started within the 60 minutes of the first, a single fare will be charged and a new 60 minute interval will commence.
- 1.7 As today, an interchange between Trams within 60 minutes of a previous Tram validation will be free of charge, unless the previous Tram validation was itself a free transfer.
- 1.8 These proposals can be implemented in September 2016. Unlimited bus transfers within one hour are currently not deliverable by TfL's ticketing systems. However, TfL has now committed to upgrade its systems by the end of 2018 at the latest. This development work will result in all bus transfers made within an hour of an initial bus or Tram validation being free of charge.
- 1.9 TfL has been consulted on this proposed direction.

Additional points to note

- 1.10 The Bus Hopper fare will not be available for journeys taking place in negative balance following a "One More Journey" trip unless the passenger tops up. A second consecutive ride within the hour of the first journey will then qualify. Just as today, bus drivers will be expected to exercise discretion and allow vulnerable passengers to board even if their card is in negative balance.
- 1.11 If a customer changes from bus or tram to rail and then uses another bus or tram within the 60 minutes, the Bus Hopper fare will not apply and the customer will be charged a second single fare. It is planned that this will change following the upgrade of TfL's systems and unlimited bus journeys will be allowed within an hour irrespective of whether rail modes are also used.
- 1.12 When the Hopper is formally launched on 12 September, contactless payment cards will not recognise the free Hopper journey if it falls into the next day ie if the first bus journey takes place just before the 04 30 end of day time and the second Hopper journey just after 04 30. Customers will therefore be charged two single fares. This issue will be rectified by 15 September. In the interim, fare corrections will be sent to customers' payment card accounts, within a week of the second journey charge being incurred.

- 1.13 Initially, the Bus Hopper fare will not be available to Oyster card users alighting from a tram at Wimbledon and then boarding a bus after passing through the station gate-line. This issue will be fully resolved as part of the technology upgrade to offer unlimited transfers within an hour. Until then, Oyster customers who “miss out” on the Bus Hopper fare at Wimbledon will be sent automatic refunds, within a week of the second journey charge being incurred. Local publicity will alert Oyster customers that refund corrections are being provided.

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. The bus hopper fare will improve fare integration and make travelling around London by bus less expensive.
- 2.2 More specifically, the hopper fare will make the customer proposition for bus users significantly fairer. Tube and TfL rail users can already make multiple interchanges without incurring an additional fare. The hopper will put fares for bus users on the same basis.
- 2.3 The hopper will also reduce significantly the fares paid by customers who use two consecutive buses to get to and from work. The saving for a customer travelling four days a week is £6 a week or £1.50 a day. The saving per day is the difference between the one day bus cap cost of £4.50 today and the two fares of £1.50 payable once the hopper is introduced.
- 2.4 Overall, the hopper is expected to reduce the travel costs of around 100,000 bus users per day.
- 2.5 It is expected that an extra 10 million bus journeys per year will be generated by this reduction in travel costs.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and TfL must have ‘due regard’ to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act cover age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, marriage or civil partnership status (duty to eliminate unlawful discrimination only).
- 3.2 The duty applies to the Mayor’s duty to direct TfL as to the general level and structure of fares under the GLA Act 1999. The Mayor is not required to conduct statutory consultation on fares.
- 3.3 TfL has identified seven groups of Londoners (listed below) who typically face increased barriers to public transport use. Among the key issues across these groups is the cost of fares. The hopper will reduce the cost of travel by bus. This is likely to benefit most Londoners with protected characteristics as follows.
- BAME Londoners have a younger age profile than white Londoners, are more likely to live in low income households and are more likely to cite barriers to transport.
The reduced fares delivered by the hopper should reduce barriers to travel for this group.
 - 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 reduced fares delivered by the hopper should reduce barriers to travel for this group.
 - Older Londoners are more likely to be retired, and therefore many live on low incomes. They also are more likely to be white and/or disabled. For older and disabled Londoners, the greatest

barrier to transport is concern over antisocial behaviour, while for all other groups it is overcrowding.

- Disabled Londoners tend to be older and are more likely to be white, women or retired. They are also more likely to live on low household incomes. Disabled and older Londoners are more likely to experience difficulties relating to physical accessibility.

The 60 plus concession and the Freedom Pass for the elderly and disabled mean that the hopper will have only marginal effects on these groups.

- Younger Londoners are less likely to be disabled but more likely to be from a BAME community.
- Londoners on low incomes. These tend to be women and older, BAME and disabled people, and those not in work. This largely reflects working status, though the causes of low income are tied to education, qualifications, health and, in some cases, transport.

The reduced fares delivered by the hopper should reduce barriers to travel for younger and low income Londoners whose priority tends to be on local trips outside Zone 1 where bus is the primary travel option

- The LGBT community. Men form the greater part of the LGBT community, which is in contrast to the general population. LGBT Londoners also tend to be younger and have said hate crime is a concern for them.

The hopper has no specific implications for the LGBT community

4. Other considerations

a) Links to Strategies and Strategic Plan

4.1 The hopper proposal is the first step to delivering one of the Mayor's key manifesto commitments.

b) Risks

4.2 GLA officers consider that implementation risks are minimal.

5. Financial comments

- 5.1 TfL reports that there are no direct financial implications for the GLA from these proposals and TfL will manage the income from fares. The Mayor's aggregate level of funding to TfL, principally from business rates, is potentially affected by the level of fares set.
- 5.2 The financial implication of allowing a free bus and tram pay as you go transfer within an hour will result in a fares revenue loss of around £30m per year. Additional travel resulting from the Hopper should limit the loss in revenue (£43m revenue forecast to be lost through paid journeys becoming free, whilst scheme is anticipated to generate £13m worth of 'new' fares revenue, net £30m). TfL will incorporate the impact of these costs in their new business plan, which will be published later this year.

6. Legal comments

- 6.1 Under section 155(1) of the Greater London Authority Act 1999 ("the GLA Act") the Mayor may issue directions to TfL as to the manner in which it is to exercise its functions, including, under section 155(1)(c), specific directions as to the exercise of its 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 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 equalities obligations referred to in the "Equalities comments" above. Consideration is given above to the likely effects – or absence of effect – of the fare proposals on equalities groups.

7. Investment & Performance Board

- 7.1 The project has not been considered at this Board, as there are no direct financial implications for the GLA from these proposals

8. Planned delivery approach and next steps

Activity	Timeline
Delivery Start Date	11 September 2016
Formal launch date	12 September 2016

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. The Bus Hopper will go live on the 11 September and formally launched by the Mayor on the 12 September at a press event. The publication of the approval should therefore be deferred until 12 September.

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 the following (✓)

Drafting officer:

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

✓

Assistant Director/Head of Service:

Tim Steer has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

The Deputy Mayor for Transport been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Belle

Date

22.8.16

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

23/8/2016

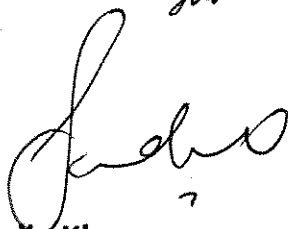
MAYOR OF LONDON

Mike Brown MVO

Commissioner of Transport
Transport for London
Windsor House
50 Victoria Street
London SW1H 0TL

I, SADIQ KHAN, MAYOR OF LONDON, in exercise of the powers conferred on me by section 155(1)(c) of the Greater London Authority Act 1999 ("the Act") and in pursuance of my duty under section 174 of the Act, hereby direct Transport for London that the level and structure of fares to be charged for public passenger transport services provided by Transport for London or by any other person in pursuance of an agreement under section 156(2) or 3(a) of the Act or in pursuance of a transport subsidiary's agreement shall from the eleventh day of September 2016 be varied so that the use of two consecutive buses or the use of a bus and a tram consecutively shall incur only a single fare of 150p, provided the second journey starts within 60 minutes of the first bus or tram fare being paid.

Dated this day *2nd* of *Sep* 2016.



Sadiq Khan
Mayor of London

