

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2245

Heathrow Airport TfL Rail fares from 20 May 2018

Executive Summary:

TfL Rail services will take over the all stations train service from Paddington to Heathrow Airport on 20 May 2018 (this service is currently branded as Heathrow Connect.) This decision form proposes revised fares for this service for the Mayor's approval, which will support the Mayor's commitment to delivering a more affordable transport service by freezing Transport for London (TfL) fares until 2020 and protecting all TfL fare concessions.

It is proposed that from 20 May, the fares to Heathrow on the former Heathrow Connect service will be integrated with those on the rest of the TfL London rail network and included in TfL's process of fare capping. Standard zonal fares will continue to apply for journeys between Paddington and Hayes & Harlington, with special single fares applying for journeys to and from Heathrow Airport. All fares will be cheaper or in-line with the current standard fares charged for Heathrow Connect, with some off-peak fares falling by 25 per cent or more. For example, using the new TfL Rail service, a PAYG journey from Heathrow to Zone 1 will cost £12.10 peak and £10.10 off-peak. Today, the cost of using Heathrow Connect is £12.70.

Travelcards, Oyster PAYG and Contactless, the one-day and seven-day PAYG caps and all TfL concessions, including the Freedom Pass, will become valid for travel.

For travelcards and daily and weekly capping, Heathrow will be designated as 'Zone 6', meaning that pay as you go customers travelling to and from the Airport from within Zones 1-6 using TfL Rail services will never pay more than the daily cap of £12.50. This will allow visitors to London from Heathrow who travel on TfL Rail services into Zone 1 to use TfL's services around London for the rest of the day for as little as 40p.

Heathrow Express services will continue as normal with pay as you go with Oyster and Contactless planned to be introduced later this year. All fares will continue to be set directly by Heathrow Express and remain outside the fare zones and Travelcard system.

Decision:

The Mayor:

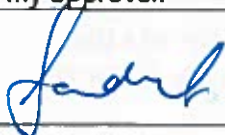
- (i) Approves the proposed fares on TfL Rail services to the Heathrow rail stations to be implemented from 20 May 2018 as set out below; and
- (ii) Directs TfL, pursuant to the power in section 155 (1)(c) of the Greater London Authority Act 1999, to implement these fares on 20 May 2018 (by signing the direction at Appendix 1).

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:

2/3/18

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

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor is committed to delivering a more affordable transport service by freezing TfL fares until 2020 and protecting all TfL fare concessions. This paper sets out how the Mayor's commitment will be implemented from 20 May 2018, when TfL Rail services will take over the "all stations" train service from Paddington to Heathrow currently branded as Heathrow Connect.
- 1.2 The TfL Rail service will operate between Heathrow and Paddington. Elizabeth line services from Abbey Wood and Shenfield to Paddington will commence in December 2018 and May 2019 respectively. From December 2019, when the Reading service begins, all Elizabeth line services will run through the new low level Paddington station. The Elizabeth line will then provide a seamless link between east and west London, including Heathrow.
- 1.3 The premium priced express service to the airport, Heathrow Express (HEX), for which the single fare is £25, will continue to operate as today. The Operator, Heathrow Airport Ltd (HAL), has agreed to accept Oyster PAYG and Contactless. However, all HEX fares will remain at a premium outside the TfL zone fare and fare capping system and these fares are not set by the Mayor.
- 1.4 The Heathrow train stations are currently operated by HAL and this will continue to be the case in the future. The train stations are currently ungated. However, agreement has been reached to install gates at all three HAL stations and at the HEX platforms at Paddington.
- 1.5 The gating work at Heathrow will enable the TfL Rail service to accept both Oyster and Contactless pay as you go (PAYG) from the start of operation to the airport in May 2018.
- 1.6 HEX plans to accept Oyster PAYG and Contactless from summer 2018 when the Paddington gating work is complete. It is anticipated that HEX will set its PAYG fares from Heathrow close to today's HEX printed ticket prices. HEX PAYG will operate outside the TfL zone fare and capping system and these fares are not set by the Mayor.

Overview of the proposed Heathrow rail fares from May 2018

- 1.7 TfL Rail fares to Heathrow will be integrated with those on the rest of the TfL Rail network and included in TfL's process of fare capping. This will be a major departure from the fare policy of the current Heathrow Connect service which does not recognise either the fare zones or most TfL concessions at Heathrow. The new TfL Rail PAYG fares, once implemented from May 2018, will be frozen until 2020.
- 1.8 The Elizabeth line train stations at Heathrow will be placed in Zone 6, the same zone as the Heathrow Piccadilly line stations, though special fares will apply on TfL Rail services. Travelcards, Oyster PAYG and Contactless, the one-day and seven-day PAYG caps and all TfL concessions, including the Freedom Pass, will become valid for travel.
- 1.9 The Annex to this Decision Form includes summary fare tables. Fuller details are set out in the Schedules to the proposed Mayoral Direction to TfL.

PAYG single fares

- 1.10 Special single fares will apply for all journeys to and from the Heathrow train stations using the new TfL Rail service. Standard zonal fares will apply for all other journeys, for example from Paddington and Hayes and Harlington. All fares will be cheaper or in-line with the fares charged by the current Heathrow Connect service, with some off-peak fares falling by 25 per cent, for example:

- Using PAYG, a journey from the Heathrow train stations to Zone 1 will cost £12.10 peak and £10.10 off-peak. Today, the fare using Heathrow Connect is £12.70.
- A journey from Heathrow to Ealing Broadway currently costs £8.00 using Heathrow Connect. From May, the TfL Rail PAYG fares will be £7.30 (peak) and £6.00 (off-peak). The PAYG one day price cap for Zones 1-6 will limit the all day return fare to Heathrow from Zone 1 to £12.50.

- 1.11 While the proposed TfL Rail peak adult PAYG fare of £12.10 from Zone 1 is £7.00 more than the £5.10 Piccadilly line fare, it is almost £13.00 less than the current peak “walk-up” fare for the Heathrow Express (HEX) service to/from Paddington (which is £25.00). The all-day return fare, limited due to TfL’s process of fare capping, is well below the cost of a HEX return.
- 1.12 Tables A1 and A2 have details of the proposed TfL Rail PAYG fares and a comparison with Heathrow Connect.

TfL Rail printed ticket fares

- 1.13 Because the TfL Rail service to Heathrow will offer both Oyster PAYG and Contactless, printed tickets will become lightly used, as on the Underground and the Overground today.
- 1.14 Bearing this in mind, it is proposed to leave the new TfL Rail printed ticket fares unchanged from the current Heathrow Connect fare where standard zonal fares already apply, for example, the fare from Paddington to Hayes and Harlington. New special printed ticket fares will apply for TfL Rail journeys to and from Heathrow Airport. All fares will be cheaper or in-line with the fares charged by Heathrow Connect. For example:
- For travel to the Heathrow train stations from Zone 1 or TfL stations beyond Zone 1, the TfL Rail peak printed ticket fare to/from Heathrow will be £14.70. The off-peak fare will be £12.60; this is 10p below the Zone 1-6 off-peak Travelcard price which is £12.70. Travelling by Heathrow Connect today costs over £15.
 - For travel to the Heathrow train stations from Paddington, the TfL Rail printed ticket fare from Heathrow will be £10.30, matching the current Heathrow Connect fare. For travel to Heathrow train stations from stations short of Zone 1, printed ticket fares will also be less than by the current Heathrow Connect service. By way of example, the printed ticket single fare between Heathrow and Hanwell will be £6.80, 10p less than the £6.90 fare today.
- 1.15 Table A3 sets out the proposed TfL Rail printed ticket fares from Heathrow in more detail.

Stakeholder engagement

- 1.16 The proposed fares and ticketing arrangements aim to set a balance between charging relatively commercial single fares for visitors and business users travelling to the airport while providing full integration with the TfL structure of Travelcards, caps and concessions.
- 1.17 The public position adopted by the Crossrail project team has always been that special fares would apply to Heathrow and that that these special fares would be “comparable” to those on the current Heathrow Connect service. This position has been generally accepted by stakeholders given the very significant service improvements being provided.

Fare Discounts for Heathrow Employees

- 1.18 All employees based at Heathrow Airport, whether employed by Heathrow Airport Limited (HAL) or another company, are entitled to a 75 per cent discount on season tickets and single fares to Heathrow using the current Heathrow Connect service. The 75 per cent discount extends to Reading and Paddington. In general, these discount fares are substantially below standard TfL fares.

1.19 The discounts are currently provided by Connect/GWR on a goodwill basis. HAL does not fund the discounts directly. TfL is not obliged to offer equivalent concessions but is agreeing a new, funded concession arrangement with HAL which will enable all employee concessions to be maintained.

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 These proposals will bring the Heathrow train stations within the London zone fare system and extend PAYG to the Heathrow train stations on both the new TfL Rail service and on HEx. This will ensure that fare policy supports the objectives and policies set out in the Mayor's manifesto and promotes the use of London's public transport facilities and services.

2.3 Overall, the fare changes are considered to be consistent with the continued delivery of TfL's transport investment programme while also supporting the transport objectives of the London Plan and the Mayor's Transport Strategy.

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 section 149 of the Equality Act are 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 above 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 a consultation in relation to the fare proposals in this decision.

3.3 The existing transport options (including Piccadilly line and bus services) will be unchanged and remain available for travellers to and from the airport.

3.4 TfL has identified seven groups of Londoners (highlighted below) who typically face increased barriers to public transport use. Among the key issues for these groups is the cost of fares. Londoners with protected characteristics who are likely to be affected by increases in fares, such as those on low incomes or who rely on public transport, will especially benefit from the proposals that the Heathrow train stations are included in the London zone fare system and that PAYG is extended to the Heathrow stations. The potential impacts are considered further below.

3.5 **BAME Londoners** are more likely to live in low income households and are likely to cite affordability barriers to transport. The inclusion of the Heathrow train stations in the London zone fare system and the extension of PAYG should reduce barriers to travel for these groups as it will provide a real-terms reduction in fares.

3.6 **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 inclusion of the Heathrow train stations in the London zone fare system and the extension of PAYG should reduce barriers to travel for women as it will provide a real-terms reduction in fares.

3.7 **Older Londoners** are more likely to be retired, and many live on low incomes. **Disabled Londoners** are also more likely to live in low income households. The extension of the 60+

concession and the Freedom Pass to the Heathrow train stations should reduce barriers to travel for these groups and will provide a substantial real-terms reduction in fares.

- 3.8 **Younger Londoners** are less likely to be physically disabled but more likely to be from a BAME community. The extension of the Zip card concession to the Heathrow train stations should reduce barriers to travel for younger Londoners and will provide a substantial real-terms reduction in fares.
- 3.9 **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 are tied to education, qualifications, health and, in some cases, transport. The inclusion of the Heathrow train stations in the London zone fare system and the extension of PAYG should reduce barriers to travel for low income Londoners and provide a real-terms reduction in fares.
- 3.10 **LGBT Londoners** tend to be younger and have reported hate crime as a concern for them. Men form the greater part of the LGBT community, which is in contrast to the general population. The proposals have no specific implications for the LGBT community.
- 3.11 Many of those who comprise the seven groups above are likely to benefit from free travel concessions or discounted fares. All current concessionary fare schemes are being extended to the Heathrow train stations in order to make public transport accessible to people who face barriers to public transport use.

3.12 The concessions available are set out below:

- Children under 11 travel free on all TfL services (subject to a maximum of four accompanying an adult). 11-15 Oyster photocard provides free TfL bus and reduced fare rail travel in London.
- 16+ Oyster photocard provides free TfL bus and half fare rail travel in London.
- 18+ Student Oyster photocard provides reduced rate TfL Bus Pass season and Travelcard season travel.
- Job Centre Plus Travel Discount Card provides half price TfL bus and rail travel.
- Bus & Tram Discount photocard provides half price TfL bus and tram travel.
- Veterans Concessionary Travel provides free travel in London.
- 60+ London Oyster photocard (men and women up to female pensionable age) provides free travel in London.
- London Freedom Pass (men and women over female pensionable age) provides free travel in London.

3.13 The Mayor is required to consider the potential equalities impacts discussed above, and any mitigations in place, at the time a decision to direct is made in relation to the fare proposals in this paper.

4. **Other considerations**

a) Key risks and issues

4.1 GLA officers consider that implementation risks are minimal assuming Mayoral approval in March 2018.

b) Links to Mayoral strategies and priorities

4.2 The Mayor's draft Transport Strategy and the Mayor's vision of "A City for All Londoners" highlights the importance of improving transport opportunity for all Londoners and, in doing so, ensuring that

the costs of transport remain affordable. The proposed inclusion of the Heathrow train stations in the London zone fare system and the extension of PAYG and TfL's standard travel concessions will reduce barriers to travel for Londoners and provide a real-terms reduction in fares. The Mayor's fares freeze on TfL services will apply on TfL Rail services to Heathrow airport until 2020.

c) Impact assessments and consultations

4.3 There is no statutory duty for the Mayor to consult on revisions to fares.

4.4 Crossrail Ltd has published forecasts of the expected ridership of the Elizabeth line, as well as projections for the Elizabeth line's impact on road congestion and train crowding elsewhere on the public transport network. The fares proposed in this decision are comparable to those assumed in Crossrail's forecasts.

5. Financial comments

5.1 There are no direct financial implications for the GLA from these proposals.

5.2 TfL will manage the income from fares. This proposal for fares has been included in TfL's income forecasts as part of its Business Plan.

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 of the fare proposals on equalities groups and measures to mitigate any adverse impacts.

7. Planned delivery approach and next steps

Activity	Timeline
Mayoral Decision and Direction to TfL	March 2018
Announcement	March 2018
Delivery Start Date	20 May 2018

Appendices and supporting papers:

Fare Tables: Annex A

Appendix 1: Direction to TfL

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: Publication to be deferred until at least 16 March when DfT will make a decision on Zone 6 allocation. Press team will then make a proactive announcement after this date on these new fares.

Until what date: 16 March (TBC)

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:

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

✓

Sponsoring Director:

Fiona Fletcher Smith 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 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 26 February 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature 

Date 26.02.18

FM MIDDLTON ON BEHALF OF MARTIN CLARKE

CHIEF OF STAFF:

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

Signature 

Date 26/2/2018.

Annex

Table A1
Proposed TfL peak PAYG fares and Connect fares - 2018 prices

Heathrow train stations to/from:	Connect fares £	Proposed TfL peak PAYG fares £	Rationale (*3) £
London Paddington	10.30	Held at 10.20 (*1)	Held down to ensure no fare increases
TfL Zone 1	12.70 (10.30 + 2.40 PAYG)	12.10	5.10 TfL 1-6 plus £7
TfL Zone 2-6 via Zone 1	from 13.20 (10.30 + 2.90 PAYG)	12.10	5.10 TfL 1-6 plus £7
TfL Zone 2-6 not via Z1	12.50 Z2 12.00 Z3-6	7.30	2.80 TfL 2-6 or 3-6 plus 4.50
NR Zones 2-6 via TfL Zone 1	15.00 Z2-5 16.50 Z6	Held at 12.50 (*2)	8.00 T-T 1-6 plus £7
Specific fares to/from Heathrow			
West Drayton	9.50	6.20	1.70 TfL 5-6 plus 4.50
Hayes & Harlington	6.30	6.20	
Southall, Harwell	6.90	6.90	2.40 TfL 4-6 plus 4.50
W Ealing-Greenford	8.00	7.30	2.80 TfL 3-6 plus 4.50
Ealing Bdy/Acton	8.00	7.30	

Single fare PAYG supplements are: £7 via Zone 1; and £4.50 not via Zone 1;

(*1) held down to be 10p less than the Connect fare.

(*2) equal to the Zones 1-6 one day PAYG cap.

(*3) the column shows standard LU zone fares plus the proposed fare supplements

**Table A2
Proposed TfL off-peak PAYG fares and Connect fares - 2018 prices**

Heathrow train stations to/from:	Connect fares £	Proposed TfL off-peak PAYG fares £	Rationale (*2) £
London Paddington	10.30	10.10	3.10 TfL 1-6 plus £7
TfL Zone 1	12.70 (10.30 + 2.40 PAYG)	10.10	3.10 TfL 1-6 plus £7
TfL Zone 2-6 via Zone 1	from 13.20 (10.30 + 2.90 PAYG)	10.10	3.10 TfL 1-6 plus £7
TfL Zone 2-6 not via Z1	12.50 Z2 12.00 Z3-6	6.00	1.50 TfL 2-6 or 3-6 plus £4.50
NR Zones 2-6 via TfL Zone 1	15.00 Z2-5 16.50 Z6	12.50 (*1)	5.50 T-T 1-6 plus £7
Specific fares to/from Heathrow			
West Drayton	9.50	6.00	1.50 TfL 5-6 plus £4.50
Hayes & Harlington	6.30	6.00	
Southall, Hanwell	6.90	6.00	1.50 TfL 4-6 plus £4.50
W Ealing-Greenford	8.00	6.00	1.50 TfL 3-6 plus £4.50
Ealing Bdy/Acton ML	8.00	6.00	

Single fare PAYG supplements are: £7 via Zone 1; £4.50 not via Zone 1;

(*1) this matches the 2018 Zones 1-6 one day PAYG cap.

(*2) the column shows standard zone fares plus the proposed fare supplements. (*2) TfL refers to the TfL zone fare; T-T refers to the Train-Tube zone fare.

Table A3

Proposed TfL Heathrow cash fares and Connect fares - 2018 prices

Heathrow train stations to/from:		cash fares via Connect £	Proposed TfL cash fares £	Rationale (*3)
London Paddington	Zone 1	10.30	10.30(*1)	Held down to match Connect
Zone 1		15.00	14.70(*2)	£10.20 T-T 1-6 plus £4.50
Zones 2-6 via Z1	Eg Epping, Oakwood, Romford, Coulsdon S	From 15.00	14.70(*2)	£10.20 T-T 1-6 plus £4.50
Other fares to/from Heathrow				
West Drayton	Zones 5-6	9.50	6.20	£3.20 NR 5-6 plus £3
Hayes & Harlington	Zone 5	6.30	6.20	£3.20 NR 5-6 plus £3
Southall, Hanwell	Zones 4-5	6.90	6.80	£3.80 NR 4-6 plus £3
W Ealing-Greenford	Zones 3-5	8.00	7.40	£4.40 NR 3-6 plus £3
Ealing Bdy/Acton ML	Zones 3-5	8.00	7.30	£4.40 NR 3-6 plus £3
Other Zone 2 not via Z1	Eg Shepherds Bush LU	12.50	9.20	£6.20 T-T 2-6 plus £3
Other Zone 3-5 not via Z1	Eg W Acton, Ruislip Gdns	12.00	8.70	£5.70 T-T 3-6 plus £3
Other Zone 3-6 not via Z1	Eg W Ruislip	12.50	8.70	£5.70 T-T 3-6 plus £3

(*1) held down to match the Connect cash fare.

(*2) reduced in the off-peak to be £12.60, 10p less than the off-peak 1-6 Travelcard price of £12.70.

(*3) this column shows standard zone fares plus the proposed fare supplements. NR refers to the NR zone fare scale; T-T refers to the Train-Tube zone fare scale.