

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2730

### Title: March 2021 fares changes

#### Executive Summary:

As part of the funding settlement with Government dated 31 October 2020 (“the funding settlement”), the Mayor committed to implementing an overall increase on fares of Retail Price Index (RPI) +1 per cent. In this decision, the Mayor is requested to approve a Fares Revision to deliver this commitment while ensuring the increase in fares is as affordable as possible for Londoners. It is proposed that the fares increase will be implemented from 1 March 2021.

The funding settlement ensured that TfL can continue to deliver an effective and efficient transport service to Londoners throughout the COVID-19 pandemic, with the funding arrangement to cover the period to the end of March 2021.

A summary of the proposed fares revision is as follows: Bus and tram single fares increase by 5p to £1.55 and the daily bus and tram cap is raised to £4.65. The Bus & Tram Pass season price is increased to £21.90 for a 7 Day ticket. The Hopper fare, which was introduced in September 2016, will remain in place, permitting multiple free bus and tram transfers within an hour.

On the Tube in Zones 1-6 and other rail services in London where Tube fares apply PAYG fares will typically increase by 10p or 20p. A number of fares, including PAYG fares for children, remain unchanged.

Travelcard prices and the associated PAYG caps will increase from 1 March by RPI+1 per cent. These increases reflect national government rail fares policy over which the Mayor has no control. As a result, Travelcard season ticket prices and the associated all day PAYG Travelcard caps increase by 2.6 per cent overall.

Fares on TfL services for journeys from outside London are subject to guidance from the DfT, with the same fares applying on Train Operating Company (TOC) and TfL services.

#### Decision:

The Mayor:

1. Approves the proposed revisions to fares to be implemented from 1 March 2021 as set out in the decision; and
2. 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 fares on 1 March 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: 14/01/2021

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. As part of the latest funding settlement with Government, the Mayor committed to delivering a fares increase of RPI+1 per cent. The RPI used for fares setting is the RPI from July 2020, which was 1.6 per cent. Therefore, the overall RPI+1 increase in March 2021 is 2.6 per cent. Subject to approval of this decision, this fare revision increase will take effect on 1 March 2021.
- 1.2. This follows four years of fares freeze on all fares on buses, London Underground (LU), DLR, trams and the Emirates Airline that are set by the Mayor. This is the first increase in fares the current Mayor has implemented.
- 1.3. Restrictions that were put in place due to the COVID-19 pandemic significantly impacted the revenue collected by TfL. For a period during the first lockdown, patronage fell to 5 per cent of normal on the Tube and 15 per cent of normal on buses. The impact of the COVID-19 pandemic will continue to be felt throughout 2021 and beyond, which means that revenue in 2021 is uncertain.
- 1.4. Travelcard prices and the cost of the multi-modal pay as you go (PAYG) Travelcard caps are set by agreement with the train operating companies (TOCs). The Department for Transport (DfT) have mandated an increase to regulated fares by 1 per cent more than the 1.6 per cent increase in the RPI in the benchmark month of July.

#### *Overview of proposed fare changes in March 2021*

- 1.5. Detailed fares proposals for 2021 are set out below. The proposals for bus and Tube fares are in line with the Mayor's commitments on fares contained in the government funding settlement.
- 1.6. Due to the COVID-19 pandemic revenue in 2021 will be uncertain. An overall revised revenue yield has been calculated based on the reduced demand scenario developed by TfL Finance for its budget submitted to the GLA on 30 November 2020 and an RPI + 1 increase across all TfL fares and prices. These increases are projected to produce an annualised revenue yield of £74m overall in 2021, comprising £34m for LU; £31m for bus; and £9m for the DLR, trams, London Overground and TfL Rail. As the 2021 fares increase has been delayed by two months at the request of DfT to align to fares changes on national rail services, the total yield expected in the ten months of 2021 to which it applies falls to around £60m.
- 1.7. The Annex to this Decision Form includes summary fare tables. Fuller details are set out in the Schedules to the Mayoral Direction to TfL.

#### *Bus and tram fares*

- 1.8. On buses and trams, fares are increased as shown in Table 1.1. The adult PAYG single fare is increased to £1.55. This 3.3 per cent increase is the minimum amount by which the fare could be increased – an increment of 5p – given the Mayor's commitment under the funding settlement. This is the first increase in this bus fare since 2014.
- 1.9. The One Day bus and tram cap is increased to £4.65, equal to the price of three single fares. The 7 Day bus and tram season ticket is increased to £21.90.
- 1.10. The free Hopper transfer is maintained and will continue to permit unlimited free transfers within an hour of a first paid-for journey.
- 1.11. Concessions and discounts for eligible groups are unchanged. Temporary changes to the Older Person's Freedom Pass and 60+ Pass holders were introduced by MD2642 in response to the first government funding settlement agreed in May 2020 and as part of TfL's response to the pandemic.

As part of the recent funding settlement in October 2020, the Mayor committed to maintain these changes, as a continuing response to the pandemic. These temporary changes remain in place.

- 1.12. The half-adult and child fares for bus and tram will be held at 75p.

**Table 1.1: Bus and Tram fares in March 2021**

	<b>Current</b>	<b>March 2021</b>	<b>Increase</b>
PAYG – single	£1.50	£1.55	3.3%
PAYG – daily cap	£4.50	£4.65	3.3%
7 Day bus & tram Pass	£21.20	£21.90	3.3%
1 Day bus & tram Pass	£5.00	£5.20	4.0%

- 1.13. The multi-journey Hopper fare, which allows unlimited bus and tram transfers within one hour of the start of a bus or tram PAYG journey, is maintained.

*Travelcard season tickets in Zones 1-6*

- 1.14. Travelcard season ticket prices increase as shown in Table 1.2 and Table A3 in the Annex. The overall increase across all Travelcards is 2.6 per cent. This reflects the DfT guidance to the TOCs and is in line with the funding settlement. These prices also apply to the equivalent 7 Day Travelcard caps.

**Table 1.2: Travelcard seasons – 7 Day ticket prices**

<b>Number of zones</b>	<b>Current</b>	<b>March 2021</b>	<b>Change</b>
Including Zone 1			
2	£36.10	£37.00	2.5%
3	£42.40	£43.50	2.6%
4	£51.90	£53.20	2.5%
5	£61.70	£63.30	2.6%
6	£66.00	£67.70	2.6%
Excluding Zone 1			
2	£27.00	£27.70	2.6%
3	£29.90	£30.70	2.7%
4	£35.90	£36.80	2.5%
5	£45.10	£46.30	2.7%

*Tube, DLR and Overground fares in Zones 1-6*

- 1.15. On the Underground and other TfL Rail services where Tube fares apply, PAYG fares increase by 2.5 per cent overall.
- 1.16. Fares within Zone 1 and those which remain within a single zone are unchanged. This will help to support the recovery in central London and encourage the use of public transport for local journeys to avoid a car-led recovery.
- 1.17. Off-peak fares become more graduated according to the number of Zones travelled through.
- 1.18. Non-Zone 1 off-peak fares move from a flat £1.50 to three price points.

- 1.19. The flat child off-peak PAYG fare which applies on both TfL rail services and National Rail (NR) remains unchanged at 75p. The child peak LU PAYG fare remains unchanged at 85p – half the minimum adult peak fare. The off-peak child cap increases by 5p to £1.55 in 2021.

**Table 1.3: Adult PAYG fares on TfL rail services increases in March 2021**

Number of zones	Current		March 2021		Increase	
	Peak	Off-peak	Peak	Off-peak	Peak	Off-peak
Zones incl.						
Zone 1						
1	£2.40	£2.40	£2.40	£2.40	-	-
2	£2.90	£2.40	£3.00	£2.50	3.4%	4.2%
3	£3.30	£2.80	£3.40	£2.80	3.0%	-
4	£3.90	£2.80	£4.00	£2.90	2.6%	3.6%
5	£4.70	£3.10	£4.80	£3.20	2.1%	3.2%
6	£5.10	£3.10	£5.30	£3.30	3.9%	6.5%
Zones excl.						
Zone 1						
1	£1.70	£1.50	£1.70	£1.50	-	-
2	£1.70	£1.50	£1.80	£1.60	5.9%	6.7%
3	£2.40	£1.50	£2.50	£1.70	4.2%	13.3%
4	£2.80	£1.50	£2.80	£1.70	-	13.3%
5	£2.80	£1.50	£3.00	£1.70	7.1%	13.3%

*LU cash fares in Zones 1-6*

- 1.20. The £4.90 and £5.90 adult Tube cash fares for up to three and five zones will be set at £5.50 and £6.00, respectively, with the £6.00 fare for Zones 1-6 remaining unchanged. Child cash fares for the 11s to 15s remain at half the adult rate. Accompanied under 11s will continue to travel free.
- 1.21. Fewer than 1 per cent of Tube journeys are now made with Tube cash fares.
- 1.22. NR cash through fares in Zones 1-6 increase in line with the 2.6 per cent NR fares target. Full details are set out in Table A2.

*One day PAYG price caps in Zones 1-6*

- 1.23. Tables 1.4.1 and 1.4.2 below set out all day PAYG Travelcard caps and one day Travelcard ticket prices.
- 1.24. The all day PAYG Travelcard caps are set by agreement with the TOCs to be 20 per cent of 7-Day Travelcard prices. The caps increase by between 20p and 40p in proportion to the increases in Travelcard season ticket prices.

**Table 1.4.1: All Day PAYG Travelcard caps in 2020 and 2021**

Zones	All day caps		
	Current	March 2021	Change
1-2	£7.20	£7.40	2.8%
1-3	£8.50	£8.70	2.4%
1-4	£10.40	£10.60	1.9%
1-5	£12.30	£12.70	3.3%
1-6	£13.20	£13.50	2.3%

*One Day Travelcard tickets*

- 1.25. The prices of both the Zones 1-6 off-peak Travelcard ticket and the Zones 1-4 all day Travelcard increase by 40p to £13.90. The Zones 1-6 all day Travelcard ticket price increases by 50p to £19.60.

**Table 1.4.2: Day Travelcard tickets in 2020 and 2021**

	Day Travelcards		
	Current	March 2021	Change
All day 1-4	£13.50	£13.90	3.0%
All day 1-6	£19.10	£19.60	2.6%
Off-peak 1-6	£13.50	£13.90	3.0%

- 1.26. Overall the prices of Travelcard tickets and caps increase by 2.6 per cent. The increases of some 2.6 per cent in London Travelcard prices and the associated PAYG caps have been agreed by TfL and NR and reflect national government policy for the railways and TfL.

*Concessions and discounts on TfL rail services*

- 1.27. For the under 16s, all day Travelcard prices and all day Travelcard caps are set at half the adult rate and remain unchanged.
- 1.28. The under 16s off-peak cap available through the Zip card is increased by 5p to £1.55. Accompanied under 11s continue to travel free on all TfL services; and on TOC services provided a valid Zip card is held.
- 1.29. As outlined in section 1.11, the temporary changes to Older Person's Freedom Pass and 60+ Pass remain in place.

*Tube fares for travel beyond Zone 6*

- 1.30. Beyond the Greater London area, PAYG and cash single fares involving Zones 7 to 9 applying on the Tube and on certain other rail services will increase in line with the general NR increase of 2.6 per cent. Full details are given in Table A4 in the Annex.
- 1.31. Travelcard prices and the associated PAYG caps with coverage in Zones 7 to 9 increase by an average of 2.6 per cent. Full details are given in Tables A6 and A7 in the Annex.

*Fares on services transferred to TfL in May 2015*

- 1.32. On the Greater Anglia to Liverpool Street services transferred to TfL in May 2015, NR cash single fares and point-to-point season prices were retained as part of the transfer arrangements. These NR fares will increase in line with the general NR increase of 2.6 per cent.

*Fares on services transferred to TfL in May 2018*

- 1.33. On the Great Western and Heathrow Connect services transferred to TfL in May 2018, NR cash single fares and point-to-point season prices were retained as part of the transfer arrangements. These NR fares will increase in line with the general NR increase of 2.6 per cent
- 1.34. The TfL-set additional fare supplements to the Heathrow fares will increase by 10p.

*Fares on the TfL Rail service to Reading*

- 1.35. Since 15 December 2019, a TfL Rail service has run between Reading and Paddington. Under agreements reached over 10 years ago between the DfT and TfL, common fares will apply on the TOC and TfL services.
- 1.36. On these services, NR cash single fares and point-to-point season prices were retained as part of the transfer arrangements. These NR fares will increase in line with the general NR increase of 2.6 per cent.

*Emirates Air Line*

- 1.37. On the Emirates Air Line, all fares will be increasing overall by 10 per cent – including child fares and cash fares – and will generate an increase in revenue of around 12 per cent, generating £0.4m in 2021.
- 1.38. The Single Adult ticket (Oyster/Contactless) will increase by 50p (11 per cent) to £5. The child fare prices will remain at 50 per cent of the adult fare. The carnet ticket price will stay the same so that it remains equal to £1.70 per journey, which will continue to support local and regular users of the service.

**Table 1.5: Emirates Air Line fares in 2020 and 2021**

	<b>Current</b>	<b>March 2021</b>	<b>Change</b>
<b>Adult</b>			
Single	£4.50	£5.00	11.1%
Return	£9.00	£10.00	11.1%
Discount Single	£3.50	£4.00	14.3%
Discount Return	£7.00	£8.00	14.3%
Discovery Experience	£10.70	£11.70	9.3%
Discount Discovery Experience	£8.40	£9.40	11.9%
Family Discovery Experience	£25.00	£28.00	12.0%
<b>Child</b>			
Single	£2.30	£2.50	8.7%
Return	£4.60	£5.00	8.7%
Discount Single	£1.70	£2.00	17.6%
Discount Return	£3.40	£4.00	17.6%
Discovery Experience	£6.20	£7.00	12.9%
Discount Discovery Experience	£5.00	£5.60	12.0%

## 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 proposal to implement an overall fares increase of RPI+1 per cent is in line with a commitment made by the Mayor – as part of the funding settlement – in order to secure funding to ensure that TfL is able to continue operating, and deliver its services during the COVID-19 pandemic, with the arrangement covering the period to 31 March 2021.
- 2.2. It is therefore key to supporting and enabling the delivery of the Mayor's Transport Strategy, and the continued delivery of TfL's transport investment programme - while also supporting the transport objectives of the London Plan and the Transport Strategy.

## 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. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or is connected to a protected; take steps to meet the different needs of such people; encourage them to participate in public life or in any other activity where their participation is disproportionately low. This can involve treating people with a protected characteristic more favourably than those without a protected characteristic. Relevant protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 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 Greater London Authority Act 1999 ("GLA Act 1999"). The Mayor is not required to conduct a consultation in relation to the fares proposals in this decision.
- 3.3. 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.
- 3.4. 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. Increases to Travelcard prices etc may have an adverse impact. 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 as a barrier to transport. The increasing of TfL bus and Tube fares in the March 2021 fares package may therefore have a negative impact on BAME Londoners, compared with a scenario in which fares are not increased.
- 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 increasing of TfL bus and Tube fares in the March 2021 fares package may therefore have a negative impact on women, compared with a scenario in which fares are not increased.
- 3.7. **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 March 2021 fares will have only limited impacts on older people as the concessionary scheme will remain unchanged by this fares revision. The equality impacts of the temporary changes to the Older Person's Freedom Pass and 60+ Pass introduced by MD2642 were considered in MD2642 when the decision to make the changes was made.

- 3.8. **Disabled Londoners** are more likely to live in low income households. One in three families in London with a disabled child live in poverty.<sup>1</sup> 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.<sup>2</sup> Carers are also likely to experience financial hardships as a knock on effect of the need to take lower-paid and part-time work.
- 3.9. While the Freedom Pass for disabled people will mean that the March 2021 fares 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 the barriers to employment, are not eligible for a freedom pass. The discretionary nature of the eligibility criteria can mean that applications from some people, for example adults with learning difficulties, are not successful. This group are therefore especially vulnerable to the increase in fares.
- 3.10. **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 limits the impact of the March 2021 fare changes on younger Londoners.
- 3.11. **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. More children living in poverty are part of low-income working families than are in workless families.<sup>3</sup> The March 2021 fare changes may therefore have a negative impact on this group, compared with a scenario in which fares are not increased.
- 3.12. **LGBTQI+ Londoners** have reported hate crime as their major concern in relation to transport. The March 2021 fare changes have no specific implications for the LGBTQI+ community.
- 3.13. Some of those who comprise the seven groups above are likely to benefit from free travel concessions or discounted fares related to age, disability status or receipt of income-related benefits. While temporarily amended times for the use of the over 60s concessions are in effect (as a continuing response to the pandemic), other current concessionary fare schemes are being maintained in order to keep public transport accessible to people who face barriers to public transport use, and thereby offset or mitigate any detrimental impacts resulting from the DfT mandated fares increases, which could reduce the affordability of transport for people on low incomes.
- 3.14. 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 tram travel and reduced fare rail travel in London;
  - 16+ Oyster photocard provides free TfL bus and tram travel and half fare rail travel in London;
  - 18+ Student Oyster photocard provides reduced rate TfL Bus and Tram Pass season and Travelcard season travel;
  - Job Centre Plus Travel Discount Card provides half price TfL bus, tram and rail travel;
  - Bus & Tram Discount photocard provides half price TfL bus and tram travel;
  - Veterans Concessionary Travel provides free travel in London;

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1 Poverty in London: 2015/16 Intelligence Update 2017-06, GLA

2 Paying to care: The cost of childhood disability, Joseph Rowntree Foundation, 1998

3 [www.londonspovertyprofile.org.uk/indicators/groups/children/](http://www.londonspovertyprofile.org.uk/indicators/groups/children/)



- 60+ London Oyster photocard (over 60s up to state pension age) provides free travel in London. Temporary restrictions on the use of these concessions between 0430 and 0900 on weekdays remain in place; and
- London Freedom Pass (people above state pension age and people with an eligible disability) provides free travel in London. Temporary restrictions on the use of the Older Person's Freedom Pass concessions between 0430 and 0900 on weekdays remain in place.

- 3.15. The commitment to increase fares was made in order to secure funding to ensure that TfL is able to continue operating, and deliver its services during the COVID 19 pandemic and beyond. The potential consequences (to the groups identified above) of not securing adequate funding for TfL to continue to provide an effective service are likely to outweigh any of the potential negative impacts of the fares increase identified above.
- 3.16. 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. The proposals will not have an adverse impact on TfL's ability to run and invest in transport services and are compliant with the Mayor's public sector equality duty.

#### **4. Other considerations**

##### *Key risks and issues*

- 4.1. As part of the funding settlement, the Mayor committed to delivering a fares increase of RPI+1 per cent. The agreement was required to ensure TfL had sufficient funding to continue operating its services. This followed the near collapse of its income during the COVID-19 pandemic. Restrictions that were put in place due the pandemic significantly impacted the revenue collected by TfL. For a period during the first lockdown in spring 2020, patronage fell to 5 per cent of normal on the tube and 15 per cent of normal on buses.

##### *Links to Mayoral strategies and priorities*

- 4.2. The Mayor's Transport Strategy highlights the importance of improving transport accessibility for all Londoners and, in doing so, ensuring that the costs of transport remain affordable.

##### *Consultations and impact assessments*

- 4.3. The Mayor is not required to undertake a consultation in relation to the fares proposals in this decision.

##### *Risks*

- 4.4. GLA officers consider that implementation risks are minimal.
- 4.5. Failure to comply with the provisions of the funding settlement could have financial consequences for the GLA/TfL.
- 4.6. The principal risk associated with fare rises on public transport is that there may be a resultant increase in fare evasion. Fare evasion also brings with it additional crime risks, in that where people evade fares their "visibility" to TfL is reduced in that detection capability is compromised.
- 4.7. Thus, the ability to detect crimes that are committed on the system and thereby bring offenders to justice could be reduced if fare evasion increases. Any increased engagement, particularly in relation to enforcement activity, can increase the risk of staff assault.
- 4.8. Fare evasion is managed through a number of methods:

- deterrence – TfL operates an extensive communication campaign to engage with customers in order to encourage proper fare payment and discourage evasion;
- face-to-face engagement – staff across the transport modes encourage proper payment and assist with any problems that customers may have with paying their proper fares using the cash-free methods available;
- checking and application of penalties – a range of operational staff operate across the TfL modes and are enabled via statutory powers to carry out engagement and to apply penalty fares where first-time fare evaders are encountered. Intelligence-led deployment assists with the effectiveness of these staff resources;
- checking and enforcement – the same operational staff are empowered to initiate enforcement action on repeat evaders where appropriate; and
- debt recovery and prosecution – as a prosecuting authority TfL is empowered to recover fares and costs, and to prosecute where required.

4.9. It should also be noted that a fare increase can contribute positively to TfL's ability to create the necessary enhancements to staffing and intelligence gathering that in turn assist in reducing evasion and other crime on the transport network in London. Operational staff contribute positively to a wide range of crime reduction areas through their presence and their vigilance whilst deployed on the network, including counter terrorism and security.

4.10. 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.

## **5. Financial comments**

5.1. TfL will manage the income from fares. Table 5.1 summarises the revenue yields for TfL based on 2019 demand assuming that all fares and prices rise by 2.6 per cent overall and taking into account the impact this increase will have on demand. This gives an annualised total revenue yield of £123m.

5.2. Due to the pandemic we expect journey numbers to be lower in 2021 than in 2019.

5.3. If instead the yield calculation is based on the revenue scenario TfL is using in its budget submitted to the GLA on 30 November 2020, the annualised revenue yield from a 2.6 per cent overall fares increase is projected to be £74m. This comprises £31m on buses, £34m on the Tube and £9m on TfL's other rail services.

5.4. As the 2021 fares increase has been delayed by two months at the request of DfT to align to fares changes on national rail services, the total yield expected in the ten months of 2021 to which it applies falls to around £60m.

**Table 5.1: Annual revenue yields from the 1 March 2021 fare changes based on 2019 Revenue and an overall increase of 2.6 per cent - £m pa**

<b>Price effects</b>	<b>Bus yield</b>	<b>Tube yield</b>	<b>Rail yield</b>	<b>Total Yield</b>
Cash fares	0	1	0	1
PAYG (Incl. Capping)	29	50	11	90
Off-peak day Travelcards	0	2	0	3
Anytime day Travelcards	0	1	0	1
Bus and Tram season tickets	4	-	-	4
Travelcard seasons	5	17	2	24
<b>Total yield (based on 2019 demand)</b>	39	71	13	123
	3.2%	2.5%	3.0%	2.6%
<b>Total yield (per 2021 budget)</b>	31	34	9	74

Note: Totals may not match sum of individual figures due to rounding

- 5.5. As part of this decision existing concessions will be maintained and are funded in the TfL budget until the end of the current financial year and will be in the TfL budget for 2021/22, with how the costs for the 60+ Pass and under 18-year-olds free travel concessions will be met being determined through the budget process.

## 6. Legal comments

- 6.1. As part of the funding settlement, the Mayor committed to increase fares as is set out above. That settlement provides that delivery of and decisions on matters set out within it will need to take account of TfL's (and the Mayor's) statutory responsibilities, and decisions will need to be taken in accordance with relevant legal powers and decision-making processes. In approving the proposed Fares Revision (to deliver the corresponding commitment in the funding settlement) the Mayor should have regard to the matters set out in this Mayoral Decision.
- 6.2. 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.
- 6.3. 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

<b>Activity</b>	<b>Timeline</b>
Mayoral Decision and Direction to TfL	January 2021
Announcement	January 2021
Delivery Start Date	1 March 2021

### Appendices and supporting papers:

Annex: Fares table

Appendix 1: Direction to TfL

Appendix 2: Fares advice to the Mayor (December 2020)

**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? NO**

**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:**

Claire Hamilton 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.

✓

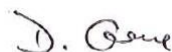
**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 11 January 2020.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

13 January 2021

**CHIEF OF STAFF:**

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

**Signature**

**Date**

11 January 2021