London Assembly Budget and Performance Committee

Submissions to TfL Funding investigation

(November 2018)

From: [redacted]
Sent: 21 July 2018 10:56
To: Will King
Subject: Re: Who will pay for the TfL of the future?

Dear Will,
In February of this year, I sent an email to TfL offering them an opportunity where they could earn approximately £300m a year from the Taxi and Private Hire fleets. TfL is aware of who I am as I had a meeting with them to discuss how BargainPHV works and where it would operate within the law.

Having a new revenue stream can assist other modes of transport like the railways. Take the Victoria Station closure event for example. Passengers were forced to find more expensive alternatives or, just write-off the day as a loss. TfL could have increased revenues from this event.

As for increasing numbers on bus, tube or railways. The biggest challenge for TfL is safety, those whom I speak with are more concerned about an attack where a medium to a large congregation of commuters will have more exposure to the worlds media than an attack on a Taxi or PHV. The Mayor may have frozen fares but, at the highest level in Europe, if not the world. Asking commuters to pay more for a safer commute will not be well received. Today in the commuters minds, the most expensive commute should already have the safest commute anywhere in the world.
The smartest way forward for TfL is to have alternatives for changing consumer demand which in turn will increase revenues and, reduce dependency on taxpayers money.
Always happy to contribute.
Regards
Bill Hanlon
Creator of BargainPHV

Response to London Assembly consultation – Who will pay for TfL?

The Campaign for Better Transport is the independent national body that seeks to put people and the environment first in transport decisions and to find sustainable transport solutions. We, the London Group, are pleased to have the opportunity to contribute to the consultation 'Who pays for TfL'. We hope you find our views helpful.

The central issue which needs to be addressed in answering the question is how to calculate the respective benefits that a transport system offers to its direct users (which can reasonably be recovered from them in fares and charges) and to the community at large (which justify "subsidy" from general taxation, not exclusively or necessarily council taxes). There are good reasons for freezing fares because of the dependency of people on low wages or benefits on travel, particularly buses. The focus should therefore be primarily on raising new revenue streams.

Restrictions on the circulation of non-essential traffic must be extended in order to keep congestion down to a manageable level. This has an impact on fare income because one of the reasons why people are deserting buses is the delays they experience. This must include a reduction in the number of mini-cabs registered and we applaud the Mayor's intention to withdraw their exemption from the congestion charge. We also applaud the Mayor's intention in due course to discontinue the discount on electric vehicles. Promoting more journeys by cycling and walking would mean less high cost public transport projects.

Raising the congestion charge and extending its hours of operation would bring in additional revenue but even more could be raised if a system of road charging was introduced covering a much wider area than central London. An all-London road user charge would be better and discourage the use of private cars as well. In view of the considerable damage which HGVs do to roads the charge for these should be raised substantially. Charging tolls for the Silvertown Tunnel should bring in revenue but tolling the Blackwall Tunnel could also be considered and this might obviate the need for the Silvertown Tunnel. Two-wheeled powered vehicles should not be exempt from the congestion charge.

The AI conundrum if it comes will have to be resolved by finding a way of paying for use of autonomous vehicles that reflects the environmental and congestion impact of the journeys made - including the dead mileage that results.

Rosalind Readhead, Chair
Andrew Bosi, Vice Chair
Chris Barker, Secretary

August 2018

London Assembly Budget & Performance Committee Investigation:

Who will pay for the TfL of the future?

Centre for London Response

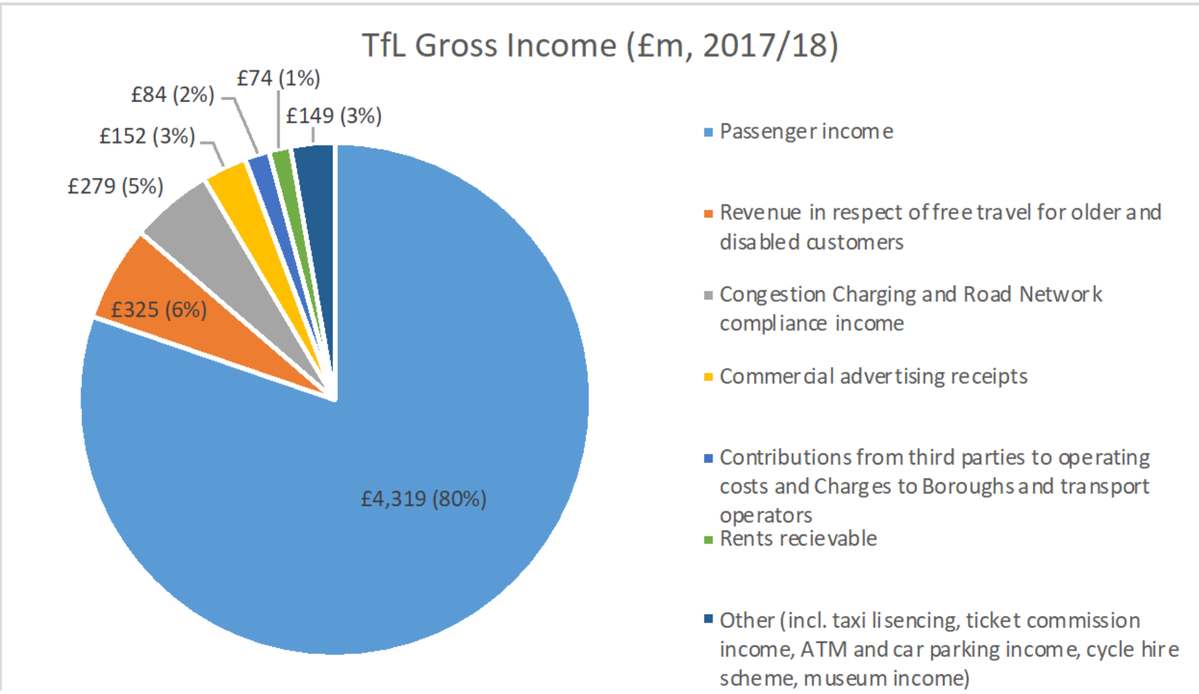
About us

Centre for London is the capital's dedicated think tank. Our mission is to develop new solutions to London's critical challenges and advocate for a fair and prosperous global city. Through research and events, we generate bold and creative solutions that improve the city we share.

Here we provide responses to a number of the questions outlined in the investigation, which relate to our recent research.

What happens if fares revenue continues to fall?

With 80 per cent of TfL revenue comprised of passenger income, TfL is very reliant on fares for funding all investment, network maintenance and renewal, as well as operating costs. Therefore, even a small proportional decline, makes a big net difference to TfL's budget. However, rather than review passenger fares, TfL and the Mayor should look for alternative sources of income.



Source: TfL annual report

Land value capture, property taxation devolution and workplace parking levies should all be considered among the list of options. Centre for London is organising a roundtable on diversifying TfL's revenue streams and examining lessons from the funding models of transport authorities in other global cities. Centre for London will write to the Committee, as well as to TfL and the Mayor, with the key insights from the roundtable.

What impact will the continued trend towards cycling and walking have on fares revenue?

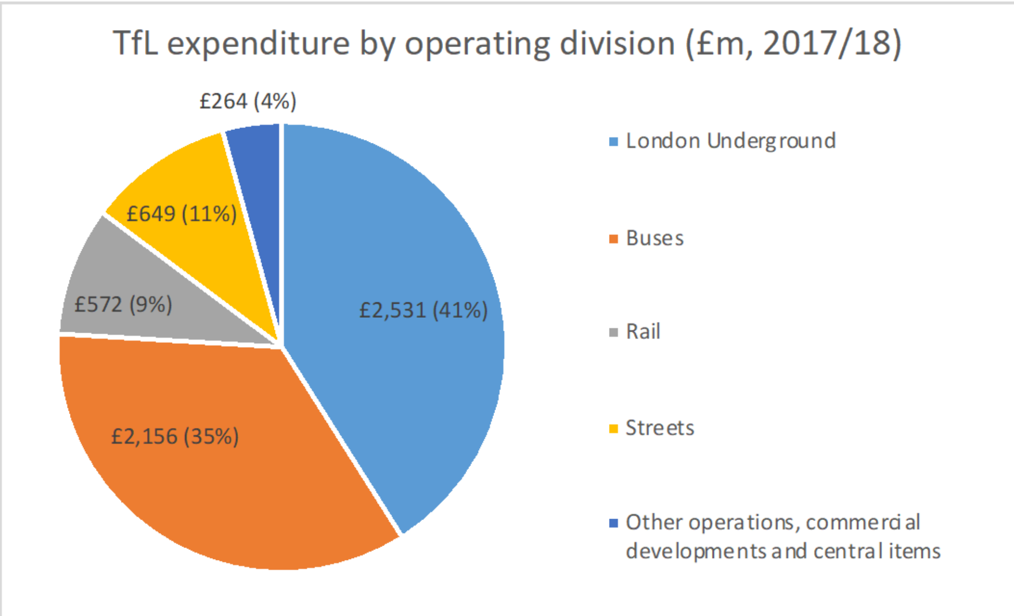
Although cycling has doubled to almost half a million (457,900) trips per day,[1] it still forms a small proportion of all trips made by Londoners. There is significant potential to increase the amount of cycling in London, with another 6.47 million trips a day currently made by motor vehicles that could be cycled in less than 20 minutes.

The Mayor of London has rightly focused his Transport Strategy on reducing reliance on motor vehicles, in favour of active, efficient and sustainable modes of travel, with the aim for 80 per cent of all trips in London to be made on foot, by cycle or using public transport by 2041 (up from 63 per cent currently).[2]

With inactivity one of the main contributors to ill health, any increases in walking and cycling should be encouraged, even if a proportion of those are at the expense of fewer journeys by public transport. However, the Mayor should be focusing on reducing motor vehicle usage overall, and shifting the burden of financing its operations towards the least sustainable modes of transportation, i.e. drivers.

How should London's roads be funded?

TfL's only direct source of revenue from road users is currently the Congestion Charge and related compliance income (above). However, roads and streets comprise 11 per cent of its operating expenditure (see below). TfL's forecast net operating deficit on streets for 2017/18 amounts to £290 million, meaning that TfL's road network is effectively cross-subsidised by public transport fare payers. In effect, the people making the most responsible and sustainable travel choices end up subsidising drivers – the least environmentally sustainable choice, and the ones contributing to congestion on London's streets. There should be an alternative way to fund London's roads and streets through direct taxation on drivers.



Source: TfL Annual Report

One option is to devolve Vehicle Excise Duty and/or fuel duty, which is currently collected by HM Treasury as a general revenue raising tax. Although this is not hypothecated towards road building and maintenance, the central government agency Highways England is only responsible for major

[1] Travel in London – Report 10
[2] Mayor's Transport Strategy

motorways, which amounts to approximately 60 km within the Greater London boundary, whereas TfL is responsible for the 580 km of Transport for London Road Network (TLRN) of major roads. As a result, VED and fuel duty collected from London drivers are not spent, directly or indirectly, in London. This strengthens the case for devolution of a proportion of VED and fuel duty to London.[3]

However, as VED and fuel duty taxation declines with the shift towards zero- or low-emission vehicles, motoring taxation may need to be reformed, as suggested by the Mirrlees Review.[4]

In 2017, Centre for London convened an independent, expert-led commission, chaired by Sir Malcolm Grant, Chair of NHS England, to examine how best to manage the conflicting pressures on London's roads and streets. In its final report, *Street Smarts*, the Commission highlighted that the existing Congestion Charge is not fit for purpose; it has failed to keep up with changing travel patterns, with congestion levels back to pre-CC levels due to an increase in exempt vehicles, and the technologies it relies on are increasingly out-of-date. Meanwhile, the introduction of much needed environmental schemes – such as the T-charge and the Ultra-Low Emission Zone – are set to add another layer of complexity for road users to navigate.

Charging zones are also a blunt instrument. While deterring some of the most polluting vehicles from entering certain areas, they penalise a small group of drivers that enter them. At the same time, the set daily charge incentivises people who have paid it to get value for money by making their journey longer, while also encouraging other drivers to avoid paying by skirting around the edges of the zone.

The commission called on the Mayor and TfL to commit to developing a whole-city, distance-based smart road user pricing scheme, with variable charges based on distance travelled, vehicle emissions, timing and location of the journey. A scheme like this could better reflect the impact of individual journeys, helping people make informed travel choices, while improving air quality across London at the same time. It would also be fairer and simpler for drivers to understand, and easier for Transport for London to administer.

The MTS recognised that a more sophisticated road user charging system is badly needed. But little thought has been given to the practicalities of how such a system would work in the capital. Centre for London is currently undertaking a project, due for publication in Spring 2019, which aims to fill that gap. Working with transport and environment experts, economists and a range of stakeholders to develop practical proposals for the different stages and design of a new scheme. Support from the Mayor and the London Assembly will be crucial to make such as scheme a reality.

Although the main objectives of the scheme should be to reduce congestion and air pollution across the capital, there is the potential for the charge to raise some significant revenue. Depending on the level of charging applied, the system has the potential to replace existing national motor vehicle taxation, as well as London's congestion and environmental charges. However, as the London Finance Commission warned, the Mayor of London should ensure that the yields from a London scheme are retained locally rather than absorbed by the Exchequer under a national charging system.

Can bus revenue increase without improving congestion?

Improving congestion and resulting service reliability would be crucial for reversing the recent decline in bus patronage. The proposed whole-city road user charging system will be central to achieving the optimal levels of traffic management needed to free us sufficient space, enable buses to operate with increased journey efficiency.

[3] As suggested by the London Finance Commission
[4] Mirrlees, J. et. al. (2011), Tax by Design, IFS

Will new forms of transport like 'on-demand buses' hit TfL bus revenues?

The issue with 'on-demand buses' and other innovations in this area, such as ride sharing, is that it makes the commercial imperative lead operators to provide services in dense areas, which are already well served by public transport. This means that they are in direct competition with buses, tube and rail. On the other hand, there is a major opportunity for demand-responsive services to plug gaps in public transport provision in new development areas, for example. There needs to be further thinking on how companies can be incentivised to operate in areas of low public transport provision, to supplement the current public transfer offer rather than compete with it.

31 August 2018

For more information, please contact:

Silviya Barrett

Research Manager

[redacted]

Unit 1, 32-33 Hatton Garden, London, EC1N 8DL

Sent to:
Will.King@london.gov.uk

Replies to:

2 Catherine Place
Westminster
London
SW1E 6HF

7th September 2018

Federation of Small Businesses (FSB) response to 'Who will pay for TfL in the future' Inquiry

Introduction

The Federation of Small Businesses (FSB) is the UK's leading business organisation. It exists to protect and promote the interests of the self-employed and all those who run their own business. The FSB is non-party political and is also the largest organisation representing small and medium sized businesses in the UK.

Small businesses make up 99.2 per cent of all businesses in London, and make a huge contribution to the UK economy. They contribute 44 per cent of London's GDP and employ 39 per cent of the workforce[1].

In the drive to change the transport mix and encourage healthy behaviours that move away from the car, it is vital that this does not cause unintended consequences that harm the economic viability of London's small and micro business community.

Micro and small businesses face disproportionately higher costs than medium- and large-sized ones in carrying out business activities and the range of charges add cost and time-pressure on struggling smaller businesses and makes it harder for them to operate in and service the capital.

We do not want to see tradespeople, construction business owners or market traders refusing to serve London, which is why transport policy in London needs to recognise the difference between essential and non-essential journeys. Someone driving into central London because they choose not to use public transport is different from the repair person, delivery courier or service engineer for whom the use of a vehicle is fundamental to their business.

FSB believes that the time has come for a grown-up debate on whether the current road charging mechanisms, and future mechanisms, will do more harm than good to London's competitiveness. It is our opinion that these blunt

[1] https://www.london.gov.uk/moderngov/documents/s22201/SMEs%20in%20Londons%20Economy.pdf

instruments have disproportionate impacts on smaller businesses and that Transport for London (TfL) and the Mayor should act now before more small businesses are priced out of London.

Can the Mayor afford to freeze fares in a second term?

Following on from the announcement of a postponement of the implementation of the Elizabeth Line – we are extremely concerned that fares will rise as a result to meet the costs of an increase to Budget of the project and lost revenues to TfL from the new transport line. This issue must be addressed quickly by the Mayor and TfL.

What will happen to London's roads in the next five years as TfL stops proactive road maintenance?

The concern for FSB members is that non-urgent pothole management will be sacrificed and this can lead to longer term problems – potentially more road incidents. RAC data shows that a total of 2,841 incidents - in the last quarter of 2017 were down to cars hitting potholes, rising to 2.3% (5,540 incidents) in the first three months of this year.[2]

FSB recognises that the need for appropriate levels of funding to ensure the transport network functions efficiently and meets the needs and demands of a vibrant and growing capital.

However, we ask that additional taxes, powers or other mechanisms are applied very carefully and do not result in disproportionately negative impacts on small and micro businesses.

Small businesses are the life blood of our economy, they give character and variety to London life and they are the driver for not just economic growth but community cohesion, social inclusion, skills development, creativity and innovation.

The FSB is resolute in its position that any proposal around business rate retention and/or surcharges take the interests of small business into account. Many small businesses operating within London will not benefit from future uplift in commercial land value as a result of a new infrastructure schemes such as Crossrail 2 as they may not be in business then due to the high cost of doing business. Careful consideration must be paid to setting a level of Small Business Rate Relief on infrastructure levies, for instance, that reflect the high costs for small firms. Any surcharges for new transport schemes must be fair and proportionate on small businesses.

Small businesses are already facing significant cost pressures and we do not want to see well-meaning policies result in small business failures.

[2] http://www.theweek.co.uk/93019/why-are-uk-potholes-so-bad-and-can-you-get-compensation

Is TfL pushing hard enough on commercial income?

From a small business perspective, FSB is most concerned about the commercial revenues gained from the small businesses housed in TfL's commercial portfolio. With the upcoming sell off of the Network Rail portfolio, we are concerned that TfL might be forced to do so in the coming five years and it could mean small businesses getting a raw deal financially.

We are also keen to see how the loss of commercial income from the delay on the Elizabeth Line will affect the TfL Budget.

____-

Contact
Matthew Jaffa
Senior Development Manager
FSB

Heart of LONDON Business Alliance

WHO WILL PAY FOR THE FUTURE OF TFL?

Heart of London response

31 August 2018

Heart of London Business Alliance serves as the voice for 500 businesses and 100 property owners in the Piccadilly & St James's and Leicester Square areas. Our purpose is to support the commercial wellbeing of the businesses and organisations we represent, and ensure our areas remain integral to London's West End offer as a place for people to visit, live, trade and work.

Introduction

Heart of London welcomes the opportunity to contribute to the London Assembly Budget & Performance Committee's investigation into TfL finances in the context of a challenging financial position and performance. Heart of London's area is highly reliant on public transport, with the agglomeration of offices, retail and hospitality alongside exceptional connectivity making it one of the most economically productive and successful places in the world. Central London already has a modal share of 95% of journeys made on foot, by cycle or using public transport.[1] We have limited our comments on how TfL looks at fares revenue in the context of supporting London's West End.

Key Points

- **Discounted travel for low-paid workers:** we propose that the Mayor introduces a discount travelcard for central London workers earning £25k or below per annum (pro-rata). The introduction of such a scheme would help retail and hospitality who are struggling with recruitment to attract and retain the staff needed to close the skills gap. It would also boost the number of people using the transport system.

- **Congestion**: more needs to be done to tackle congestion, which is having a knock-on effect and discouraging people from travelling by bus. We propose exploration of a future 'smarter' system to replace congestion and emissions charges with differential charges based on type of traffic, emissions, time periods and distance. As well as improving air quality, this could potentially be a major source of revenue for TfL in the long run.

- **Waste and freight consolidation**: We believe the Mayor should be the leading statutory body on waste and freight consolidation. BIDs could play a significant part to ensure that businesses would be involved in a pan-London scheme.

- **Retention of business rates:** Heart of London strongly believes that to ensure the West End remains world-class, London boroughs and GLA must retain more business rates, rather than appeal for an increase in central government subsidy. A small increase in retention would ensure that TfL could help tackle, along with other key statutory bodies and stakeholders, some of the major problems and cost pressures our businesses are facing. Heart of London supports a tax on online businesses that would enable more retention of rates and a real-terms tax cut.

[1] Mayor's Transport Strategy, p.293: https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf

SHAPING A WORLD-CLASS WEST END

T. +44 (0) 20 7734 4507
E. info@heartoflondonbid.co.uk

Heart of London Business Alliance
Empire House, 175 Piccadilly
London, W1J 9EN

www.heartoflondonbid.london

- **Crossrail 2:** we continue to be concerned about unfunded commitments made by the Mayor in his Transport Strategy, particularly CR2. We are fully supportive of CR2, although ask that careful consideration is given to the timing of any new levy on businesses to fund it.

- **Commercial activation:** TfL must also utilise its commercial space much better to increase revenue. With heavy footfall passing through Piccadilly Circus, Green Park and Leicester Square, TfL must revamp these stations and enable these assets to fulfil their potential.

Response

Heart of London recognises that TfL is facing a number of financial challenges, and as our area of operation is heavily reliant on public transport, we have a vested interest in ensuring that TfL operates efficiently and continues to provide a good service.

We are concerned that the total net operating cost rise over the forecasting period is optimistic and therefore more frequent revisions may have to be undertaken.

To continue to support passenger numbers, and in the context of a continuing increase to other aspects of the cost of living, we would support at least a continuation of the current fares freeze for the next Mayoral term. We would suggest that if the freeze is not continued in its current form then off-peak fares should be frozen, given that this is the area which has seen a reduction in journeys and is far more elastic on cost.

Moreover, we believe that given the London Underground shows net operating profits, the night tube should be rolled out more quickly across the network than is currently the case. To achieve our ambitions of being a 24/7 city that caters for all, workers and consumers must be supported by a night tube that operates 7 days-a-week across more of the network.

This is one of the most challenging periods for the retail and hospitality sectors, with significant upward pressure on costs, massive hikes in business rates and declining high street spending in the face of online competition. Whilst our members appreciate the challenges of balancing TfL's budget in the context of the loss of direct funding from government, we cannot support any measure that could have an impact on the number of visitors to the West End or consumer spending.

Heart of London strongly believes that to ensure the West End remains world-class, London boroughs and the GLA must retain more business rates, rather than appeal for an increase in central government subsidy. A small increase in retention would ensure that TfL could tackle, along with other key statutory bodies and stakeholders, some of the major problems and cost pressures our businesses are facing. Heart of London supports a tax on online businesses that would enable more retention of rates and a real-terms tax cut.

One of the issues which currently concerns many of our members is recruitment, particularly in the hospitality and food and beverage sectors. This is driven by a lack of home grown skills and an extremely tight labour market, with historically low unemployment and high employment. Our members report that the cost of travel to central London presents a significant challenge to finding staff at entry level. The increasing cost of housing has meant that the potential pool of recruits live further away from the centre, with bus travel not always a realistic alternative over such distances at peak time. Many face national rail fare increases far in excess of inflation or wage growth.

Furthermore, our members report that the biggest barrier to entry facing prospective employees is meeting the immediate cost of travel. We would propose that the Mayor considers introducing a discount travelcard for those in full or part-time employment in Central London who earn £25k or below per annum (pro-rata). This would act as a targeted measure to support workers who have faced many years of low wage growth. This would also support the Mayor's wider goals around skills and young people, supporting young Londoners into entry-level work and helping

T. +44 (0) 20 7734 4507
E. info@heartoflondonbid.co.uk

Heart of London Business Alliance
Empire House, 175 Piccadilly
London, W1J 9EN

www.heartoflondonbid.london

them with the cost of living. We would propose that this discount be available to workers in all London boroughs and the City of London. This could be rolled out using a similar system to the 18+ Student Oyster photocard, offering users 30% off the price of adult-rate travelcards and bus and tram pass season tickets. The introduction of such a discount travelcard would help businesses attract and retain the staff needed to close the skills gap, especially in the hospitality and retail sectors.

Heart of London notes that TfL's fare revenue is falling as a result of fewer fare-paying passenger journeys than expected in recent years. The Budget & Performance Committee has recently expressed concern that TfL does not have a solid understanding of the reasons for this fall in passenger numbers.[2]

The bus network, while offering a vital affordable mode of transport for many Londoners, has also seen falling numbers of passengers and revenue. There continues to be an ongoing requirement for subsidy. However, we would strongly support the Mayor taking more radical action on connected issues around air quality and congestion as we have suggested in our response to the Mayor's Transport Strategy. TfL's decision to stop proactive road maintenance means that the quality of London's roads is likely to deteriorate; action needs to be taken to ensure that this lack of maintenance does not cause disruption to bus services.

Bus journeys have fallen as a result of slow journey times caused by congestion on London's roads, and we believe that improving congestion is key to increasing bus revenue. A major driver of congestion has been the growth in private hire vehicles (PHVs) in London, which have increased from 55,000 vehicles in 2013/14 to 87,000 vehicles in 2017/18.[3] Heart of London supports the Mayor lobbying for the powers to cap overall numbers, but would caution against capping numbers at night-time. However, the Mayor's actions on taxis and PHVs lack any significant ambitions given the unsustainable growth of numbers. Exemptions for black cabs from the ULEZ significantly reduce the effectiveness of that policy given the disproportionate impact of black cabs on air quality.

We welcome the vision outlined in the Mayor's Transport Strategy. We support the Healthy Streets agenda, the focus on air quality, and the 80% overall target for walking, cycling and public transport by 2041. However, we are disappointed that the targets set in the strategy are so long-term and often unambitious given the scale of the congestion and pollution problem in London. Bus priority, and a move to zero emissions buses, are vital elements to achieving this vision and should be introduced as soon as possible to encourage more sustainable journeys and drive an increase in bus revenue. Moreover, we believe that there should be a cost-benefit analysis of fitting out the most congested buses with air conditioning in order to improve the experience, and incentivise more people on to buses in hot weather.

As a general position, we support the enabling of more walking and cycling in central London to free up space, improve air quality and the overall user experience. There is, however, little recognition of the capital invested by property owners in making London more cycle friendly with end-of-journey facilities. This is particularly pertinent given the West End's major contribution to the UK and London's economy and the importance of remaining attractive to new investors, occupiers and tourists. As set out in our response to the Mayor's Transport Strategy, we believe further consideration could be given to greater flexibilities on weekly, monthly or annual season tickets to incentivise walking or cycling. We also remain concerned that the Mayor's ambitions run counter to those of central government, who have adopted the principle that commuters should be paying a greater proportion of their travel costs, including on many of the rail networks which workers use to access central London.

Heart of London and our members are enthusiastic about the forthcoming launch of the Elizabeth Line, particularly as this is forecast to bring increased footfall to the West End. This will provide a welcome boost to TfL's fare revenue as many change their preferred method of travel to and from the area. However, TfL must also utilise its commercial

---

[2] Response to the Mayor's draft consultation budget 2018-19, p.6: https://www.london.gov.uk/sites/default/files/response_to_draft_consultation_budget_2018-19_-_final.pdf

[3] TfL PHV licensing information: https://tfl.gov.uk/info-for/taxis-and-private-hire/licensing/licensing-information

T. +44 (0) 20 7734 4507
E. info@heartoflondonbid.co.uk

Heart of London Business Alliance
Empire House, 175 Piccadilly
London, W1J 9EN

www.heartoflondonbid.london

space much better to increase revenue. With heavy footfall passing through Piccadilly Circus, Green Park and Leicester Square, TfL must revamp these stations and enable these assets to fulfil their potential.

Heart of London, alongside all the Westminster BIDs, are actively involved in freight and waste consolidation schemes which seek to establish a more coherent and efficient use of road space. Major contributors to congestion are freight and waste services provided to smaller businesses and consumers, with most not taking any significant action to manage impacts. We believe the Mayor should be the leading statutory body on waste and freight consolidation. BIDs could play a significant part to ensure that businesses would be involved in a pan-London scheme.

We would in principle support, and be particularly keen to see the details of, a future 'smarter' system to replace congestion and emissions charges with differential charges by type of traffic, emissions, time periods and distance travelled – potentially within the area broadly covered by the Circle line as this is where the challenges of congestion and air quality are currently greatest. This could potentially be a major source of revenue for TfL in the long run to invest in capacity and quality.

More radical efforts on air quality and congestion, reducing overall car and freight journeys and prioritising bus travel would both meet the Mayor's wider transport ambitions and make the bus network far more efficient in terms of its ongoing need for subsidy.

Finally, we have some concerns about the unfunded commitments in the Mayor's Transport Strategy for up to £3.3bn of capital expenditure a year, notably Crossrail 2 (CR2). Our members are fully supportive of delivering this vital project as soon as possible, and recognise that business should rightly contribute to part funding it. With the Business Rate Supplement for the Elizabeth line due to continue for some time after it has opened, there should be careful thought about the timing of any new levy on business, particularly in the context of the significant rates increases in the last year.

T. +44 (0) 20 7734 4507
E. info@heartoflondonbid.co.uk

Heart of London Business Alliance
Empire House, 175 Piccadilly
London, WIJ 9EN

www.heartoflondonbid.london

London Assembly Budget and Performance Committee Consultation: Who will pay for the TfL of the Future? Response from the Licensed Taxi Drivers' Association

Introduction

The Licensed Taxi Drivers' Association (LTDA) is the professional and authoritative voice for the licensed taxi trade in London, representing over 11,000 drivers. We have been supporting taxi drivers in London for over 50 years and are committed to assisting the trade and maintaining the high professional standards London taxi drivers are known for across the world.

Responses to specific questions

1. How should London's roads be funded?

We are concerned that, from 2021 onwards, Vehicle Excise Duty paid by Londoners will only be invested in roads outside the city. While we recognise the need to invest in transport in other parts of the UK that have been historically underserved, London's economy is dependent upon effective movement of people and goods around the capital, including through taxis.

We were pleased to see earlier this year that an exemption from Vehicle Excise Duty for new zero-emission capable taxis has been introduced by Government. While this will have an impact on funding available for road maintenance, in the short term this is a necessary and appropriate step to incentivise black cab drivers to switch to new zero-emission capable vehicles, which will help the Mayor to achieve his objectives around air quality.

The Congestion Charge makes a valuable financial contribution to London's transport network. However, with over 18,000 private hire vehicles (PHVs) now entering the Congestion Charging Zone (CCZ) during charging hours, the charge is no longer fit for its purpose of limiting congestion. As such, the LTDA is supportive of TfL's proposal to remove the PHV exemption from the Congestion Charge, which will both help to tackle congestion caused by the near-doubling of PHVs on London roads in recent years and will help to raise further funds for London's transport network.

We welcome TfL's recent decision to keep the Congestion Charge exemption in place for taxis, however. Removing this exemption would compromise the ability of taxis to meet the terms of our licenses, including taking the most direct route to a destination and being available to hail anywhere in London. Removing this exemption would also impact on Londoners with mobility needs, many of whom rely on accessible taxis to travel around London.

2. What will happen to London's roads in the next five years as TfL stops proactive road maintenance?

While TfL is only responsible for 5% of London's roads, this strategic network carries over 30% of all road traffic. As frequent users of London's roads, we have significant concerns about TfL stopping proactive road maintenance. If the condition of London's roads deteriorates, resulting road closures will lead to increases in congestion and longer journey times, which will have an impact on the attractiveness of taxis and PHVs as a transport mode. An increase in potholes will lead to more vehicle damage, which will increase the number of taxis off the roads for repair at any one time. This will also disproportionately impact Londoners with mobility and accessibility issues who rely on taxis as London's only 100% accessible mode of public transport.

Scaling back road maintenance should not be allowed to impact on the installation or operation of rapid electric charging infrastructure. Transport for London has been relatively supportive of the introduction of rapid electric charging points, including points specifically reserved for taxis, on the 5% of roads which are under TfL's control. In order to meet the Mayor's target of 9,000 electric taxis on London's roads by 2020, it is important that TfL continues to promote and support rapid electric charging infrastructure. TfL should also work with London boroughs to accelerate the installation of accessible taxi-only rapid charging points across London, to help more taxi drivers switch to cleaner vehicles as soon as possible.

LCC response to London Assembly call for evidence: Who will pay for the TfL of the future?

August 2018

About the London Cycling Campaign

London Cycling Campaign (LCC) is a charity with more than 20,000 active supporters, of whom 12,000 are fully paid-up members. We speak up on behalf of everyone who cycles or wants to cycle in Greater London; and we speak up for a greener, healthier, happier and better-connected capital.

LCC welcomes the opportunity to respond to London Assembly inquiry into Transport for London's (TfL's) financial future.

In the comments below we focus primarily on cycling and the benefits cycling growth can bring to the capital.

Road pricing

A realistic and obvious future source of revenue for TfL is dynamic road pricing. LCC has consistently argued in favour of road pricing in London. This could both reduce road traffic congestion and contribute financially to the development of public transport, walking and cycling.

Predictions of chaos following the original congestion charging scheme in London were incorrect and, since the scheme's successful introduction, neither Conservative nor Labour politicians have sought to remove it.

Even though road pricing is considered a political hot potato, both the Mayoral Transport Strategies released by Mayor Boris Johnson and Mayor Sadiq Khan recognise that road pricing must be considered as a tool to relieve congestion.

A London-wide charging scheme would not only reduce congestion and generate additional funds for TfL directly, but might also provide a boost to public transport revenues because of a switch from car use to public transport for some journeys. It would also create safer conditions for cycling through reduced traffic volumes.

Devolution of fiscal powers to London

LCC notes, with regret, the cuts in the government grant to London, which has previously helped the capital to become a leading world city and to progress towards a more sustainable transport system.

As the Mayor's Transport Strategy (MTS) notes (page 290) "There is a large gap between the wealth that London's economy generates and its ability to fund the investment on which its success depends." Londoners, according to the Office of National Statistics, generate more than £3000 each in tax revenues than they receive in terms of public spending[1].

We share the view that greater fiscal powers should be devolved to the capital. The capital should, for example, have access to the revenue raised from vehicle excise duty in London to support its transport system and maintain its roads. Public transport users should not, in effect, be subsidising road maintenance.

Cycling benefits

LCC has welcomed the Mayor's target of increasing public transport walking and cycling journeys to 80% of all trips by 2041 from the current level of 62%. We share the view that to cope with the transport needs of a rapidly growing population we have to invest in public transport, walking and cycling.

Doubling cycle trips, as targeted by TfL , will contribute to reducing motor car use which is essential to relieve congestion and improve bus journey times. An extensive and high grade cycling network offers TfL a significantly cheaper way of enabling London's fast growing population to travel to work than the costs of planning alternatives such as additional bus routes, tube or rail lines.

We note that increased cycling contributes to the health of London's residents, both through the individual benefits of active travel and the reduction in emission of pollutants and traffic noise. Increased cycle use also helps reduce congestion which carries an estimated cost of £1bn per annum.

The financial benefits of investment in increased cycling were examined by the DfT in 2014 which found that the cost/benefit ratio for the Cycle

[1] https://www.theguardian.com/business/2017/may/23/uk-budget-deficit-grows-to-more-than-10bn-as-people-spend-less

Demonstration Towns programme was 1:5.5 [2] - more than the average for rail and road programmes. While TfL is not directly responsible for the health of Londoners it is responsible for reducing health inequalities and people on lower incomes suffer more from poor air quality.

Cycling and fare revenue

We note that cycling levels in London have grown steadily since 2003 at around 6% per annum and, until 2014/14, this has coincided with both growth in underground ordinary ticket revenue and underground season ticket revenue. From 2014/15 to 2016/17 ordinary ticket revenue has fallen while season ticket revenue continued to grow and has outstripped ordinary ticket revenues.[3]

It therefore cannot be assumed that increased cycling is directly linked to lower ticket revenues. Indeed, individuals and families that choose to live in London without a car, or to reduce the number of cars they own, often become more frequent users of public transport.

By comparison with the Netherlands, multi-modal transport in the UK is significantly under-developed. Some 40% of Dutch rail passengers use a cycle to get to the station, in the UK the figure is just 2% of trips. The MTS, in Proposal 50, makes clear that the Mayor's intention is to deliver at stations "High-quality provision for cycling, consistent with London Cycling Design Standards, including secure and well-located cycle parking."

There is no doubt that under- provision of safe cycle routes to stations and secure cycle parking is significantly depressing the potential for additional multi-mode journeys. By facilitating such trips TfL has the opportunity to increase fare revenue from London's growing population by increasing the average occupancy of trains (off-peak), while not increasing car travel (a policy commitment).

Road maintenance

---

[2] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/348943/vfm-assessment-of-cycling-grants.pdf

[3] https://www.statista.com/statistics/304885/london-underground-tickets-revenue/

The prospect of reduced road maintenance is a matter of serious concern from the perspective of cycle users. Potholes can cause cyclists to fall into the path of motor vehicles with the prospect of life changing injuries.

While the prime concern is of course road danger, an increased number of collisions may negatively impact the welcome growth in cycling. As noted by the Mayor, cycling is a more efficient transport mode than motoring and its continued growth is essential to keep London moving. Less motor traffic can help speed bus journeys and, assuming that increases bus ridership, contribute to fare revenues.

LCC does not want to see any reduction in road maintenance that could increase road danger. We note that the Mayor has a set a target of zero people killed and seriously injured (KSI) by 2041 with an interim target of a 65% reduction (against 200-09 levels) by 2022. It will be challenging to meet that target if the number of KSIs is allowed to rise because of poor road surfaces.

We note that "figures from the Department for Transport show that 71 cyclists were killed or seriously injured in accidents linked to poorly maintained roads in 2016, up from 22 in 2006.[4]"

[4] https://www.thetimes.co.uk/article/cycling-deaths-and-injuries-soar-as-potholes-go-unfixed-2jm73xc8f

Who pays for transport services.

Evidence from the London Forum of Amenity & Civic Societies

The London Forum welcomes this timely scrutiny by the GLA. Most of our members have cause to take up issues relating to public transport, walking and cycling. A number of common themes emerge from the experiences of different member societies.

Public transport is as vital to the London economy as running water and electricity. In common with the mayor and the GLA, we would like to see more affordable housing (in the widest sense of housing in which people can afford to live) closer to the places where people work, but realistically for the foreseeable future there is going to be a need for a sizable number of commuters from places too remote to be within walking or cycling distance.

The public transport system requires the capacity to deliver these people to their places of work, at the time they are needed for that work. T*f*L is to be congratulated on the extent to which they have maximised the capacity of the existing network.

The Mayor has recognised that it is not acceptable, and ultimately self defeating, to raise fares as much as possible for a captive public with no alternative means of travel. At a time when salaries are rising by less than the rate of inflation, and vital council services are continuing to be squeezed, we do not think it is desirable or practicable to raise fares in real terms. A more attractive way of increasing income is to utilise the capacity created to deliver the peak hours service in the off-peak periods.

Over the past thirty years, two measures stand out as having been successful in this regard. The first was the introduction of the zonal based travelcard. The second was the series of measures associated with the successful introduction of a congestion zone. The travelcard had the scope to encourage people to use routes with relatively more capacity in the peak periods, particularly where such capacity existed outside of zone 1 and reasonable journeys could be made avoiding that zone. It also had the benefit of making supplementary journeys free at the point of use. This was of great benefit to the retail and leisure sector. There was no longer a travel cost associated with staying in town for a drink, a meal, or a theatre visit. People were willing to pay slightly more than the cost of return journey in return for the freedom to make other journeys, and the marginal cost of supplying those extra journeys was less than the additional income received.

The congestion zone was preceded by an enhancement of bus services so that when it was introduced, buses were sufficiently reliable for people to switch to their use within zone 1. Average bus occupancy rose from 12 to 15, a figure far higher than that achieved anywhere else in England. (It should be noted that at the start and end of the bus route occupancy is zero and that a full bus only remains full if there are as many passengers boarding as alighting, which in practice would mean leaving people behind at busy stops.) This ensured that crush crowding on the tube network was less of a problem than it would otherwise have been.

Unfortunately a number of factors, some within Mayoral control, some not, have reduced the effectiveness of the travelcard and the congestion zone. A replacement road pricing scheme may be considered to be outside the scope of this scrutiny, but we believe it is fundamental to meeting the concerns of the scrutineers, particularly the need to optimise income from buses. Unless congestion and reliability of bus services is addressed the proportion of costs recoverable from fares will continue to decline, the more so if cuts are made to bus services. In contrast to the success of the pre-CCZ measures is the effect of cuts to bus services in the 1980s. Fewer buses resulted in lesser occupancy of the ones that remained. Before embarking on an extensive programme of cuts to bus services, there should be an assessment of the likely impact and whether the increase in population and activity since the 1980s is sufficient to prevent the same experience of diminishing returns from a reduced service.

The success of the travelcard (now the daily or weekly "cap") has been dented by three factors, all of which the Mayor could and should address without delay. First, the fact that pay-as-you-go Oyster or Contactless payments are more attractive for many users has, we believe, contributed to the problems of the high street and the leisure industry. They have been greatly exacerbated by the previous Mayor's decision to reduce the relative price of peak hours single journeys. The motivation for this seems to have been a crude attempt to outdo the government in its attempts to make public transport more affordable for the growing number of people who travel for fewer than five days in each working week. The changing pattern of work is something that T*f*L must accept, but it can and must control the relative pricing of fares to maximise use and income in the times and at the places where capacity exists.

A second own goal was the abolition of the zone 2-6 and 2-9 travelcards. It is absurd that someone making multiple journeys in zones 5 & 6 pays more than someone making the same number of journeys in zones 1 & 2. The particular anomaly of journeys in East London between two zone 2 destinations, with the options of routing via zone 1 or zone 3 has been addressed by the creation of a large area in both zones 2 & 3, but the effect of this has been to reduce income from fares by more than was necessary. This anomaly still exists in West London.

T*f*L must assess what is the optimum level of service outside the peaks. Clearly 36 tph is not sustainable for a whole day, because scope for recovery after an incident is insufficient. Equally, too low a level of use would undermine the sustainability of public transport: people who need to travel in the course of their working day (or who can tailor their working hours to avoid the height of the peaks) need a reasonable level of service. Once this assessment is made, the fares should be recast so as to best tailor demand to supply.

A significant minority of passengers are granted free travel. Any curtailment of these benefits is unlikely to be popular, and could undermine the stated objective of the London Plan to achieve 80% of journeys by sustainable mode by 2041. Some of our members consider that it would be reasonable to tax the freedom pass, generating income in some proportion to the ability to pay. However, there are a number of objections to this proposal not related to popularity. Most of the freedom passes are funded by the Boroughs, and so have little adverse impact on T*f*L budgets. Most are part of a National scheme, so there is little likelihood of taxes raised finding their way into T*f*L coffers. There is a dearth of information on the effectiveness of the freedom pass: the extent to which it increases economic activity, fosters healthier life-style, or achieves modal shift. Consequently it is difficult to estimate the effect of taxing the benefit on economic activity and modal shift. An alternative might be to restrict the hours of use, to avoid the morning peak when capacity is stretched to the limit. One of the main objections to this could be overcome if hospitals were persuaded to reflect transport needs in their appointment systems. The main justification for the all hours concession was to facilitate out-patient hospital attendance.

T*f*L is making efforts to raise revenue from other sources. Some of the advertising is visually intrusive. This is of particular concern around bus stops which form part of the public realm which extends beyond public transport and its users. On tube stations the main concern is that cameras etc. introduced solely for the purpose of raising advertising revenue should not obscure screens and signage detailing future train arrivals or directing passengers to the appropriate platform. Schemes to raise revenue by providing new facilities on T*f*L property, e.g. collection points for goods ordered on line, need a careful assessment of their impact on travel patterns and pedestrian flow before they are approved.

A contribution from public funds (ideally central government as well as London precept payers) is inevitable however successful T*f*L can be in meeting the foregoing. There is ample justification for this, as outlined above.

From: [redacted]
Sent: 12 July 2018 18:36
To: Will King
Subject: Re TfL Finances

Dear Will,
Thanks for the opportunity to participate in this Investigation.
The London Road Safety Council welcomes the opportunity to submit its views on the London Assembly Budget and Performance Committee's investigation.
We would like to remind the Committee of the importance of the role that Transport for London plays in the delivery of road user behavioural change programmes across the region. Some of the funding provided to boroughs by Transport for London is used to pay for road safety education, training and publicity (ETP) interventions that seek to reduce the number of people killed and injured on London's roads, directly supporting Vision Zero.
This strand of funding is often seen as a soft target when savings are being looked for and we urge the Committee to ensure that this does not become the case in London. London is battling a growing obesity epidemic and we need to encourage healthier lifestyle choices within the population. With walking and cycling levels growing, as active travel choices become more popular, it is vitally important that we continue to deliver high quality, targeted ETP programmes to ensure that a corresponding rise in the number of vulnerable road user casualties is not seen.
Kind regards,
James Parker
Executive Officer
London Road Safety Council
PO Box 669
ADDLESTONE
KT15 9EB
[redacted]9
www.londonroadsafetycouncil.org.uk
www.facebook.com/londonroadsafetycouncil
https://twitter.com/LRSC_tweets

Will King
London Assembly
City Hall, The Queen's Walk,
London SE1 2AA

31st August 2018

Dear Mr King,

London Assembly Budget and Performance Committee submission : who will pay for the TfL of the future?

London TravelWatch is the statutory body representing transport users in and around London. Thank you for consulting regarding this investigation and inviting comment. We are grateful for the opportunity to comment.

Below is a short introduction and our responses to the Committee's key questions.

Introduction

TfL has historically operated with three sources of income. Firstly from the fares passengers pay, second revenue and capital support from Government and finally additional income from its non-transport operations such as commercial advertising, rentals etc.

By a long way it is fares income from the Underground, bus services and to a lesser degree the London Overground that make up its largest income alongside what was a large Government revenue grant that has now ceased. Additionally TfL received a capital grant for capital projects, most notably Underground and Crossrail.

The affordability, simplicity and transparency of fares is clearly important for passengers, particularly those that travel into the centre from outer London and those on low incomes. But it is also a key tool of transport planning. Affordable, simple and understandable fares encourage the use of public transport as a viable alternative to the private car, taxis and private hire vehicles.

TfL tell us that they have a fully costed and fully funded Business Plan. Whilst on the face of it this is true, it is also the case that there is no budget for capital road renewals. TfL's budget does balance, but it is not undertaking one of its basic tasks of maintaining road condition.

We have requested a briefing on the TfL Business Plan. We particularly want to understand the basis for the passenger growth projections on the Underground and for Crossrail, but also what the budget savings are likely to be.

Key Questions

What happens if fares revenue continues to fall?

Our understanding of TfL's Business Plan is that it assumes a 5% reduction in passenger numbers compared to last year for 2018/19. And so these budget passenger numbers are likely to be met. However, if the projections are not met into the later years, particularly if the growth in Underground and Elizabeth line passenger numbers is not achieved then savings will have to be made or other income found..

Experience from the past and from outside of London shows that declining fares revenue will often lead to a spiral of decline, with reduced services, reduced levels of passenger satisfaction, which in turn further reduces ridership and fares revenue. It is important that this spiral is held in check by ensuring that services maintain standards, are well publicised and marketed and remain relevant to passenger needs.

It is important that fares revenue is maintained in balance with public subsidy to ensure that TfL retains and increases its focus on the passenger as a customer, rather than the taxpayer as the proxy customer.

A contender for savings is the cessation of roads capital renewals and further reductions in bus services because these are easier to make than reductions in other services such as the Overground. TfL will clearly also have to find new areas of savings and additional other income. However, savings in road capital renewals will not be sustainable in the long term, and unless managed effectively, or have the good fortune of a sustained period of good weather, will result in higher long term costs and disruption.

London TravelWatch has made suggestions as to what might improve bus services and thereby also save on operational costs. If bus performance were to be improved a better service is delivered and money saved. We want to see:

- The extension of the hours and days of operation of the central area congestion charge;
- A reduction in the discounts and exemptions from congestion charge;
- An extension of the operational hours of the red routes and bus lanes;
- More bus and cycle only streets. We have very much supported the Tottenham Court Road and Bank junction schemes.
- A review of waiting and loading on the streets buses use to give bus services more priority on all the streets they use;

What is the long-term vision for fares revenue?

Our understanding is that the vision is that TfL covers its operational costs and makes a contribution to its capital costs.

We find that in our discussions with TfL senior staff, their view is that fares revenue is solely a function of the state of the economy and that marketing and publicity for services have a minor role to play in determining whether fares revenue is maintained or increased. TfL has ceased in the past year or so to produce (and usually without any prior consultation) significant areas of printed publicity material that enable passengers to plan their journeys. There are now no bus maps covering the whole of London, or printed bus, train or underground timetables. This in our view is counter productive and fails to encourage long term use of public transport and will therefore have a lasting impact on public transport revenues.

It also concerns us that the number of Travelcard Season Tickets has reduced sharply in the past 2 years. Our research for the 'Mayor's review of ticket office closures' and our own 'Annual Season Tickets – what price loyalty'[1] showed that Annual Season Ticket holders are amongst those passengers least satisfied with the services they receive from both TfL and National Rail operators. They regard themselves as TfL's best customers yet TfL does not acknowledge this, and as a result these passengers have experienced substantial disadvantage since the closure of London Underground's ticket offices. It seems to us that TfL does not regard these passengers as truly valued customers, and it seems they would rather that they paid for their travel under a pay-as-you-go arrangement, rather than receive money in advance, which can then be reused for investment etc, and is effectively an interest free loan from the passenger to TfL. We realise that pay-as-you-go fares are capped at daily and weekly levels, and so should be no more expensive than an equivalent Travelcard However, we think for some users the lack of a 'no-extra cost' arrangement that a Season Ticket provides then leads to them deciding not to use public transport for additional journeys at the weekend or in the evenings, and instead use taxis, private hire vehicles or private cars.

Purchasing season tickets has been made substantially more difficult by the closure of ticket offices and many passengers do not wish to purchase a high value item such as Season Ticket via the internet for fear of fraud or making a mistake that cannot be easily corrected[2]. There are options to continue buying such season tickets via London Overground ticket offices (but these may be subject to closure also), or via the Visitor Information Centres at various central London main line terminal stations and Heathrow Airport. However, in the latter case TfL does not actively promote this facility, indeed when we have visited some of these centres virtually none of TfL's own literature is available freely, with displays dominated by material for open-top bus tours and theatre / attraction tickets only. These centres should be aimed at maintaining and growing TfL's own revenue but it would seem that they have lost this as their primary role.

What impact will the continued trend towards cycling and walking have on fares revenue?

This, of course, depends on how much growth there will be in both the number and proportion of trips and what changes are made in the allocation of road space. The impact will, to an extent, be mitigated by a continued rise in population, but also affected by reducing trip rates[3]. Historically these changes will happen only very slowly, if all else stays the same, and so the issue will be managed by gradual changes to overall capacity.

There are two divergent outcomes from an increase in cycling and walking. Firstly, that revenue will reduce for short distance journeys previously taken by public transport. Conversely, with relevant marketing and information it is also possible to increase public transport revenues and increase the amount of walking and cycling,

[1] http://www.londontravelwatch.org.uk/documents/get_lob?id=4438&field=file
[2] http://www.londontravelwatch.org.uk/documents/get_lob?id=4438&field=file
[3] TfL's published household travel survey (the LTDS) suggests a reduction in all trip rates over a number of years.

particularly for longer journeys previously undertaken by car. We have done research showing that almost all of the Greater London area is within a 15 minute cycle ride of a railway station.

Improvements to walking and cycling routes to rail and underground stations, bus and tram stops can also help public transport revenues, if these make journeys easier, more secure and more attractive than by car. Examples of this might include, providing additional entrances to stations where this would increase the walking and cycling catchment area: providing short cut routes to bus stops through housing areas.

Could the Mayor afford to freeze fares in a second term?

This is a political decision for the Mayor, but it will be difficult to maintain the current level of public transport fares without some form of roads pricing to reduce the need to cross-subsidise road users from the public transport fares pot.

There is also a significant issue of equity and simplicity of fares structures on the rail and underground network. Shown below are examples of where simplification of fares and ticketing is needed in and around the London area:-

Inequality in fares charged for similar length and purpose of journey :

Zone 6 to Zone 1 with London Underground travel within zone 1

	Cash single	Cash return	Peak Oyster PAYG	Off-Peak Oyster PAYG	PAYG Cap	Total both journeys peak	Total one peak off peak	Total both off-peak
Epping – Oxford Circus	£6	£12	£5.10	£3.10	£12.50	£10.20	£8.20	£6.20
Coulsdon South – Oxford Circus	£10.20	£18 £18.10 peak Travelcard £12.70 off-peak Travelcard	£8	£5.50	£12.50	£12.50	£12.50	£11

From these examples the person travelling from Coulsdon South is paying £2.30 extra per day at peak times, £4.30 extra per day where one journey is in the peak and the other off-peak and £4.80 extra per day if both journeys in the off-peak for a similar journey to the person travelling from Epping, crossing the same number of zones.

How reliant is TfL on the Elizabeth line?

An operating surplus for the Elizabeth line of over £300 million by 2020/21 is suggested in the Business Plan. This clearly makes a substantial contribution to TfL's budget and they will be reliant on the Elizabeth line to improve its public transport revenues in the next few years. A delay in opening the Elizabeth Line will clearly impact on TfL's revenues and operating costs.

However, the usefulness of the Elizabeth Line will only be fully realised with the completion of the Thameslink project and the associated connectivity benefits via the interchange at Farringdon. TfL however, seem reluctant to publicise Thameslink's existence despite its importance and its ability to deliver significant connectivity and capacity that London needs. It will also be key to coping with the long blockade of the Northern Line City Branch that is required for the completion of the new Bank station in 2019/20.

A significant proportion of TfL's revenue comes from spending by passengers travelling to or from places outside of the London area, either as regular commuters, as day visitors or making a journey through London to another part of the country. Making these journeys more difficult and less attractive will reduce TfL's revenue. Therefore, measures to make such journeys easier and more attractive will be beneficial to TfL and London overall.

How should London's roads be funded?

The current situation whereby public transport users are expected to pay for the cost of maintaining and enhancing London's road network is unsustainable and inequitable. It is unreasonable that Vehicle Excise Duty paid by London residents to central government is not made available to TfL for the maintenance and development of London's strategic road network.

London's roads should be paid for in part by the tax payer and in part by the users. At present, approximately 10% of TfL's road network is classed as sub-standard. London TravelWatch members believe this is too high and want to see a better level of roads maintenance. , to ensure the continued safety of all road users.

London TravelWatch supports the investigation of a roads' pricing scheme to both manage demand and fund the costs of the maintenance of London's roads.

Can bus revenue increase without improving congestion?

Congestion is a significant cause of both revenue loss and increased operational costs on the bus network. Improved journey time, accessibility of stops, reliability and increased frequencies made possible by bus priority measures could increase bus revenue significantly and reduce TfL's operational cost base as a result of increased efficiencies. In addition appropriate and continuous marketing and information about bus and rail services in a variety of formats, not just on-line, is essential if TfL is to maintain or increase its' revenue base. It is generally accepted as a rule of thumb in the transport industry that every £1 spent on publicity and marketing returns around £5 in additional revenue. Therefore further reductions in publicity and marketing spend should be resisted.

There may well be some scope to increase bus fares, but this will clearly be unwelcome to passengers, however if bus fares rose too much there would be less use.

Will new forms of transport like ‘on-demand buses’ hit TfL bus revenues?

Demand Responsive Transport schemes have the potential to increase public transport usage and therefore revenue, where they are designed and marketed as additional to the current transport network and attractive to current non-public transport users. If they are competitive with existing transport services then obviously there is greater chance of these services abstracting or diluting existing public transport revenues.

How far can commercial revenue on the Tube go?

The primary purpose of the London Underground is to transport passengers where they want to travel, at reasonable cost, with efficiency and ease of use. Commercial revenue is there to support this purpose but must not overwhelm the primary purpose of London Underground. Too often on the National Rail network, pursuit of commercial revenue has resulted in a worse passenger experience, as a result of information being crowded out by commercial advertising or stations becoming cluttered by retail outlets such that it is difficult for passengers to access trains and platforms.

Is TfL pushing hard enough on commercial income?

We would have some concern regarding commercial income if it is to affect the passenger experience. As noted above at National Rail stations, commercial kiosks and advertising can be detrimental to passengers’ experience. On London’s streets, advertising hoardings on the pavement present a similar problem. If TfL are to look to more commercial opportunities they must be careful of the impacts on passengers and the users of London’s streets.

What will happen to London’s roads in the next five years as TfL stops proactive road maintenance?

London TravelWatch has raised this issue with the Transport Commissioner. He assured us that ceasing major road scheme renewals / maintenance is for only one year and that there is funding in future years. That said it is disappointing that this year’s maintenance budget has been cut as this will mean a worsening maintenance condition that affects all users of London’s streets.

Is TfL on track to deliver its planned savings?

We are told it is but are unable to verify this.

How will the passenger experience change over the next few years of belt-tightening?

We know that there will be a reduction of 6% of bus kilometres run. We understand the intention is to reduce the distance operated in the central area and increase it in the outer area. This will mean passengers experience more crowded bus services, particularly in central London unless more is done to prioritise bus services.

TfL's Business Plan suggests a reduction of £100million of operating costs in its Underground operation. We have asked where these savings are to be made but have not yet had further discussion with TfL on this subject.

Our view is that without proper checks and balances on decisions made by TfL it is more likely that the passenger experience overall will change for the worse. This will require vigilance in monitoring the impact of any change, and an ability and willingness to change policy and practice if the anticipated benefits do not come to fruition or where the outcomes are worse than the predicted outcome.

If you have any queries on this submission please do not hesitate to contact me.

Yours sincerely

Tim Bellenger
Director, Policy and Investigation.

railfuture

Campaigning for better services over a bigger rail network

please reply to:
70 Dynevor Road
Stoke Newington
London
N16 0DX

[redacted]

London Assembly
City Hall
The Queen's Walk
London
SE1 2AA

For the attention of Will King

Will.King@london.gov.uk

Date 2018-08-30

Dear Mr King,

"Who will pay for the TfL of the future?" An investigation by the Greater London Assembly's Budget & Performance Committee

Railfuture is the leading national independent voluntary organisation campaigning for a better railway across a bigger network for passenger and freight users in order to support economic growth, environmental improvement and better-connected communities.

We are mindful of the context set by the Assembly's Budget & Performance Committee investigation of:

- TfL's financial position and performance.
- TfL's plans to increase revenue to address its deficit.
- Plans to cut costs to address the deficit, and the consequences of cuts.
- How the TfL of the future might be financed.

We shall not attempt to respond to all questions, where we recognise that our knowledge and experience is insufficient to be able to offer a worthwhile contribution.

Key Questions

Fares Revenue

- What happens if fares revenue continues to fall?

As a key plank of TfL's credit-worthiness, it may make borrowing for investment more difficult and/or more expensive. It is also likely to contribute to a 'crumbling edge of quality' which will gnaw away at TfL's hard-won, widely-recognised and hitherto jealously-guarded reputation for high standards.

- What is the long-term vision for fares revenue?

Notwithstanding the wider socio-economic and environmental benefits to London, Londoners and non-Londoners from a progressively increasing public transport mode share, it will probably remain the case that its users will continue to be expected, particularly by non-users and by central governments, to shoulder a fair proportion of its costs, through the fares they pay. In an operating environment where costs continue to rise, whatever measure of inflation and other indicators are used, it might seem unreasonable, even to users, that their 'fair proportion' does not broadly keep in step with such rises.

- What impact will the continued trend towards cycling and walking have on fares revenue?

At face value it would appear unlikely to help even maintain, never mind increase, fares revenue – assuming that even the former is still regarded as a significant and important issue. A possibly related but seemingly unasked question would be about the potential impact on fares revenue of a continued trend towards lower car ownership and use, where the balance of any resulting mode shift to fare-paying public transport vis-à-vis non-fare-paying walking and cycling would need to be assessed.

- Could the Mayor afford to freeze fares in a second term?

Only if the full range of implications and choices out to 2024 could be clearly enunciated and accepted by a very broad and representative swathe of opinion, both in and beyond London. A further fares freeze would have to be set in the context of other financial policies in order to improve its chances of being understood and at least accepted if not actively supported. A more important question may be whether London could afford a further fares freeze.

- How reliant is TfL on the Elizabeth line?

We are in no position to judge definitively. With the economic and societal changes experienced in recent years it would probably be unwise to harbour ambitious expectations.

- How should London's roads be funded?

We take 'roads' to mean footways as well as carriageways, so there is probably no-one who does not at some time and in some way use London's 'roads'. As not all of London's public transport is within TfL's control (eg Network Rail infrastructure, DfT-awarded rail franchise operations) so most of London's roads are not within TfL's direct control (eg Borough roads). As with public transport, all London, Londoners, even non-Londoners derive benefit from both networks being 'good'. However, the relationship between users and funders is perhaps more direct with public transport – generally, payment at the point of use – than with what might loosely be referred to as private transport – generally, and with the notable exception of the Central London Congestion Charge Area, payment at the point of purchase. In a similar way to the policy choices to be made about the balance of public transport funding between users and non-users, and how that contribution is made (generally, with a 'permit to travel' acquired at the point of use) there are policy choices to be made about the balance of roads funding between users who may derive most benefit vis-à-vis users who impose most impact, and how that contribution is collected. We offer the observation that the principle of an already generally more direct relationship between public transport users and funders might usefully be extended to users and funders of the roads network. In the background are probable differences between the balance and relative directness of revenue-sharing of non-TfL public transport in London (eg DfT franchised rail operations in London via Travelcard and other revenue-apportionment mechanisms) compared with the perceived imbalance and indirectness of revenue-sharing between London where much of 'roads-based revenue' is generated and central government where most of it is collected.

- Can bus revenue increase without improving congestion?

Almost certainly not, in our view; it is very challenging to imagine how that could happen.

- Will new forms of transport like 'on-demand buses' hit TfL bus revenues?

We are in no position to judge.

Commercial revenue

- How far can commercial revenue on the Tube go?

- Is TfL pushing hard enough on commercial income?

In both cases, we are in no position to judge so offer no comment.

Cost savings

- What will happen to London's roads in the next five years as TfL stops proactive road maintenance?

Things can hardly get better. With an apparent long-term trend towards greater extremes of weather conditions, such 'savings' are more likely to prove illusory. Furthermore, such a reduction in road maintenance could well import the risk of less safe roads, resulting in more collisions, more trips slips and falls, so that any apparent 'cost savings' are only in reality cost transfers to for example the NHS.

- Is TfL on track to deliver its planned savings?

We are in no position to judge and offer no comment.

- How will the passenger experience change over the next few years of belt-tightening?

An all-too-often insufficiently recognised yet significant proportion of what makes for positive passenger experience is in our experience excellent customer service. As with road maintenance, reductions in revenue raised translating into reductions in revenue expenditure on customer service maintenance can only reasonably be expected to have one, probably unsurprising, outcome. It takes us back to the 'crumbling edge' referred to earlier. It should in our view be remembered that 'passenger' in London means many people who have choices about where to work, visit and do business on an international not just national or London scale. As a global capital city we firmly believe that London's reputation for quality in so many aspects of its public realm, hard-won yet potentially so easily lost and with plenty yet to do, matters hugely. We would be apprehensive about 'cost savings' proving to be false economies.

Yours sincerely,

Roger Blake
Railfuture
Director for Infrastructure & Networks
Vice-Chair, London & South East regional branch

Will King
London Assembly
City Hall
The Queen's Walk
London SE1 2AA

31st August 2018

Sent by email to: will.king@london.gov.uk

Dear Sir or Madam,

RE: CALL FOR EVIDENCE: TRANSPORT FOR LONDON'S FINANCIAL SITUATION

Please find enclosed the response of the Transport Salaried Staffs' Association (TSSA) to the above consultation.

TSSA welcomes the opportunity to contribute to the London Assembly's Budget and Performance Committee's call for evidence on this issue. We are an independent trade union with approximately 20,000 members throughout the United Kingdom and Republic of Ireland. TSSA is recognised for collective bargaining purposes by Transport for London, London Underground, London Overground and several of the London Bus Companies that hold contracts with TfL, including London United. The Union also have collective bargaining relationships with most of the national UK rail companies, including Network Rail and the Train Operating Companies.

TSSA policy is determined by our Annual Conference that comprises delegates from our Branches throughout the United Kingdom and Ireland, the majority of whom work in the rail industry and have first hand, working knowledge of it. In addition, TSSA officers and reps working within TfL, its subsidiaries and concessions (as above), have been consulted over this response.

Yours sincerely

Frank Ward
Assistant General Secretary

TSSA RESPONSE TO THE LONDON ASSEMBLY'S BUDGET AND PERFORMANCE COMMITTEE'S CALL FOR EVIDENCE: TRANSPORT FOR LONDON'S FINANCIAL SITUATION

Introduction

TSSA is pleased to be able to contribute to this consultation and does so on the basis that the Union has a significant number of members who work for TfL, its subsidiaries and concessions.

We believe that TfL's funding problems can be laid squarely at the door of the Conservative Party in Westminster and its relentless pursuit of societal change through the mechanism of austerity since forming the ConDem Government in 2010. The ConDem Coalition Government carried out a Comprehensive Spending Review in 2010 which determined that it would eliminate the DfT's Operating Grant over a period of years. However, in his Autumn Statement for 2015, the Chancellor of the Exchequer brought forward the complete elimination of the grant funding to TfL which means that from the current financial year, 2018/19,[i] that source of income, representing 6%[ii] of TfL's annual budget, will be lost. This cut has come on top of the previous cuts which, in the period 2010 to 2015, saw TfL's subsidy income from the Department for Transport fall by a third necessitating other income sources to be explored.

The government's saving of £700 million means that London is the only Capital city in Europe where there is no day to day transport subsidy.

TfL was aware in 2013 that the grant would be cut but when the Chancellor brought its ending forward, he suggested that savings "could be achieved through further efficiency savings by TfL, or through generating additional income from the 5,700 acres of land TfL owns in London." Amongst our fears is that land sales could lead to increased gentrification in parts of London with the impact that will have on dispersing poorer communities or people with lower incomes as they have to move further out of the Capital to find affordable homes – whether renting or buying. Our perspective has been to call for the provision of affordable homes and social housing for rent on surplus GLA/TfL land, something that the current Mayor, Sadiq Khan, is currently pursuing.[iii]

We are also aware that another income source that TfL will lose is that of the LOROL grant, reduced to £27 million in 2016/17 and ending altogether in 2019/20.

Consultation document questions

1. Can the Mayor afford to freeze fares in a second term?

TSSA's view is that the Mayor can continue to afford to freeze fares for a second term provided the profit motive is removed from the running of public transport in London. We are conscious that a fares freeze is very popular, and aligns with the Mayor's policy to encourage use of public transport and to take action on climate issues.

Abandoning the fares' freeze will add costs to passengers at a time when wages are still not keeping up with inflationary pressures. Consequently, it will discourage patronage and is probably one reason why National Rail has experienced a reduction in passengers purchasing season tickets. That reduction has occurred for two years in a row in the London and South East Sector. Many of those people appear to have chosen to purchase other types of tickets, all of which have increased in sales, according to the Office of Rail and Road's Passenger Rail Usage Q4 Statistical Release. The ORR's conclusion is that there has been a shift in the type of tickets being used which would appear to indicate that cost is a factor for employees changing working patterns that do not require the same level of travel – or that travel needs to be more flexible. For those passengers who no longer regularly travel into or out of London, that could explain the reduced ridership on London Underground (down by 1.5 per cent) and TfL Rail (down by 4.3 per cent) during 2017/18. It may also contribute to the £21m loss of income from bus usage.

TSSA is, however, very mindful of the range of cuts that TfL has had to introduce following the Westminster Government's decision to reduce its General Grant to TfL, stopping it completely from the financial year of 2018/19. We have particularly felt this in the reorganisations of TfL which have seen a number of members lose their jobs.

We would argue that the Mayor should look for other ways of savings that would maintain the fares freeze and amongst those could be:

a). Save over £100m by ending contracts with private bus companies to run TfL London Bus Services. An examination of the latest accounts at Companies House shows that:

Company Name	Profit	Accounts date	Company Number
London United	£5.1m	09/12/16	02328561
Arriva London North	£12.7m	31/12/16	02328559
Arriva London South	£51k (£4.9m income)	31/12/16	02328467
Abellio London Ltd	£3.6m (£7.5m income)	31/12/16	03786162
Abellio West London Ltd	£1.02m	31/12/16	06892260
(Go Ahead) London General Transport Services	£34.2m (£35.7m income)	31/12/16	02328489
Metroline Ltd	£28.1m	31/12/16	02826284
Stagecoach UK Bus (London)	£18.4m	29/04/17	?
Total	**£103.12m**		

NOTE: The profit figures do not include the additional amounts attributed in the company accounts to "income." Two small companies (Sullivan Buses and Tower Travel) are also omitted.

Instead, TfL should operate these services in house as part of a London Bus subsidiary which would achieve further savings through ending contract tendering and letting, as well as potentially through economies of scale.

b). Bring the operation of the London Overground concession in-house to TfL to save on the management fee paid to Arriva London to run the service on behalf of the Mayor;

c). Likewise, end the concession for MTR to operate Crossrail, allowing TfL to run it directly without the need to meet management fees.

2. What should be TfL's long-term approach to fares revenue?

See above.

One other idea could be the use of a levy on businesses who benefit from being able to attract employees able to use TfL's services. Such a levy should not be linked to an individual employee's use of TfL services thus avoiding discrimination against employing public transport users. The suggestion would be similar to TfL's Community Infrastructure Levy used to fund capital expenditure.

Another idea is that a levy should be introduced for those businesses that benefit from the Night Tube.

The Committee might also like to consider the practical economics of the Green Party's policy from the last Mayoral and Assembly Elections which proposed a revised, flatter, fares structure in London, a one hour pan London ticket and re-zoning so that poorer communities on the edges don't get penalised at the expense of richer gentrified areas in more central London. It could also help with part time workers. The scheme proposed phasing in the revised structure.

3. What impact will the continued trend towards cycling and walking have on fares revenue?

On the face of it, there is the potential for more cycling and walking to have an impact on fares revenue, especially if would be passengers abandon public transport. However, we note that many cycling and/or walking trips constitute a journey stage and often connect with a public transport network at some point.[iv]

TfL's Business Plan 2017/18 highlights an anticipated "45 per cent rise in cycling trips and a five per cent increase in walking trips" by 2022/23.[v] The same Plan aspires to the target that "by 2041, 80 per cent of journeys will be made by walking, cycling <u>and</u> public transport compared with around 65 per cent today."[vi]

We have underlined the word "and" to emphasise that each of these elements make up the journey and are not exclusive. On this basis, we agree with the

Mayor's projections that an increase in cycling and walking also means an increase in the use of public transport for longer journeys[vii] so the impact on fares revenue may actually be positive.

TSSA would also draw attention to the fact that alongside these factors are those of the pressing need to address congestion issues, the health effects of air pollution in the Capital, environmental factors and the issue of safety on the roads.

4. How should London's roads be funded? What will happen to London's roads in the next five years as TfL stops proactive road maintenance?

Our fear is that London's roads will severely deteriorate without on-going maintenance, especially as across the Capital there are a significant numbers of existing potholes.

We have seen how roads allowed to fall into disrepair not only contribute to accidents (especially to cyclists, noting the anticipated increase in this mode of transport in London) but how in some parts of the UK, catching up with backlogs imposes huge additional cost. An example would be the situation in Scotland where it is estimated that to fix all the potholes on the 36,900 miles of road would cost around £1.7billion[viii] whilst dealing with the accident claim could cost £1.2billion.[ix] In road mileage terms, London, with 9,222 miles[x] of road is a quarter the size of Scotland but is much more densely populated[xi] over a smaller area.

We also note that there is the prospect that "the net operating costs of London's roads, currently almost £200m each year, and the cost of renewing these roads, between £100m to £150m each year, are effectively being cross subsidised from fare-paying public transport users."[xii]

In common with the Business Plan, we do not see this as either sustainable or equitable, noting how the fares paid by lower earners (especially on the bus network) are paying for the road costs of the better off private car user.

Of course, this isn't necessarily a clear cut distinction but what is correct is that the road users are not paying their way and public transport users could enjoy a fares reduction (or no increase if the fares freeze came to an end). Perhaps one solution to the funding problem would be to introduce a road levy on car users?

According to the Business Plan, this means capital renewals will be significantly reduced but safety of the network will be maintained until a medium or long term funding source can be found.

TSSA supports the Mayor's plans to secure access to the £500m raised every year from Londoners who pay the Vehicle Excise Duty collected by central Government yet invested in roads <u>outside</u> the Capital. This seems like a ridiculous state of affairs.

5. How far can commercial revenue on the Tube go? Is TfL pushing hard enough on commercial income?

TSSA notes the commercial intentions in the Business Plan,[xiii] including making £200m in savings from exiting a private partnership maintenance contract.

TSSA believes that any commercial activities that might lead to parts of TfL or LU being privatised are false economies that will only introduce additional costs in the form of private profit whilst seeing a reduction in services, cuts in jobs and hikes in fares. That has been the experience of the National Rail network and is something that we oppose.

6. How will the passenger experience change over the next few years of belt-tightening?

It depends upon how successful TfL is in implementing its plans, whether fares increase and if services are cut. Clearly, if the fares freeze comes to an end and services are cut, the passenger experience will worsen, encouraging, over time, travellers to consider other methods to get to work, shop, etc. The likelihood is that those who have access to a car will use it (with the consequences for air pollution, increased accidents and injuries, as well as wear and tear on the roads) whilst those who cannot afford to run their own vehicle will have to endure a worsened public transport option or move closer to their work. Either way, the latter group, probably the poorest end of society, will be penalised more, continuing to unfairly subsidise road users as fares increase and the offering they get for their money reduces.

---

[i] http://content.tfl.gov.uk/spending-review-2015-funding-agreement-letter-march-2016.pdf i
[ii] http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7425#fullreport
[iii] London Housing Strategy May 2018 at: https://www.london.gov.uk/sites/default/files/2018_lhs_london_housing_strategy.pdf
[iv] Page 11, Travel in London Report 10: http://content.tfl.gov.uk/travel-in-london-report-10.pdf
[v] Page 34, TfL Business Plan 2017/18: http://content.tfl.gov.uk/tfl-business-plan-december-2017-.pdf
[vi] Page 10, TfL Business Plan 2017/18: http://content.tfl.gov.uk/tfl-business-plan-december-2017-.pdf
[vii] Page 35, TfL Business Plan 2017/18: http://content.tfl.gov.uk/tfl-business-plan-december-2017-.pdf
[viii] "Fix every pothole in Scotland? It will cost us £400 each," Scottish Mail on Sunday, 21st January 2018 at: https://www.pressreader.com/uk/the-scottish-mail-on-sunday/20180121/283850098780244
[ix] See: http://transformscotland.org.uk/what-we-do/campaigns/fix-it-first/
[x] Road Lengths in Great Britain 2017: https://www.gov.uk/government/statistics/road-lengths-in-great-britain-2017
[xi] Scottish population is 5.4m whilst London's is nearly 8.8m
[xii] Page 32, TfL Business Plan 2017/18: http://content.tfl.gov.uk/tfl-business-plan-december-2017-.pdf
[xiii] Page 47, TfL Business Plan 2017/18: http://content.tfl.gov.uk/tfl-business-plan-december-2017-.pdf

From: [redacted]
Sent: 05 July 2018 17:14
To: Will King
Subject: Future funding of TFL - response to consultation

Dear Mr King

There is one point I would like to make regarding the funding of TFL. Currently free rail tube and bus travel is given to those over 60 as I understand it. Why? The rest of the country gets free bus pass at 65 (that age may have gone up) and that is it. If TFL's revenue is falling they should look to charge over 60's for the additional services. I have a few friends/relations who currently have the TFL pass. They live in mortgage free houses, have savings and pensions, why do they need free rail and tube travel? They do not.

I think that TFL should restrict the free travel to this age group to the buses and bring it in line with the rest of the country age wise.

Submitted for your attention.

Yours sincerely

[redacted]

From: [redacted]
Sent: 30 August 2018 15:52
To: Will King
Subject: Paying for TfL
Attachments: Congestion & Bus Services.doc

Follow Up Flag: Follow up
Flag Status: Completed

Dear Will King
I am a member of CBT (London). You will have received a submission from our group. I would like, additionally, to make a personal submission, as follows.
I propose that (somehow) TfL should take over operation of all London's cab services- black cabs, minicabs, and App-hailing cab services (such as Uber)- so as to provide safe, reliable and effcient cab services across London, and also additional revenue for TfL.
This proposal arose from my authoring the attached piece on Congestion and Bus Services which is being published on the CBT Website.
Yours sincerely
[redacted]

From: [redacted]
Sent: 24 August 2018 16:50
To: Will King
Subject: Who will pay for the TfL of the future?

Follow Up Flag: Follow up
Flag Status: Completed

Just a few thoughts on the subject:

* perhaps make a small charge for the over 60s oyster and freedom pass - maybe £5 or £10 per year BUT make sure the card is more sturdy then it is at present - my disabled brother has a freedom pass and on occasion he has had to apply for a new card (at the cost of £10 each time) because a small hairline crack has occurred on the card.
* cut back on the number of night buses - I'm a night minicab driver and I've noticed that a lot of night buses go around with very few passengers on board.
* team up with Uber (and other ride hailing app companies) to offer an integrated service - not sure how that might work but maybe something could be worked out. In return get Uber to fund some aspect of TfL operations - eg the dial-a-ride service
* use existing buses more efficiently -eg rather than have the E2 and E9 duplicate the route between Greenford and Ealing Broadway turn the E9 into the X9 and have that run non-stop between Greenford -Ealing Broadway (except stopping at the busy Gurnell leisure centre) as I'm sure that most people who are on board the E9 at Greenford are heading to Ealing Boadway. Also consider turning the E10 into X10 to run non-stop Greenford-Ealing Broadway.

regards,

[redacted]

From: [redacted]
Sent: 17 June 2018 17:59
To: Will King
Subject: Your consultation: roads in London

Follow Up Flag: Follow up
Flag Status: Completed

Hi,
I'm writing in response to your social media post seeking feedback on what funding sources people think will be available for TFL, as mentioned on this website:
https://www.london.gov.uk/about-us/london-assembly/london-assemblys-current-investigations/who-will-pay-tfl-future
Addressing these points in turn:
What happens if fares revenue continues to fall?
I think TFL will need to look at additional sources of revenue, for example taxation on the most polluting vehicles which are currently exempt (diesels), and transferring expenditure for some work like roads maintenance and traffic signals to local councils
What is the long-term vision for fares revenue?
I think TFL should seek to increase fares revenue by reducing reliance on taxis for commuting to work, so that the cabs become a specialised service that operates in area not currently served by public transport. At the moment they are more expensive even than several sequential bus journeys.
What impact will the continued trend towards cycling and walking have on fares revenue?
With greater constraints on household income I think there may be fewer short bus journeys (1-3 stops) but don't believe public transport will be significantly affected.
Could the Mayor afford to freeze fares in a second term?
I think that's a political decision for the Mayor, and a better solution is to boost use of public transport to increase income by more passenger journeys.
How reliant is TfL on the Elizabeth line?
I'm sure TFL will gain significant revenue from the line once construction costs have been repaid.
How should London's roads be funded?
For roads which TFL still has responsibility for, I would expect from tube and bus fares. A commercial vehicle levy on taxis, lorries, private buses/coaches, cars for rental by the mile and other commercial services which profit from use of TFL roads might also be an option. I think damage to a road is more likely when a vehicle is larger/heavier.
Can bus revenue increase without improving congestion?
I think getting commuters out of their cars by providing more bus routes is the answer. Some bus journeys (from postcodes SE27 9LA to EC4V 4EH) involve changing buses and I think the concept of "bus transport hub interchange locations" might need to be introduced so that someone can come into London on one bus and change to continue their journey on a different bus to their final destination.
Will new forms of transport like 'on-demand buses' hit TfL bus revenues?
I think it's only likely to happen if the fares are similar to existing TFL fares. Taxis, cabs and train journeys (Balham rail to West Norwood) all cost more than a single fare on the 315 bus.
How far can commercial revenue on the Tube go?
Considering you already have advertising and shops within tube stations I don't see much scope for additional revenue unless you introduce First Class train carriages, but I feel that will be hugely unpopular and won't drive the increase in revenue you expect.
Is TfL pushing hard enough on commercial income?
I think revenue from tourist coaches using London's roads for free when holidaymakers travel to London is one way. The vehicles are large and therefore heavy, and could cause accelerated wear on the road surface.
What will happen to London's roads in the next five years as TfL stops proactive road maintenance?
I think TFL need to be very cautious about abandoning maintenance of roads used for bus routes,

particularly where lots of routes converge in a small area. I understand from Councillor John Bartley ([redacted]) of the opposition Green Party on Lambeth Council that the council policy of repairing potholes permits only repairing those exceeding a depth of 40mm, and the Green Party hopes to change this.

Is TfL on track to deliver its planned savings?

I think it's overambitious to try and deliver planned savings at the expense of road maintenance.

How will the passenger experience change over the next few years of belt-tightening?

I think keeping up a good passenger experience is vital for maintaining public confidence in TFL and driving increased passenger journeys.

I think the performance of TFL has to be measured by how many additional bus, train and tube journeys are done. Getting people out of their cars into buses, the underground and particularly overground rail (which costs more, sometimes significantly more than buses). Something to factor in is the benefit of introducing a £1.50 cap on overground rail fares so they can effectively compete with the most congested bus and underground services.

Regards,

[redacted]