

Fares Policy In London: Impact on Bus Patronage



Agenda

Introduction to Transport for London

Overview of Bus Patronage in London

Changes in Policy and patronage since 2000

Fares Strategy

Ticketing Strategy

Impact of Strategies on Patronage

Conclusion



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Fares Strategy

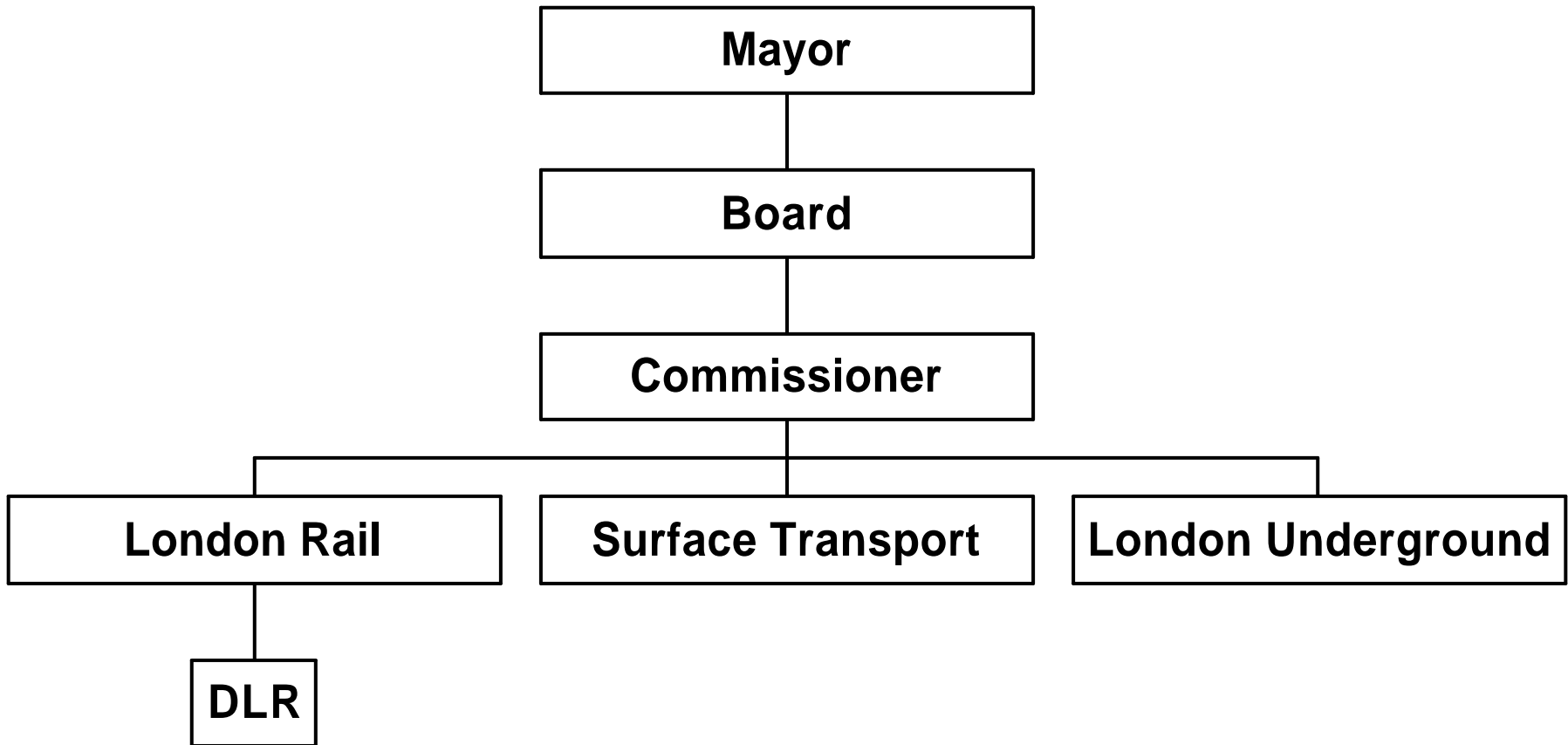
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Transport for London



How the London system works

- **London Buses tenders routes and awards contracts by:**
 - **setting routes, frequencies and types of bus**
 - **provides bus stations, stops, information**
 - **and monitors the 30 or so contractors from the private sector, who provide the assets, employ the staff and manage the service**
- **The Mayor sets fares for the bus, tube, DLR, Croydon Tramlink and taxi network.**



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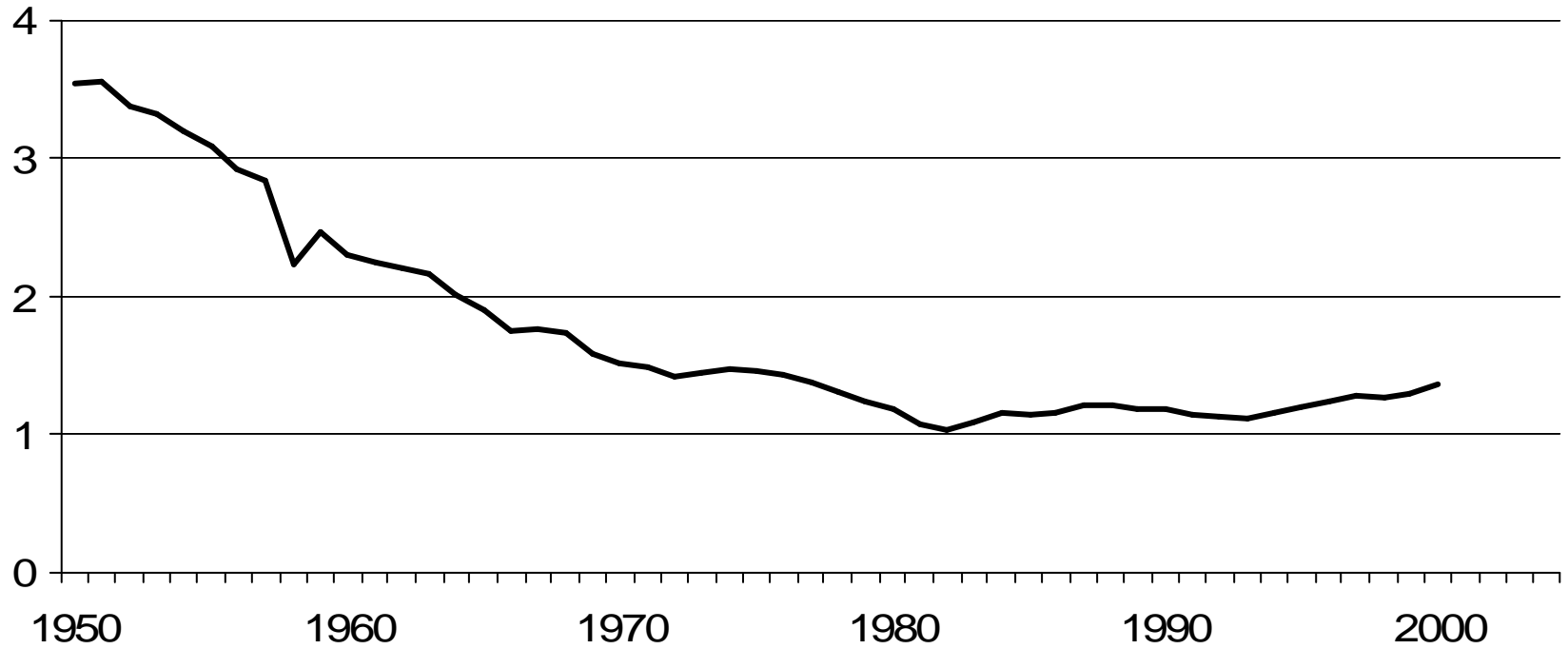
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London Bus Patronage 1950-1999/00



Source: LBSL, 2005



Mayor's key objectives for buses

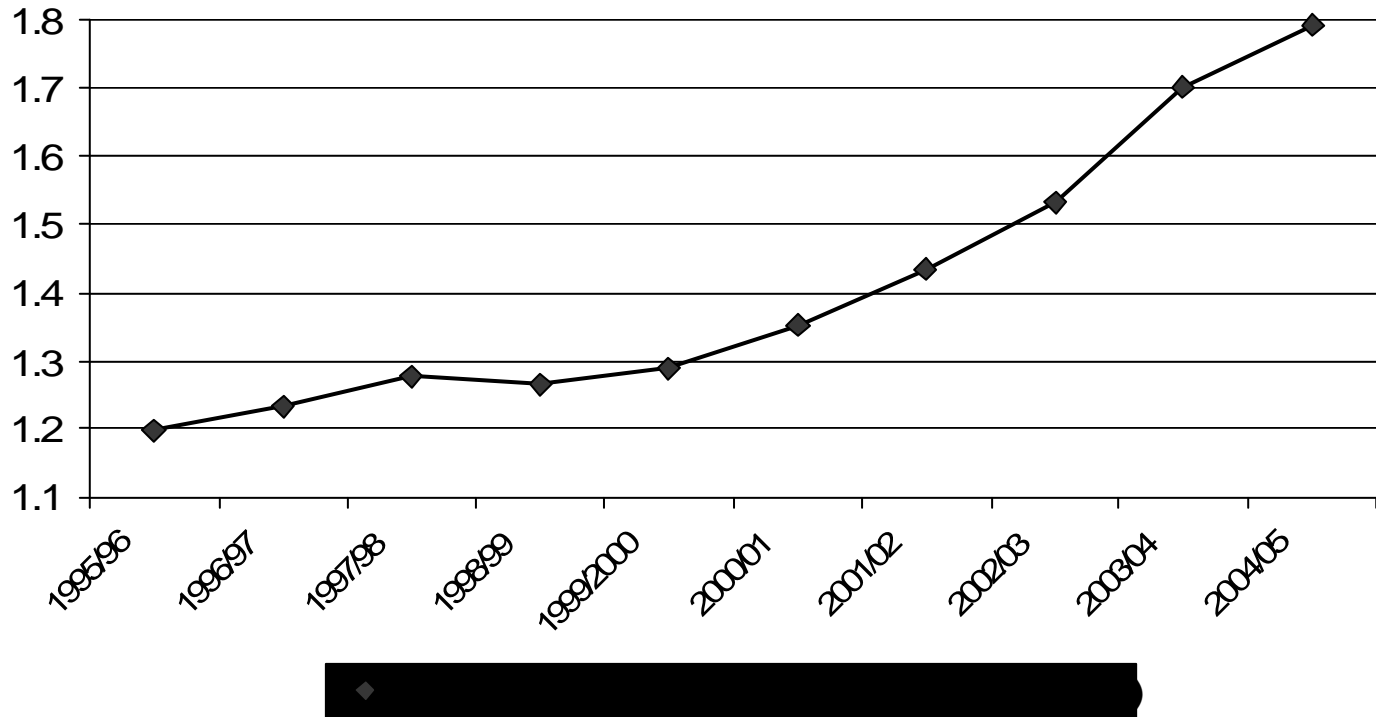
“People’s experience of travelling by bus must be transformed.....Buses must be reliable, quick, convenient, accessible, comfortable, clean, easy and safe to use and affordable.”

“It is expected that between 2001 and 2011 there will be a 40% increase in both passenger numbers and service provision”

Source: The Mayor's Transport Strategy, July 2001



London Bus Patronage 1995/96 – 2004/2005



- Around 40% aggregate growth since 1999/00, meeting the 10 Year Target in only 5 years
- Highest number of passengers since 1965

Source: LBSL, 2004



Success in London's Bus Service

- Bus passenger growth up 5.4% in 2004/05 compared to previous year - an extra 91 million passenger trips**
- 38.3% aggregate growth since 1999/00, or by nearly 500 million trips per year from 1296 to 1793 million trips**
- Highest operated kilometres since 1957 – 450 million in 2004/05**
- 20% more passengers per bus since 1999/00**
- Best ever service quality since records began in 1977**
- 95% of buses now accessible (100% by end of 2005)**
- Staff lost miles 0.17% in 2004/05 – lowest for about 50 years**
- 1,099 bus lanes in London (290km) – highest ever**
- 49% year on year growth in night bus passengers (180% growth since 1999/00)**
- 22% year on year growth in Sunday passengers (94% growth since 1999/00)**



Understanding Passenger Growth

- **Fares Strategy**
- **Ticketing Strategy**
- **Investment in the Quality and Quantity of the Service**
- **Background Economic Growth**



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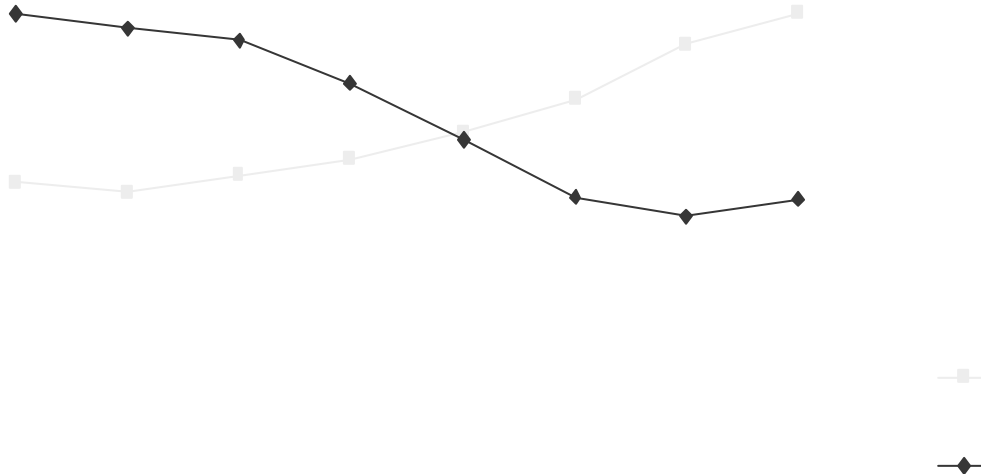
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Fares Strategy



“The approach to public transport fares over the next three years will include a bus fare freeze”



Free Travel for Under-16s

- Implemented in 2005
- Provided free fares to all young people under the age of 16
- Aimed to promote social inclusion
- Forecast to increase travel demand by around 50m journeys per annum, roughly the equivalent of 2.7% of total bus journeys
- Planned to extend the scheme to under-18s in full time education in September 2006.



Freedom Pass



- London Boroughs own and sponsor the scheme
- London residents who are over 60, or those are eligible by way of disability, are entitled to the Freedom Pass
- Enables free travel on bus, tube, DLR and Tramlink services though with some time restrictions
- Around 260 million bus journeys a year using the Freedom Pass (around 15% of the total bus trips made in London)



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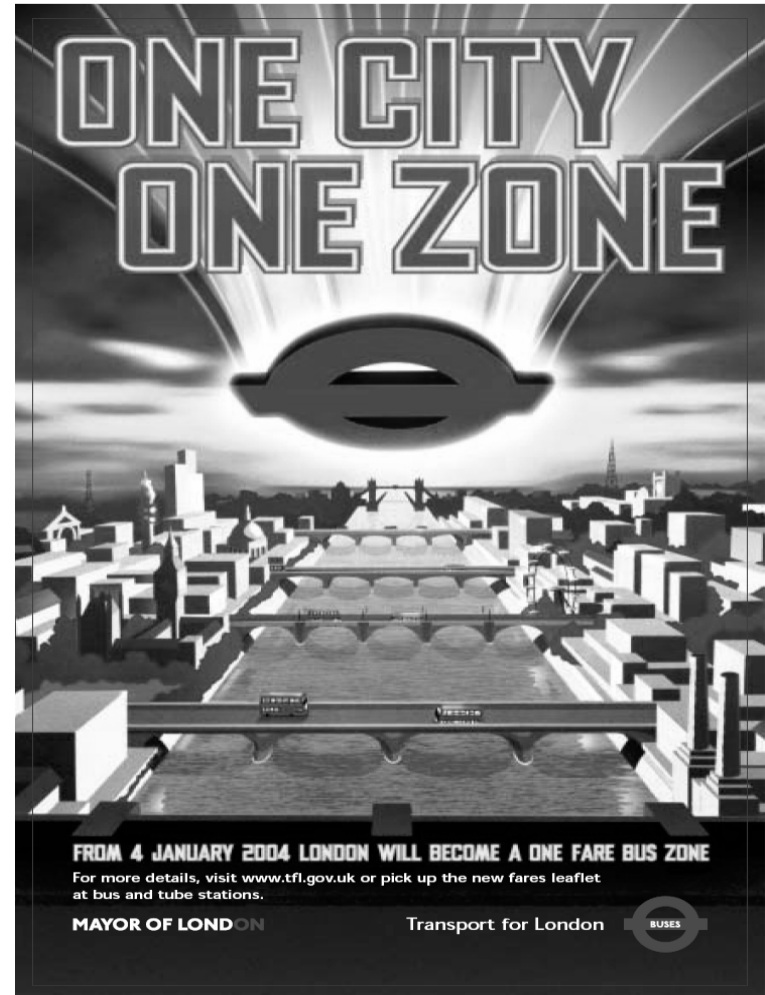
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Simple Ticketing

“making the ticketing structure simpler and easier for passengers to use and understand”

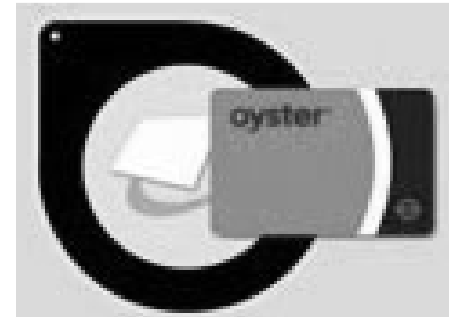
- Flat Fares
- One zone flat fare system created in 2004
- One cash fare for any journey regardless of origin or destination
- Flat bus pass price, and any Travelcard valid on any bus



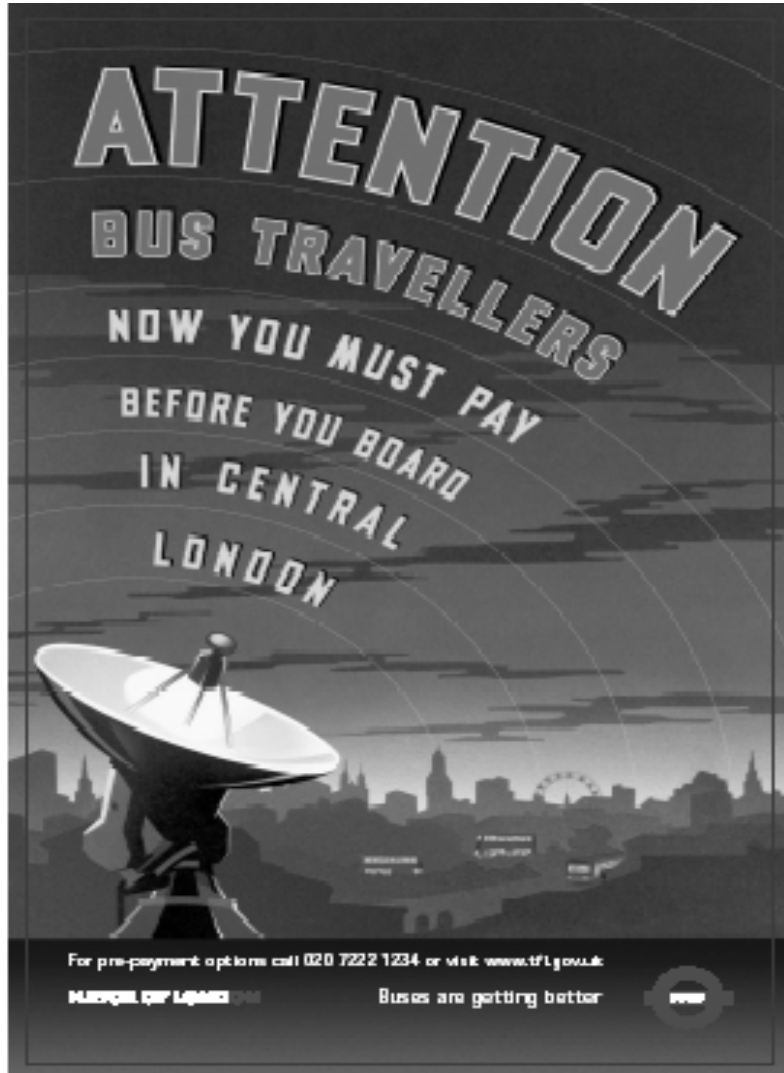
Smartcards

“TfL will develop targeted fares options using Smartcards to offer benefits to passengers, increase use and reduce delays as resources permit”

- **Oyster was launched in 2003 as TfL’s multimodal smartcard**
- **Oyster can hold value in the form of Travelcards, PrePay and Bus Passes**
- **“Capped” PrePay facility ensures people will only pay the equivalent of a one-day bus pass**



Cashless Operation



- New ticketing options and the promotion of their use through the fares strategy has decreased cash use
- 11% of passengers use cash, compared to 24% 5 years ago
- Enabled faster boarding times, and journey times, reducing the overall operating costs
- TfL aims to further reduce the level of cash use in order to bring greater benefits to passengers



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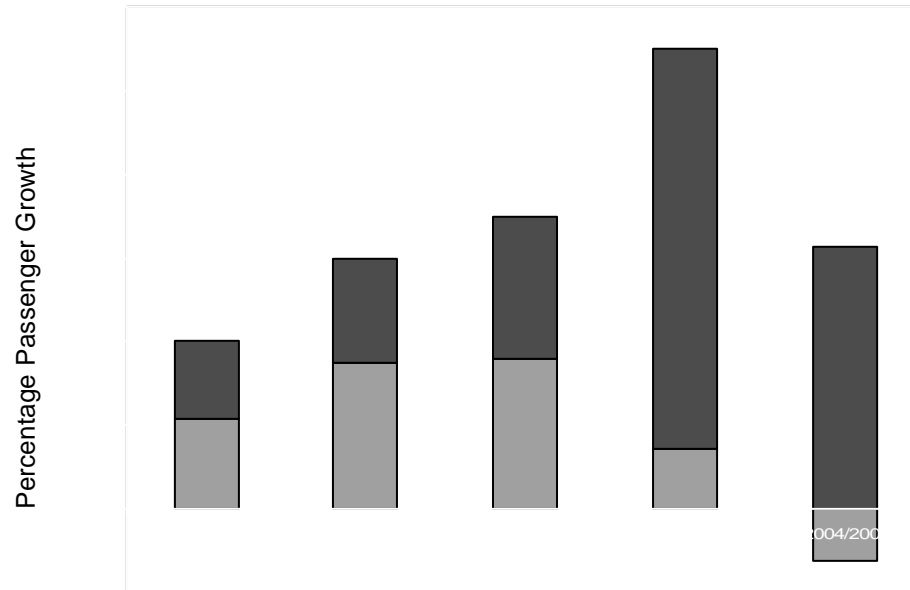
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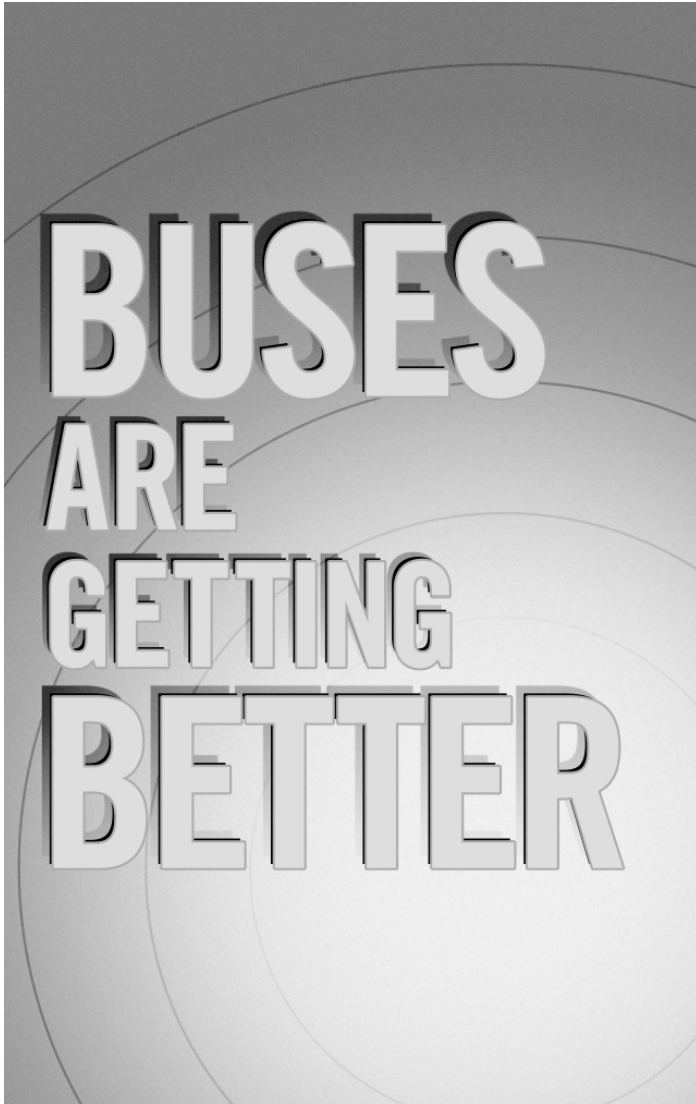
Understanding the Impact of Fares and Ticketing Strategies



- **Between 00/01 and 02/03, around half of the growth in passenger journeys was attributable to the fares and ticketing strategies**
- **Key initiatives:**
 - **Fares freeze**
 - Average fare was reduced
 - **Extension in validity of bus passes**
 - Passes included night buses



Quality Improvements



- **Reliable and quick**
- **Simple information at the stop**
- **24 hour operation**
- **Fully accessible**
- **Low emissions**
- **CCTV/Policing support**
- **Congestion Charging Zone**
- **Better traffic management**
- **'Turn up and go' frequencies**



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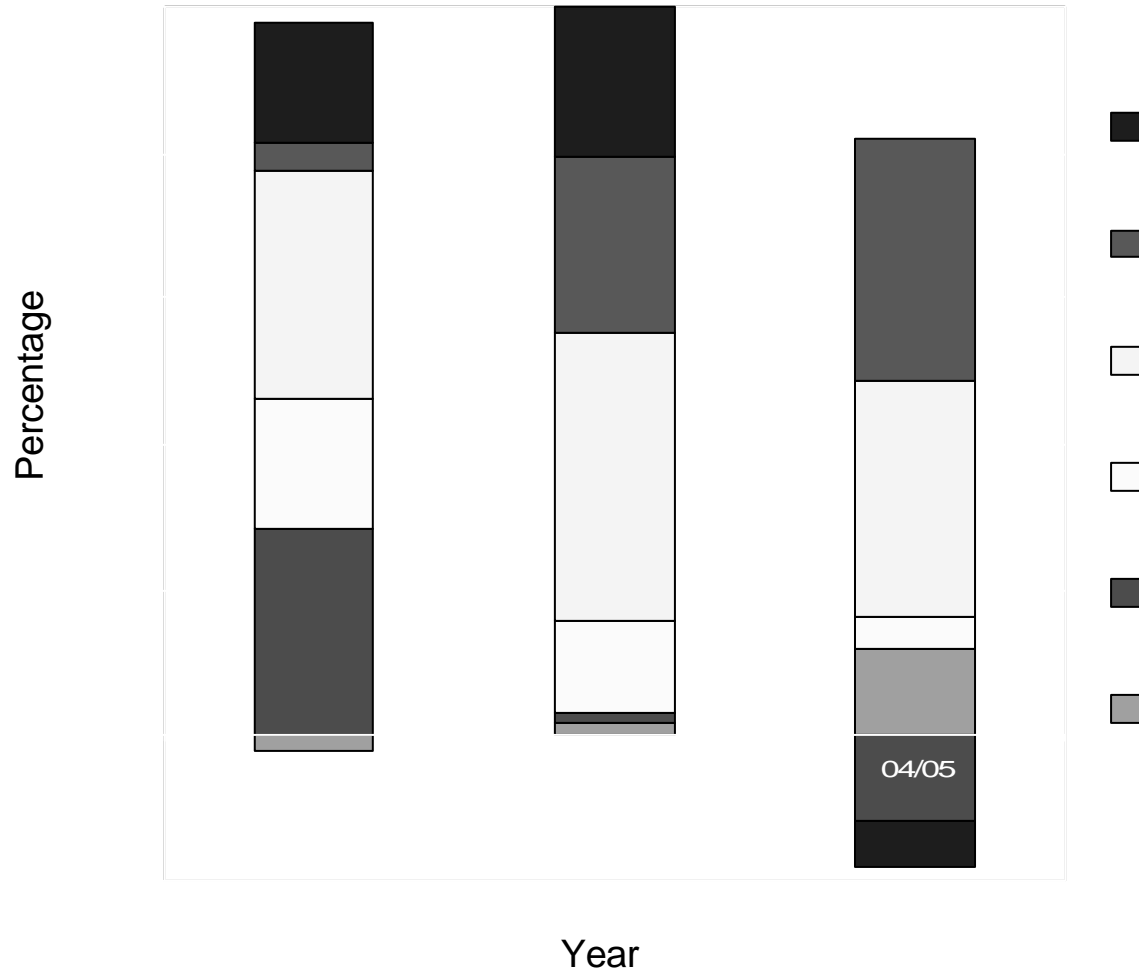
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Influences on Demand Growth



Conclusion

London's bus revolution:

- **40% growth in bus patronage in just 5 years**
- **Fares policy has had a significant role in enabling the growth in patronage both in the short and longer term**
- **Taking account of recent fares increases, customer satisfaction levels are at their highest level since records began in 1977, though patronage growth has slowed, with much of the growth attributable to free travel schemes.**
- **Isn't over yet however - still more can be delivered to cope with growth in population of over 800,000 people by 2016, and further improve quality**



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