
Minutes

Agenda item : 3
Drafted : 22.9.09

**Minutes of a meeting of the Fares and Ticketing Committee
held on 22 September 2009 at 6 Middle Street, London EC1**

Contents

- 1 Chair's introduction, pre-meeting announcements and apologies for absence**
- 2 Declarations of interest**
- 3 Minutes**
- 4 Matters arising**
- 5 Actions taken**
- 6 Oyster Pay As You Go patterns of use**
- 7 January 2010 fare increase for National Rail and TfL**
- 8 Update on Oyster PAYG**
- 9 Any other business**
- 10 Resolution to move into confidential session**
- 11 Glossary**

Present

Members

David Barry, Onjali Bodrul, Kevin Davis, David Leibling (Chair) and Sharon Grant (London TravelWatch Chair)

Guests

Michael Dollin	Manager, Fares, Ticketing and Passenger Benefits Team, Department for Transport (DfT)
Wilco Chapels	London Pricing Manager, Association of Train Operating Companies (ATOC)
Peter Twigg	Head of London & South East Support, ATOC
Lucy Preston	Ticketing Policy Manager, Transport for London (TfL)
Shashi Verma	Director of Fares and Ticketing, TfL
Matt Winfield	Stakeholder Engagement Manager, TfL

Staff

Chief Executive (min. 1 to 5); Committee Administrator; and Director, Research and Development

Eight members of the public

Minutes

- 1 Chair's introduction, pre-meeting announcements and apologies for absence**

The Chair welcomed members, visitors and the public to the meeting. Apologies were received from Daniel Francis and Sophia Lambert.

2 Declarations of interest

The Chair declared that he had a Freedom pass.

3 Minutes

The minutes of the meeting of held on 21 July 2009 were approved and signed for the record.

4 Matters arising

On Oyster retail outlets (Minute 4, Meeting 28.4.09) members felt that the set of criteria drawn up by the Director, Research and Development (approved by the Committee Chair) was different from their agreement at the previous meeting. It was agreed to revisit these criteria further as they were too restrictive, and resubmit the drafts to the committee for approval.

Action : Director, Research and Development

The decision by the Secretary of State regarding the closure of the exit at Lewisham station (Minute 1C, 21.7.09) has yet to be made. DfT would advise members when the announcement would be made.

Action : Committee Services

Mr Verma reported that there had been a small change between peak and off peak travel on the Underground since the introduction of differential fares for peak and off peak travel (Minute 7, Meeting 21.7.09). TfL would come back with revenue details.

He explained that the reason for introducing the peak and off peak was to mirror National Rail and have the rail system in London operate as one.

On the Victoria line bus replacement service (Minute 11, Meeting 21.7.09) Ms Preston had liaised with colleagues at TfL who were responsible for providing them. They had explained to her that congestion was not an issue. They asked for more specific information, but have made improvements to the service.

5 Actions taken

The Director of Research and Development confirmed that the Department for Transport (DfT) consultation on Possible Changes to the Administration of Concessionary Travel had resulted in moving the administration of concessionary bus passes from District councils to County councils.

6 Oyster Pay As You Go patterns of use

The Chair welcomed Mr Verma who gave an overview of Oyster Pay as You Go (PAYG) usage patterns. Oyster Pay As You Go (PAYG) was used on 35% of tube journeys and 20% of bus journeys on average. By way of comparison, ten years ago 60% of all travel was on season tickets, but there had been a shift from weekly season tickets to Oyster PAYG due to convenience.

Seven million Oyster cards are used every day, including 1 million Freedom Passes; 1 million child passes; 1.3 million season tickets and 3.5 million Oyster PAYG users. Some Oyster PAYG usage is driven by fares policy : Mr Verma pointed out that most other mass transit systems do not have such a scheme for irregular customers.

When it was launched Oyster PAYG was used by higher incomes groups, possibly due to them better understanding the project, but there was no current income distinction in users now. Cash usage on buses south of the River Thames (2-3%) was higher than in the north (1-1.5%). However, in some areas in the south it rises to 6%. Mr Verma suggested that this would be evened out when Oyster PAYG rolled out on National Rail. With the roll out he predicted that use of one-day travel cards would decline and that PAYG would increase to almost 50 per cent of all cards used in a day. The introduction of price capping had seen a spike in Oyster PAYG.

The Chair thanked Mr Verma for the overview, and asked about the use of Oyster by visitors to London. Mr Verma replied that TfL were making an effort to reach visitors. They are using multiple opportunities to reach them via Eurostar, TOCs, etc but this was complicated by it being with a dispersed market.

A member asked about the pattern of use on auto top-up : at present 200,000 people were signed up to auto top-up. A small number have removed themselves from this service : 5000 to 10000. On average there were 1.2 top-ups per month, with the average top-up being £23. The users of this service were generally not frequent travellers and not necessarily Londoners. Auto top up does work, but setting it up is complicated : it is not like other e-commerce purchases, where a product was purchased outright. The technology would have to be developed further for it to work in a similar way.

The Director, Research and Development asked what plans were for Oyster facilities on the Croydon Tramlink. Ticket Vending Machines (TVMs) had been updated on the Docklands Light Railway (DLR), but Tramlink was a problem in that the cost of installing Oyster on the existing TVMs was expensive, so it was cheaper to have retailers along the route.

A member raised a query about minority groups not being aware of the benefits of Oyster. Mr Verma replied that TfL faces challenges as new communities settle within London. TfL tries to identify a local agent in an area who is well known and can speak both English and the common language. TfL have intensified efforts to have agents in particular areas.

From the public gallery, a representative from Rail Fare Watch asked why there was only one ticket window at the London Underground Heathrow Terminal five station. Mr Verma replied that there were a large number of machines and that the station was in fact operated by BAA (British Airport Authority), whom the query might be more properly directed.

A representative of Rail Future raised concerns about the openness of the Oyster system, in particular the issue of out of station interchanges (which is in the public domain). Out-of-station interchanges are where stations are physically separate, but otherwise deemed sufficiently

related to count as a single interchange for the purpose of a journey (for example, leaving Hammersmith station (Hammersmith and City and Circle line) and entering Hammersmith station (District and Piccadilly line)) would not count as two separate journeys. Mr Verma replied that he did not want the TfL fares booklet to be too complex or large for passengers to understand and that TfL believed that the information available was sufficient for passengers to make the right judgement.

7 January 2010 fares increase for National Rail and TfL

The Chair welcomed Mr Twigg to the meeting. The plan outlined by Mr Twigg was to implement Oyster PAYG on National Rail from 2 January 2010. The fares structure would need to be compatible with Oyster PAYG by then and work was continuing with TfL to enable the structure to be consistent across London. However, both TfL and TOCs were waiting until the Mayor of London had made a decision on the fares policy for 2010 before setting fares for 2010, with that decision due in the next month.

The Chair asked whether other fares would have to be adjusted if the Mayor increased fares for travel cards. Mr Twigg replied that certain fares were regulated by the DfT and that the Secretary of State had stated that he would not allow some fares to increase by RPI +6%. The absolute cap would therefore be RPI +1% and the Mayor's advice on fare levels for 2010 would be taken into account.

From the public gallery, Rail Fare Watch asked if there was a clause that allowed TOCs to raise fares by RPI + 1% or 10p, and would fares decrease? Mr Dollin explained that there was a cap of RPI + 1% or 10p. If TOCs had raised their ticket prices to the maximum allowed previously, then they would have to reduce them by 0.4% in order to have a compliant fares basket.

Rail Fare Watch also asked if there were any alterations to the RPI +5 formula. Mr Dollin explained that any change to fare regulations would be discussed with TOCs along with any financial effects and consequences.

8 Update on Oyster PAYG

Mr Verma confirmed that the launch of Oyster PAYG on national rail would take place on 2 January 2010. He admitted that a lot of work was still to be done in finalising commercial arrangements, but the equipment was being installed and the software had been updated.

The roll out is a complex project and there was always a risk that something might arise that had not previously been identified, but Mr Twigg assured the meeting that TOCs were working towards the launch date.

The Committee Chair raised concerns about the communications strategy. Mr Twigg replied that the Association of Train Operating Companies (ATOC) had set up a group to finalise the communications strategy.

The Chair of the Board asked that London TravelWatch be included in the consultation on this strategy and proposed to hold a meeting to discuss it once it was available in draft. Mr Twigg would facilitate discussions on this with colleagues at ATOC.

9 Resolution to move into confidential session

The Committee resolved, under section 15(b) of schedule 18 of the Greater London Authority Act 1999, that, by reason of the confidential nature of the following items, it was desirable in the public interest that the public should be excluded from the meeting.

In private session members considered the confidential minutes for the meeting held on 21 July 2009. They also discussed some confidential aspects of the January 2010 fare increases for National Rail and TfL and the roll out of Oyster PAYG on to national rail.

10 Glossary

ATOC	Association of Train Operating Companies
DfT	Department for Transport
DLR	Docklands Light Railway
PAYG	Pay As You Go (Oyster cards)
TfL	Transport for London
TOC	Train Operating Company
TVMs	Ticket Vending Machines