

FREE RIDE

SCRAPPING FREE
TRAVEL FOR THE
LODGERS AND
FLATMATES OF
TFL STAFF



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CONTENTS

Introduction	1
The cost of Nominee Passes	1
Additional revenue allocation	3
Recommendations	4
Feedback	5

INTRODUCTION

It is a strange and puzzling phenomenon that, in this time of financial constraint, Transport for London (TfL) offers, as an employee perk, free and non-taxable travel on the TfL network for nominees of their staff. These Nominee Passes, as they are known, are not only open to a family member, they are also available to any one person residing in the staff member's household – be they a lodger or a flatmate.

Neither the Metropolitan Police Service nor the London Fire Brigade, which are widely considered as more vital Blue Light organisations, offer such passes to nominees of their staff. So why does TfL continue this unaffordable and unfair practice?

A Freedom of Information request submitted to TfL has ascertained that Nominee Passes are non-contractual and entirely discretionary.¹ They can, therefore, be withdrawn by TfL at any point, and are simply given away as a gold-plated perk.

The cost to TfL in fares forgone (a measure that TfL itself uses when calculating fair revenues from fare increases or cuts), could, if Nominee Passes were scrapped, instead be used to fund much more worthwhile schemes. This report will calculate the extent of these additional revenues and demonstrate how this funding could be better allocated.

THE COST OF NOMINEE PASSES

In a written email response to a Freedom of Information request, TfL stated that “staff and their nominees travel free across the TfL network. The cost of providing free travel to staff and their nominees on our services is nil, given that much of this travel is for work purposes and the remainder is insufficient to require additional services to be operated to cope with it.”

This is an unhelpful response that fails to take into consideration the loss of revenue TfL, and ultimately Londoners, lose from the provision of these non-contractual perks. While little additional capacity is required to transport Nominee Pass holders, flatmates and lodgers are travelling for free on the TfL network at a time when working Londoners are paying ever increasing amounts of their expendable incomes on public transport.

Although TfL have stated that the provision of free travel to staff nominees is nil because the number of such journeys is insufficient to require additional services, we have calculated their loss of fare revenues. The figures TfL have provided for nominee passholder journeys taken on Tube, Overground, DLR, tram and bus during 2014 show that a staggering 3,616,440 single journeys were taken on Tube, Overground, DLR and tram, with a further 4,799,585 single journeys taken by bus.^{2 3} (See Figure 1.1)⁴

1. Information obtained from a Freedom of Information request, and is detailed in the Staff Nominee Conditions of Use.

2. Information obtained from a Freedom of Information request.

3. In 2014, there were 22,239 Nominee Passes. See p.19: <http://www.london.gov.uk/moderngov/documents/b11275/Minutes%20-%20Appendix%203%20-%20Written%20Answers%20Wednesday%2019-Nov-2014%2010.00%20London%20Assembly%20Mayors%20Questi.pdf?T=9>

4. TfL operate a system of 13 periods per financial year (running from April to March), each period comprising 4 weeks. Therefore, for the purposes of analysing the annual 2014 rail and bus usage noted above, we have added the figures from Period 11 of the 2013/14 financial year up to and including period 10 of the 2014/15 financial year.

Fig. 1.1 - Number of journeys made by Nominee Pass holders

Financial year	Period	Staff Nominee Pass Rail Trips	Staff Nominee Pass Bus Trips
2013/14	1	267,590	365,201
	2	279,818	393,957
	3	274,868	386,021
	4	284,150	403,355
	5	264,981	363,868
	6	257,324	362,909
	7	284,399	394,765
	8	284,101	390,531
	9	299,308	397,865
	10	228,490	320,311
	11	289,923	385,044
	12	275,665	375,117
	13	314,125	416,909
2014/15	1	250,936	334,361
	2	270,980	383,436
	3	279,107	376,954
	4	287,456	387,942
	5	267,929	350,530
	6	258,759	349,332
	7	290,421	382,024
	8	295,175	371,926
	9	303,744	378,577
	10	232,220	307,433
	11	293,735	351,624
	12	294,553	345,761

Highlighted - TfL operate a system of 13 periods per financial year (running from April to March), each period comprising 4 weeks. Therefore, for the purposes of analysing the annual 2014 rail and bus usage noted above, we have added the figures from Period 11 of the 2013/14 financial year up to and including period 10 of the 2014/15 financial year.

Fig. 1.2 - Loss in revenue

Mode of travel	Number of journeys	Cost per journey (£)	Total annual cost (£)
Tube, DLR, London Overground	3,616,440	3.60	13,019,184
Bus/tram	4,799,585	1.92	9,215,203
Totals	8,416,025		22,234,387

Cost per journey average calculation

2014 costs for an individual pay as you go fare⁵

Single bus fare: £1.45

Single tram fare: £2.40

Average: £1.92

Underground/rail fare: zones 1-2 off-peak: £2.20

Underground/rail fare: zones 1-6 peak: £5.00

Average: £3.60

(The average cost of bus and rail fares was calculated by finding the mean between the highest and lowest available fares in 2014.)

When extending these losses in revenue out to 2020, which TfL regularly do for their own revenue projections and Business Plan, and assuming fares do not increase as they usually do, scrapping these passes could generate at least **£111,171,935** in additional revenue over five years if travel patterns remain the same.⁶ It must be noted, that these figures, which are based upon actual journey data, are in stark contrast to the figure supplied by TfL. The body stated that the annual amount forgone in fares is £10m (in contrast to their own journey data), and that the overall costs of the scheme are nil (which is clearly not the case).⁷

ADDITIONAL REVENUE ALLOCATION

Provision of free travel for all firefighters in the London Fire Brigade

While the Met offers Warranted Officers the ability to travel on the TfL network for free, the same cannot be said for London's firefighters (who are also under the control of the GLA): they instead have to pay for their travel while TfL staff nominees can travel for free.

At the end of April 2015 the London Fire Brigade employed 4,468 operational station-based staff. In terms of working patterns, station-based firefighters work 4 shifts every 8 days, which equates

5. <https://www.london.gov.uk/sites/default/files/MD1418%202015%20Fares%20for%20submission%20%28signed%29%20PDF.pdf>

6. One would expect travel patterns to remain the same as it is likely that Nominee Passes are required for valid reasons and that these would continue upon the removal of this perk. If not, then the farepayer is currently subsidising unnecessary travel.

7. http://questions.london.gov.uk/QuestionSearch/searchclient/questions/question_271759

to 182.5 shifts over the course of a year. However once leave and public holidays are taken into account, an average station-based firefighter will work 154.5 shifts a year.⁸

For illustrative purposes, it has been assumed that two journeys are made per operational firefighter every working day, at the average cost of £3.60 per journey (detailed above).

This equates to 1,376,144 journeys per annum and £4,954,118 per annum in costs. Thus, providing free travel to all operational firefighters in line with the police would cost £24,770,590 up to 2020.

Provision of new Santander bicycle docking stations

A calculation was also made that assessed the costs of extending the Santander Bike Scheme to parts of London that are currently under-served, such as Wandsworth, Putney and Battersea. A docking station of 32 bicycles currently costs approximately £195,000 to install.⁹ If 25 new docking stations were rolled-out across those under-served parts of London it would cost £4,875,000 per annum and £24,375,000 by 2020.

Provision of new Routemaster buses

The New Routemaster bus was a Manifesto pledge from the Mayor that Londoners widely supported. It has been estimated that one New Bus for London costs approximately £354,000 to purchase.¹⁰ If the remainder of the savings generated from scrapping Nominee Passes was invested in providing new Routemasters to Londoners, this would mean 175 additional New Buses on the roads, at a total cost of £62,026,345.

RECOMMENDATIONS

In light of the unfair nature of Nominee Passes, particularly when Londoners are paying substantial amounts of their incomes on travel, we recommend the following:

- 1. TfL ensure that all existing Nominee Passes expire by 31 December 2015.**
- 2. TfL immediately stop issuing any new or replacement Nominee Passes.**
- 3. The Mayor considers earmarking the additional revenues for free travel for London's firefighters; new docking stations in South London; and 175 new Routemaster buses.**

These free perks for lodgers and flatmates are a misuse of taxpayer resources and completely unjustifiable in this period of financial constraint. The Mayor should make it a top priority to scrap these passes at the earliest possible opportunity.

8. Information supplied by the London Fire Brigade upon request.

9. http://www.london.gov.uk/sites/default/files/Smithfield_Quarter_report.pdf, p.15.

10. <http://www.mayorwatch.co.uk/tfl-to-buy-200-new-routemaster-buses-with-improved-ventilation/>



FEEDBACK

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