

Factsheet - Making the case for the Fare Deal



This fact sheet is aimed to help Labour supporters make the case for our Fare Deal package that will put a fairer alternative to years of stealth-tax fare rises under Conservative mayor Boris Johnson.

When voters go into the ballot box in May 2012 we want them to know that *in tough times Ken is the candidate who's on the side of ordinary Londoners.*

Our fares policy, like our support for front-line policing, places Ken's campaign firmly on the side of the majority. It shows in practical terms how our campaign is for ordinary Londoners, not just a privileged few – we will cut and freeze fares, whilst our Conservative opponent is committed to raise them.

What's the Fare Deal?

Ken Livingstone's Fare Deal pledge to Londoners if elected in May:

- **Cut fares by 7% and cut bus fares from £1.35 to £1.20 (11% cut)** in an emergency fares package in October 2012
- **freeze fares** completely in 2013
- **No above-inflation rises** after that.

What's Boris Johnson's policy?

Boris Johnson is committed to raising fares by 2% above inflation every year.

Our case

Soaring fares are not necessary. Each year Londoners pay far more in fares than even the Mayor's own budget projections say they will. TfL consistently has a surplus on its operating budget and last year this was £729mn. This operating surplus grows every year. This is an excess in the budget, over and above the projected budget. Ken's policy is to put that money back into Londoners' pockets and purses.

We will carry out this 'Fare Deal' without cutting future investment or hitting services, which are funded by a separate budget. Like Labour's VAT cut it will help ease the pressure on people who are being squeezed and help the London economy.

The clear choice in the election leads to hugely different outcomes for Londoners. The average Londoner will be around £1000 better off over 4 years under Ken's policy. Put another way, under Boris Johnson ordinary Londoners will be £1000 worse off, and the sole beneficiary will be TfL's bank balance.

In tough times like these, Londoners can't afford a mayor who is so out of touch that he is raising transport fares, cutting police numbers and thinks it's okay to have a second job paying £250,000 a year – an amount he calls 'chicken feed'.¹

Ken Livingstone understands how most people are struggling under the impact of tough economic times and higher prices, including fares.

Fares Q&A

Is it affordable?

TfL say the fares reduction will diminish their revenues by £215mn per year. This probably doesn't take account of the usual increase in fare-paying ridership that tends to happen when fares are cut or frozen. But even if the TfL assessment is correct, this would only have reduced last year's operating surplus of £729mn to £514mn.

The average operating surplus under Boris Johnson has already been higher than £215mn over the last 3 year and will rise further with fare increases.

Won't it hit investment in the network?

The Tories claim the transport network will be hit by the fares cut. But the operating budget is entirely separate from the capital budget, so investment will be unaffected. The Tories' claims are completely false as, under Boris Johnson there has also been a consistent surplus on the capital budget too - £208mn last year and an average of £239mn per year under Johnson. This means that large sums allocated to investment simply aren't being spent.

Ken Livingstone has been a strong advocate of investment in the network, securing the biggest transport investment programme since the Second World War, with key new transport links like the East London Line extension, working to secure the go-ahead for Crossrail and overseeing the revival of the bus service.

In addition to the under-spend on the capital budget, Ken will come forward with a series of measures that will fund a significant increase in investment in the network.

How is the £1000 saving calculated?

The actual fare increases under Johnson have been compared to where these fares would now be under Ken, from his announced policy. These range from the lowest annual saving in 2016 under Ken of £228.80 for a weekly 1-2 Zone Travelcard to £395.20 for a weekly 1-6 Zone Travelcard. Therefore the average saving for Londoners will be at least £1000. In reality it is likely to be more as the starting-point for all fares in 2012 is much higher than the starting-point of this comparison which was 2008.

Doesn't this affect Londoners differently?

Yes, depending on how frequently Londoners travel, their mode of travel and the zones they travel between. The £1000 saving is an average number. But the biggest benefits are to outer Londoners who commute in, and the poorest Londoners who rely on public transport the most.

Fares in the media

'Fares a key focus for the Mayor of London campaign' BBC LONDON TV, 5th December 2011

'Ken: I'll Cut Fares By 7%. Labour mayoral candidate Ken Livingstone claims he can wipe out the fare rise for commuters by 7% if he is elected.' LBC, Monday 5th December 2011

'Ken Livingstone today sensationally promised to slash London fares by an average of seven per cent in the battle for City Hall.' Evening Standard, 5th December 2011

'Ken Livingstone has raised the pressure in the race to be London mayor by announcing that if elected next May he will cut fares by 7% – saving Londoners £1,000 each over four years.' Guardian, 5th December 2011

'The election for London Mayor happens next year but the battle is under way. Ken Livingstone has chosen his ground well by focusing his campaign on the issue of public transport costs. Specifically, he wants to reduce fares by seven per cent. So, not only would he not put fares up above inflation as Boris Johnson will, he would actually save Londoners big sums, up to £1,000 a year over four years.' Evening Standard editorial comment, 5th December 2011

'Labour's mayoral candidate Ken Livingstone has revealed his battle plan to unseat Boris Johnson next year; a whopping seven per cent cut on London transport fares, the Evening Standard reports.' The Week - 6th December 2011

'The row over Ken Livingstone's promise to cut Tube fares is a clear sign of the centrality of transport issues to the coming election.' Standard editorial comment, 6th December 2011



What Boris Johnson's 2012 fare rises mean for Londoners

A single bus ticket is up 50% under Boris Johnson

- was 90p in 2008
- will be £1.35 in 2012

A weekly bus and tram pass is up 45% under Boris Johnson

- was £13.00 in 2008
- will be £18.80 in 2012

Costing Londoners £301.60 a year more

A weekly zone 1-2 travelcard is up 21% under Boris Johnson

- Was £24.20 in 2008
- Will be £29.20 in 2012

Costing Londoners £260 a year more

A weekly zone 1-4 travelcard is up 21% under Boris Johnson

- was £34.60 in 2008
- will be £41.80 in 2012

Costing Londoners £374.40 a year more

A weekly zone 1-6 travelcard is up 20% under Boris Johnson

- was £44.60 in 2008
- will be £53.40 in 2012

Costing Londoners £457.60 a year

¹ Johnson condemned for describing £250,000 deal as 'chicken feed', The Guardian, 14/7/09.

<http://www.guardian.co.uk/politics/2009/jul/14/boris-johnson-telegraph-chicken-feed>