

## Consultation Response

### London TravelWatch

**To:** London TravelWatch

**By:** The Intergenerational Foundation

**Date:** 24 November 2020

The Intergenerational Foundation ([www.if.org.uk](http://www.if.org.uk)) is an independent think tank researching fairness between generations. IF believes policy should be fair to all – the old, the young and those to come.

#### Introduction

IF is the UK's leading think tank promoting the rights of young and future generations, and we believe that the interests of these groups must be adequately represented in discussions on changes to London's transport services.

We believe that the system of public transport funding should be intergenerationally fair, and we argue against funding schemes or fare subsidies that come at the expense of the needs of younger generations. Furthermore, given the disproportionate economic impact of COVID-19 on young people, it is a particularly pertinent moment to highlight the vulnerability of younger people to certain possible changes to the transport system such as the removal of existing subsidisation schemes and fare increases in general.

This response covers two issues with implications for intergenerational justice raised by possible changes to London's public transport services. The first section looks at the question of subsidised and free public transport in London. In particular, IF strongly believes that the Zip Oyster scheme for free and discounted travel for under 18s must be protected, and should certainly be prioritised over the intergenerationally unfair scheme by which those aged 60-64 in London are provided with free travel. The second section looks more broadly at the issue of the cost of public transport for young people. It notes that young people are particularly vulnerable to fare increases, and that as such there is an issue of intergenerational fairness inextricably tied to discussions on public transport funding.

#### 1. Public Transport Subsidisation and the Threat to Under-18 Zip Oysters

As IF is concerned with reducing intergenerational inequalities, we argue that determining which groups receive free travel, and determining how the money for such

schemes is raised, must be done fairly and without prioritising one generation at the expense of another.

We are particularly concerned by the threat to the Zip Oyster scheme, which provides under 18s with free and discounted travel on Transport for London (TfL) services. As part of its bailout of TfL announced in May, the government insisted on the suspension of free travel for under 18s, while maintaining free travel for 60-64 year-olds, albeit with reduced access to free travel during morning peak hours. However, it was announced on 1 November that a new bailout had been secured maintaining existing services, including concessions, until the end of March 2021. The outlook for Zip Oyster Cards beyond then is currently unclear, but the government has stated that travel concessions limited to Londoners must in the future be funded by London authorities.

IF believes that this amounts to a significant threat to Zip Oyster Cards, and we are strongly against ending free bus travel for under 18s. The abolition of Zip cards would jeopardise the living standards of families already facing exacerbated financial pressures, and would make it more difficult for many children to travel to school and work, for example. According to the Child Poverty Action Group (CPAG), which is running a “Don’t Zap the Zip” campaign, the daily bus trip would increase to £30 a month per child, and parents travelling with two children would see their transport costs double.<sup>1</sup> A YouGov survey commissioned by CPAG found that 71 per cent of parents with children aged 11-18 would have to cut back spending on something else if Zip Oysters were abolished, with 41 per cent saying they would have to cut back on food and 62 per cent that children’s extra-curricular activities would have to be reduced.<sup>2</sup> Given that 39 per cent of London’s children (around 800,000) live in poverty<sup>3</sup> – a higher proportion than for adults – and with 17.4 per cent of secondary school pupils eligible for free school meals as of 2019,<sup>4</sup> it is clear that the financial hardships entailed by abolishing Zip Oysters would impose an additional burden on an already vulnerable group.

As IF has pointed out, the issue here is not only one of cost for young families: public transport is also a much safer mode of travel for London’s children than walking or cycling.<sup>5</sup> London has the highest rate of knife crime in the UK, with young people the most likely victims. Depriving children of bus travel does not just expose them to financial hardship, but to the dangers of crime and harassment too. To return to the CPAG YouGov survey, one third said that without free travel they would be worried about feeling safe getting to school or college.<sup>6</sup> The danger of London’s roads is also far more pronounced for walking and cycling compared to public transport: in 2018 there were 281 bus or coach casualties in London for those aged 0-24, compared to 1,838 for pedestrians and 775 for cyclists.<sup>7</sup> While we support a long-term move to more

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<sup>1</sup> Woudhuysen, A. (2020) ‘Don’t Zap the Zip Campaign Briefing’, London: Child Poverty Action Group

<sup>2</sup> Child Poverty Action Group (2020) ‘London Children Board a Routemaster Bus to Westminster to Stop Scrapping of Free Travel’, London: Child Poverty Action Group

<sup>3</sup> Leeser, R. (2019) ‘Poverty in London 2017/18’, London: London Datastore

<sup>4</sup> Department for Education, ‘Pupils Eligible for Free School Meals, Borough’, London: Department for Education

<sup>5</sup> Emerson, L. (2020) ‘Why removing the #zipcard from children is an intergenerational fairness issue’, London: Intergenerational Foundation

<sup>6</sup> Child Poverty Action Group (2020)

<sup>7</sup> Transport for London (2019) *Travel in London Report 12*, London: Transport for London

sustainable forms of travel, such as walking or cycling, we urge policy-makers to consider these other factors that affect London's most vulnerable children.

Alongside under 18 year-olds, Londoners aged 60 and over are entitled to free travel with a 60+ London Oyster card. IF argues that this provision of free travel on the basis of age – irrespective of need – is intergenerationally unfair. Previous IF research found that 1 in 4 over 60s were using their 60+ Oyster to travel to work for free, the cost of which is subsidised by the higher fares of young workers.<sup>8</sup> Using data from the National Travel Survey and Transport for London statistics, IF estimated that the total spent on concessionary travel for those aged 60-64 in London in 2018 was between £33.1 million and £40.2 million.<sup>9</sup> Even for our lowest estimate, this amount could fund a trip to and from school every day of the school year for over 104,000 children.

The current outlook for both of these concessionary schemes is unclear, but it is likely that from March 2021 a decision will be needed as to whether, in the absence of central government support, these concessions will be maintained, and if so how they will be funded. IF argues that the highest priority must be to maintain the existing Zip Oyster scheme: its abolition would jeopardise the financial security, living standards, and personal safety of the many children who use their Zip cards to travel to school. That this is being considered while numerous wealthy 60-64 year-olds travel for free to what are often secure and well-paid jobs is a major intergenerational injustice.

## 2. Cost of Public Transport for Young People

IF has broader concerns regarding the cost of travel for young people and believes that any future changes to transport fares must be seen through an intergenerational lens. We are particularly concerned as young people are the age group most vulnerable to rises in the cost of travel.

This is firstly because young adults spend a disproportionately high amount of their income on “essential” goods and services such as housing, food, and transport. IF published research last year in collaboration with Yorkshire Building Society on the relative decline of young adults’ living standards.<sup>10</sup> Comparing household expenditure of different age groups, we found that almost two-thirds of all the money which is spent by households in which the Household Reference Person is under 35 goes on these essential goods; this figure is higher than for any other age group and has increased by nearly 10 per cent since the early 2000s. By contrast, the average proportion of spending on essentials has fallen for households in which the Household Reference Person is over 65. Therefore, rises in the costs of these essential goods – in this case, transport – have implications for intergenerational fairness due to their uneven impact across different age groups.

TfL itself has noted that slow wage growth and high housing costs have disproportionately affected young Londoners. In observing that trip rate decline has been particularly pronounced among those aged 17-24 (by 29 per cent between

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<sup>8</sup> Leach, J. (2013) ‘Fare Concessions For Older People’, London: Intergenerational Foundation

<sup>9</sup> This range is the 95 per cent confidence interval based on data from the 2018 National Travel Survey. There is some uncertainty with this estimate due to the small sample size of London residents aged 60-64 in the National Travel Survey.

<sup>10</sup> Kingman, D. (2019) *All Consuming Pressures: The cost-of-living crisis facing younger generations*, London: Intergenerational Foundation

2007/08 and 2018/19), it suggested in its 2019 *Travel in London* report that this might be connected to “the budget pressures faced by this cohort in comparison to previous generations”.<sup>11</sup>

These existing financial pressures on young people have been exacerbated by the intergenerational divide in the economic consequences of COVID-19. This has been documented extensively elsewhere, but in short, we know that young people are most likely to have lost their jobs, are most likely to work in the worst affected industries like hospitality, and are most likely to have been affected by the reductions in income entailed by government support schemes. All of this contributes to an environment in which rises in the cost of travel – even if superficially equally distributed between generations – will harm young people more than any other age group.

Finally, while the long-term expansion of working from home may require rises in transport fares, it is likely that young people will be disproportionately affected by any such fare increases. This is because young people are less likely to be able to transition to partial or full working from home. As already noted, this is in part because young people disproportionately work in industries like retail and hospitality, where working from home is unviable. However, even among those people who have transitioned to working from home, an intergenerational divide still exists: polling from Ipsos MORI in August found that while more than half of the population said that working mainly from home is not a challenge, over half of those aged between 18 and 34 said that their new working situation was challenging (52 per cent, compared to 31 per cent for 55-75 year-olds).<sup>12</sup> One major reason for this is that many young people do not have a suitable workspace at home, a problem linked to the growing numbers of “microhomes”, in London and elsewhere, whereby those on lower incomes are able to afford only the smallest of rental properties.<sup>13</sup> The implication of this is that young people are less likely to want to or be able to work from home, and thus will be disproportionately affected by any future fare increases.

If you would like to learn more about the work of the Intergenerational Foundation please contact:

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<sup>11</sup> Transport for London (2019)

<sup>12</sup> Ipsos MORI (2020) *Work post Covid-19 August 2020*, London: Ipsos MORI

<sup>13</sup> Wiles, C. (2020) ‘Rabbit Hutch Homes: The growth of micro-homes’, London: Intergenerational Foundation