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## Confidential Minutes

Agenda item : 13  
Drafted : 22.7.09

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### Confidential Minutes of a meeting of the Fares and Ticketing Committee held on 21 July 2009 at 6 Middle Street, London EC1

This meeting was held in private session with reference to section 15(2)(b) of schedule 18 of the Greater London Authority Act 1999, that, by reason of the confidential nature of the item(s) to be discussed, it was desirable in the public interest that the public should be excluded.

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#### Present

##### Members

David Barry, Onjali Bodrul, Kevin Davis (Item 2 to 3), Daniel Francis, Sophia Lambert, David Leibling (Chair) and Sharon Grant (London TravelWatch Chair)

##### Guests

Michael Dollin	Manager Fares, Ticketing and Passenger Benefits Team, Department for Transport (DfT) (min. 1)
Wilco Chapels	London Pricing Manager, Association of Train Operating Companies (ATOC) (min. 1)
Peter Twigg	ATOC (min. 1)
Peter Legg	Ticketing Proposition Manager, TfL (min. 1)
Lucy Preston	Ticketing Policy Manager, TfL (min. 1)
Matt Winfield	Stakeholder Engagement Manager, TfL (min. 1)
Daniel Maskell	TfL Press Officer, Transport for London (TfL) (min. 1)

##### Staff

Chief Executive, Committee Administrator and Director, Research and Development

#### Confidential minutes

- 1 Roll out of Oyster Pay As You Go (FT 27)**

The Chair welcomed members and representatives of interested parties to the committee. He began by proposing to work through each section of the report that had been tabled prior to the

meeting. The Secretary of State had ruled that the RPI+5 formula was no longer acceptable. He noted that the July RPI figure (Which was used for fare increases) would be published on 18 August 2009.

Mr Dollin reported that if TOCs had increased fares up to the maximum allowed they would have to reduce the price of the fares basket and create a package to reduce fares. Some TOCs may freeze fares as they had not increased them to the maximum. He pointed out that Arriva Wales were 7 per cent below what the fares could be. This might be due to passengers in Wales not tolerating the same increases as had been seen in the rest of the United Kingdom. In England Chiltern had not raised their fares to the maximum.

The Chair asked what plans Transport for London (TfL) had for fares in 2010. Ms Preston replied that Malcolm Fairhurst, Fares & Ticketing Manager, TfL is working on TfL's fares for 2010. The Chair noted that one of the recommendations London TravelWatch had made to the Greater London Assembly Budget and Performance committee was that if the Retail Price Index (RPI) was negative then fares should be held static and the shortfall rolled in to the next year. He wondered what difficulties would occur if fares were reduced by 1 per cent. Ms Preston reported that there would be a cost in lowering fares. A 1 per cent reduction was not insignificant, but people who purchased season tickets in advance of the change would have to be reimbursed. TfL are waiting for July's RPI figure.

The Chair asked for an update on the roll out of Oyster Pay As You Go (PAYG) on national rail.

Mr Twigg reported that currently they are in the process of finalising the agreement. A number of issues remain to be resolved before the final agreement could be signed. Firstly, whether there were appropriate levels of compatibility between Oyster and the ITSO smartcard, which version of ITSO should be used?

Mr Dollin noted that at present the DfT were planning to upgrade to version 2.1.3 of ITSO, but a further upgrade was planned : version 2.1.4. Mr Dollin said that he hoped that this issue would be finalised and agreed with the TOCs by October 2009. The main problem surrounding the 2.1.4 version is who pays for the upgrade. Mr Twigg outlined that ATOC's position was that 2.1.3 was not fit for purpose. ATOC wanted Version 2.1.4. Mr Dollin proposed that one solution might be that the DfT purchased the upgrade and TOCs paid for the extras. He noted that the timescales outlined for this process would not fit in with the roll out of Oyster PAYG. The Chair expressed reservations that the roll out would not happen in January 2010 and be pushed back further.

The Director, Research and Development asked if there were any further issues that might delay the introduction of Oyster PAYG. Mr Twigg informed members that the gates at Waterloo needed to be ITSO and Oyster compliant. At the moment the gates did not have either of the ITSO versions. Mr Dollin replied that the DfT and South West Trains (SWT) were in talks at the moment to resolve this issue.

Members went on to discuss potential problems relating to the gating of Lewisham and Waterloo East. There is particular concern that the gating of a section of Lewisham national rail station could further delay the introduction of Oyster PAYG. Mr Dollin asked for the issue relating to Lewisham to be sent to him.

**Action : Director, Research and Development**

Mr Twigg explained that ATOC needed formal direction from the DfT to set up fares in a zonal manner. ATOC require the DfT to include an amendment to carry this out for Oyster PAYG. This would need to be done before the contract on the roll out is signed. He suggested that cash fares would be subject to a different form of regulation and not be put in the fares basket. People who live outside of London and who do not have Oyster cards would need to be taken into account.

The Chair again raised concerns about the January start date for Oyster PAYG. Mr Twigg replied that ATOC members were conscious that January 2010 was approaching. TOCs want to get these issues resolved.

The Chair asked that an item be added to the agenda for the next meeting on how information on the roll out is communicated to passengers.

**Action : Committee Services**

The Chair of London TravelWatch felt that this was important and asked for contact outside of meetings. The Chair asked whether TfL were working with ATOC on disseminating information to passengers. Ms Preston replied that they were working with ATOC, but had not finalised plans. There would be a leaflet on the roll out.

The Chief Executive noted that a big issue arising from the roll out of Oyster PAYG was that fares for Oyster users on National Rail would not be the same as underground zonal fares. Mr Twigg agreed. It would be important to include the fares information in the press releases to passengers.

On zonalisation Mr Dollin reported that the January 2010 deadline had been deferred. It would probably be finalised the year after.

## **2 Confidential minutes**

The confidential minutes from the meeting of the Committee on 28 April 2009 were agreed and signed for the record.

## **3 Meeting review**

The Chair of London TravelWatch was concerned that London TravelWatch had not been more involved in the roll out of Oyster PAYG on national rail.

Members raised concerns about the implementation date and whether the deadline would be met. They felt that the DfT should take a lead on this. The Chief Executive suggested writing a letter to the Secretary of State. Members agreed that this was the right course of action.

**Action : Director, Research and Development**

Members went on to discuss future agenda items for the committee. These were :

Oyster PAYG and fare rises; visiting the Oyster operations centre and Outer London.

A member suggested that fares simplification could be discussed with the introduction of Oyster PAYG on national rail.

It was agreed that issues relating to the recession, for example, concessions, etc would be discussed at the next board meeting.

#### **4 Glossary**

ATOC Association of Train Operating Companies

DfT Department for Transport

PAYG Pay as you go (Oyster cards)

RPI Retail Price Index

SWT South West Trains

TfL Transport for London

TOC Train Operating Companies