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**Secretariat memorandum**

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Agenda item: 5

PC065

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## **Transport affordability in London**

### **1 Purpose of the report**

- 1.1. To provide members with an update on the transport affordability research project.

### **2 Project background and objectives**

- 2.1. London TravelWatch has become increasingly concerned about transport affordability and our business plan for 2015-16 (agreed by the London Assembly's Transport Committee on 14 October 2014) included the objective to:

Continue to investigate the impact of the cost of travel on low income families and, in partnership with Trust for London and London Councils, promote measures to mitigate this.

- 2.2. London TravelWatch developed this project in partnership with Trust for London and London Councils, based upon a mutual interest in how travel costs are affecting the travel choices of Londoners on a low income. London TravelWatch has taken the lead role in supervising the project, commissioning the research on behalf of the other project partners.

- 2.3. The research seeks to answer the following questions:

- a) How are the travel choices of people in work on low incomes living in outer London affected by the cost and local availability of public and private transport in London?
- b) Does the potential cost of travel to work and / or journey time influence the decision jobseekers living in outer London make about whether or not to apply for or accept jobs?
- c) What conclusions can be drawn about the travel choices made by people in work on low incomes living in outer London? What is the impact on their quality of life and the decisions they may make about other related issues, such as where to live, where to work and expenditure on other household expenses?
- d) Are there any disparities between the different areas of outer London in terms of the transport options available to low-income workers and their relative cost?

e) What remedies might help people in work on a low income and jobseekers in outer London facing these difficult travel decisions?

- 2.4. In early August, BDRC-Continental (BDRC) was chosen from three bids submitted for tender to undertake the quantitative and qualitative research (as specified in the *Project Specification*). BDRC adopted a multi-method approach to the research, including omnibus surveys, focus groups and depth interviews to capture data, BDRC were commissioned based primarily on the value for money of its bid.
- 2.5. Participant recruitment began in mid-August, while questionnaires and discussion guides were developed from mid-August to early September. Quantitative and qualitative research was conducted throughout September. An initial presentation of the qualitative research findings was given to project partners on Thursday 8 October. The following section outlines these findings.
- 2.6. N.B. The *Project Specification* and *Project Overview* documents sent out to tender are appended to this briefing.

### **3 Highlights of the qualitative research findings**

- 3.1. Eight focus groups were conducted with people in work on a low income, working in Zone 1 and living in outer London (i.e. Zones 4-6). Groups consisted of 6-8 participants and were divided by gender and by geographic area to allow for any distinctions.
- 3.2. Project partners were invited to observe the focus groups, which proved both entertaining and useful to gaining insight into passenger perspectives.
- 3.3. Seventeen depth interviews were conducted with jobseekers, including five depth interviews with jobseekers whose first language is not English.
- 3.4. BDRC presented the qualitative research findings to the project partners on Thursday 8 October, accompanied by a general discussion with BDRC and followed by a discussion between partners. The following are the findings which stood out for the partners. (Please note that the forthcoming findings from the quantitative omnibus surveys are yet to be considered.)

a) *How are the travel choices of people in work on low incomes living in outer London affected by the cost and local availability of public and private transport in London?*

Travel cost does not greatly affect how many Londoners commute to work or to job interviews. Most people want to get to work as quickly as possible, resulting in most people choosing to take the Tube or train to get to work in Zone 1.

Local availability of public transport was not a major factor for participants. When living in outer London (Zones 4-6), choice of route is often limited to Tube or train. The only choice for some was whether to take the bus or walk to the rail station.

Despite this tendency, there is a minority of participants who have to make less straightforward travel choices due to transport cost and availability.

Based on BDRC's presentation of the findings, we estimate that this minority represents approximately 1 in 12 people. Although further analysis of the findings, including of forthcoming quantitative data, is needed, as well as an acknowledgement of the small sample size in this research, 1 in 12 would represent a significant proportion of Londoners having to make difficult travel choices.

Some participants with a more flexible working schedule are able to commute in the off-peak, for cost and travel comfort reasons.

- b) *Does the potential cost of travel to work and / or journey time influence the decision jobseekers living in outer London make about whether or not to apply for or accept jobs?*

Insufficient findings from interviews with jobseekers were presented by BDRC to answer this question at this point. BDRC have been asked to probe the data further to address this question.

The presented findings did reveal that there appears to be an inconsistency in the number of jobseekers who know or are informed about being eligible for the JobCentre Plus travel discount.

- c) *What conclusions can be drawn about the travel choices made by people in work on low incomes living in outer London? What is the impact on their quality of life and the decisions they may make about other related issues, such as where to live, where to work and expenditure on other household expenses?*

Research participants repeatedly expressed a feeling of 'resignation' towards the high cost and poor conditions of travel. People are not happy about the cost and the perceived low value for money of travel, but they simply pay the price as they feel there is little choice.

Many participants said they chose to work in Zone 1 because the jobs are better paid there than in areas closer to where they live in outer London.

There does not appear to be significant change in where people choose to live, either due to increased housing and/or travel costs. If people have moved, it has tended to be 'further down the line' towards outer London, rather than to a completely different area of London. This is perhaps due to people wanting to remain as close as possible to the area they are familiar with, their family and social network.

Participants said they are concerned about 'soaring' travel costs in the future having an impact on where they will be able to afford to live and work in London. There appeared to be a gender disparity in this aspect, with men tending to feel they needed to work for higher pay in Zone 1 despite the higher travel costs compared to women who feel that they might consider working closer to home as transport costs rise in the future.

Transport ranks high as a household expenditure. It is largely ranked second or third behind rent, followed by utility bills, council tax or food. Participants said they have to work the first 1 to 1.5 hours of their workday to cover the cost of getting to and from work each day.

- d) *Are there any disparities between the different areas of outer London in terms of the transport options available to low-income workers and their relative cost?*

Findings from the qualitative research showed no particular disparity in the views and experiences of participants from different areas of London (London was divided into four quadrants – North, East, South and West). We found this to be surprising, however forthcoming results from the quantitative (omnibus survey) research may reveal geographical disparities.

- e) *What remedies might help people in work on a low income and jobseekers in outer London facing these difficult travel decisions?*

Many participants spoke of the need to improve conditions of travel such as Wi-Fi and air conditioning, however there was mention about more flexible start time tickets to account for peak and off-peak travel each week and better information from TfL on the best available fare for flexible travel (i.e. 'Is a travel card worth it this week?')

More probing of the qualitative data is needed to answer this question, alongside analysis of forthcoming quantitative findings.

- 3.5. Recruitment for focus groups allowed for participants in a range of income brackets consisting of people working in Skilled Manual and Unskilled Manual occupations (social grades C2 and D respectively). Depth interviews were held with jobseekers. We would like for the final report to highlight the experience of the lowest income earners within the sample who have to commute to Zone 1 or seek employment.

#### **4 Next steps**

- 4.1. BDRC will submit an initial report on the findings from the omnibus surveys, which will present the quantitative research data.
- 4.2. BDRC will submit a draft of the final report, comprising both the qualitative and quantitative findings, as well as incorporating existing evidence from external resources, on Friday 23 October. Project partners will be providing feedback and guidance throughout the report drafting process prior to submission of the final report.
- 4.3. We intend to publish the report in the first week of November, which coincides with Living Wage Week. As such, we aim to publish the report in time to be able to provide an evidence base that can be used to inform mayoral candidates in the run up to the 2016 election, with an aim to promote measures to mitigate issues of transport affordability in London.
- 4.4. All project partners will share ownership of the research data.
- 4.5. The Communications Officers from each partner organisation will be collaborating to organise the report launch.

## **5 Recommendations**

- 5.1. For members to consider this report.

## **6 London TravelWatch priority**

- 6.1. This issue is relevant to the remit of London TravelWatch and its impact may be substantial amongst a significant proportion of London's transport users. This research not only addresses London TravelWatch's concerns with the affordability of transport in London, but also involves issues relating to fare simplification and concessionary fares.

## **7 Equalities and inclusion implications**

- 7.1. Transport affordability in London has equalities and inclusion implications for people in work on a low income and jobseekers in London.

## **8 Legal powers**

- 8.1. Section 248 of the Greater London Authority Act 1999 places upon London TravelWatch (as the London Transport Users Committee) a duty to consider - and where it appears to the Committee to be desirable, to make recommendations with respect to - any matter affecting the functions of the Greater London Authority or Transport for London which relate to transport (other than of freight).

## **9 Financial implications**

- 9.1. The cost for commissioning the research and publishing the report are accounted for in the budget. There are no additional financial liabilities for this project.



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**Project specification:  
Research into transport affordability in  
London**

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London TravelWatch  
169 Union Street  
London SE1 0LL

# Research into transport affordability in London

## 1 The project

- 1.1. London TravelWatch and its project partners wish to commission research to better understand the choices people in work in low income jobs living in outer London have to make about how to travel to work.
- 1.2. The research will require the collection and analysis of both qualitative and quantitative data.
- 1.3. The full project overview is attached as an appendix.

## 2 What is required

- 2.1. New qualitative research that will answer the following research questions:
  - f) How are the travel choices of people in work on low incomes living in outer London affected by the cost and local availability of public and private transport in London?
  - g) Does the potential cost of travel to work and / or journey time influence the decision jobseekers living in outer London make about whether or not to apply for or accept jobs?
  - h) What conclusions can be drawn about the travel choices made by people in work on low incomes living in outer London? What is the impact on their quality of life and the decisions they may make about other related issues, such as where to live, where to work and expenditure on other household expenses?
  - i) Are there any disparities between the different areas of outer London in terms of the transport options available to low-income workers and their relative cost?
  - j) What remedies might help people in work on a low income and jobseekers in outer London facing these difficult travel decisions?
- 2.2. We envisage that additional quantitative research might be needed to supplement the qualitative research. Resources for this project are limited and project bidders, as part of their submission, are asked to suggest how they might collect new quantitative data to supplement the qualitative research or, alternatively, to show how they might use existing quantitative data available elsewhere for this purpose.

## 3 Approach to the research

- 3.1. Conduct research, as agreed, to gather data and generate findings relating to the choices people in work in low income jobs, and jobseekers, living in outer London have to make about how to travel to work.

- 3.2. Recruit a sufficient number of research participants to reflect the characteristics of people in work in low income jobs, and jobseekers, living in outer London who use the transport network in and around London to get to work.
- 3.3. Conduct the qualitative research at a suitable location(s), allowing for project partners and other interested parties (at the invitation of project partners) to witness the data gathering exercises.
- 3.4. Give a progress report on the work and research findings to the Policy Officer at London TravelWatch at least every two weeks.
- 3.5. Provide an initial presentation of the research findings to project partners in early September, prior to producing the written report. The presentation is expected to be of around 60 minutes duration, allowing for questions on the findings.
- 3.6. Submit a draft written report via email for internal review by project partners.
- 3.7. Submit a final written report in an agreed style.

#### **4 Contents to be included in the bid**

- 4.1. A brief outline of the research methods proposed to gather both qualitative and quantitative data, including a brief justification for the effectiveness of the chosen methods.
- 4.2. A brief outline of how research participants will be recruited, including the number and types of people, the geographical spread, as well as the selection criteria for recruitment as specified in 3.2.
- 4.3. A timeline accounting for the different stages of the research, including for conducting the qualitative and quantitative research, initial presentation of the findings and submission of the draft and final written reports.
- 4.4. The quote should include a breakdown of the costs for the qualitative, quantitative and report writing stages of the research, and the cost of any additional work over and above the original specification to be quoted on a price per day basis.
- 4.5. Details of previous experience of research of this nature and any lessons learned, where applicable

#### **5 Other information**

- 5.1. As the lead partner for the project, London TravelWatch is commissioning this research on behalf of the project partners.
- 5.2. Invoicing arrangements will be finalised with the successful contractor after the contract is awarded and prior to beginning the research.
- 5.3. Payment would be on the basis of 75% of the cost plus VAT invoiced at the beginning of the project and 25% on completion of the project within the contract.
- 5.4. London TravelWatch will publish the research on behalf of the project partners and hold the copyright and title to the data collected.



- 5.5. Project partners may choose to modify the submitted final report prior to publication.
- 5.6. London TravelWatch may, at its discretion, request any raw data, such as transcriptions, video recordings, research metadata, etc. in electronic formats.
- 5.7. London TravelWatch may, at its discretion, request that any tabulations be supplied as electronic extracts in MS "Word" or MS "Excel" format.
- 5.8. Although the project is primarily concerned with public transport, we recognise that people may use private cars or other means of travel to get to work. This should be taken into account in the research.
- 5.9. Bids should be sent to:  
  
Chris Wise  
Policy Officer  
London TravelWatch  
169 Union Street  
London SE1 0LL  
  
Or to [chris.wise@londontravelwatch.org.uk](mailto:chris.wise@londontravelwatch.org.uk)
- 5.10. All bids must arrive at London TravelWatch's offices by 12pm on Wednesday 22 July, 2015. Any bid envelopes or emails should be clearly marked "Transport affordability - addressee only". If you have any queries, please do not hesitate to contact me on 020 3176 5946.

## Appendix 2: Project overview



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### Appendix Transport affordability in London: Project overview

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Drafted: 08.07.2015

#### **1 The issue**

- 1.1 London has a world-class public transport system with an extensive and comprehensive network, and relatively higher levels of accessibility to public transport when compared to the rest of England. However, in recent years, rising housing costs in inner London means there has been a noticeable increase in the number of people working in low income jobs who live in outer London yet still travel to work in central London because that remains the main centre of employment.
- 1.2 Under these circumstances, we believe people in work on a low income living in outer London are having to make difficult travel decisions weighing up the relative time and monetary costs of using different modes of public transport. This could mean having to choose between a faster but more expensive commute by rail and a cheaper but longer commute by bus. We also recognise that some people on a low income living in outer London may use private transport modes, such as cars and bicycles, to get to work.
- 1.3 Having to balance the relative time and monetary costs for transport might also present a barrier for some jobseekers living in outer London who have to consider whether they can afford the time and / or money costs of public transport once they are no longer eligible for discounted fares, or of private transport costs. We believe that the relative costs and accessibility by public and private transport might limit the type and location of employment that jobseekers living in outer London are likely to consider.

#### **2 Key Contextual information**

- 2.1 The profile of poverty in London has changed. Traditionally, the dominant picture of poverty has been of people who are out of work and living in social housing in inner London, but this is changing to one of more people in low income jobs living in private rented housing in outer London. Changes to the housing benefit system are only likely to exacerbate this shift.
- 2.2 In the ten years to 2013, the proportion of Londoners in poverty living in outer London grew from 50% to 58%.
- 2.3 Of the 2.1 million people in poverty, 1.1 million live in a household where someone is in paid work.

- 2.4 The number of part-time workers who wanted, but could not find, full-time employment grew by 87% over the period from 2004 to 2012.
- 2.5 The number of low-paid jobs in London has increased each year since 2009; the percentage of jobs paid less than the London Living Wage averaged around 13% from 2005 to 2010, but reached 18% by 2013. In 2013, 640,000 jobs in London were paid below the London Living Wage. 43% of part-time jobs and 11% of full-time jobs are low paid
- 2.6 The number of people in poverty living in private rented accommodation has more than doubled over the last 10 years. At 39%, the private rented sector now has a larger share of people in poverty than the social rented sector (33%). Ten years ago, more than half of those in poverty lived in social rented accommodation.
- 2.7 60% of low paid workers living in London who use public transport use buses to commute to work.
- 2.8 People seeking employment can benefit from the Jobcentre Plus Travel Discount, which offers a 50% discount on adult pay as you go fares for all travel during a three month period, and may sometimes be available during the first few months of commuting to a new job.
- 2.9 Around 40% of low-paid workers use cars and taxis to commute to work.

### **3 Related background research**

- 3.1 The following pieces of research have informed the project;
  - a) London's Poverty Profile 2013, Trust for London
  - b) A Minimum Income Standard for London, Trust for London, 2015
  - c) Transport, accessibility and social exclusion: how poor transport provision affect those on low incomes, Campaign for Better Transport 2012
  - d) Locked out: Transport poverty in England, Sustrans 2012
  - e) Tackling poverty: one bus ride away, London Assembly 2014
  - f) Making the connections: final report on transport and social exclusion, Social Exclusion Unit 2003
  - g) Transport and Social Exclusion: where are we now? Lucas, K. 2010
  - h) Transport and Poverty: A review of the evidence, UCL for Joseph Rowntree Foundation 2014
  - i) Bus Services in London, London Assembly 2013
  - j) Understanding the travel needs of London's diverse communities: A summary of existing research, Transport for London 2014
  - k) Travel in London: Report 7, Transport for London 2014
  - l) London Travel Demand Survey: Summary report, Transport for London 2015

### **4 Project objectives**

- 4.1 The key objective of the project is to better understand the choices people in work in low income jobs living in outer London have to make about how to travel to work. It also aims to understand the impact these choices have on quality of life as well as

how they relate to choices about where to live, where to work, and how much they can afford to spend on other essential expenditures that may affect their access to work.

- 4.2 The project should also identify whether the time and/or money cost of commuting is a barrier to finding work for jobseekers living in outer London.
- 4.3 To identify whether there are any disparities between different areas of outer London in terms of travel options available to workers on low incomes and the relative costs of these.
- 4.4 To produce an evidence base that can be used to inform mayoral candidates in the run up to the 2016 election with an aim to promote measures to mitigate issues of transport affordability in London.
- 4.5 To explore whether a measure for transport affordability in London similar to fuel poverty might be developed which would increase the understanding of this issue amongst policy makers.

## 5 Project partners

- 5.1 **London TravelWatch** is the independent consumer body responsible under a series of statutes for representing the interests of all who use public transport in London. It is accountable to, and funded by, the London Assembly. It covers all modes of transport, and its work is underpinned by a series of statutory powers and duties. In particular, it must:
  - consider and make recommendations relating to matters brought to its notice by users and transport providers or which it considers merit investigation
  - respond to essential consultations on behalf of transport users
  - undertake research and investigation into issues of concern, and
  - act as an appeals body for consumers who have been unable to resolve their complaints with service providers.
- 5.2 London TravelWatch has become increasingly concerned about transport affordability and our business plan for 2015-16 (agreed by the London Assembly's Transport Committee on 14 October 2014) included the objective to:
  - Continue to investigate the impact of the cost of travel on low income families and, in partnership with Trust for London and London Councils, promote measures to mitigate this
- 5.3 **Trust for London** is a charitable organisation that exists to reduce poverty and inequality in London. It does this by funding the voluntary and community sector and others, as well as by using its own expertise and knowledge to support work that tackles poverty and its root causes. It produces *London's Poverty Profile*, an independent source of information about poverty and inequality in the capital. *London's Poverty Profile* uses the latest official data to reveal patterns of poverty across the capital. The Trust is also the main funder and a lead advocate of the London Living Wage Campaign

- 5.4 **London Councils** represents London's 32 boroughs and the City of London. It is a cross-party organisation that works on behalf of all of our member authorities regardless of political persuasion. London Councils makes the case to government, the Mayor and others to get the best deal for Londoners and to ensure that its member authorities have the resources, freedoms and powers to do the best possible job for their residents and local businesses.
- 5.5 London TravelWatch will take the lead role in coordinating the research and drafting the report.
- 5.6 Trust for London and London Councils will play a supportive role providing their knowledge and expertise to help formulate the research, report findings and recommendations.

## **6 Research questions**

- 6.1 How are the travel choices of people in work on low incomes living in outer London affected by the cost and local availability of public transport in London?
- 6.2 Does the potential cost of travel to work and / or journey time influence the decision jobseekers living in outer London make about whether or not to apply for or accept jobs?
- 6.3 What conclusions can be drawn about the travel choices made by people in work on low incomes living in outer London? What is the impact on their quality of life and the decisions they may make about other related issues, such as where to live, where to work and expenditure on other household expenses?
- 6.4 Are there any disparities between the different areas of outer London in terms of the transport options available to low-income workers and their relative cost?
- 6.5 What remedies might help people in work on a low income and jobseekers in outer London facing these difficult travel decisions?

## **7 Approach to the research**

- 7.1 An external agency will be commissioned to conduct the research and prepare a report that analyses the findings and considers potential actions. Throughout this process, the agency will be expected to work closely with the project partners and discuss draft findings and potential actions.
- 7.2 The partners envisage both qualitative and quantitative research being required to undertake this project to complement existing quantitative data on poverty and travel in London. The agency commissioned to conduct the research will be expected to identify a range of existing datasets that could be used in the quantitative part of the research.
- 7.3 A broad agreement will be reached between the partners and the commissioned agency on the most appropriate research method(s) and sample size.