

TRANSPORT FOR LONDON

RAIL AND UNDERGROUND PANEL

SUBJECT: TRENDS IN PASSENGER DEMAND

DATE: 12 NOVEMBER 2009

1 PURPOSE

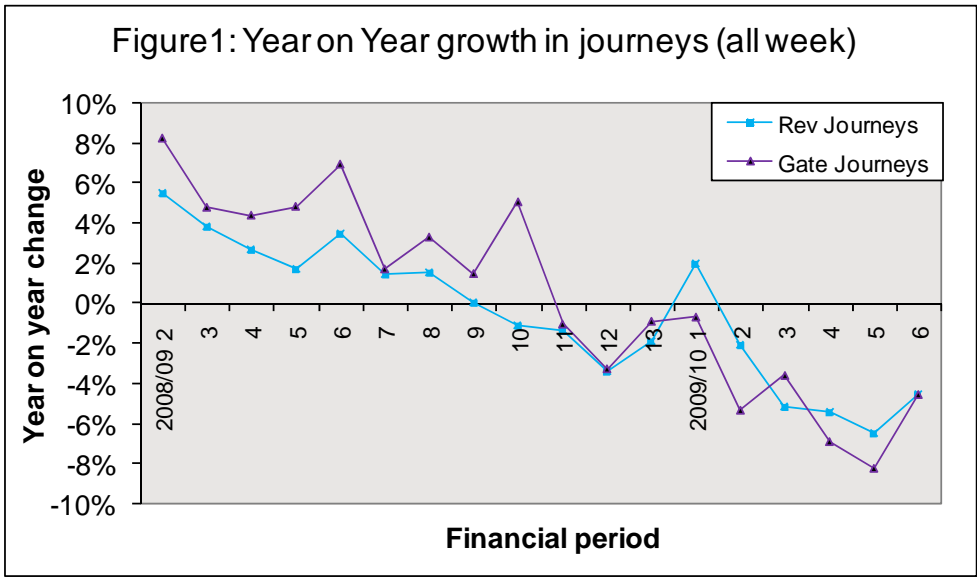
- 1.1 This report provides an analysis of changes in demand and passenger revenue for the last 18 months, from the start of 2008/09 to the end of period 6 2009/10.
- 1.2 The Rail and Underground Panel is asked to note this report.

2 SUMMARY

- 2.1 Demand in Quarter 2 showed a drop of around 6 per cent compared to the same quarter last year.
- 2.2 The key features of recent demand changes are:
 - (a) greater fall in demand at City stations;
 - (b) greater fall at the weekends; and
 - (c) relative buoyancy in outer area (zones 4, 5 and 6) stations and midday off-peak travel.
- 2.3 Revenue shows a decline in period 6 but is in line with forecasts based on economic data. Total revenue in this period was £119.5m. The current forecasts stand at £1,609m for the year; (after taking account of the January 2010 fares increase) some £90m below budget. Analysis suggests that the current outturn forecast should be achieved.

3 TRENDS IN PASSENGER DEMAND

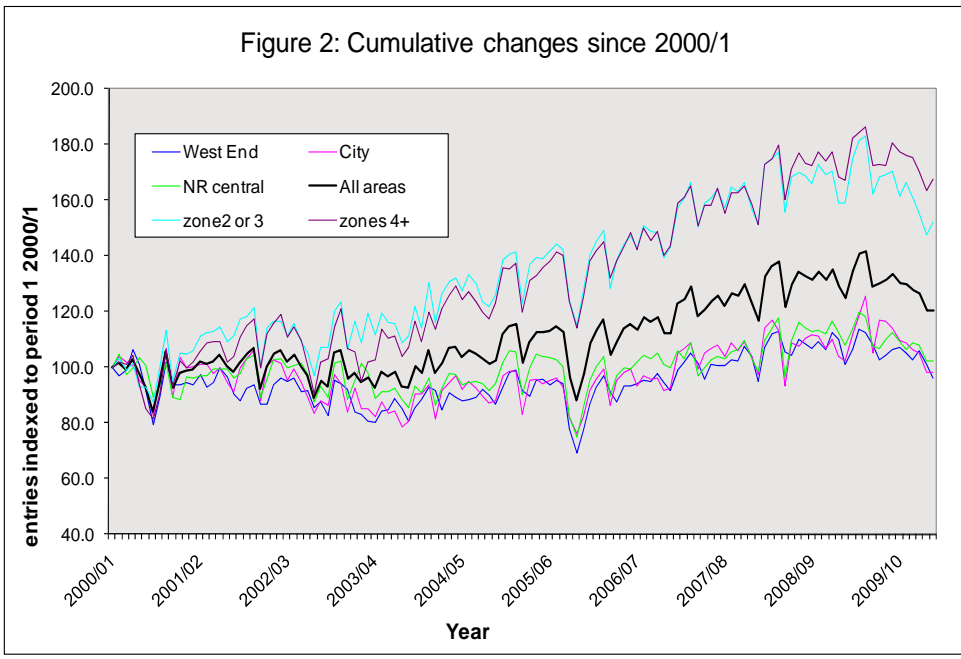
- 3.1 Demand figures are derived from two sources: revenue data, and counts of customer journeys through ticket gates. Typically these two methods produce slightly different results and the demand estimates in this report draw on both sets of data.
- 3.2 Figure 1 shows the year on year trend using both methods, with the gradual decline in demand evident in both.



3.3 The effects of the economic downturn on demand have been felt since the start of the calendar year. From January through to March demand was starting to show a decline of around 1 per cent year on year. The decline became more pronounced in the first quarter of this financial year, and the second quarter is around 6 per cent down. (The apparent increase in period 6 is more related to the timing of school holidays compared to last year rather than indicating a change in trend.)

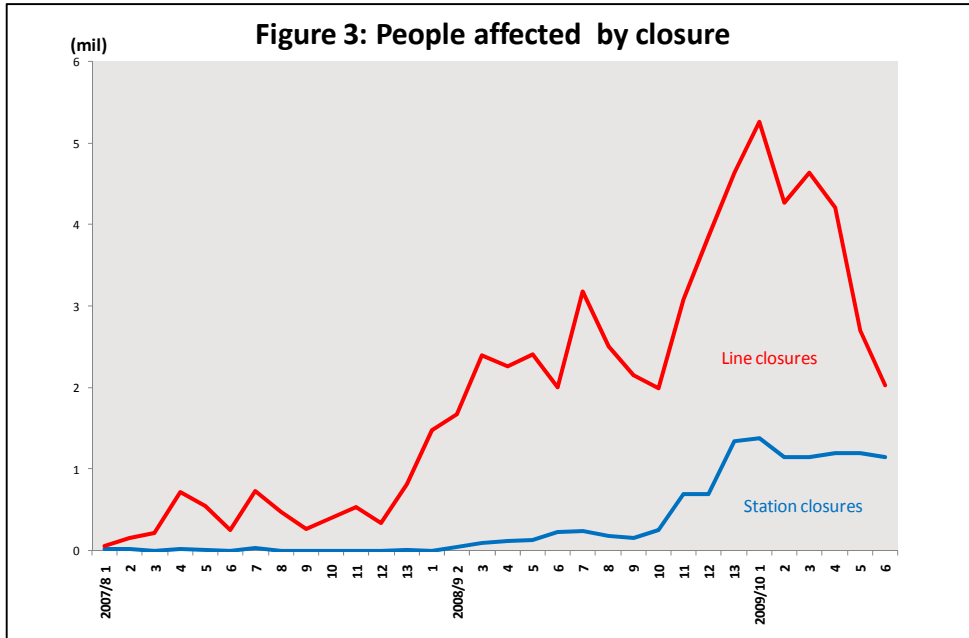
4 LONGER TERM TRENDS

4.1 To put recent changes in longer term context, Figure 2 shows cumulative demand changes indexed to period 1 of 2000/01.



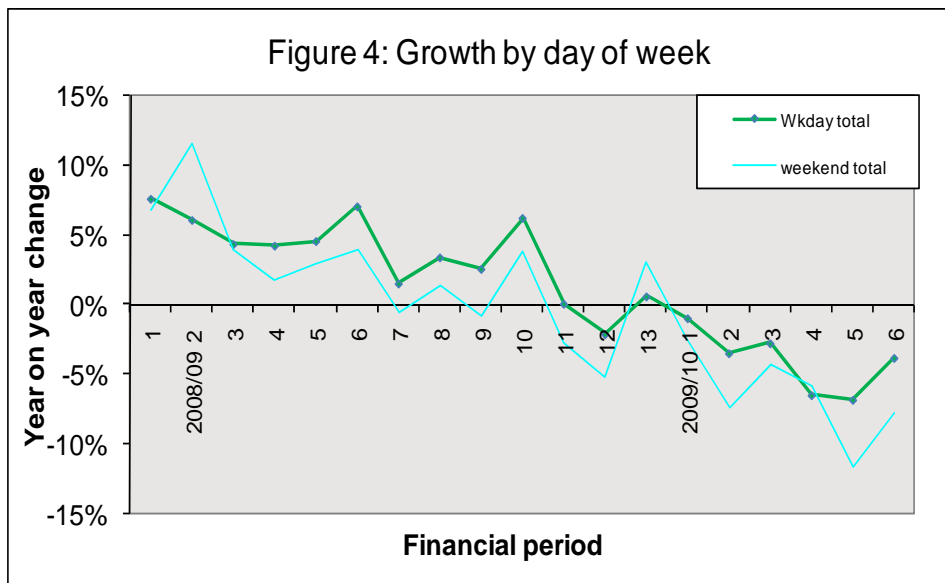
4.2 The figure shows a general increase of around 20 to 25 per cent with significant relative increases for Inner and Outer London (zones 2 and 3, zones 4, 5 and 6) and lower increases for central area stations.

- 4.3 There is little difference by day of week or time of day (not shown in the figure) except that travel before 7 am has doubled since 2000/01 (from a low base to 3.2 per cent of weekday traffic).
- 4.4 The effect of closures has increased this year compared to prior years and is shown in figure 3.



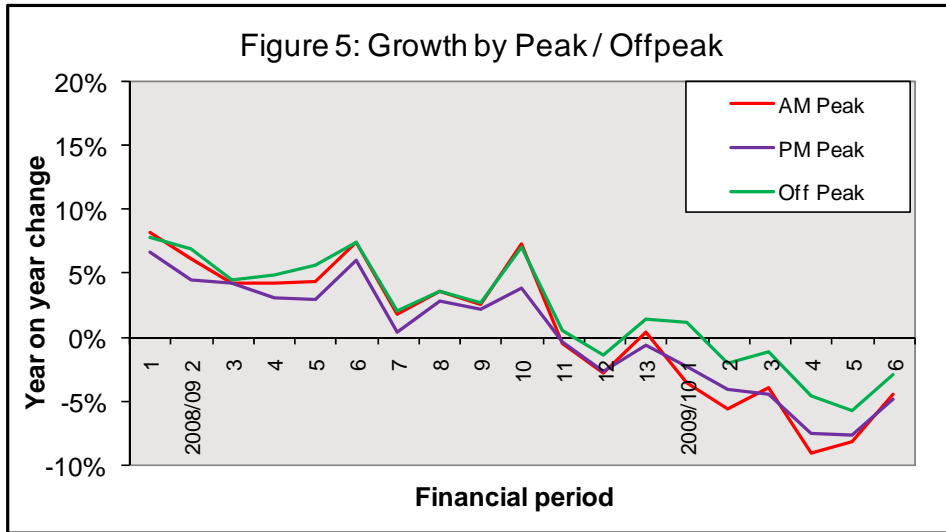
5 TRENDS IN DEMAND BY DAY

- 5.1 Figure 4 shows the year-on-year trend by weekday and weekend using gate data. It shows the weekend with around 2 per cent lower growth than weekday.



6 TRENDS IN DEMAND BY PEAK / OFF-PEAK

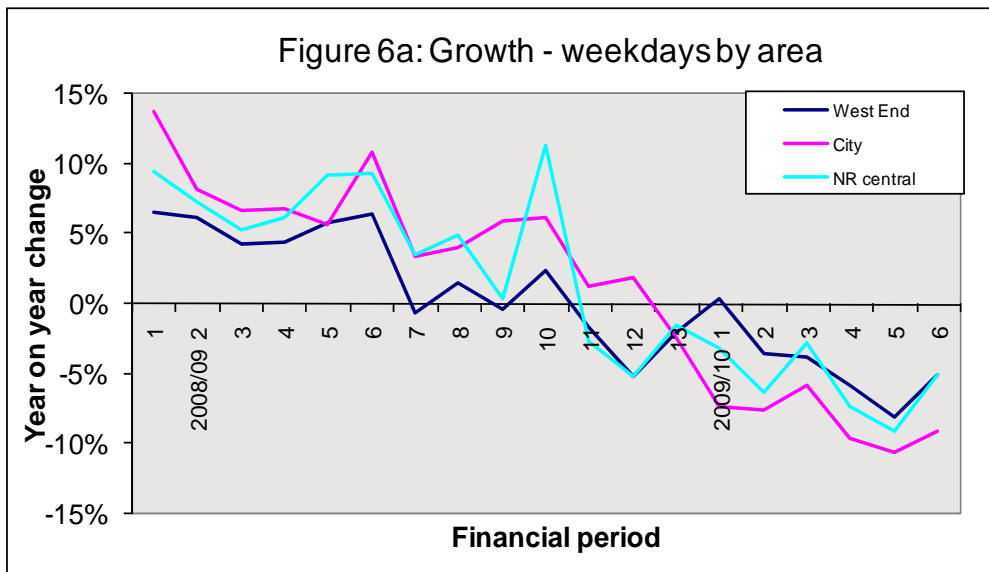
6.1 Figure 5 shows the year-on-year trend by weekday peak / off-peak. It shows the off-peak with rather higher growth than the peaks by around 3 per cent.



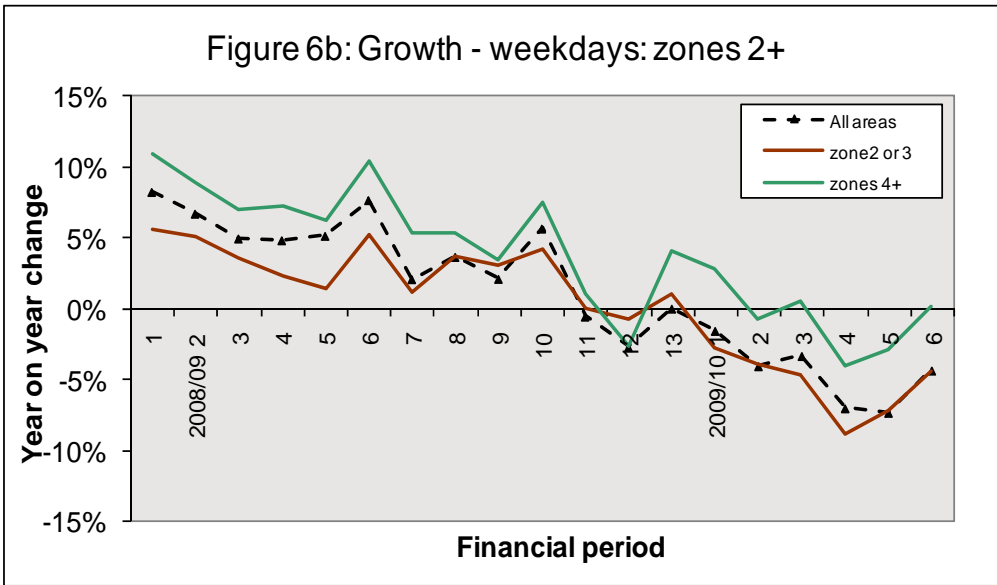
7 SPATIAL TRENDS

7.1 Figure 6a compares the weekday trend across different areas of Central London.

7.2 The decline is greatest at City stations in recent months; this may in part be attributable to Bank escalator works and the Blackfriars closure affecting the year on year comparisons. The opening of the Westfield Shopping Centre at White City (Westfield) in Period 8 last year may have depressed demand in the West End by around 5 per cent.



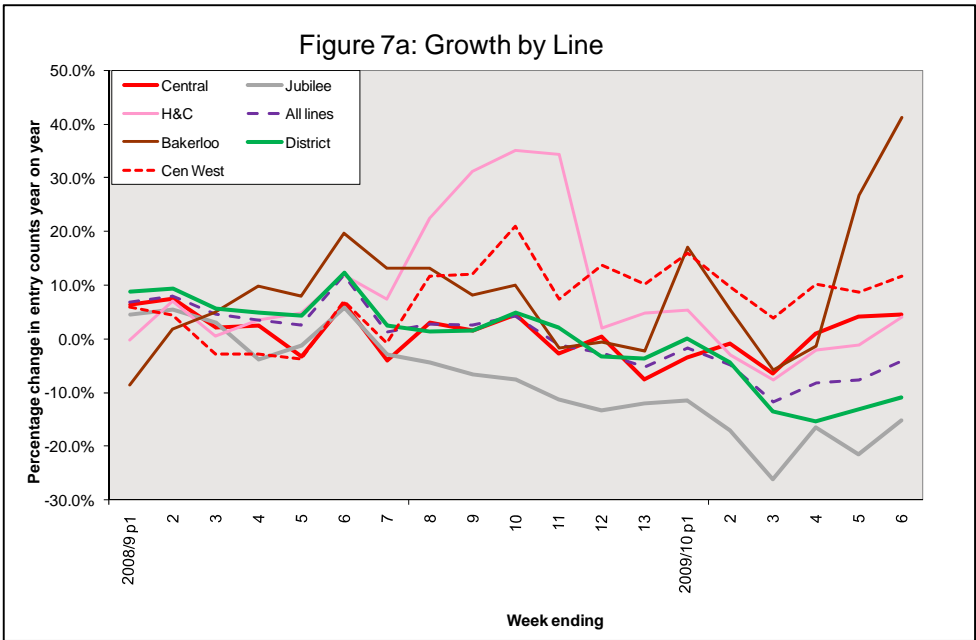
7.3 Figure 6b compares the growth of the zones outside Central London.

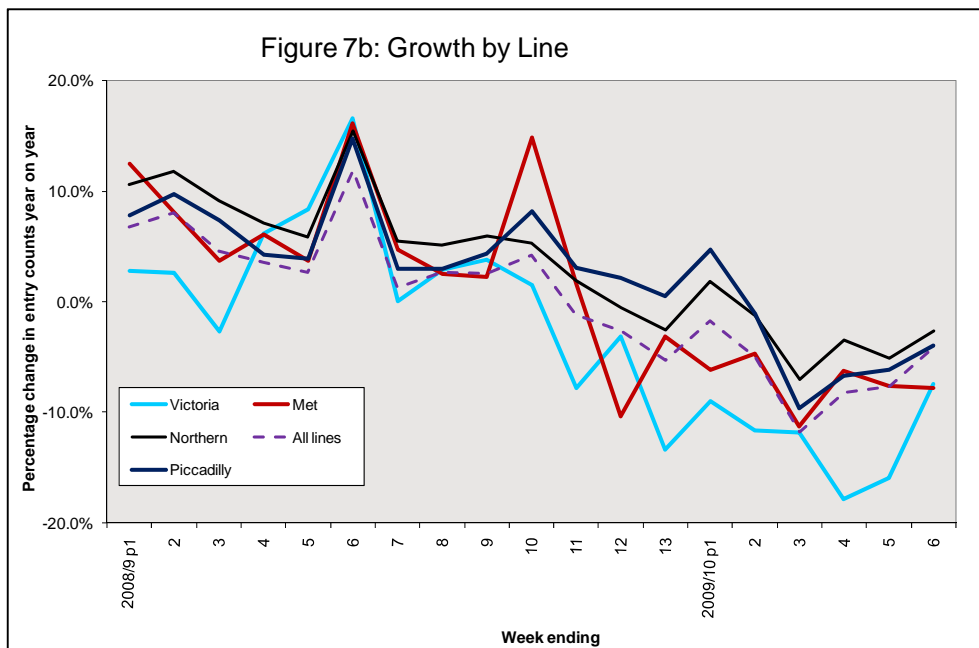


7.4 Journey demand from stations in zones 2 and 3 shows a decline in growth similar to the system average but lower than compared to journeys starting in zone 4, 5 and 6. The relative buoyancy for the outer zones continues the long term trend. For the inner zones the decline is departing from long term trends; the reason is not known.

8 LINE TRENDS

8.1 Figures 7a and 7b compares the trend across different lines for the outer areas only (i.e. excluding the part of the line in zone 1).





8.2 The relative decline on the Victoria and Jubilee lines reflect the increased level of weekend works in preparation for the upgrades. To a lesser extent this also applies to the Metropolitan line.

8.3 The Bakerloo line shows a recent increase; this is likely to be because it is a useful alternative to the Jubilee line.

8.4 Although the Central line follows the general trend, the west end of the line shows an increase due to the opening of Westfield. The Westfield effect is also evident on the Hammersmith & City line where the rapid growth and decline aligns to the Christmas / New Year shopping period.

9 IMPACT OF HOT WEATHER ON REVENUE

9.1 An analysis was carried out in 2006 to establish the effect of hot weather on demand.

9.2 The analysis was based on Meteorological Office temperature data from 1 January 2003 to 31 July 2006 and was compared with information from gate counts. It compared the demand on the day with that expected at that time of year and sought to explain it by temperature difference from the seasonal norm.

9.3 It was possible to show that an increase of temperature in the summer months (June to August) of 1 degree related to a loss in demand of 0.215 per cent. This is consistent with analysis based on the 2007 Customer Priorities Survey.

9.4 Both the summers of 2008 and 2009 were fairly cool and it is not believed that this factor played any significant part in demand reductions since last year.

10 RECOMMENDATION

10.1 The Rail and Underground Panel is asked to NOTE this report.

11 CONTACT

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