

TRANSPORT FOR LONDON

RAIL AND UNDERGROUND PANEL

SUBJECT: TRENDS IN PASSENGER DEMAND

DATE: 12 MAY 2010

1 PURPOSE

- 1.1 This report provides an analysis of changes in demand, and hence passenger revenue for the last 24 months from the start of 2008/09 to the end of period 13 2009/10.
- 1.2 The Rail and Underground Panel is asked to note this report.

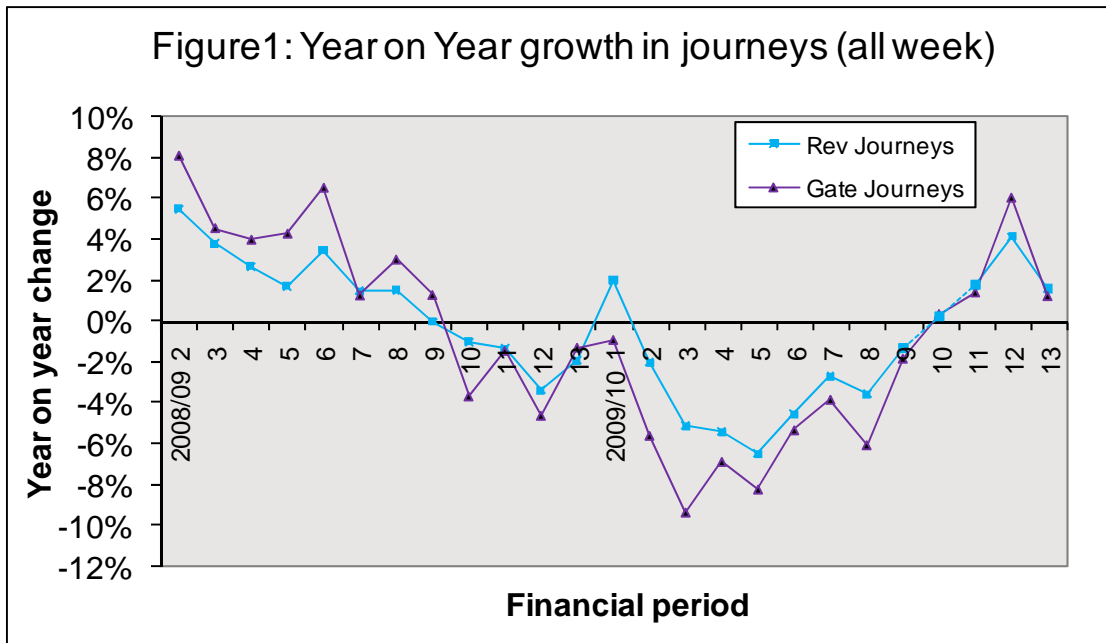
2 SUMMARY

- 2.1 Demand in quarter 4 showed an increase of around 3 per cent compared to the same time last year.
- 2.2 The overall position of passenger demand for the year is 2.3 per cent down on 2008/09.
- 2.3 At the year end, revenue totalled £1,639m¹ after a strong fourth quarter. This compares to an original budget of £1,692m and a quarter 3 forecast of £1,609m. The stronger than expected fourth quarter reflects better than expected economic conditions; the GLA Economics predictions (on which LU's forecasts are based) predicted a substantially worse decline in employment (-3.4 per cent) than actually occurred (-1.5 per cent).

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 paper draw on both sets of data.
- 3.2 Figure 1 shows the year on year trend using both methods. It should be noted that period 13 year-on-year comparisons are affected by the timing of Easter and the period's variable length and should not be used to identify current trends.

¹ This is the revenue earned in the year 2009/10. The accounting revenue figure is £1,634.5m and includes accountancy adjustments for previous years.

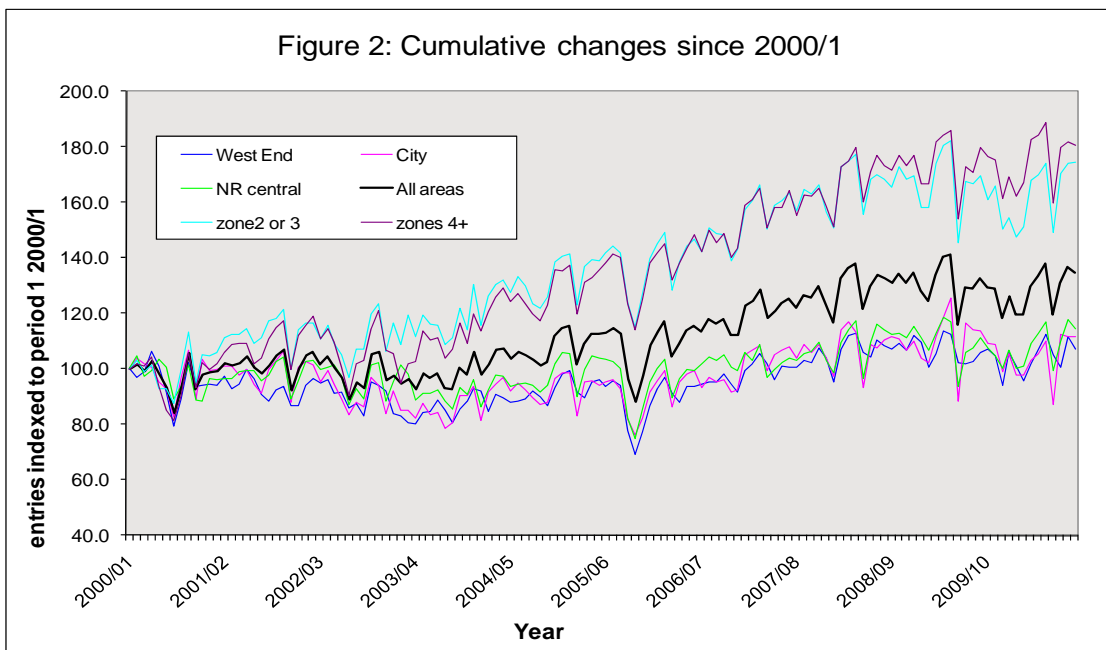


3.3 In terms of ridership, the effects of the economic downturn on demand began to be felt from the start of the 2009 calendar. From January through to March 2009 demand was starting to show a decline of around three per cent year on year. The decline became more pronounced as the year progressed with the decline showing at around six per cent for the first half of the year. The last quarter has shown positive growth returning levelling at around three per cent compared to the previous year.

3.4 Overall, demand was 2.3 per cent lower for 2009/10 compared to 2008/09, reflecting the trends within the wider economy.

4 LONGER TERM TRENDS

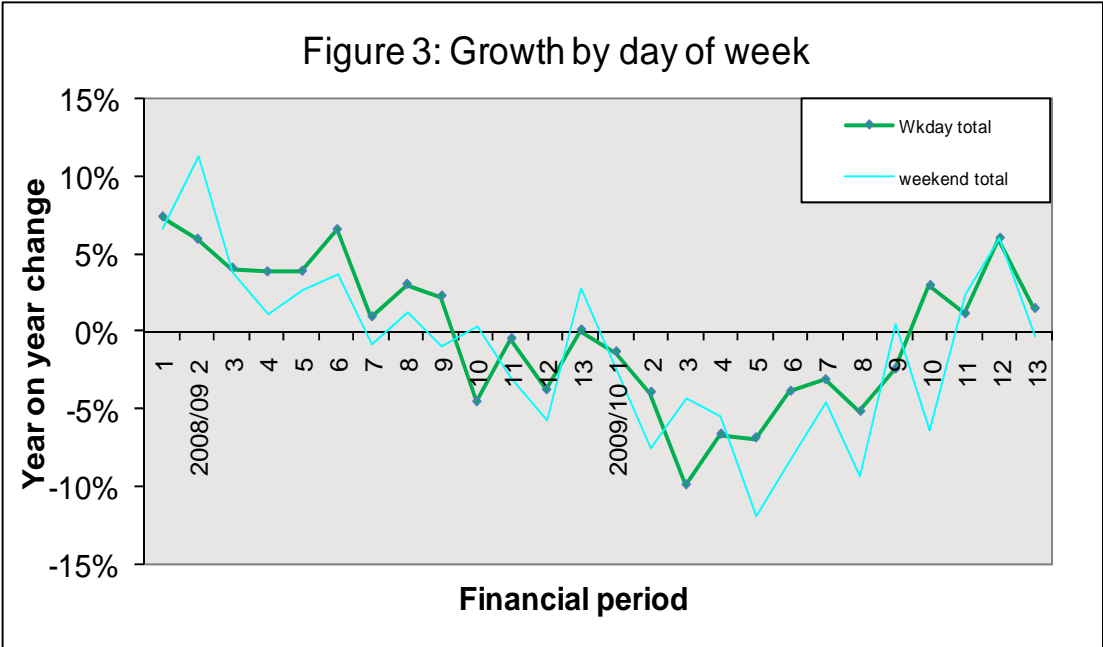
4.1 To put recent changes in longer term context Figure 2 shows cumulative demand changes indexed to period 1 of 2000/01.



- 4.2 This shows a general increase of around 20 to 25 per cent since 2000/1 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 Thus despite the fall off in demand over the last year, the total number of passenger journeys at 1,065m, is still the third highest ever recorded and only slightly below the 1,072m recorded in 2007/08.

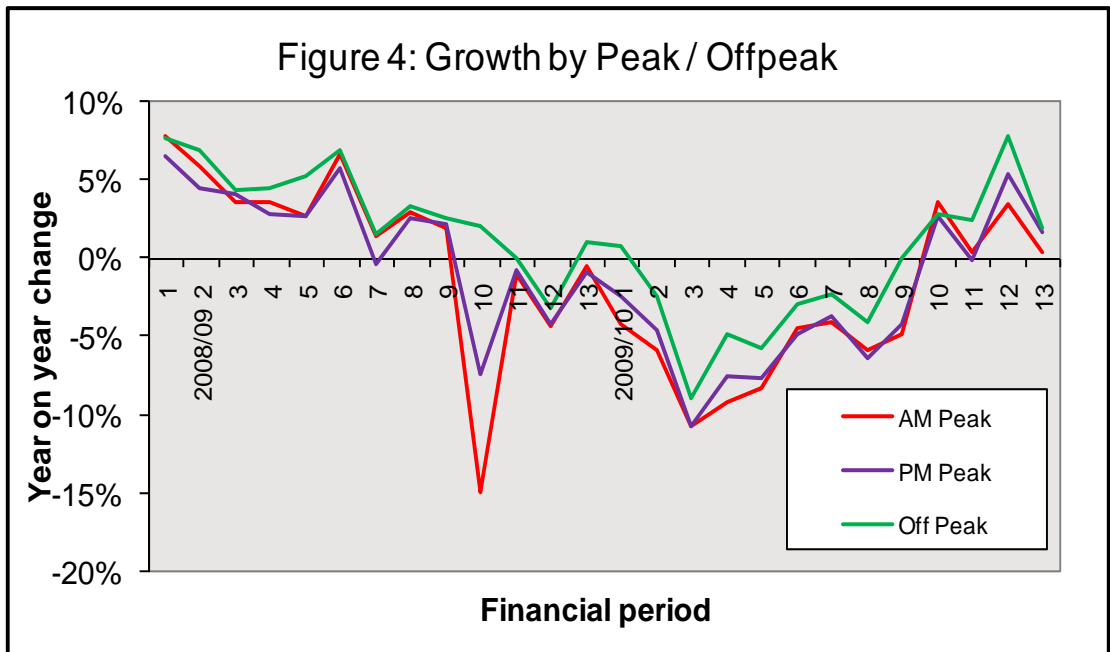
5 TRENDS IN DEMAND BY DAY

- 5.1 Figure 3 shows the year-on-year trend by weekday and weekend using gate data. It shows the weekend with around 1 per cent lower growth than weekday. This has improved over the last quarter when growth has been at similar levels for both weekdays and weekends.



6 TRENDS IN DEMAND BY PEAK / OFF-PEAK

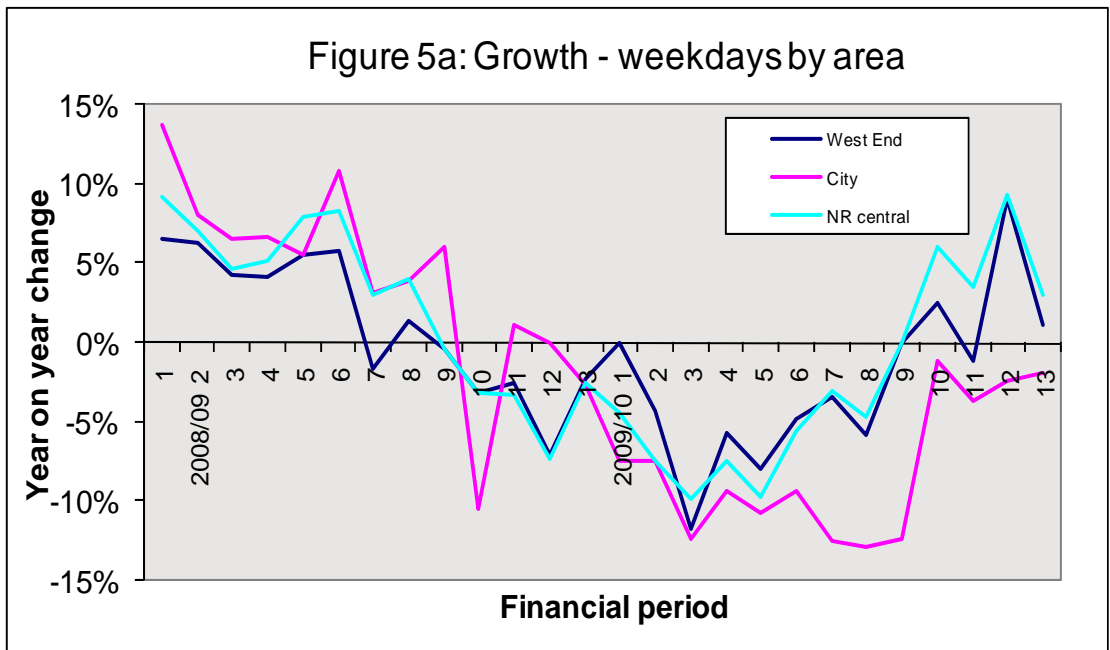
- 6.1 Figure 4 shows the year-on-year trend by weekday peak / off-peak. It shows the off-peak with rather higher growth than the peaks however the gap has closed slightly in period 13.



7 SPATIAL TRENDS

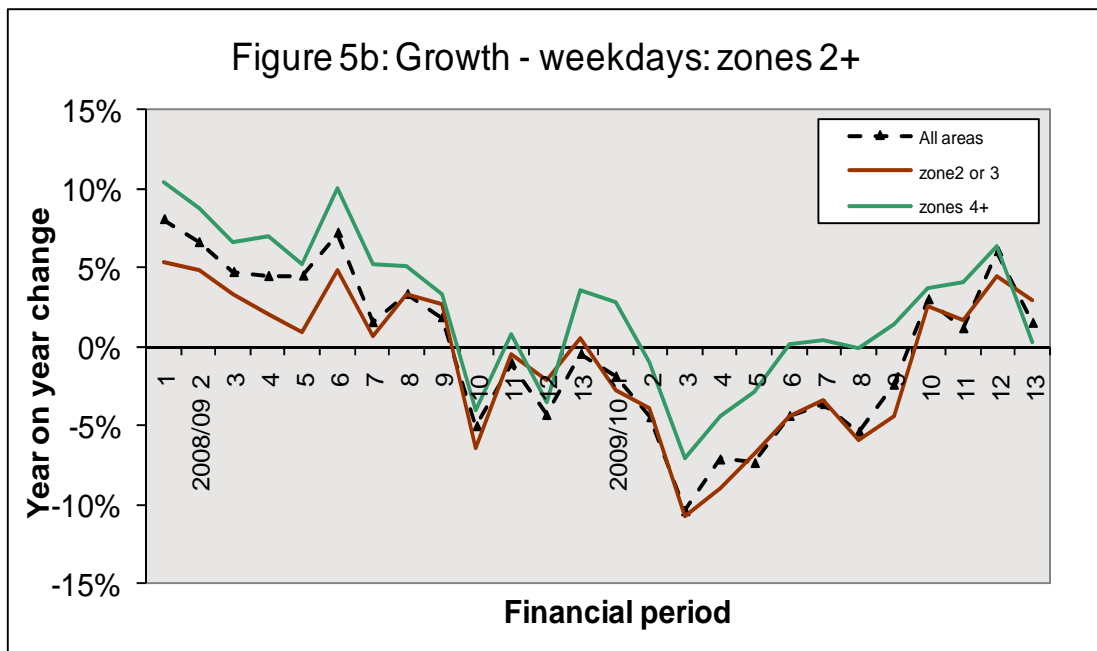
7.1 Figure 5a compares the weekday trend across different areas of Central London.

7.2 The decline is greatest at City stations over the past year; this may in part be attributable to Bank escalator works and the Blackfriars closure affecting the year on year comparisons. The opening of Westfield in period 8 2008/09 may have depressed demand in the West End by around five per cent but the Christmas period last year (periods 9 and 10) shows growth returning to the West End and this accords with coincident trends in the retail sales index.



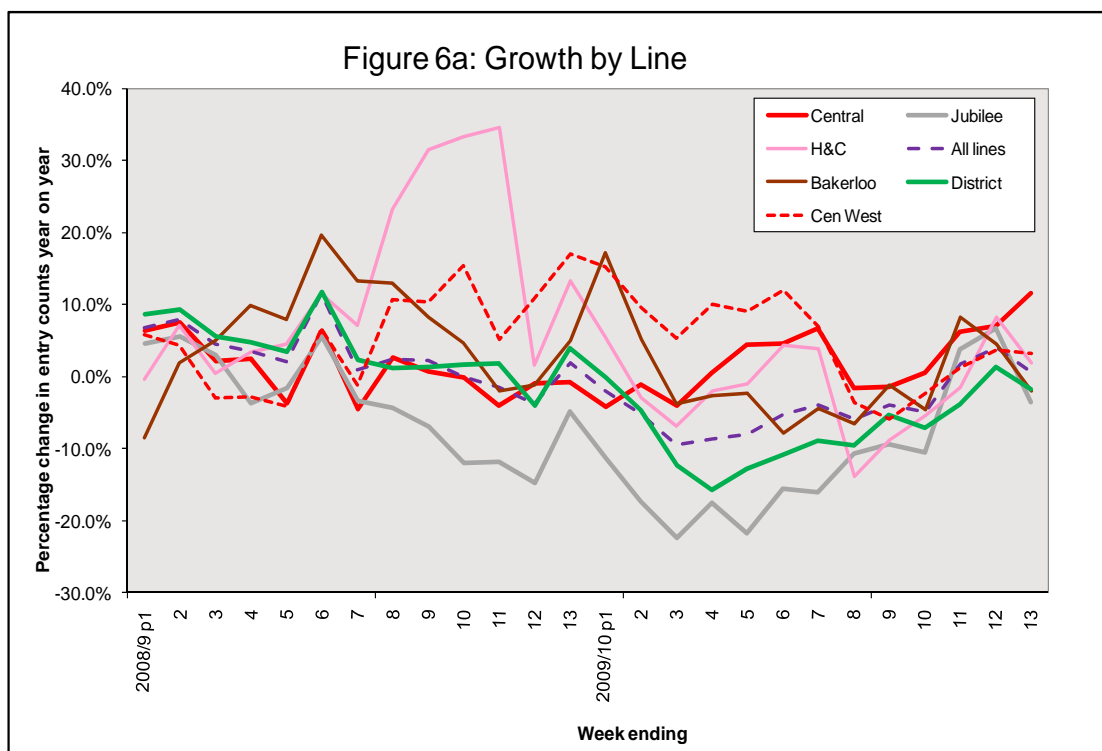
7.3 Figure 5b compares the growth of the zones outside Central London.

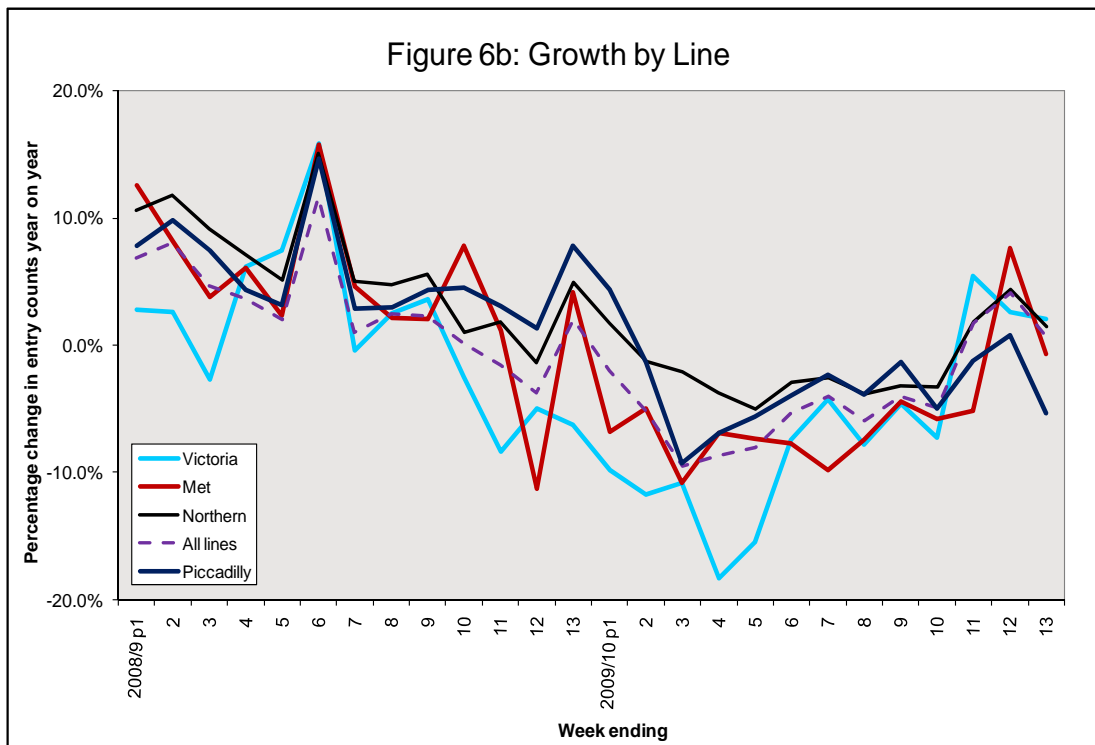
7.4 Journey demand from stations in zones 2 and 3 shows growth at similar levels to the system average but lower than compared to journeys starting in zone 4, 5 and 6. The relative buoyancy for the outer zones continues the long term trend.



8 LINE TRENDS

8.1 Figures 6a and 6b compare the trend across different lines for the outer areas only (i.e. excluding the part of the line in zone 1).



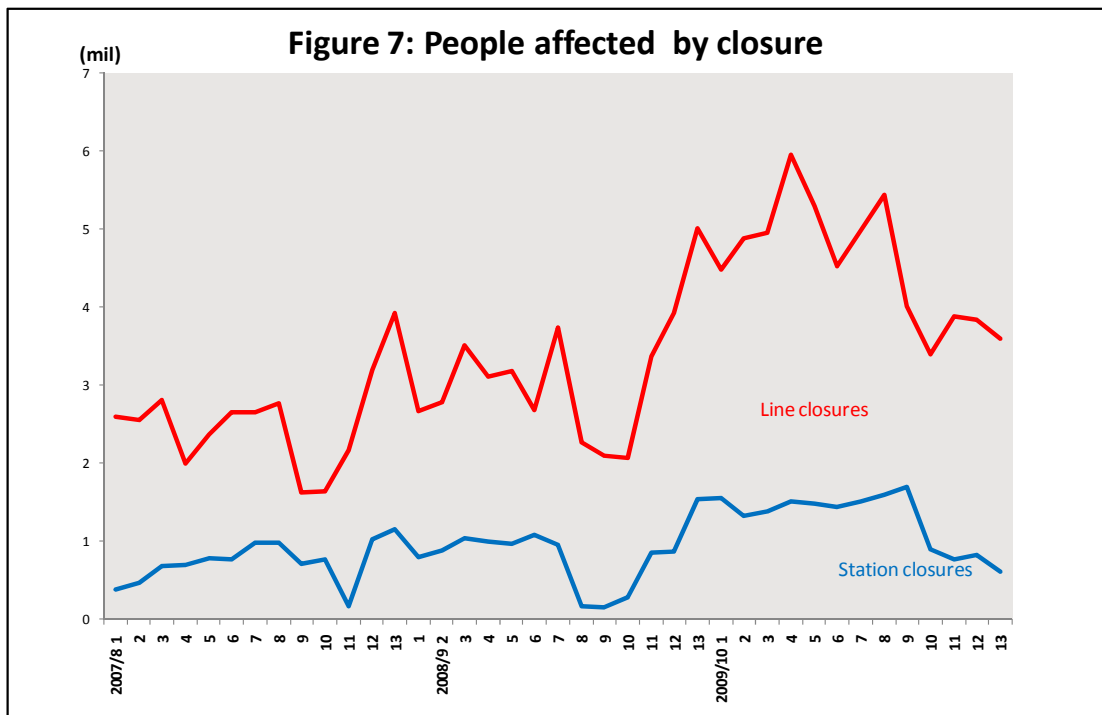


8.2 The charts show the Jubilee line to have consistently lower growth than the average for much of the year. This correlates with the level of weekend closures on the line granted to Tube Lines Limited (TLL), and can also be seen in the data for the Metropolitan line (which has been closed to facilitate works at the west end of the Jubilee line). There is also evidence of a similar effect on the Victoria line, correlating to the period of closures associated with the introduction of the new train.

8.3 Although the Central line follows the general trend, the west end of the line shows an increase due to opening of Westfield in late 2008, including the reopening of Shepherd's Bush station.

9 INFLUENCE OF STATION AND LINE CLOSURES

9.1 As shown in figure 7, over the last year the number of people affected by closures has increased, particularly with the more TLL's intense programme on the Jubilee line. As a result of closures, some of the people affected will be put off travelling, while others will find alternative routes or use replacement or scheduled buses. It is estimated that some 45 per cent of those affected are lost to LU and on that basis the loss in passengers due to closures year-on-year is around 0.8 per cent; amounting to around £13m revenue in a full year. The last quarter has seen a far lower level of closures in total than the rest of 2009/10.



10 CONCLUSION ON DEMAND TRENDS

- 10.1 Demand in quarter 4 showed an increase of around three per cent compared to the same time last year. This indicates a recovery may be underway after the worst of the decline. In the quarter there is no effect due to station or line closures compared to last year. The overall position for the year is 2.3 per cent below that of last year.

11 RECOMMENDATION

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

12 CONTACT

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