<u>Reform</u>

In the UK today, personal, public and freight transport is comprised of the following general sectors:

Air	-	aeroplane, helicopter
Canal/River	-	boat, barge
Rail	-	train, tram, rapid transit rail (underground, overground)
Road	-	lorry, van, bus, car, motorcycle, scooter, bicycle
Sea	-	ship, ferry, hovercraft

Of the above, the Time Party wishes to work towards a national passenger network covering Bus and Rail transport which will be 'free' to all UK citizens. Internal UK Ferry, Hovercraft and River Bus transport may be included at a later stage.

Non-UK citizens, or UK citizens unwilling to participate in the free travel programme, will be expected to buy disposable tickets to travel on the UK national network.

This will NOT be a programme of nationalisation.

For rail transport, our new concept will embrace the licensing of private enterprise companies under competitive tender for the provision of all rail infrastructure (presently under Network Rail) together with a rolling-stock train operator service (presently under approximately two dozen operating companies). These companies can in future provide an interlinked transport system as they already do today yet funded directly by central government. The funding will need to be shared according to the actual passenger journeys undertaken, thereby the train operator will be compensated pro-rata for the usage of their service.

For bus transport, we envisage a similar system of private companies able to provide a full bus service in their localities, as well as other companies for cross-country routes.

The funding (compensation) payable to the above companies will vary according to the journeys undertaken and also the local area costs involved. Clearly, rural services may invoke a higher rate per mile, per passenger, as the demand will be lower than for inner-city transport.

To determine the funding value of the myriad of different journeys undertaken within the UK each day, a system is required to log each journey from start to finish using a simple 'Travelcard'. All participating UK citizens will login at their start-point and logout at their finish-point. The collected data will be transferred via secure telemetry to a government agency which will then provide payment to each service company (train or bus operator) for the logged journeys recorded, probably as an en-bloc payment monthly.

The simplicity of this arrangement will preclude the need for station ticketing staff, although there will be a need for Travelcard inspectors to ride the transport.

At present, station barriers are almost ubiquitous in the UK and could be modified to accept the new Travelcard, however if the roll-out of the system is respected and the subsequent take-up by the general public is positive then the barriers could be decommissioned in favour of just having a 'registration point' on entry and exit of

stations, thereby passenger flows at peak times would be greatly enhanced and platform overcrowding reduced.

Rail- Present Funding

Previous funding of the rail system is as below (2015/16 figures):

Network Rail is funded by:
1) Grants from the UK plus Scottish governments … £4.4bn
2) Charges levied on train operators … £1.5bn
3) Income from property estate assets … £0.9bn
4) Loans from UK government … £6.1bn
Hence, future cost of Network Rail to the taxpayer = £12.0bn less £0.9bn = **£11.1bn**

Train Operators (companies) are funded by:
1) Grants from the UK plus Scottish governments … £3.4bn
2) Ticket income (variable: dependent on journeys undertaken) … £9.7bn
Hence, future cost of Train Operators to the taxpayer = **£13.1bn**

Hence, the total future cost to the UK + Scottish governments is £24.2bn per year.

Clearly, these figures from 2016 are now out of date, so with likely inflation at about 3% we can estimate the 2019 figure to be approximately **£24.9bn** per year.

Bus - Present Funding

There are over 500 bus operators in the UK with a total of 32,000 buses running on our roads. They constitute an eclectic mix of companies and operators providing either local and/or national services.

The number of journeys undertaken within London alone exceeds the sum of all other journeys elsewhere in the UK. London is run by Transport-for-London (TfL) under government-subsidy and statistical data is dealt with separately from the UK stats as below:

TfL is funded by:
1) Grants from the UK government … £2.6bn
2) Ticket income (variable: dependent on journeys undertaken) … £4.8bn
3) Income from property estate assets & the London congestion charge … £1.1bn
4) Loans from UK government … £1.7bn
Hence, the future cost of TfL to the taxpayer = £10.2bn less £1.1bn = **£9.1bn**
source: https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-funded

UK bus companies & operators (excluding TfL) are funded by:
1) Ticket income (variable: dependent on journeys undertaken)
2) Grants from the UK plus Scottish local authorities
Hence, the future cost of UK bus operations to the taxpayer = **£3.8bn**
source: https://www.gov.uk/government/statistical-data-sets/bus04-costs-fares-and-revenue#table-bus0406

Hence, the total cost to the UK plus Scottish governments is **£12.9bn** per year.

<u>Funding by the Tax Payer</u>

The question is … 'How much is a free transport system worth to the economy and also to the enhancement of life quality for the participating UK citizens?'

We in the TIME Party believe that the introduction of free Bus and Rail transport will provide a significant increase in GDP of the country for the following reasons:

(1) Personal citizen social and professional activity will be greatly enhanced.
(2) There may be a significant regeneration of UK holiday destinations and coastal towns in preference to European holidays.
(3) The present personal spend on tickets will, under the new free system, indirectly become a net salary increase for all bus and rail commuters, thereby creating a long term boost to the UK economy.
(4) Many UK companies needing to recruit staff will enjoy a wider choice of personnel willing to commute through ease of travel.

The UK national figures for GDP and Tax are below:

UK GDP = £2,116.4bn (£2.1trn) …. March 2019
source https://www.ukpublicrevenue.co.uk/

Income Taxes	£259.6bn	
National Insurance	£136.5bn	
Indirect Taxes	£329.0bn	
Business & Other	£ 50.1bn	

Total Tax & NI =	£775.8bn	= 27.6% of GDP above

If we take the proposed 'present funding' figures for rail and bus transport outlined earlier of £24.9bn and £12.9bn the total cost per year is **£37.8bn**
This represents 4.87% of the present Tax & NI collected for the year to March 2019.

The question is — will the expected percentage increase in GDP generated by free bus and rail transport match the overall 'free' transport funding requirement?

<u>Further considerations</u>

(1)   Rail carriages will no longer be segregated into 1st & 2nd class, since there will be no ticket-price consideration.
(2)   Rail peak and off-peak ticket-rates will cease to exist and this may prevent any ability to financially control passenger flows during the day.
(3)   Citizens may switch from car to rail, which will alleviate road congestion UK wide including motorways and would preclude the need for motorway expansion.

(4)   Less car use will reduce emissions, helping the environment.
(5)   Most high street businesses will gain a surge in trade, since there will be no travel cost to go shopping, which may save many ailing town and city centres.

If the uptake of free transport is high, then:

(6) Rail rolling stock will need expanding.
(7) Rail platforms may need extending to match longer trains.
(8) Rail services may need increasing to match demand, by running more trains.

Travelcard programme

The aforementioned 'Travelcard' is necessary to help the Government determine how much funding should be attributed to each private company for the work undertaken to provide their service.

The Travelcard system will be carefully designed to encourage each Travelcard holder to faithfully utilise their Travelcard to login and logout every time they undertake a journey.

To ensure compliance, each issued Travelcard will be an Electronic Photo-Identity Card capable of retaining the owner's details plus a level of prepaid deposit (nominally £50) which will be used to control usage violations. Travel will always be free, but if a passenger fails to login/logoff correctly for their journey then their deposit will be deducted by an initial £5 fee as a penalty, the next three violations will each attract a £10 fee, with a final penalty fee of £15 on the fifth event. Hence after five such procedural violations their card deposit will become zero and their card will become invalid to travel. There will be a system in place where users making these errors will have time to correct them before being charged with a penalty fee.

To undertake a journey on any network without a valid Travelcard or ticket will be a civil offence (just as it is today) and the passenger would face removal from the transport and a possible fine. To this end, travel inspectors will be employed to ride most forms of transport to make random inspections of the Travelcards (or tickets) and impose on-the-spot fines. Each inspector will have apparatus to read the Travelcards.

For non-Travelcard passengers, ticket machines will still be available at stations and buses for the purchase of tickets. The cost of a ticket will be determined by the franchise operator on a 'Zone' basis calculated from the passenger's start point. Each concentric zone from the start point will represent an additional geographical distance of 10 miles. Hence, local trips will be very cheap, but long distance trips will cross numerous zones and become more expensive. Each day-ticket will validate travel for 24 hrs.

Travelcard implementation

At present the rail networks utilise station barriers which can be modified to accept the new Travelcard. If the free transport concept works well in the future, the Time Party may propose scrapping all station barriers to implement a 'registration point' system. Each post would read the passenger's Travelcard data, deposit level and log their journey. A non-contact system is proposed, which will greatly enhance passenger flows at peak travel times. Multiple posts would be installed at main line stations, or indeed outside the vicinity of stations, to aid compliance.

The present bus networks already have a similar system of card/ticket login but, under the new arrangement, passengers on will also need to logout.

Travelcard data

The Travelcard data to be held and affiliated operational points are listed below:

1.   Applications for Travelcards could be made online or at a local post office. Applicants would present some form of British identity, for example a passport or driving licence, together with a £50 deposit.

2.   Card may electronically contain -:
       a) ID of issued UK citizen.
       b) date of issue.
       c) deposit credit level (between £0 - £50).
       d) journey start point (ie: which station/bus stop).
       e) log-in start date.
       f) log-in start time.
       g) log-out finish date.
       h) log-out finish time.
       i) total number journeys.
       j) encoded smart chip, to prevent cloning or fraud.

3.   Card needs to be credited with a £50 deposit, paid to the Government.

4.   Card is valid for 2 years from the creation date (on expiry, any remaining deposit will be refunded to the named holder or transferable to their next issued card).

5.   Card can be renewed every 2 years, within 21 days prior to anniversary of creation, if the £50 deposit is not fully present on the card then the owner tops up the balance to renew their card for the next 2 years.

6. Card must log-out of all journeys. Failure to do so will result in an automatic penalty. The card deposit will be deducted by an initial £5 penalty fee, the next three violations will each attract a £10 fee, with a final penalty fee of £15 on the fifth event. This will be achieved locally by the registration point at the <u>start of the next journey</u> via the card smart-chip.

   However there will be a log-out grace period of 24hrs* from the start of each journey. Facilities will be made available to users to correct errors made in this time.

   After 5 log-out violations the deposit-credit will become zero and the card is thereby cancelled by default to prevent further access through a station barrier or on to a bus.

7. Cards may be cancelled and any deposit credit returned to the owner, but full ID must be provided by owner.
   (If owner is deceased then card returned to the government for a refund of credit to the executor).

8. Police and Ticket-Inspectors can electronically read the cards for all information contained therein, using an RF card reader.

<u>Travelcard programme - potential challenges</u>

Any new system, especially a free transport proposal, will possibly generate some potential challenges which will need further consideration, some of which include:
Further overcrowding at peak times, platforms and trains may need extension, there may be no facility for special treatment via 'first class', homeless people could ride the network to keep warm and travel 24hrs a day, commercial carriers could take up valuable space with suitcases of goods meaning a weight limit on goods could be necessary.
We are currently developing solutions to these issues and others. None of the above issues are insurmountable. Further adjustments to the proposal will undoubtedly come once these solutions are finalised.

Free transport in the UK is a noble and great prize worth some sacrifices.

TIME Party   15 March 2019