

## Finance Committee Chair's Action



**Date Issued: 3 August 2022**

**Title: Santander Cycles – 2022 Scheme Tariff Change**

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**This paper will be published once the decision has been made.**

### **1 Summary**

- 1.1 The purpose of this paper is to request approval to amend the scheme tariff for the London Cycle Hire Scheme (LCHS), also known as Santander Cycles.
- 1.2 The proposal is part of the Cycle Hire Modernise, Electrify and Expand (MEE) programme, which aims primarily to increase usage of Santander Cycles and, therefore, cycling volumes in London in line with Proposal 6 of the Mayor's Transport Strategy to "increase the use of TfL's Cycle Hire scheme, and explore the potential new models of Cycle Hire". The new tariff is core to enabling the wider improvements within the programme, such as the rollout of 500 assisted peddling electric bikes (e-bikes).
- 1.3 The new tariff will introduce a simplified single ride option, offer a new option of a monthly subscription, and increase the price of annual subscription but with an extended hire period of 60 minutes. E-bikes are priced as a premium option which is reflective of the additional functionality. The proposal has been informed by extensive research and engagement with customers.
- 1.4 The use of Chair's Action is considered appropriate as a decision to vary the tariff is required before the date of the next meeting of the Finance Committee to meet the proposed implementation timetable.
- 1.5 Appendix 4 to this paper contains supplementary information that is exempt from publication. The information is exempt by virtue of paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL and information which is legally privileged.
- 1.6 The Members of the Board are asked to consider the proposal and inform the Chair of the Finance Committee with their views, on or before 10am on 5 August 2022. The contents of this paper, and the exercise of Chair's Action, will be reported to the next meeting of the Finance Committee and the Board.

### **2 Recommendation**

- 2.1 **The Chair, in consultation with Members of the Board, is asked to note this paper and the supplementary information in the exempt Appendix 4 and:**
  - (a) **approve the revised scheme tariff as set out in this paper for Santander Cycles for implementation in September 2022; and**

- (b) **authorise the Commissioner to revise the scheme tariff from time to time, as they may consider appropriate, to reflect TfL’s operational requirements and/or financial objectives.**

### 3 Background

- 3.1 The Cycle Hire Modernise and Electrify proposals, considered by the Programmes and Investment Committee at its meeting in December 2020, outlined the continuing review of the Santander Cycles scheme tariff. This review also included the tariff to support the roll out of e-bikes in line with Proposal 6 of the Mayor’s Transport Strategy to “to increase the use of TfL’s Cycle Hire scheme, and explore the potential new models of Cycle Hire”.
- 3.2 The proposal is part of the MEE programme, which aims to increase usage of Santander Cycles and, therefore, cycling volumes in London, which directly supports the Mayor’s Transport Strategy Policy 1 for 80 per cent of all trips in London to be made on foot, by cycle or using public transport, as well as Policy 2 for all Londoners to do at least 20 minutes active travel each day. The programme also aims to support TfL’s financial sustainability plans.
- 3.3 Santander Cycles’ growth has been broadly in line with wider cycling growth in London over the last 10 years and a three per cent annual growth, in line with TfL forecasts on total cycling demand, underpins the assumptions within this paper.
- 3.4 The current Santander Cycles scheme tariff, illustrated in Figure 1, was introduced in 2014 and offers two options for customers. To access the annual subscription, users must register online as members. Pay-as-you-go can be accessed by members (24-hour members) or as a turn-up-and-go service paying at on-street terminals.
- 3.5 The existing tariff is a known source of confusion for customers, especially in relation to the 24-hour access window. TfL frequently issue high volumes of refunds to customers who understood that the £2 provides unlimited access during the 24-hour period, rather than unlimited 30-minute rides.

<b>PAY-AS-YOU-GO</b>	<b>ANNUAL SUBSCRIPTION</b>
Valid for a 24 hour period	Valid for 365 consecutive days
<b>£2.00</b> Includes unlimited rides of up to 30 minutes	<b>£90.00</b> Includes unlimited rides of up to 30 minutes
<b>+£2.00</b> for every additional period of up to 30 minutes	<b>+£2.00</b> for every additional period of up to 30 minutes

**Figure 1: Current scheme tariff since 2014**

## 4 Proposal

- 4.1 The tariff proposal, illustrated in Figure 2, has been informed by extensive research and engagement with customers. A revenue model was developed to test the impacts of the tariffs on revenue and usage.
- 4.2 The proposal was revalidated in late 2021, considering changed usage during the coronavirus pandemic and expected travel patterns going forward. The revised model accounts for pre-coronavirus trends in 2019 and trends during the coronavirus pandemic in 2020.
- 4.3 The proposal introduces a simplified single ride option, offers a new option of a monthly subscription, and increases the price of annual subscription but with an extended hire period of 60 minutes. E-bikes are priced as a premium option which is reflective of the additional functionality. E-bikes will be available to registered users only initially.

SINGLE RIDE	MONTHLY SUBSCRIPTION	ANNUAL SUBSCRIPTION
Valid for a maximum of 24 consecutive hours	Valid for 30 consecutive days	Valid for 365 consecutive days
<b>£1.65</b> for single rides up to 30 minutes	<b>£20.00</b> for unlimited rides up to 60 minutes	<b>£120.00</b> for unlimited rides up to 60 minutes
<b>+£1.65</b> for each additional period up to 30 minutes	<b>+£1.65</b> for each additional period up to 60 minutes	<b>+£1.65</b> for each additional period up to 60 minutes
<b>E-Bike Charges (Registered Users only)</b>		
<b>£3.30</b> for single rides up to 30 minutes	<b>£1.00</b> for up to 60 minutes <i>(in addition to the £20 monthly fee)</i>	<b>£1.00</b> for up to 60 minutes <i>(in addition to the £120 annual fee)</i>
<b>+£3.30</b> for each additional period up to 30 minutes	<b>+£3.30</b> for each additional period up to 60 minutes	<b>+£3.30</b> For each additional period up to 60 minutes
<i>Additional ride charges and e-bike charges will appear separately on customer billing. For example, a customer may receive multiple charges of £1.65 where rides exceed 30 minutes and/or for e-bike rides.</i>		

**Figure 2: Proposed scheme tariff**

## 5 Benefits and Impacts

- 5.1 The proposal is expected to bring the following customer benefits:
- easy to understand:** The existing tariff is a known source of confusion for customers, especially in relation to the 24-hour access window. The proposal introduces a simplified single ride structure;
  - flexible, personalised tariff options:** Alongside the changes to the existing tariff options, we are introducing a new monthly subscription targeted at user needs which are currently not met;

- (c) **satisfaction from scheme improvements:** Operating a financially sustainable bicycle share scheme in the longer term will enable TfL to make a case for future improvements; and
- (d) **fair tariff for a popular London transport mode:** Cycle Hire’s existing tariff is characterised by high levels of customer satisfaction as “value for money” (around 98 per cent “fair” or “good” from customer research).

5.2 The structure of the tariff is expected to encourage repeat usage of Santander Cycles, and therefore repeat usage of an active and sustainable travel mode. A monthly user would need to take just 13 trips in a month to see value compared to paying per single ride, and an annual user just seven trips per month. The monthly option offers better value than the current pay-as-you-go tariff option for any user hiring a Santander Cycle on 11 days or more per month.

**Table 1: Price Per Trip for Average Monthly Usage (classic bike)**

Average Monthly Usage	Price Per Trip		
	Single (£2)	Monthly (£20)	Annual (£120)
40 trips per month	£1.65	£0.50	£0.25
30 trips per month	£1.65	£0.67	£0.33
20 trips per month	£1.65	£1.00	£0.50
15 trips per month	£1.65	£1.33	£0.67
10 trips per month	£1.65	£2.00	£1.00
5 trips per month	£1.65	£4.00	£2.00

## 6 Delivery Approach

- 6.1 The changes to the back-office and on-street infrastructure to implement the tariff will be delivered by TfL’s supplier Cubic under TfL’s Revenue Collection Contract. The associated mobile app updates, and e-bike rollout, is being delivered by Serco Limited, under TfL’s Bike Management Services contract. This is being delivered and governed as part of the MEE programme.
- 6.2 The transition of users from the existing to the new scheme tariff is planned to take place over a weekend in September 2022 as part of a wider back-office upgrade, including the launch of 500 e-bikes. It is expected that Santander Cycles will be closed during this transition period.
- 6.3 The change to the scheme tariff, and how users will be transitioned to the new tariff, will be communicated via a targeted marketing and communications campaign. The plans have been finalised and are due to commence four weeks prior to the launch of the tariff change.

## 7 Legal Considerations

- 7.1 TfL has the power to approve the proposed tariff change by virtue of Paragraph 7 of Schedule 11 to the Greater London Authority Act 1999 (GLA Act), which allows TfL to make or waive charges for the use of services and facilities. The LCHS is not a public passenger transport service, and so the tariff does not fall to be approved by the Mayor under sections 155(1) and 174 of the GLA Act.

## 8 Equality Considerations

- 8.1 The Public Sector Equality Duty set out in Section 149 of the Equality Act 2010 requires TfL, when carrying out our functions and taking decisions, to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between people with protected characteristics and those who do not share those characteristics. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.2 Equality Impact Assessments (EqIAs) have been produced to assess the impacts of the proposals on those with protected characteristics, as defined by the Equality Act 2010. The EqIAs found that while the new scheme tariff will apply to all users, it may disproportionately impact several Protected Groups with statistically lower earnings, typically lower and higher age groups, females, LGBT+ individuals, black, Asian and minority ethnic people, those on maternity leave and those considered disabled.
- 8.3 However, a survey of nearly 1,000 users and non-users of Santander Cycles, to understand attitudes towards the proposal by demographic group, did not identify a statistically significant and disproportionately negative response amongst these groups compared with the current tariff. Survey respondents were shown a proposed tariff structure with a higher single ride of £2, compared to the £1.65 set out in this paper. It is acknowledged that these findings cannot be considered conclusive of the eventual impact, therefore the impacts of the proposal on Santander Cycles demographic user base will be monitored once implemented.
- 8.4 Considering the proposal is estimated to increase the cost for some users, there remains a risk of increased underrepresentation of demographic groups with statistically lower earnings amongst Santander Cycles users. The available data, included in Appendix 1, suggests that those in the higher age groups, females and black, Asian and minority ethnic people are underrepresented across the Santander Cycles user base compared with the London population. As above, the impacts of the proposals will be monitored once implemented.
- 8.5 The monthly and annual tariff options are expected to encourage repeat usage, given frequent users can benefit from a low cost per trip. The monthly option offers better value than the current pay-as-you-go tariff option for any user hiring a Santander Cycle on 13 days or more per month.
- 8.6 A communications campaign will support the launch of the tariff, with focus on;
- (a) targeted communications to underrepresented groups and those that may be disproportionately impacted by the proposal;
  - (b) ensuring the new scheme tariff is clearly explained, that users understand each tariff option and know what charges to expect; and
  - (c) helping users to identify the most economically advantageous option to suit their needs.

**List of appendices to this report:**

Appendix 1: Santander Cycles Demographic Data

Appendix 2: London Cycle Hire Scheme – E-Bikes Equality Impact Assessment

Appendix 3: London Cycle Hire Scheme – New Tariffs Equality Impact Assessment

Appendix 4: Exempt supplemental information

**List of Background Papers:**

Cycle Hire Modernisation paper, submitted to the Programmes and Investment Committee, December 2020

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## Appendix 1: Santander Cycles Demographic Data

- 1 Demographic data for Santander Cycles users was collected through a TfL 'Customer Pulse' London representative survey, of over 1,000 people, in December 2020. Potential users living outside of the 32 London boroughs and/or visitors to London were not included, however, registered users living in a London borough account for the majority of registered users (59 per cent). It is acknowledged that data is not available for all protected characteristics.
- 2 The data is summarised in Figure 3 with the key findings as follows:
  - (a) Gender: Females are underrepresented (33 per cent) compared with the London population (50 per cent). Four per cent of users listed themselves as 'other', however there is no comparable data on London's population.
  - (b) Age: High usage amongst the 16-34 year age group (60 per cent) compared with London population (30 per cent). Representation in the 35-54 year age group (35 per cent) is similar, but not directly comparable, to the London population (35-49 years 23 per cent, 50-64 years 16 per cent), however there is low representation in the 55+ age group (five per cent).
  - (c) Ethnicity: Black, Asian and minority ethnic people are slightly underrepresented (40 per cent) compared with London population (43 per cent).
  - (d) Disability: Disabled users are represented (19 per cent) compared to the London average (19 per cent).
  - (e) Working status: 73 per cent of Santander Cycles users are working and 27 per cent are not. This includes all respondents and does not only account for the economically active population.
  - (f) Social grade: 63 per cent of Santander Cycles users are ABC1 and 37 per cent C2DE, compared with UK average of 57 per cent and 43 per cent respectively.

London population data is taken from London Datastore<sup>1</sup>.

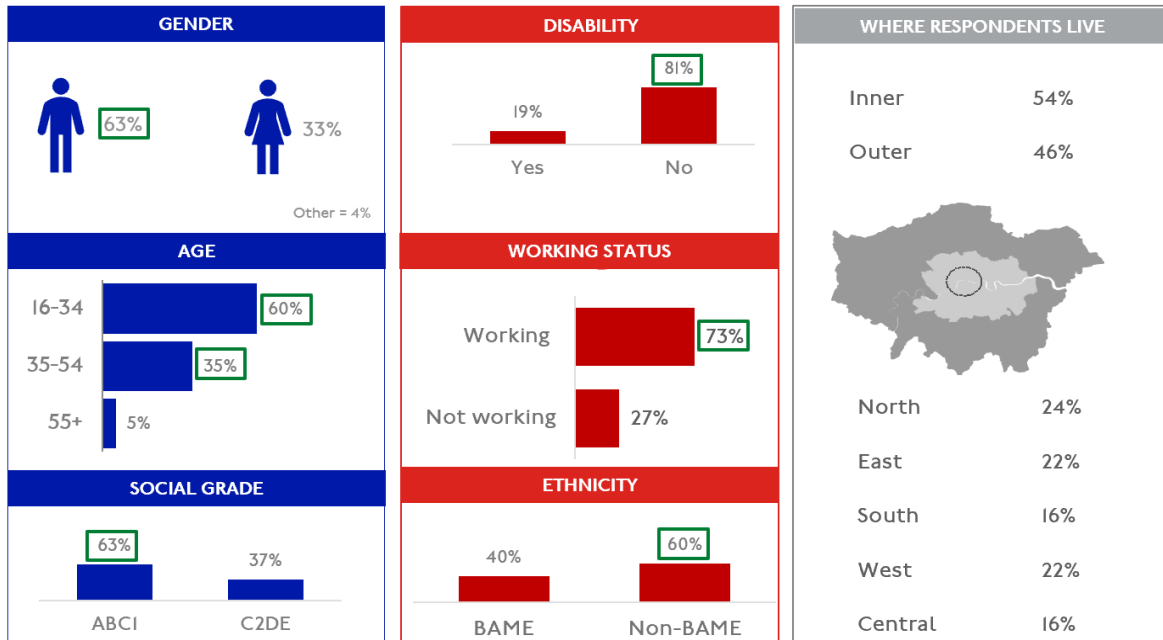
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<sup>1</sup> Greater London Authority, 2019. London's diverse population Available from: <https://data.london.gov.uk/dataset/london-s-diverse-population-> [Accessed 01/11/2019]

## Current Santander Cycles users are more likely to be non-BAME, male, under 35 years old, working and ABCI

Who is using Santander Cycles hire? (all used in last year)

   Significant difference




**Figure 3: Demographic Data of Santander Users from TfL Customer Pulse (December 2020)**



## FI457 AI Equality Impact Assessment (EqIA) form

<b>Programme Project</b>	London Cycle Hire Scheme (LCHS) – E-Bikes
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<b>Accountable</b>	Director of Rail & Sponsored Services	Tricia Ashton
	Signature: 	Date: 02/12/2021

<b>Assurance Checked By</b>	Director of Diversity, Inclusion & Talent	Marcia Williams
	Signature: <i>Marcia Williams</i>	Date: 24 November 2021

## Step 1: Clarifying Aims

### Q1. Outline the aims/objectives/scope of this piece of work

This proposal is to introduce electric bikes (e-bikes) into the London Cycle Hire Scheme (LCHS), also known as Santander Cycles. E-bikes are motorised bikes that provide assistance when the user begins peddling to make cycling less strenuous. The plan is to rollout e-bikes in the first half of 2022.

The introduction of e-bikes to the Santander Cycles scheme aims to increase usage of Santander Cycles and cycling in London by keeping pace with the latest technology and trends, as well as introducing a more inclusive product targeting those put off by cycling due to the physical demands. This is with consideration to TfL's financial objectives, ensuring that the rollout is financially sustainable for TfL. This proposal aligns to the Mayor's Transport Strategy and Healthy Streets approach by increasing active travel and providing inclusive travel options.

The initial introduction of e-bikes will involve the rollout of 500 e-bikes for public use as part of the Santander Cycles scheme. The e-bikes will use the existing Santander Cycles infrastructure and be hired in the same way as a classic bike. For this rollout, the placement of e-bikes will focus on central zones at docking stations with the highest current usage but this may alter as e-bike usage data is collected. Users will be able to identify e-bikes through unique branding as well as locate an e-bike through the existing mobile app and website. The e-bikes will comply with UK e-bike legislation, including the assisted speed limit of 15.5mph and restricting use to those aged 14 or over.

An additional charge will be incurred for e-bikes on top of the tariff for classic bikes to ensure e-bikes are financially sustainable. The pricing for e-bikes has been developed with a specialist pricing consultant as part of a wider tariff revision for the entire scheme, summarised in Figure 1. A deposit for users to hire any bike is being considered as part of the wider tariff revision to address losses associated with failed follow on payments due to late or non-returned bikes. A further review of whether to implement the deposit is due in Autumn 2022, after review of actual losses incurred following introduction of the new tariff. The equality impacts for the wider tariff revision, including the deposit proposal, are captured in a separate document and this document will capture the equality impacts of the e-bike pricing only.

	SINGLE RIDE	MONTHLY SUBSCRIPTION	ANNUAL SUBSCRIPTION
	Single trip valid for 30 minute period	Unlimited 60 minute rides for a month	Unlimited 60 minute rides for a year
Classic Bikes	£2.00	£20.00	£120.00
	+£2 for every additional 30 minutes	+£2 for every additional 60 minutes	+£2 for every additional 60 minutes
E-Bike	£4.00	+£1.00 per 60 minute ride	+£1.00 per 60 minute ride
	+£4 for every additional 30 minutes	+£4 for every additional 60 minutes	+£4 for every additional 60 minutes

**Figure 1: Tariff Proposal**

### Q2. Does this work impact on staff or customers? Please provide details of how.

The introduction of e-bikes will impact all existing and new users of Santander Cycles who wish to hire an e-bike. The 500 e-bikes will replace 500 existing classic bikes; however the impact to availability of the existing bikes is expected to be minimal.

The impact of introducing e-bikes on customers can be summarised as follows:



- E-bikes are heavier than classic bikes so may be more challenging to manoeuvre; estimated e-bike weight of 27kg compared with 24kg for a classic bike; the additional weight is expected to be less noticeable once the user is moving due to the pedal assistance
- Users may be able to travel faster on an e-bike compared to a classic bike due to the electric assisted peddling, set to the UK speed limit for e-bikes
- Availability may be limited due to the number of e-bikes introduced and users may not be able to access an e-bike, however this is the first phase of introduction to monitor usage
- There will be an additional cost to hire an e-bike

Staff employed by a contractor for TfL for maintenance and redistribution of Santander Cycles will be required to locate and redistribute e-bikes, replace and charge their batteries, and undertake maintenance to keep the e-bikes in good condition. The staff impacts can be summarised as follows:

- E-bikes are heavier than classic bikes so may be more challenging to manoeuvre as part of redistribution
- E-bikes operate on batteries, which require charging and changing, so there are additional operational requirements
- E-bikes have additional components, such as batteries and motors, which may have additional maintenance regimes

Changes to the back-office system, mobile app and website will be required to introduce e-bikes. This is to ensure customers and the system can differentiate between classic bikes and e-bikes for hires, access the same features as classic bikes and additional features for e-bikes such as battery levels of e-bikes at individual docking stations and pricing information.

The scheme may be inactive for a period whilst the system updates and customers will be unable to hire a bike during this period. This is expected to be no more than a weekend for each of the three delivery phases, however the delivery plan is not finalised (due Autumn 2021). Access around the docking stations will not be affected during this period.

Updates to visual information on-street, on the website and mobile app will be required. The changes will be consistent with the existing format in line with TfL and regulatory standards.

## Step 2: The Evidence Base

**Q3. Record here the data you have gathered about the diversity of the people potentially impacted by this work. You should also include any research on the issues affecting inclusion in relation to your work**

Data is not available for all protected characteristics within the categories below.

### London Population Data

The following data for the London population has been collected from London Datastore<sup>1</sup>.

- **Gender:** There are an equal percentage of males (50%) and females (50%)
- **Age:** The age demographic in London is as follows:
  - 0-15 20%
  - 16-24 11%
  - 25-34 19%

<sup>1</sup> Greater London Authority, 2019. London's diverse population Available from: <https://data.london.gov.uk/dataset/london-s-diverse-population-> [Accessed 01/11/2019]



- 35-49 23%
- 50-64 16%
- 65+ 11%
- **Ethnicity:** The London population is mostly white (57%) compared to Black Asian and Minority Ethnic (43%)
- **Religion:** The religion demographic in London is as follows:
  - Christian 48%
  - Buddhist 1%
  - Hindu 5%
  - Jewish 2%
  - Muslim 14%
  - Sikh 2%
  - Other 2%
  - None 26%
- **Disability:** 19% of the London population are disabled
- **Sexual orientation:** The sexual orientation demographic in London is as follows:
  - Heterosexual 90%
  - Gay or lesbian 2%
  - Bisexual 1%
  - Other 1%
  - Don't know/refuse 6%

#### Income Data

As the impact of the new tariff is primarily financial, data on income across those with protected characteristics has been collected where available. It is acknowledged that data is not available for all protected characteristics.

The following findings are from London Datastore<sup>2</sup> for employed earnings and GOV.UK<sup>3</sup> for unemployment rates:

- **Gender:** Employed females earn an average of 21.7% less than males in London. Males represent 56% of those that are unemployed.
- **Ethnicity:** Employed Black Asian and Minority Ethnic individuals earn an average of 23% less than white individuals. Black, Pakistanis and Bangladeshi people have the highest unemployment rate out of all ethnic groups (8%)
- **Disability:** Those considered disabled earn an average of 13% less than those not considered disabled in employment. The unemployment rate was 6.7% for disabled people compared with 3.7% for non-disable people in 2019<sup>4</sup>.

The figure below published by Parliament using data from the Office for National Statistics (ONS)<sup>5</sup> illustrated the median weekly pay age group. Those in the 16-24 and 25-49 age groups represent the highest proportion of those that are unemployed; 36% and 43% respectively.

<sup>2</sup> Greater London Authority, 2019. *Economic Fairness* Available from: <https://data.london.gov.uk/economic-fairness/labour-market/> [Accessed 01/11/2019]

<sup>3</sup> GOV.UK, 2021. *Unemployment* Available from: <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/unemployment-and-economic-inactivity/unemployment/latest#by-ethnicity>

<sup>4</sup> Office for National Statistics (ONS), 2019. *Disability and employment, UK:2019*. Available from: <https://www.ons.gov.uk>

<sup>5</sup> Parliament, 2019. *Average earning by age and region* [Online] Available from: <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8456> [Accessed 25/11/2019]





Source: ONS, Annual Survey of Hours and Earnings

Figure 2: Median weekly pay by age

Income data based on sexual orientation and gender reassignment is less readily available, however a recent YouGov and LinkedIn survey<sup>6</sup> identified Lesbian, Gay, Bisexual and Trans (LGBT+) individuals earn an average of 16% less than others.

### Santander Cycles Data

Demographic data for users of Santander Cycles was collected through a TfL Customer Pulse survey in December 2020. The data was collected from a representative survey of over 1,000 Londoners. It should be noted that potential users living outside of the 32 London Boroughs and/or visitors to London are not included, however registered users living in a London Borough account for most registered users (59%). It is acknowledged that data is not available for all protected characteristics.

The data is summarised in Appendix I with the key findings as follows:

- **Gender:** Females are underrepresented (33%) compared with the London population (50%). 4% of users listed themselves as 'other', however there is no data on London population to compare to
- **Age:** High usage amongst 16-34 age group (60%) compared with London population (30%). Representation in the 35-54 age group (35%) is similar to the London population (35-49 23%, 50-64 16%), however there is low representation in the 55+ age group (5%)
- **Ethnicity:** Black Asian and Minority Ethnic are slightly underrepresented (40%) compared with London population (43%)
- **Disability:** Disabled users are represented (19%) compared with the London population (19%)
- **Working status:** 73% of Santander Cycles users are working and 27% are not. This includes all respondents and does not account for economically active population only.
- **Social grade:** 63% of Santander Cycles users are ABC1 (middle class) and 37% C2DE (working class), compared with UK average of 57% and 43% respectively<sup>7</sup>

### London Cycling Trends

To compare Santander Cycles to general cycling trends in London, data has been collected from the Travel in London Report 13<sup>8</sup> available on the TfL Website. This data covers 2019/20, prior to the Coronavirus pandemic which significantly altered travel patterns in London.

- **Age:** The percentage within each age group of those that cycled at least once in 2019/20:
  - 5-24 31%
  - 25-34 19%
  - 35-44 21%
  - 45+ 29%

It is not possible to directly compare these results to those of Santander Cycles due to the different age group ranges within the datasets.

- **Gender:** Of those that cycled at least once in 2019/20, 62% were male. This demonstrates there are generally more male cyclists; however, the percentage of male



users of Santander Cycles is much higher (70-76%). There is no data in the report for other genders.

- **Ethnicity:** Of those that cycled at least once in 2019/20, 77% were white. This is relatively consistent with the data for Santander Cycles users, where Black Asian and Minority Ethnic are significantly underrepresented.
- **Employment/household income:** Of those that cycled at least once in 2017/18, 60-65% were employed. The average household income is split as follows:
  - <20k 11%
  - 20k-75k 51%
  - >75k 38%

### E-Bikes Data

The information in this section is taken from the Royal Society for the Prevention of Accidents (RoSPA) factsheet, which has collated data from various sources on e-bikes<sup>9</sup>.

The data suggests key barriers to cycling include safety, the weather, inconvenience, a lack of fitness, a lack of time or cycling being perceived as too much effort. It also claims e-bikes can benefit those with physical limitations, in higher age groups and those cycling in hilly areas. Other reported benefits include being able to achieve a higher speed whilst cycling with less effort, reduced journey times and finding it less challenging to ride up hills compared to a conventional bike.

RoSPA note safety concerns, particularly amongst those in higher age groups, due to the weight of e-bikes, speed and the user. One study states the casualty risk on a standard bike and e-bike is the same for riders aged 25-49, but the casualty risk doubles for rides over 50 on an e-bike. Similarly, another study states the injury risk for those over the age of 75 doubles when using an e-bike compared to a standard bike.

### E-Bikes Pricing – Market Research

A two-stage research study was undertaken to inform the tariff proposal; the first stage sought qualitative feedback through focus groups with users and the second stage sought quantitative feedback through on-street surveys with users. It should be noted that this on-street survey was undertaken in October. Given Santander Cycles usage varies by season, it is acknowledged that the data collected in October might not be representative of the user base for the entire year. Autumn/winter tends to see a higher proportion of member/commuter trips and less casual/leisure trips compared with Spring/Summer.

Stage one concluded the existing tariff is generally considered good value but noted some confusion around pricing, including how much users pay beyond 30 minutes, whether the pricing is capped and the options available. Demographic data was not collected for focus groups.

Stage two interviewed 830 users at docking stations across London to understand views on the existing tariff and potential new tariff proposals. This subsequently informed the fares structure and pricing for each option. Limited information on the demographics of those interviewed is

<sup>6</sup> LinkedIn, 2019. *The UK has an LGBT pay gap* Available from: <https://www.linkedin.com/feed/news/the-uk-has-an-lgbtq-pay-gap-4702500> [Accessed 01/11/2019]

<sup>7</sup> YouGov, 2019. *How well do ABC1 and C2DE correspond with our own class identity?* Available from: <https://yougov.co.uk/topics/politics/articles-reports/2019/11/25/how-well-do-abc1-and-c2de-correspond-our-own-class> [Accessed 12/08/2019]

<sup>8</sup> Transport for London, 2018. *Travel in London Report 13* Available from: <http://content.tfl.gov.uk/travel-in-london-report-13.pdf> [Accessed 01/11/2019]

<sup>9</sup> Royal Society for the Prevention of Accidents (RoSPA), 2018. *Road Safety Factsheet. Electric Bikes.* [PDF] Birmingham: RoSPA. Available from: <https://www.rospace.com/rospaweb/docs/advice-services/road-safety/cyclists/e-bikes-factsheet.pdf> [Accessed 22/11/2019]



available and it's not possible to analyse responses by demographic, which means the impact on existing users from protected characteristics cannot be fully addressed at this stage.

The known demographics of those interviewed include:

- User type: 552 members / 278 casuals
- User type: 417 'leisure' / 417 'commuter'
- Gender: 594 male / 232 female
- Age: 171 16-24 / 212 25-34 / 190 35-44 / 165 45-54 / 84 55-64 / 8 65+
- Employment status: 605 full-time / 42 part-time / 40 self-employed / 121 student / 6 unemployed / 6 retired / 3 other / 7 prefer not to say

#### **Tariff Proposal – September 2021 Survey**

Considering the potential impacts of the new tariff proposal outlined in Step 3 of this document, a further survey was carried out to understand attitudes towards the tariff by demographic group.

The survey was responded to by nearly 1,000 London residents, including existing users and non-users of Santander Cycles. A range of demographic information was requested, including age, ethnicity, gender, socio-economic status, disability status and sexual orientation. The survey questions focused on value for money, simplicity and flexibility of the proposed classic bike and e-bike tariff, as well as the current tariff as a comparator. It also included questions to understand attitudes to a deposit, at both £30 and £50.

The responses were analysed for any trends amongst certain demographics that were statistically significant. The responses across all demographic groups are summarised in Appendix 2, with statistically significant findings highlighted where appropriate and summarised below.

The key statistically significant findings on the e-bike tariff include:

- Across all respondents the additional price per trip, whether that's £1 or £2, does not have a significant difference on the likelihood of e-bike hire
- Higher age groups are less likely to hire an e-bike under all price points tested, however responses suggest this is likely to be linked to attitudes towards cycling more generally (100% of 65+ and 76% of 55-64 age groups cited 'I am not interested in cycling' as a reason for not using an e-bike)
- Lower age groups are most interested in e-bikes but more sensitive to paying any extra price, with little difference in response at £1 or £2 more per trip

The equality impacts of the classic bike tariff and deposit is captured in the Tariff EqIA. The Tariff EqIA details the findings from the survey on the classic bike tariff and deposit.



## Step 3: Impact

Q4. Given the evidence listed in step 2, consider and describe what potential short, medium and longer term negative impacts this work could have on people related to their protected characteristics?

Protected Characteristic	Y/N	Explain the potential negative impact
Age	Y	<p>The evidence base suggests there could be an increased safety risk to those over the age of 50 or 75.</p> <p>While to the additional cost to hire an e-bike will apply to all ages, the lower and higher age groups may be disproportionately affected given the income data presented in the evidence base. The survey data indicates that the higher age groups are less interested in hiring an e-bike, but the responses do not indicate the additional cost as being a key driver. The lower age groups are more interested in hiring an e-bike and the majority of respondents up to the age of 35 would hire an e-bike at an extra cost, however more of the lower age groups cite cost as a reason for not hiring an e-bike than other age groups.</p> <p>Given the income data in the evidence base, there is a risk that the additional cost may prevent, or reduce, the benefit of e-bikes in increasing cycling in underrepresented groups, however the findings from the survey do not identify a statistically significant and disproportionately negative response to the cost amongst the older and younger age groups.</p>
Disability including carers	Y	<p>E-bikes are heavier than classic bikes and manoeuvres may be more difficult for those with physical disabilities. Stability due to the increased weight of the bike is cited as one of the main safety concerns in the evidence base.</p> <p>If an e-bike were to stop working, this may have more of an impact of those with physical disabilities who may be unable to return the bike to the nearest docking station.</p> <p>While the additional cost to hire an e-bike applies to all users, those with a disability could be disproportionately affected given the income data presented in the evidence base. The survey data for the classic bike tariff does not indicate a statistically significant and disproportionately negative response to the classic bike tariff amongst disabled respondents. The additional price to hire an e-bike compared to classic bikes may also add confusion, which may disproportionately impact neurodiverse individuals.</p> <p>Given the income data in the evidence base, there is a risk that the additional cost may prevent, or reduce, the benefit of e-bikes in increasing cycling in underrepresented groups, however the findings from the survey do not identify a statistically significant and disproportionately negative response to the cost disabled respondents.</p>
Gender	Y	<p>While the additional cost to hire an e-bike applies to all genders, females, trans and non-binary individuals could be disproportionately affected given the income data presented in the evidence base. The survey data for the classic bike tariff does not indicate a statistically significant and disproportionately negative response to the classic bike tariff amongst female respondents. The response to the survey amongst trans and non-binary individuals is too small to be considered.</p>



		Given the income data in the evidence base, there is a risk that the additional cost may prevent, or reduce, the benefit of e-bikes in increasing cycling in underrepresented groups, however the findings from the survey do not identify a statistically significant and disproportionately negative response to the cost by gender.
Gender reassignment	Y	While the additional cost to hire an e-bike applies to all genders, females, trans and non-binary individuals could be disproportionately affected given the income data presented in the evidence base. This may prevent, or reduce, the benefit of e-bikes in increasing cycling in underrepresented groups.  The response to the survey amongst trans and non-binary individuals is too small to be considered.
Marriage/civil partnership	N	
Other – e.g. refugees, low income, homeless people	Y	While the additional cost to hire an e-bike applies to all users, those on lower incomes could be disproportionately affected. The survey data for the classic bike tariff does not indicate a statistically significant and disproportionately negative response to the classic bike tariff amongst socio-economic groups.  Given the income data in the evidence base, there is a risk that the additional cost may prevent, or reduce, the benefit of e-bikes in increasing cycling in underrepresented groups, however the findings from the survey do not identify a statistically significant and disproportionately negative response to the cost amongst socio-economic groups with typically lower average earnings.
Pregnancy/maternity	Y	E-bikes are heavier than classic bikes, which may create difficulty for those who are pregnant. Stability due to the increased weight of the bike is cited as one of the main safety concerns in the evidence base.  Individuals unable to work or on maternity leave with reduced/no income may be disproportionately impacted by the additional cost to hire an e-bike. This may prevent, or reduce, the benefit of e-bikes in increasing cycling in underrepresented groups.
Race	Y	While the additional cost to hire an e-bike applies to all users, Black Asian and Minority Ethnic groups could be disproportionately affected given the income data in the evidence base. The survey data for the classic bike tariff does not indicate a statistically significant and disproportionately negative response to the classic bike tariff amongst any ethnic groups.  Given the income data in the evidence base, there is a risk that the additional cost may prevent, or reduce, the benefit of e-bikes in increasing cycling in underrepresented groups, however the findings from the survey do not identify a statistically significant and disproportionately negative response to the cost amongst ethnic groups.
Religion or belief	N	There is limited data available on cycling volumes amongst different religions or beliefs, however there may be perceived cultural barriers. There is a risk the e-bike pricing proposal could restrict the opportunity to overcome these barriers. There is no data available to quantify the impact of the proposals by religion or belief.
Sexual orientation	Y	While the additional cost to hire an e-bike applies to all users, LGBT+ individuals could be disproportionately affected given the income data in the evidence base. The response to the survey amongst LGBT+ individuals is too small to be considered.

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		Given the income data in the evidence base, there is a risk that the additional cost may prevent, or reduce, the benefit of e-bikes in increasing cycling in underrepresented groups. The survey attempted to collect data on attitudes to the proposal by sexual orientation, however the response rate was too small to make firm conclusions.
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**Q5. Given the evidence listed in step 2, consider and describe what potential positive impacts this work could have on people related to their protected characteristics?**

Protected Characteristic	Y/N	Explain the potential positive impact
Age	Y	E-bikes provide power assistance and can be less strenuous, which may remove a barrier to cycling for those in the higher age groups. The assisted peddling will be restricted to a maximum speed of 15.5mph, in line with UK legislation.
Disability including carers	Y	<p>E-bikes provide power assistance and can be less strenuous, which may remove a barrier to cycling to those with physical disabilities. The assisted peddling will be restricted to a maximum speed of 15.5mph, in line with UK legislation.</p> <p>To reduce risk of bike failure, battery levels will be shown to the user and e-bikes with a battery level lower than a set amount (expected at 20% or 15km of usage) will not be accessible. This will help reduce concerns for those with a physical disability. A battery failure during a trip is considered unlikely given the e-bikes must have a minimum of 20% (15km range) of battery and the battery life will be clearly displayed on the e-bike and App, however other e-bike failures are possible aside from battery failures.</p> <p>Should an e-bike fail, the user is asked to return the e-bike to the nearest docking station where possible, which are generally positioned no more than 500 metres apart within the scheme boundary. Alternatively, a user can contact the Contact Centre for assistance during its operating hours (7am-10pm weekdays and 9am-9pm weekends) and an operator can be sent out to assist. Outside of operating hours the user is advised to leave the e-bike in a safe, and secure place where possible, and inform TfL. The user will need to find an alternative mode of transport and refund claims can be submitted via the Contact Centre. These details will be communicated as part of the planned Marketing &amp; Communications campaign. The contact centre number and email will feature on the e-bike.</p>
Gender	Y	The evidence base identified that Santander Cycles is predominately used by men, but the evidence base also suggests e-bikes are known to remove a number of perceived barriers to cycling, some of which may positively alter the demographic of users.
Gender reassignment	N	
Marriage/civil partnership	N	
Other – e.g. refugees, low	N	



income, homeless people		
Pregnancy/maternity	Y	E-bikes provide power assistance and can be less strenuous, which may remove a barrier to cycling for those who are pregnant. The assisted peddling will be restricted to a maximum speed of 15.5mph, in line with UK legislation.
Race	Y	The evidence base identified that Santander Cycles is predominately used by those who are white but the evidence base also suggests e-bikes are known to remove a number of barriers to cycling, some of which may positively alter the demographic of users.
Religion or belief	Y	The introduction of e-bikes may help to overcome perceived cultural barriers and related obstacles, for example it may be easier for those in longer religious attire to use e-bikes compared to conventional bikes.
Sexual orientation	N	



## Step 4: Consultation

### Q6. How has consultation with those who share a protected characteristic informed your work?

List the groups you intend to consult with or have consulted and reference any previous relevant consultation?	If consultation has taken place what issues were raised in relation to one or more of the protected characteristics?
Santander Cycles User Groups/Customers	TfL have been working with a specialist consultant to develop the tariff proposals as part of a wider tariff review. In order to develop the proposal, feedback from users of Santander Cycles has been collected through on-street surveys and user group meetings to inform the proposal.
London residents of various demographics	An online survey was undertaken to understand attitudes to the proposed tariff, including the deposit functionality, amongst different demographics. This included existing users and non-users of Santander Cycles. The findings are summarised in the evidence base.

### Q7. Where relevant, record any consultation you have had with other projects / teams who you are working with to deliver this piece of work. This is really important where the mitigations for any potential negative impacts rely on the delivery of work by other teams.

The Project Team have been developing the e-bikes proposal, which includes representatives in the Investment, Delivery and Santander Cycles teams of TfL. The TfL Diversity & Inclusion Team has been consulted separately.

Further consultation on the proposed pricing of e-bikes within TfL and the Greater London Authority (GLA) is planned as part of the approval process for the new tariff.



## Step 5: Informed Decision-Making

Q8. In light of the assessment now made, what do you propose to do next?

1. Change the work to mitigate against potential negative impacts found	
2. Continue the work as is because no potential negative impacts found	
3. Justify and continue the work despite negative impacts (please provide justification)	<p>To address safety concerns for specific groups and potential difficulties due to the added weight of the bike, consideration will be given to the design of the e-bike and appropriate safety messaging/training. It should be noted that the e-bikes will comply with UK legislation, including speed and age restrictions, and the bikes will feature the same safety messaging as classic bikes, such as beware of left turning lorries.</p> <p>The evidence base and impacts highlight a risk that the pricing proposal for e-bikes may disproportionately impact several protected characteristic groups and prevent, or reduce, the benefits of increasing underrepresentation in Santander Cycles/cycling in London as a result. However, a survey of users and non-users to understand attitudes towards the pricing proposal by demographic group did not identify a significantly more negative response amongst these groups. The proposed pricing structure for e-bikes is essential to support financial sustainability for Santander Cycles, in line with TfL's Financial Sustainability Plan, to ensure the scheme can continue operating in the long-term.</p> <p>The impacts of implementing a concessionary scheme for classic bikes and e-bikes was investigated. A 25% discount was considered; implementing this for disabled users would decrease revenue below levels at which Cycle Hire would break even. Extending this to users with other protected characteristics (for example, higher or lower age groups) would further decrease revenue. A higher tariff was considered for non-concessionary users to further offset revenue, however to secure the necessary increase in revenue a significantly higher tariff would be required (£5 per single e-bike trip, vs £4 proposed). Modelling based on customer feedback indicated this would significantly reduce the number of trips on Cycle Hire overall per year, compromising the scheme's aims to support usage of Santander Cycles and therefore cycling volumes in London. Therefore, implementation was not considered proportionate given the findings from the survey and the estimated potential revenue reduction, which would hinder the financial sustainability objective of the proposal.</p> <p>It is acknowledged that these findings and impacts cannot be considered conclusive of the eventual impact. The impacts of the proposal on Santander Cycles demographic user base will be monitored as part of the project. It is also acknowledged that the pricing survey was not able to collect any, or enough, data</p>



	<p>on all protected characteristics, including gender reassignment, marriage/civil partnership, pregnancy/ maternity, religion/belief and sexual orientation.</p> <p>To address potential negative impacts of the proposal, consideration will be given to the appropriate communications and/or engagement with users. This includes making pricing as clear as possible to users, as well as having clear safety messaging. This will be delivered through a communications and marketing campaign.</p> <p>The e-bike management and distribution supplier will be engaged to confirm mechanisms in place to ensure staff are briefed and equipped for the new operational regime required for e-bikes.</p>
<p>4. Stop the work because discrimination is unjustifiable and no obvious ways to mitigate</p>	



## Step 6: Action Planning

Q9. You must address any negative impacts identified in step 3 and 4. Please demonstrate how you will do this or record any actions already taken to do this. Please remember to add any positive actions you can take that further any positive impacts identified in step 3 and 4.

Action	Due / Status	Owner
Confirm plans for staff employed by TfL's supplier for e-bike management and distribution to ensure they are appropriately trained for the new operational regime.	<ul style="list-style-type: none"> <li>March 2022</li> </ul> <p><i>October 2021 update: Training plans are in progress and due to be finalised in the new year, for training in advance of e-bike launch.</i></p>	Project Manager
Consider customer communications and engagement, specifically amongst any protected characteristics likely to be impacted by e-bikes, in advance of the e-bike rollout. This includes the impacts of the additional tariff to hire an e-bike.	<ul style="list-style-type: none"> <li>Investment decision on e-bikes – December 2020</li> <li>Tariff proposal recommendation – March 2021</li> <li>Update EqIA – April 2021</li> </ul> <p><i>July 2021 update: A communications and marketing campaign is being developed with the TfL Customer, Marketing &amp; Behaviour Change Team. There are objectives within the brief to target communications to underrepresented groups and those that may be disproportionately impacted by the tariff proposal.</i></p>	Project Sponsor
Ensure the e-bike design makes it clear to the user they are using an e-bike as opposed to a classic bike.	<ul style="list-style-type: none"> <li>E-Bike design finalised – January 2022</li> </ul> <p><i>July 2021 update: E-Bikes and classic bikes will be distinguishable within the Mobile App. The physical design (branding) of the e-bikes is being explored.</i></p>	Project Manager
Ensure the safety of e-bikes features within the marketing campaign on the lead up to launch of the e-bike. To consider: 1) E-bikes are heavier than classic bikes 2) What to do if an e-bike stops working during a journey 3) Safe practice for using an e-bike 4) Bike/e-bike training available	<ul style="list-style-type: none"> <li>Finalise proposal for marketing campaign - September 2021</li> <li>Marketing campaign – late 2021 – Summer 2022</li> </ul> <p><i>July 2021 update: The communications and marketing campaign will focus on encouraging the safe use e-bikes. The campaign is being planned and due to commence from Autumn 2021 until launch in Summer 2022.</i></p>	Cycle Hire Team
The initial rollout of e-bikes will include continuous monitoring of usage and impacts. The monitoring should assess both positive and negative impacts, such as safety and the risk of bike failures.	<ul style="list-style-type: none"> <li>Define monitoring plan – June-August 2021</li> </ul> <p><i>July 2021 update: The monitoring plan for e-bikes is defined in the benefits strategy. This includes collecting data on usage, customer satisfaction and any safety</i></p>	Project Sponsor / Cycle Hire Team



	<i>incidents. Bike failures are monitored by the current supplier and reported to the Cycle Hire Operations Board. This action is closed.</i>	
Collect further data on the impacts of the tariff proposal on the demographic groups that may be disproportionately affected. Terms to be agreed with the TfL Diversity & Inclusion Team.	<ul style="list-style-type: none"> <li>• Market research complete – September 2021</li> <li>• EqIA updated – October 2021</li> </ul> <p><i>October 2021 update: Further data has been collected via an online survey. The EqIA has been updated with the findings. This action is now closed.</i></p>	Project Sponsor / Cycle Hire Team
Confirm monitoring plans to assess the impact of the proposal on demographic groups, focusing on groups where potential disproportionate impacts have been identified	<ul style="list-style-type: none"> <li>• Confirm monitoring plans (activity and timings) – January 2022</li> </ul>	Project Sponsor



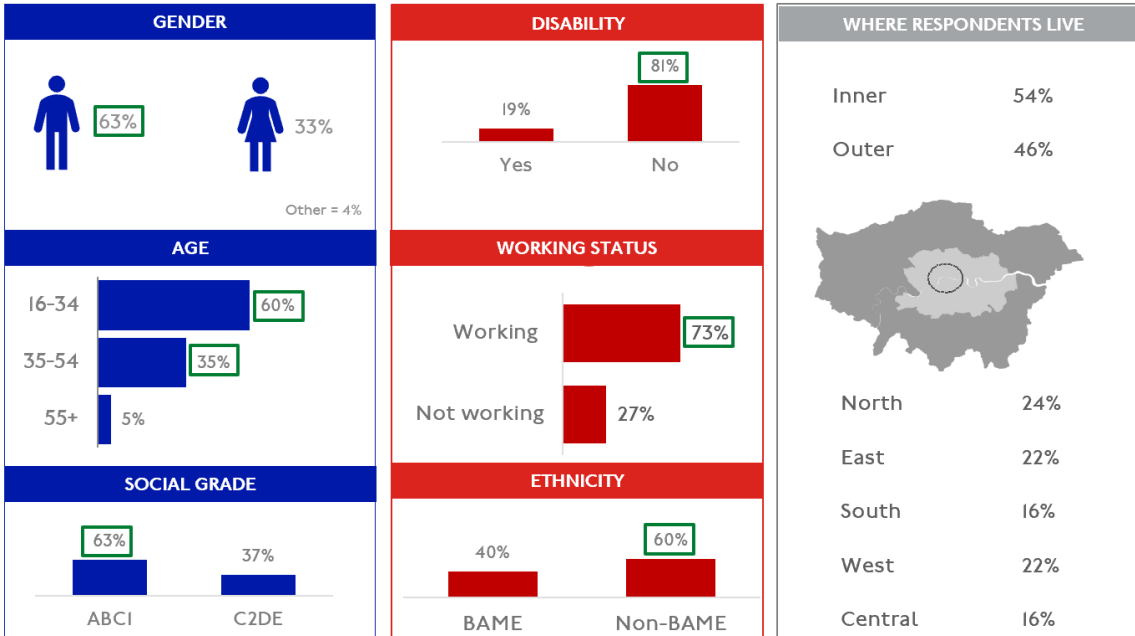


## Appendix 1: Santander Cycles Demographic Data

**Current Santander Cycles users are more likely to be non-BAME, male, under 35 years old, working and ABCI**

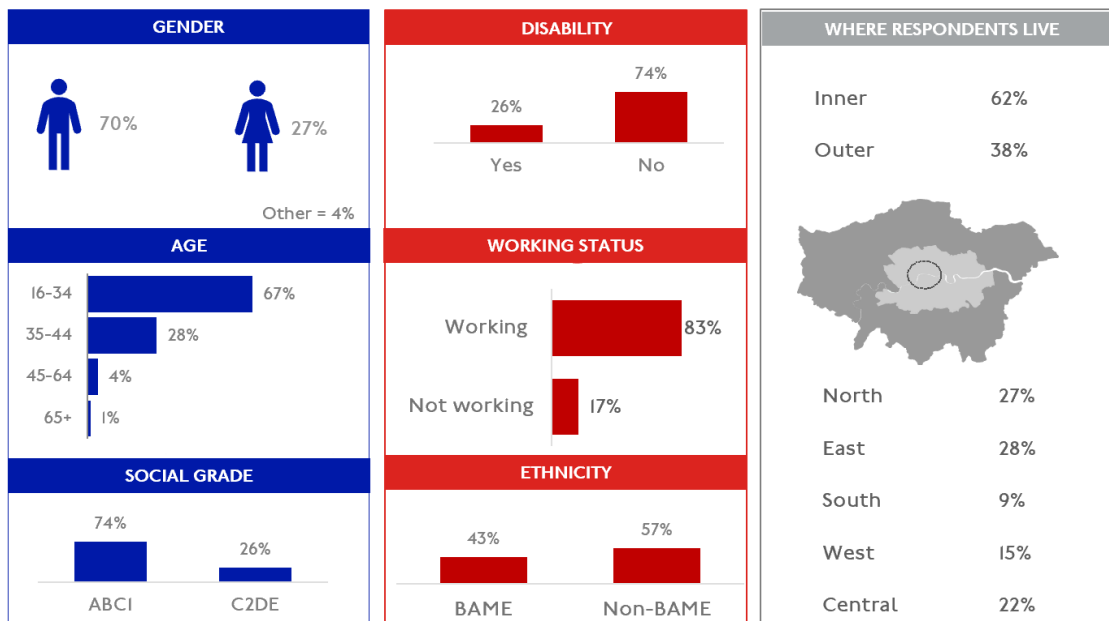
Who is using Santander Cycles hire? (all used in last year)

  Significant difference



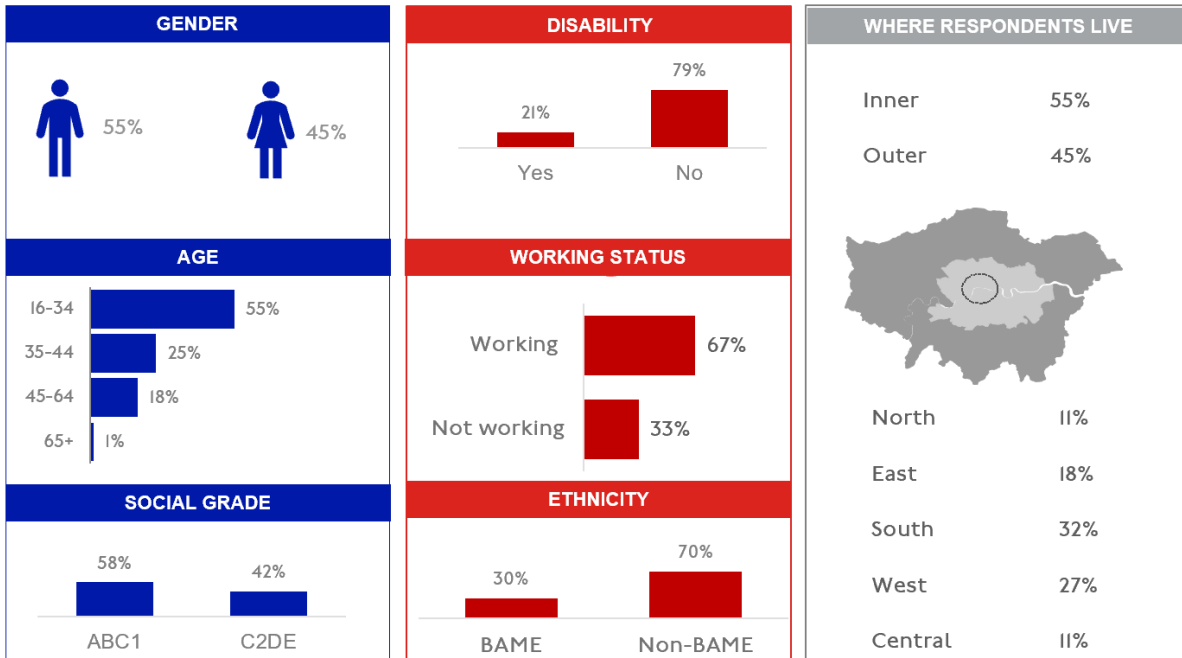
**Weekly users of Santander Cycles are more likely to live in Inner London, be in employment, male and under 35**

Who is using Santander Cycles hire? Use Santander Cycles at least weekly



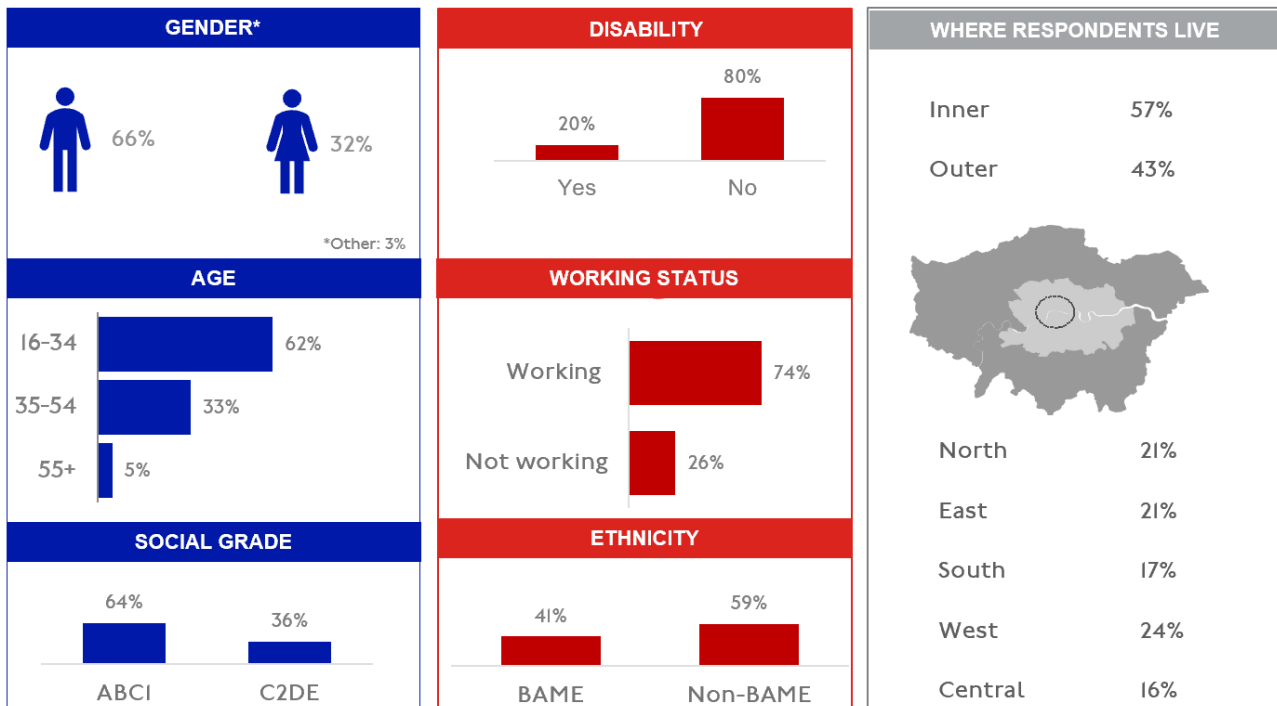
## Those using Santander Cycles 1-2 times per month tend to be working and aged 16-34. There is less of a difference by gender and socioeconomic grade among this group

Who is using Santander Cycles hire? Use Santander Cycles 1-2 times per month



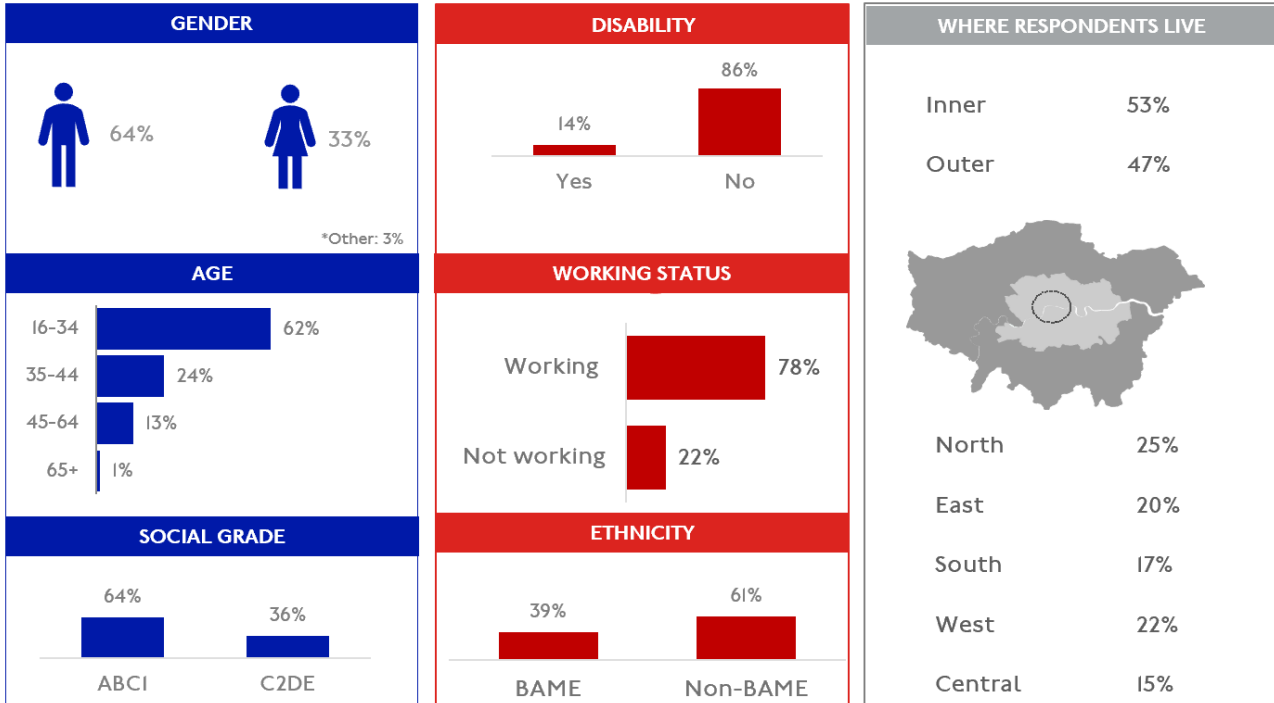
## Profile of Regular Santander Cycles users: Regular users are more likely to be male, aged 16-34 and of a higher socioeconomic grade

Who is using Santander Cycles hire? Regular Santander Cycles Users (last 6 months)



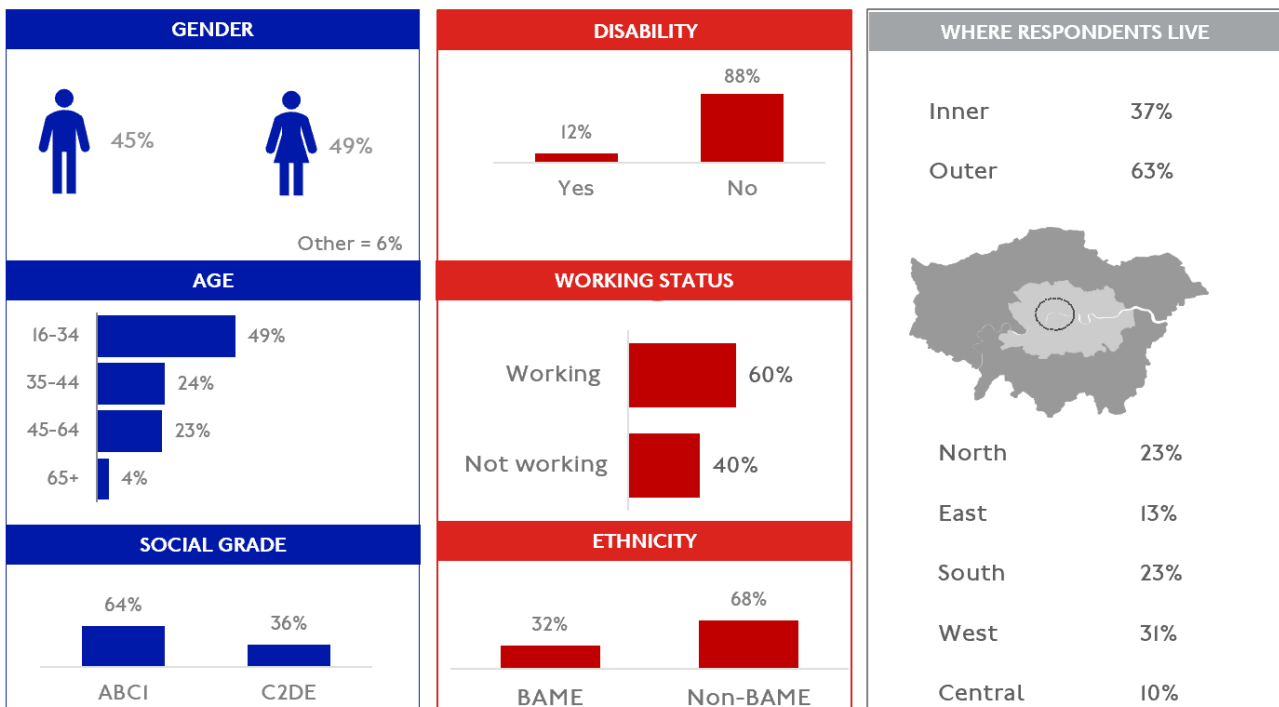
## Casual Users of Santander Cycles

Casual users of Santander Cycles



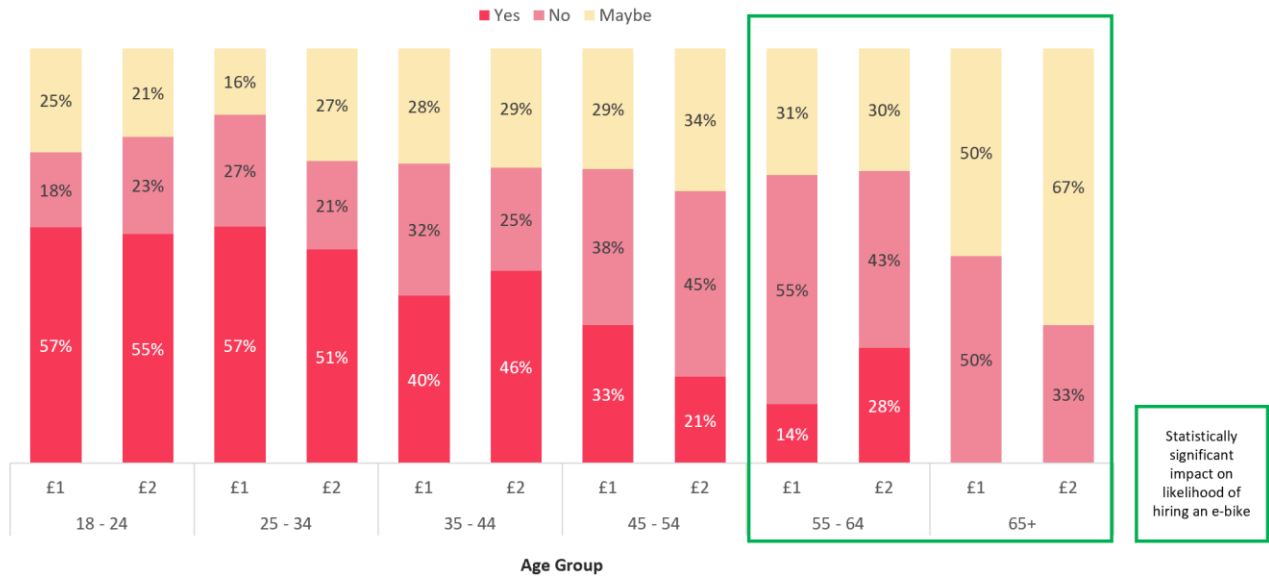
## Lapsed Users of Santander Cycles

Lapsed users of Santander Cycles (have not used in the last 12 months)

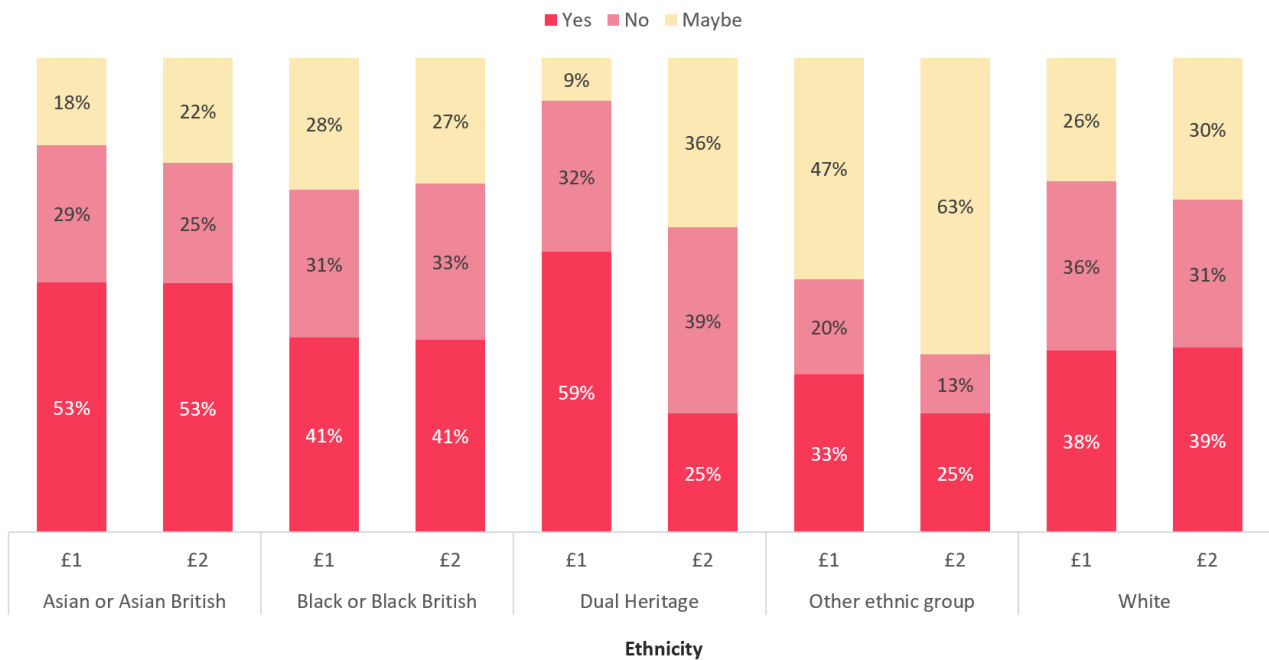


## Appendix 2: Attitudes to Additional E-Bike Pricing by Demographic Group

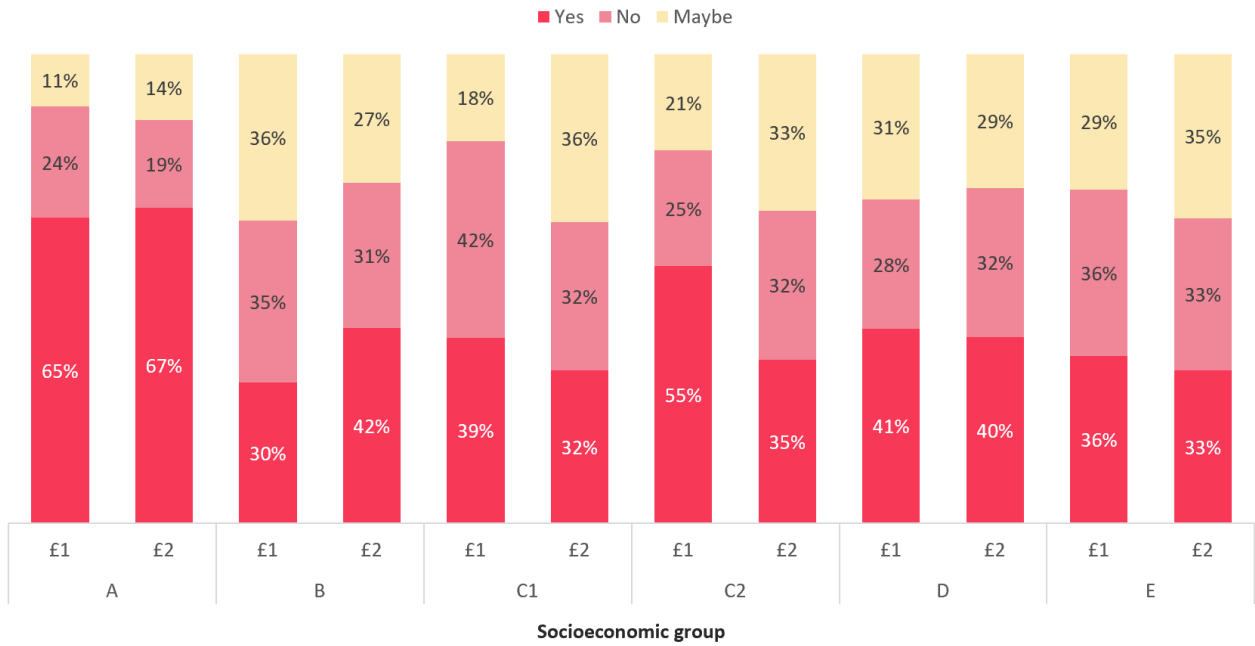
Would you hire an eBike if one was available, and the cost was an additional £X per 30 minutes?



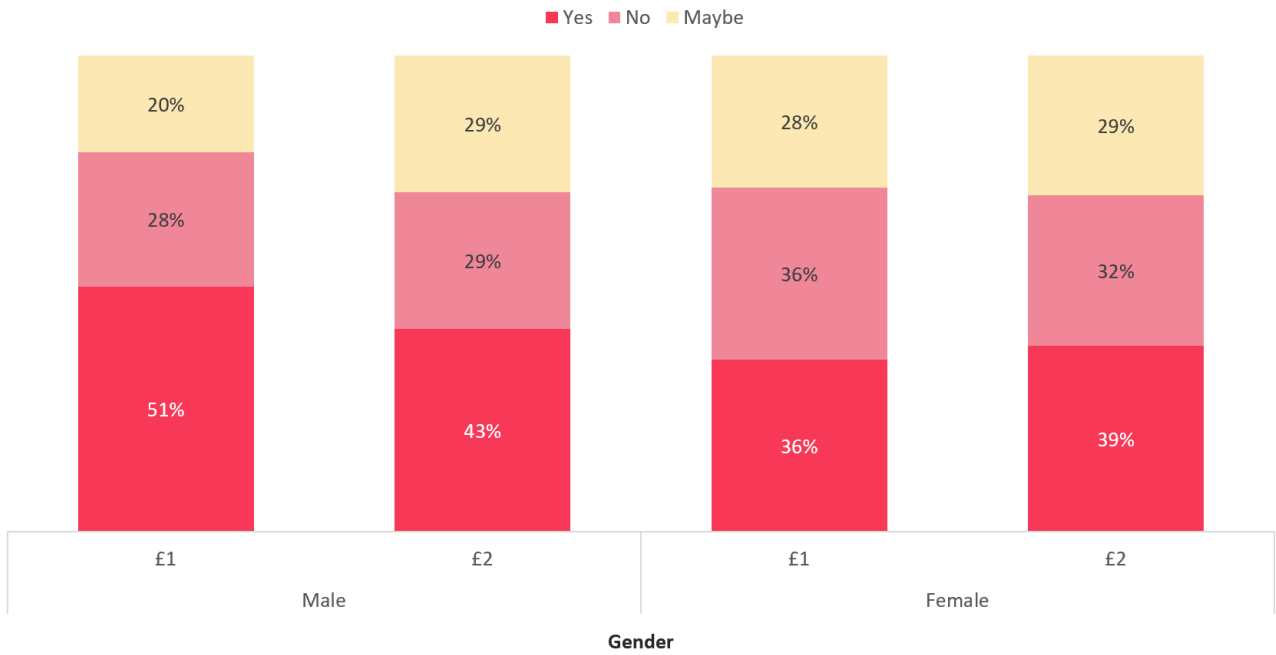
Would you hire an eBike if one was available, and the cost was an additional £X per 30 minutes?



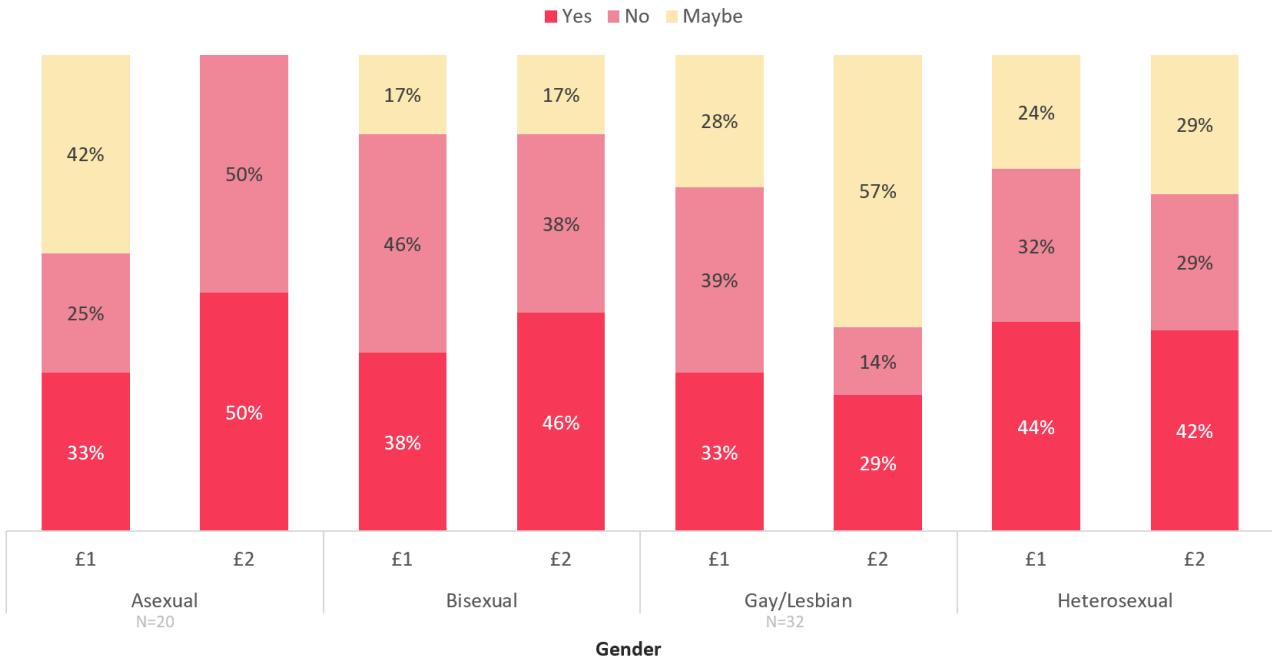
Would you hire an eBike if one was available, and the cost was an additional £X per 30 minutes?



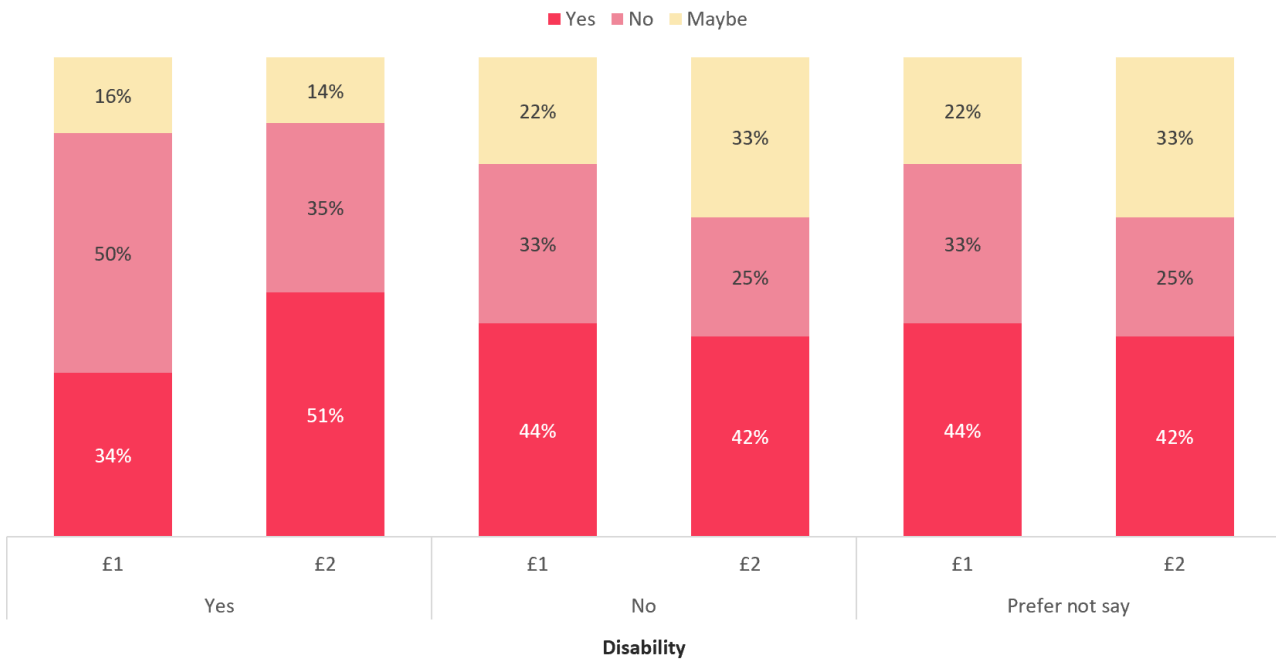
Would you hire an eBike if one was available, and the cost was an additional £X per 30 minutes?



Would you hire an eBike if one was available, and the cost was an additional £X per 30 minutes?"



Would you hire an eBike if one was available, and the cost was an additional £X per 30 minutes?"



## FI457 AI Equality Impact Assessment (EqIA) form

Project	London Cycle Hire Scheme (LCHS) – New Tariff
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Accountable	Director of Rail & Sponsored Services	Tricia Ashton
	Signature: 	Date: 02/12/2021

Assurance Checked By	Director of Diversity, Inclusion & Talent	Marcia Williams
	Signature <i>Marcia Williams</i>	Date: 24 November 2021



## Step 1: Clarifying Aims

### Q1. Outline the aims/objectives/scope of this piece of work

This proposal is to implement a new pricing structure for the London Cycle Hire Scheme (LCHS), also known as Santander Cycles. The new pricing structure is referred to as the new tariff throughout this document. As part of this initiative, TfL will also upgrade the Santander Cycles mobile app with the capability to extend hires by 15 minutes when a docking station is full, the ability to hire multiple bikes in one transaction, QR code bike release, docking confirmation and mis-docking notifications.

The proposal aims to support TfL's Financial Sustainability Plan by enabling us to operate a financially sustainable bicycle sharing scheme. It also aims to broaden the customer offering, providing more choice for users to suit their needs. Achieving financial sustainability will help to support a case for further investment and improvements in the scheme, including, but not limited to, the expansion of Santander Cycles to new areas of London, to offer accessible, convenient and affordable access to a cycle for more people.

With the current tariff, the only option for casual users (non-members) is a £2 fee for unlimited 30-minute rides for 24 hours. There are two member options; £2 per day (as per the casual option) or £90 per year for unlimited 30 minutes rides. For any rides longer than 30 minutes, it costs £2 for every additional 30 minutes.

	PAY-AS-YOU-GO	ANNUAL SUBSCRIPTION
	Unlimited 30 minute rides within a 24 hour period	Unlimited 30 minute rides for a year
	£2.00	£90
Classic Bikes	+£2 for every additional 30 minutes	+£2 for every additional 60 minutes

Figure 1: Current Santander Cycles tariff

The new tariff will introduce more pricing options, including a monthly option, as well as revise the price of existing options. The proposal is illustrated in Figure 2. An enhanced Business Accounts system to improve ease of sign up and account management for companies will also be introduced.

A deposit for users to hire a bike is also being considered to address losses associated with failed follow on payments due to late or non-returned bikes. The deposit is expected to improve bike availability for customers and may improve the overall condition of the bikes available for hire. The deposit will likely only apply to casual users of Santander Cycles and any user will be able to sign up as a member, providing personal and payment information, and hire a bike at the same rate without paying a deposit. A further review of whether to implement the deposit is due in Autumn 2022, after review of actual losses incurred following introduction of the new tariff.

	SINGLE RIDE	MONTHLY SUBSCRIPTION	ANNUAL SUBSCRIPTION
	Single trip valid for 30 minute period	Unlimited 60 minute rides for a month	Unlimited 60 minute rides for a year
	£2.00	£20.00	£120.00
Classic Bikes	+£2 for every additional 30 minutes	+£2 for every additional 60 minutes	+£2 for every additional 60 minutes

Figure 2: Tariff proposal

The proposal has been developed with specialist pricing consultants based on customer and market research. The proposal is due to be implemented in Summer 2022.



**Q2. Does this work impact on staff or customers? Please provide details of how.**

The new tariff will impact all existing and new users of Santander Cycles. The impacts on casual and member users are primarily financial, including:

- Casual users will pay £2 for every 30-minute ride as opposed to £2 for unlimited 30-minute rides for 24 hours
- Casual users will have access to the new monthly option, allowing unlimited 60-minute hires for a month
- Members will see an increase in the annual option from £90 to £120
- The annual subscription will double the amount of time users can hire a cycle for without incurring additional charges, to 60 minutes (previously 30 minutes)
- Members will have access to the new single ride and monthly options
- A deposit will impact all casual users if implemented; it will prevent users with insufficient funds from hiring a bike and also prevent users from spending the deposit amount until the deposit is returned (approximately 1-5 days from the return of bike, minus any extra ride charges due)

The process to implement the new tariff involves system changes to cater for the new pricing options. The scheme may be inactive for a period whilst the system transitions to the new tariff and customers will be unable to hire a bike during this period. This is expected to be no more than 48-hours for each of the three delivery phases, however the delivery plan is not finalised (due late 2021). Access around the docking stations will not be affected during the transition due to the limited on-street work required.

The new tariff will require changes to visual pricing information on-street, as well as on the website and mobile app. The changes will be consistent with the existing format in line with TfL and regulatory standards.

The new tariff will not require any changes to staff roles. There will be changes to the back-office system to align reporting to the new tariff.



## Step 2: The Evidence Base

Q3. Record here the data you have gathered about the diversity of the people potentially impacted by this work. You should also include any research on the issues affecting inclusion in relation to your work

Data is not available for all protected characteristics within all the categories below.

### London Population Data

The following data for the London population has been collected from London Datastore<sup>1</sup>.

- **Gender:** There are an equal percentage of males (50%) and females (50%)
- **Age:** The age demographic in London is as follows:
  - 0-15 20%
  - 16-24 11%
  - 25-34 19%
  - 35-49 23%
  - 50-64 16%
  - 65+ 11%
- **Ethnicity:** The London population is mostly white (57%) compared to Black Asian and Minority Ethnic (43%)
- **Religion:** The religion demographic in London is as follows:
  - Christian 48%
  - Buddhist 1%
  - Hindu 5%
  - Jewish 2%
  - Muslim 14%
  - Sikh 2%
  - Other 2%
  - None 26%
- **Disability:** 19% of the London population are disabled
- **Sexual orientation:** The sexual orientation demographic in London is as follows:
  - Heterosexual 90%
  - Gay or lesbian 2%
  - Bisexual 1%
  - Other 1%
  - Don't know/refuse 6%

### Income Data

As the impact of the new tariff is primarily financial, data on income across those with protected characteristics has been collected where available. It is acknowledged that data is not available for all protected characteristics.

The following findings are from London Datastore<sup>2</sup> for employed earnings and GOV.UK<sup>3</sup> for unemployment rates:

- **Gender:** Employed females earn an average of 21.7% less than males in London. Males represent 56% of those that are unemployed.
- **Ethnicity:** Employed Black Asian and Minority Ethnic individuals earn an average of 23% less than white individuals. Black, Pakistanis and Bangladeshi people have the highest unemployment rate out of all ethnic groups (8%)

<sup>1</sup> Greater London Authority, 2019. London's diverse population Available from: <https://data.london.gov.uk/dataset/london-s-diverse-population-> [Accessed 01/11/2019]

<sup>2</sup> Greater London Authority, 2019. *Economic Fairness* Available from: <https://data.london.gov.uk/economic-fairness/labour-market/> [Accessed 01/11/2019]

<sup>3</sup> GOV.UK, 2021. *Unemployment* Available from: <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/unemployment-and-economic-inactivity/unemployment/latest#by-ethnicity>



- **Disability:** Those considered disabled earn an average of 13% less than those not considered disabled in employment. The unemployment rate was 6.7% for disabled people compared with 3.7% for non-disable people in 2019<sup>4</sup>.

The figure below published by Parliament using date from the Office for National Statistics (ONS)<sup>5</sup> illustrated the median weekly pay age group. Those in the 16-24 and 25-49 age groups represent the highest proportion of those that are unemployed; 36% and 43% respectively.



Figure 3: Median weekly pay by age

Income data based on sexual orientation and gender reassignment is less readily available, however a recent YouGov and LinkedIn survey<sup>6</sup> identified Lesbian, Gay, Bisexual and Trans (LGBT+) individuals earn an average of 16% less than others.

#### Santander Cycles Data

Demographic data for users of Santander Cycles was collected through a TfL Customer Pulse survey in December 2020. The data was collected from a representative survey of over 1,000 Londoners. It should be noted that potential users living outside of the 32 London Boroughs and/or visitors to London are not included, however registered users living in a London borough account for most registered users (59%). It is acknowledged that data is not available for all protected characteristics.

The data is summarised in Appendix I with the key findings as follows:

- **Gender:** Females are underrepresented (33%) compared with the London population (50%). 4% of users listed themselves as 'other', however there is no data on London population to compare to
- **Age:** High usage amongst 16-34 age group (60%) compared with London population (30%). Representation in the 35-54 age group (35%) is similar to the London population (35-49 23%, 50-64 16%), however there is low representation in the 55+ age group (5%)
- **Ethnicity:** Black Asian and Minority Ethnic are slightly underrepresented (40%) compared with London population (43%)
- **Disability:** Disabled users are represented (19%) compared with the London population (19%)
- **Working status:** 73% of Santander Cycles users are working and 27% are not. This includes all respondents and does not account for economically active population only.

<sup>4</sup>Office for National Statistics (ONS), 2019. *Disability and employment, UK:2019*. Available from: <https://www.ons.gov.uk>

<sup>5</sup>Parliament, 2019. *Average earning by age and region* [Online] Available from: <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8456> [Accessed 25/11/2019]

<sup>6</sup>LinkedIn, 2019. *The UK has an LGBT pay gap* Available from: <https://www.linkedin.com/feed/news/the-uk-has-an-lgbtq-pay-gap-4702500> [Accessed 01/11/2019]



- **Social grade:** 63% of Santander Cycles users are ABC1 (middle class) and 37% C2DE (working class), compared with UK average of 57% and 43% respectively<sup>7</sup>

### London Cycling Trends

To compare Santander Cycles to general cycling trends in London, data has been collected from the Travel in London Report 13<sup>8</sup> available on the TfL Website. This data covers 2019/20, prior to the Coronavirus pandemic which significantly altered travel patterns in London.

- **Gender:** Of those that cycled at least once in 2019/20, 62% were male. This demonstrates there are generally more male cyclists and the percentage of male users of Santander Cycles is similar (63%). There is no data in the report for other gender identities.
- **Age:** The percentage within each age group of those that cycled at least once in 2019/20:
  - 5-24 31%
  - 25-34 19%
  - 35-44 21%
  - 45+ 29%

It is not possible to directly compare these results to those of Santander Cycles due to the different age group ranges within the datasets.

- **Ethnicity:** Of those that cycled at least once in 2019/20, 77% were white. Black Asian and Minority Ethnic are significantly underrepresented in cycling volumes compared to the London population, but much better represented in the Santander Cycles user base (40%).
- **Employment/household income:** Of those that cycled at least once in 2017/18, 60-65% were employed. The average household income is split as follows:
  - <20k 11%
  - 20k-75k 51%
  - >75k 38%
- **Religion or belief:** There is limited data on cycling amongst different religions or beliefs. There may be some barriers to cycling for certain religions, for example it may not be appropriate due to religious clothing<sup>9</sup>

### **Tariff Proposal – Market Research**

A two-stage research study was undertaken to inform the tariff proposal; the first stage sought qualitative feedback through focus groups with users and the second stage sought quantitative feedback through on-street surveys with users. It should be noted that this on-street survey was undertaken in October. Given Santander Cycles usage varies by season, it is acknowledged that the data collected in October might not be representative of the user base for the entire year. Autumn/winter tends to see a higher proportion of member/commuter trips and less casual/leisure trips compared with Spring/Summer.

Stage one concluded the existing tariff is generally considered good value but noted some confusion around pricing, including how much users pay beyond 30 minutes, whether the pricing is capped and the options available. Demographic data was not collected for focus groups.

Stage two interviewed 830 users at docking stations across London to understand views on the existing tariff and potential new tariff proposals. This subsequently informed the fares structure and pricing for each option. Limited information on the demographics of those interviewed is

<sup>7</sup> YouGov, 2019. *How well do ABC1 and C2DE correspond with our own class identity?* Available from: <https://yougov.co.uk/topics/politics/articles-reports/2019/11/25/how-well-do-abc1-and-c2de-correspond-our-own-class> [Accessed 12/08/2019]

<sup>8</sup> Transport for London, 2018. *Travel in London Report 13* Available from: <http://content.tfl.gov.uk/travel-in-london-report-13.pdf> [Accessed 01/11/2019]

<sup>9</sup> WestTrans, 2010. *Have Faith in Travel Planning* Available from: [http://www.westtrans.org/WLA/WT2.nsf/Files/WTA-138/\\$file/WestTrans\\_HaveFaithInTravelPlanningBooklet\\_2010+-+compressed1.pdf](http://www.westtrans.org/WLA/WT2.nsf/Files/WTA-138/$file/WestTrans_HaveFaithInTravelPlanningBooklet_2010+-+compressed1.pdf) [Accessed 12/08/2021]



available and it's not possible to analyse responses by demographic, which means the impact on existing users from protected characteristics cannot be fully addressed at this stage.

The known demographics of those interviewed include:

- User type: 552 members / 278 casuals
- User type: 417 'leisure' / 417 'commuter'
- Gender: 594 male / 232 female
- Age: 171 16-24 / 212 25-34 / 190 35-44 / 165 45-54 / 84 55-64 / 8 65+
- Employment status: 605 full-time / 42 part-time / 40 self-employed / 121 student / 6 unemployed / 6 retired / 3 other / 7 prefer not to say

An impact analysis of whether users will be better or worse off was undertaken, with consideration to known trip behaviour and the market research. The analysis is not broken down by demographic data, however the findings demonstrate that the majority of users will pay more.

**Table 1: Impact Analysis (% of users that will not worse off or not better off)**

User type	Not worse off*	Not better off
Annual members	28.9%	71.1%
24-hour members	40.7%	59.3%
Casual users	34.1%	65.9%
*Users paying the same or less		

Analysis of expected migration from the existing tariff options to the new tariff options was also undertaken based on known trip behaviour and the market research. The estimated migration is summarised in Table 2.

**Table 2: Migration from current to new tariff (% migration)**

Current tariff→ ↓New tariff	Annual	24-hour pay-as-you-go	pay-as-you-go
Annual	82.8%	0.6%	7.6%
Monthly	6.8%	4.6%	4.9%
Single ride	10.4%	92.8%	87.6%

**Tariff Proposal – September 2021 Survey**

Considering the potential impacts of the new tariff proposal outlined in Step 3 of this document, a further survey was carried out to understand attitudes towards the tariff by demographic group.

The survey was responded to by nearly 1,000 London residents, including existing users and non-users of Santander Cycles. A range of demographic information was requested, including age, ethnicity, gender, socio-economic status, disability status and sexual orientation. The survey questions focused on value for money, simplicity and flexibility of the proposed classic bike and e-bike tariff, as well as the current tariff as a comparator. It also included questions to understand attitudes to a deposit, at both £30 and £50.

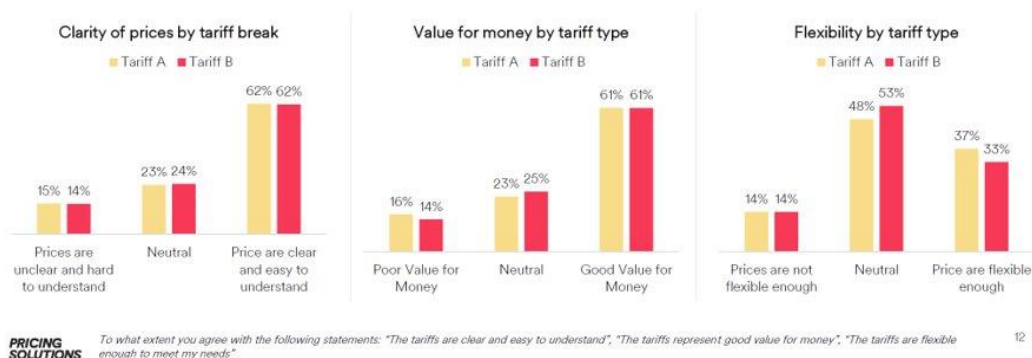
The responses were analysed for any trends amongst certain demographics that were statistically significant. The responses across all demographic groups are summarised in Appendix 2, with statistically significant findings highlighted where appropriate and summarised below.

The key statistically significant findings on the tariff (excluding e-bikes) include:

- Most respondents perceive the current and proposed tariff as good value for money (see figure 3)



- On average, respondents do not consider the proposed tariff to be significantly different to the current tariff in terms of ease of understanding, value for money, or flexibility offered
- Across both tariffs, previous scheme users recognise the scheme as offering good value for money, to a greater extent than non-users
- Socio economic groups, with statistically lower earnings (C1, C2, D, E), consider the new tariffs easier to understand, while many of the same groups (C2, D) also consider them to be worse in terms of value for money



**Figure 4: Overall Response Summary**

The key statistically significant findings on the deposit include:

- The majority support the implementation of a deposit to improve bike availability and condition
- There was less support for a deposit amongst the lower age group and those from a dual heritage background, although the majority approve or have a neutral view
- The majority felt a £30 deposit was fair (51% fair versus 27% unfair), however support dropped significantly at a £50 deposit (40% fair versus 31% unfair)
- A higher proportion of disabled respondents would be less willing to hire a bike than non-disabled users due to the deposit

The equality impacts of e-bikes, including pricing, is captured in the E-Bikes EqIA. The E-Bikes EqIA details the findings from the survey on e-bike pricing.



### Step 3: Impact

Q4. Given the evidence listed in step 2, consider and describe what potential short, medium and longer term negative impacts this work could have on people related to their protected characteristics?

Protected Characteristic	Y/N	Explain the potential negative impact
Age	Y	<p>The impact analysis suggests most users will pay more under the new tariff proposal, however there is no data to quantify this by age group.</p> <p>While the proposal applies to all ages, the lower and higher age groups could be disproportionately affected given the income data presented in the evidence base. The survey data for the classic bike tariff does not indicate a statistically significant and disproportionately negative response to the proposal amongst these age groups.</p> <p>The deposit, which, if introduced, requires users to have sufficient funds available in their account, with the funds returned approximately 2-5 days from return of the bike, may disproportionately affect the lower and higher age groups given the income data presented in the evidence base. The survey data did indicate less support for the deposit amongst the lower age groups, but a minority disapproved completely. Support for a deposit was highest amongst the higher age groups.</p> <p>The 16-34 age group is well represented (60%) amongst Santander Cycles users, but the 55+ age group is underrepresented (5%). Given the income data in the evidence base, there is a risk that the proposals may result in increased underrepresentation of the lower and higher age groups amongst users. The findings from the survey do not identify a statistically significant and disproportionately negative response amongst these groups to the classic bike tariff but do indicate the lower age groups are more likely to be put off by the deposit.</p>
Disability including carers	Y	<p>The impact analysis suggests most users will pay more under the new tariff proposal, however there is no data to quantify the impact for those with a disability.</p> <p>While the proposal applies to all users, those with a disability could be disproportionately affected given the income data presented in the evidence base. The survey data for the classic bike tariff does not indicate a statistically significant and disproportionately negative response to the classic bike tariff amongst disabled respondents.</p> <p>The deposit, which, if introduced, requires users to have sufficient funds available in their account, with the funds returned approximately 2-5 days from return of the bike, may disproportionately affect those with a disability given the income data presented in the evidence base. The survey data does not indicate a statistically significant and disproportionately negative response to the £30 deposit amongst disabled users but did identify a lower propensity to hire a bike than non-disabled users if the deposit is set at £50.</p> <p>Individuals with neurological disabilities may be impacted by the additional pricing options and conditions, such as deposits, which could be perceived as added complexity to hiring a bike. The findings from the survey indicate that those with a disability found the proposed tariff to</p>



		<p>be clearer than the current tariff, however this was not a statistically significant findings.</p> <p>The Santander Cycles usage data suggests disabled people are relatively well represented in the user base. There is a risk that the proposals may result in increased underrepresentation of disabled users. The findings from the survey do not indicate a statistically significant and disproportionately negative response to the classic bike tariff and deposit amongst disabled users, providing the deposit is set at closer to £30.</p>
Gender	Y	<p>The impact analysis suggests most users will pay more under the new tariff proposal, however there is no data to quantify the impact by gender.</p> <p>While the proposal applies to all genders, female users could be disproportionately affected given the income data presented in the evidence base. The survey data for the classic bike tariff does not indicate a statistically significant and disproportionately negative response to the proposal amongst females.</p> <p>If introduced then a deposit, which requires users to have sufficient funds available in their account, with the funds returned approximately 2-5 days from return of the bike, may disproportionately affect female users given the income data presented in the evidence base. The survey data does not indicate a statistically significant and disproportionately negative response to the deposit amongst females.</p> <p>Females are underrepresented amongst Santander Cycles users (33%) compared to the London population (49%) and general cycling trends in London (38%). There is a risk that the proposals may result in increased underrepresentation of females amongst users, however the findings from the survey do not identify a statistically significant and disproportionately negative response amongst females.</p> <p>Those that do not identify as male or female represent 4% of the Santander Cycles user base. There is no general cycling in London data for comparison, however trans and non-binary people may be disproportionately affected by the proposal given the income data in the evidence base for LGBT+ people. The response to the survey amongst trans and non-binary individuals is too small to be considered. There is a risk that the proposals may result in increased underrepresentation within this group.</p>
Gender reassignment	Y	<p>The impact analysis suggests most users will pay more under the new tariff proposal, however there is no data to quantify the impact amongst those that have undergone gender reassignment.</p> <p>While the proposal applies to all users, the trans community could be disproportionately affected given the income data presented in the evidence base on average income for LGBT+ workers. This includes the deposit to hire a bike if introduced, which requires users to have sufficient funds available in their account, with the funds returned approximately 2-5 days from return of the bike. The response to the survey amongst trans individuals is too small to be considered.</p> <p>There is no data on the volume of Santander Cycles users or general cycling in London amongst those who identify as trans. There is a risk</p>





		that the proposals may result in increased underrepresentation of those that have undergone gender reassignment.
Marriage/civil partnership	N	
Other – e.g. refugees, low income, homeless people	Y	<p>The impact analysis suggests most users will pay more under the new tariff proposal, however there is no data to quantify the impact by demographic.</p> <p>While the proposal applies to all users, individuals on low incomes may be disproportionately affected. The survey data shows a mixed response to the classic bike tariff amongst socio-economic groups, with those in 'A', 'C2' and 'D' perceiving it as slightly less value for money than the current tariff, however the vast majority within these groups somewhat agree or agree the proposed tariff represents good value for money. Socio-economic group is not a direct indication on income, however there is a statistical trend that average earnings reduce through the social classes, from 'A' through to 'E'.</p> <p>If introduced then a deposit, which requires users to have sufficient funds available in their account, with the funds returned approximately 2-5 days from return of the bike, may disproportionately affect individuals on low incomes. The survey data does not indicate a disproportionately negative response to the deposit amongst any socio-demographic groups.</p> <p>There is no salary data for users of Santander Cycles, but the proposals could lead to an increased underrepresentation of those on lower incomes. The survey data indicates that some socio-economic groups with statistically lower earnings perceive the proposed tariff as less value for money than the current tariff, however the overwhelming majority still perceive the proposed tariff as good value for money.</p>
Pregnancy/maternity	Y	<p>The impact analysis suggests most users will pay more under the new tariff proposal, however there is no data to quantify the impact amongst pregnant users or those on maternity. Individuals unable to work or on maternity leave with reduced or no income may be disproportionately affected. This includes the deposit, which, if introduced, requires users to have sufficient funds available in their account, with the funds returned approximately 2-5 days from return of the bike.</p> <p>There is no data on the volume of Santander Cycles users or general cycling in London amongst pregnant users or those on maternity, however there is a risk that the proposals may result in increased underrepresentation.</p>
Race	Y	<p>The impact analysis suggests most users will pay more under the new tariff proposal, however there is no data to quantify the impact by race.</p> <p>While the proposal applies to all users, Black Asian and Minority Ethnic users may be disproportionately affected given the income data presented in the evidence base. The survey data for the classic bike tariff does not indicate a statistically significant and disproportionately negative response to the classic bike tariff amongst any ethnic groups respondents.</p>



		<p>The deposit, which, if introduced, requires users to have sufficient funds available in their account, with the funds returned approximately 2-5 days from return of the bike, may disproportionately affect Black Asian and Minority Ethnic users given the income data presented in the evidence base. The survey data indicates that, on average, all ethnic groups are mostly in favour of a deposit, however those with dual heritage are least likely to approve, and most likely to disapprove, of a deposit.</p> <p>Black Asian and Minority Ethnic users are underrepresented as members (7%) and casuals users (21%) compared to the London population (43%) and general cycling volumes in London (23% non-white). There is a risk that the proposals may result in increased underrepresentation of Black Asian and Minority Ethnic users, however the findings from the survey do not identify a statistically significant and disproportionately negative response amongst these ethnic backgrounds.</p>
Religion or belief	Y	<p>There is limited data available on cycling volumes amongst different religions or beliefs, however there may be perceived cultural barriers. There is a risk the proposal could deter, or further deter, users less willing to cycle due to their religion or belief. There is no data available to quantify the impact of the proposals by religion or belief.</p>
Sexual orientation	Y	<p>The impact analysis suggests most users will pay more under the new tariff proposal, however there is no data to quantify the impact by sexual orientation.</p> <p>While the proposal applies to all users, LGBT+ users may be disproportionately affected given the income data presented in the evidence base. This includes the deposit, which, if introduced, requires users to have sufficient funds available in their account, with the funds returned approximately 2-5 days from return of the bike. The response to the survey amongst LGBT+ individuals is too small to be considered.</p> <p>There is no data on the volume of Santander Cycles users or general cycling in London by sexual orientation, however there is a risk that the proposals may result in increased LGBT+ underrepresentation. The survey attempted to collect data on attitudes to the proposal by sexual orientation, however the response rate was too small to make firm conclusions.</p>

Q5. Given the evidence listed in step 2, consider and describe what potential positive impacts this work could have on people related to their protected characteristics?

Protected Characteristic	Y/N	Explain the potential positive impact
Age	Y	<p>The new tariff introduces a new monthly subscription. This offers unlimited 60-minute hires for a month, offering better value than the single ride option and current pay-as-you-go tariff option for any user hiring a bike on 11 or more days per month, without the upfront cost of an annual membership. It also offers greater flexibility for seasonal users of Santander Cycles.</p> <p>Data on trip behaviour indicates this option would be more economically advantageous for some users, and when combining this data with the</p>



		<p>market research, an estimated 12% of all trips are expected using the monthly subscription.</p> <p>In addition to the 60-minute hire time for monthly users, the free access period for annual users has been increased from 30-minutes to 60-minutes. This increases the value of the proposition and allows for longer and/or less rushed journeys.</p>
<b>Disability including carers</b>	Y	<p>The new tariff introduces a new monthly subscription. This offers unlimited 60-minute hires for a month, offering better value than the single ride option and current pay-as-you-go tariff option for any user hiring a bike on 11 or more days per month, without the upfront cost of an annual membership. It also offers greater flexibility for seasonal users of Santander Cycles.</p> <p>Data on trip behaviour indicates this option would be more economically advantageous for some users, and when combining this data with the market research, an estimated 12% of all trips are expected using the monthly subscription.</p> <p>In addition to the 60-minute hire time for monthly users, the free access period for annual users has been increased from 30-minutes to 60-minutes. This increases the value of the proposition and allows for longer and/or less rushed journeys.</p>
<b>Gender</b>	Y	<p>The new tariff introduces a new monthly subscription. This offers unlimited 60-minute hires for a month, offering better value than the single ride option and current pay-as-you-go tariff option for any user hiring a bike on 11 or more days per month, without the upfront cost of an annual membership. It also offers greater flexibility for seasonal users of Santander Cycles.</p> <p>Data on trip behaviour indicates this option would be more economically advantageous for some users, and when combining this data with the market research, an estimated 12% of all trips are expected using the monthly subscription.</p> <p>In addition to the 60-minute hire time for monthly users, the free access period for annual users has been increased from 30-minutes to 60-minutes. This increases the value of the proposition and allows for longer and/or less rushed journeys.</p>
<b>Gender reassignment</b>	Y	<p>The new tariff introduces a new monthly subscription. This offers unlimited 60-minute hires for a month, offering better value than the single ride option and current pay-as-you-go tariff option for any user hiring a bike on 11 or more days per month, without the upfront cost of an annual membership. It also offers greater flexibility for seasonal users of Santander Cycles.</p> <p>Data on trip behaviour indicates this option would be more economically advantageous for some users, and when combining this data with the market research, an estimated 12% of all trips are expected using the monthly subscription.</p> <p>In addition to the 60-minute hire time for monthly users, the free access period for annual users has been increased from 30-minutes to 60-minutes. This increases the value of the proposition and allows for longer and/or less rushed journeys.</p>



Marriage/civil partnership	N	
Other – e.g. refugees, low income, homeless people	Y	<p>The new tariff introduces a new monthly subscription. This offers unlimited 60-minute hires for a month, offering better value than the single ride option and current pay-as-you-go tariff option for any user hiring a bike on 11 or more days per month, without the upfront cost of an annual membership. It also offers greater flexibility for seasonal users of Santander Cycles.</p> <p>Data on trip behaviour indicates this option would be more economically advantageous for some users, and when combining this data with the market research, an estimated 12% of all trips are expected using the monthly subscription.</p> <p>In addition to the 60-minute hire time for monthly users, the free access period for annual users has been increased from 30-minutes to 60-minutes. This increases the value of the proposition and allows for longer and/or less rushed journeys.</p>
Pregnancy/maternity	Y	<p>The new tariff introduces a new monthly subscription. This offers unlimited 60-minute hires for a month, offering better value than the single ride option and current pay-as-you-go tariff option for any user hiring a bike on 11 or more days per month, without the upfront cost of an annual membership. It also offers greater flexibility for seasonal users of Santander Cycles.</p> <p>Data on trip behaviour indicates this option would be more economically advantageous for some users, and when combining this data with the market research, an estimated 12% of all trips are expected using the monthly subscription.</p> <p>In addition to the 60-minute hire time for monthly users, the free access period for annual users has been increased from 30-minutes to 60-minutes. This increases the value of the proposition and allows for longer and/or less rushed journeys.</p>
Race	Y	<p>The new tariff introduces a new monthly subscription. This offers unlimited 60-minute hires for a month, offering better value than the single ride option and current pay-as-you-go tariff option for any user hiring a bike on 11 or more days per month, without the upfront cost of an annual membership. It also offers greater flexibility for seasonal users of Santander Cycles.</p> <p>Data on trip behaviour indicates this option would be more economically advantageous for some users, and when combining this data with the market research, an estimated 12% of all trips are expected using the monthly subscription.</p> <p>In addition to the 60-minute hire time for monthly users, the free access period for annual users has been increased from 30-minutes to 60-minutes. This increases the value of the proposition and allows for longer and/or less rushed journeys.</p>
Religion or belief	N	



<b>Sexual orientation</b>	Y	<p>The new tariff introduces a new monthly subscription. This offers unlimited 60-minute hires for a month, offering better value than the single ride option and current pay-as-you-go tariff option for any user hiring a bike on 11 or more days per month, without the upfront cost of an annual membership. It also offers greater flexibility for seasonal users of Santander Cycles.</p> <p>Data on trip behaviour indicates this option would be more economically advantageous for some users, and when combining this data with the market research, an estimated 12% of all trips are expected using the monthly subscription.</p> <p>In addition to the 60-minute hire time for monthly users, the free access period for annual users has been increased from 30-minutes to 60-minutes. This increases the value of the proposition and allows for longer and/or less rushed journeys.</p>
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## Step 4: Consultation

Q6. How has consultation with those who share a protected characteristic informed your work?

List the groups you intend to consult with or have consulted and reference any previous relevant consultation?	If consultation has taken place what issues were raised in relation to one or more of the protected characteristics?
Santander Cycles User Groups/Customers	TfL have been working with a specialist consultant to develop the tariff proposals. In order to develop the proposal, feedback from users of Santander Cycles has been collected through on-street surveys and user group meetings to inform the proposal.
London residents of various demographics	An online survey was undertaken to understand attitudes to the proposed tariff, including the deposit functionality, amongst different demographics. This included existing users and non-users of Santander Cycles. The findings are summarised in the evidence base.

Q7. Where relevant, record any consultation you have had with other projects / teams who you are working with to deliver this piece of work. This is really important where the mitigations for any potential negative impacts rely on the delivery of work by other teams.

The Project Team have been consulted on the tariff proposal, which includes representatives in the Investment, Delivery and Santander Cycles teams of TfL. The TfL Diversity & Inclusion Team has been consulted as part of the EqIA review.

Now that the tariff proposal is finalised, further consultation within TfL and the Greater London Authority (GLA) is planned as part of the approval process.



## Step 5: Informed Decision-Making

Q8. In light of the assessment now made, what do you propose to do next?

<p>1. Change the work to mitigate against potential negative impacts found</p>	
<p>2. Continue the work as is because no potential negative impacts found</p>	
<p>3. Justify and continue the work despite negative impacts (please provide justification)</p>	<p>The tariff proposal aims to support TfL's financial objectives and ensure TfL can continue operating the scheme in the long-term. The tariff is a necessary intervention to deliver financial sustainability for Santander Cycles. Research and modelling have been undertaken across a range of pricing options to identify the option that supports TfL's Financial Sustainability Plan, while minimising the impact on usage volumes. The proposal as described in Step 1 will be submitted for internal approval in Autumn 2021.</p> <p>The evidence base and impacts highlight a risk that the proposal may negatively impact on certain demographic groups, particularly those with statistically lower earnings, which could result in greater underrepresentation in Santander Cycles users as a result. However, a survey of users and non-users to understand attitudes towards the proposal by demographic group did not identify a statistically significantly and disproportionately negative response amongst these groups.</p> <p>The impacts of implementing a concessionary scheme were investigated. A 25% discount was considered; implementing this for disabled users would decrease revenue below levels at which Cycle Hire would break even. Extending this to users with other protected characteristics (for example, higher or lower age groups) would further decrease revenue. A higher tariff was considered for non-concessionary users to further offset revenue, however to secure the necessary increase in revenue a significantly higher tariff would be required (£3 per single trip, vs £2 proposed). Modelling based on customer feedback indicated this would significantly reduce the number of trips on Cycle Hire overall per year, compromising the scheme's aims to support usage of Santander Cycles and therefore cycling volumes in London. Therefore, implementation was not considered proportionate given the findings from the survey and the estimated potential revenue reduction, which would hinder the financial sustainability objective of the proposal.</p> <p>It is acknowledged that these findings and impacts cannot be considered conclusive of the eventual impact. The impacts of the proposal on Santander Cycles demographic user base will be monitored as part of the project. It is also acknowledged that the survey was not able to collect any, or enough, data on all protected characteristics, including gender reassignment, marriage/civil partnership, pregnancy/ maternity, religion/belief and sexual orientation.</p> <p>To address potential negative impacts of the new tariff, consideration will be given to the appropriate communications with existing, and potentially new, users. This includes making the tariff options as clear as possible to</p>



	<p>users and ensuring information is available to help users select the most suitable option for their needs. This will be delivered through the communications and marketing plan.</p> <p>Further consideration to the impacts and mitigations of the deposit should be given if a decision is taken to implement it.</p>
<p>4. Stop the work because discrimination is unjustifiable and no obvious ways to mitigate</p>	





## Step 6: Action Planning

Q9. You must address any negative impacts identified in step 3 and 4. Please demonstrate how you will do this or record any actions already taken to do this. Please remember to add any positive actions you can take that further any positive impacts identified in step 3 and 4.

Action	Due / Status	Owner
Confirm whether deposits will be introduced and the deposit value, considering data on actual bike loss levels following implementation of proposals in Summer 2022. EqIA to be updated with associated impacts.	<ul style="list-style-type: none"> <li>Confirm approach to deposits &amp; EqIA updated – Autumn 2023</li> </ul>	Cycle Hire Team
Update the EqIA once the tariff proposal recommendation is finalised. This could include quantitative analysis of users that will benefit or not from the change.	<ul style="list-style-type: none"> <li>Tariff proposal recommendation – January 2021</li> </ul> <p><i>July 2021 update: The EqIA has been updated with details on the final tariff proposal and the percentage of users that will be better or not better off. Additional information from the market research has been included in the evidence base. This action is closed.</i></p>	Project Sponsor / Cycle Hire Team
Consider customer communications and engagement, specifically amongst any protected characteristics likely to be impacted, once tariff has final approval	<ul style="list-style-type: none"> <li>August 2021</li> </ul> <p><i>July 2021 update: A communications and marketing campaign is being developed with the TfL Customer, Marketing &amp; Behaviour Change Team. There are objectives within the brief to target communications to underrepresented groups and those that may be disproportionately impacted by the tariff proposal. This is captured within the below action and this action is closed.</i></p>	Project Sponsor / Cycle Hire Team
Ensure the tariff change and new deposit is well communicated, as well as being clear and easy to understand; this will be achieved by clear pricing information on-street, on the website and mobile App, helping customers to choose the best tariff for their needs and a marketing campaign to publicise the new tariff. The marketing campaign will include targeted communications for underrepresented groups and those that may be disproportionately impacted by the proposal.	<ul style="list-style-type: none"> <li>Confirm brief for communications and marketing campaign – July 2021</li> <li>Finalise proposal for communications and marketing campaign - September 2021</li> <li>Marketing campaign – late 2021 – Summer 2022</li> <li>Rollout on-street pricing changes - Summer 2022 onwards</li> </ul>	Cycle Hire Team / Customer, Marketing & Behaviour Change Team
Collect further data on the impacts of the tariff proposal on the demographic groups that may be disproportionately	<ul style="list-style-type: none"> <li>Market research complete – September 2021</li> <li>EqIA updated – October 2021</li> </ul>	Project Sponsor / Cycle Hire Team



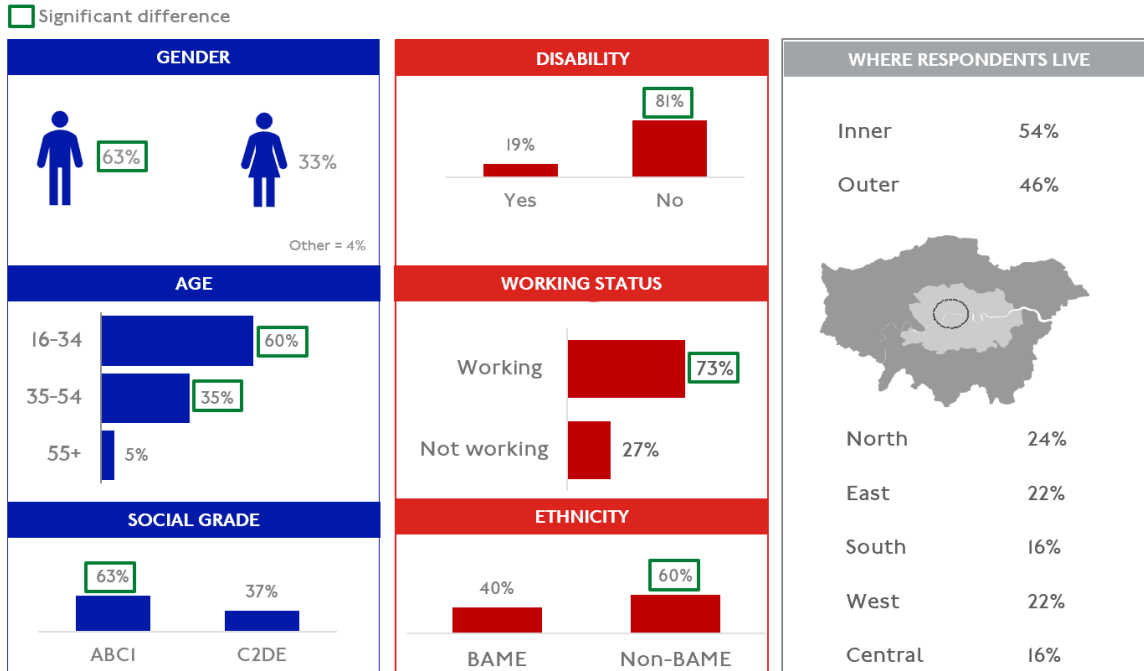
<p>affected. Terms to be agreed with the TfL Diversity &amp; Inclusion Team.</p>	<p><i>October 2021 update: Further data has been collected via an online survey. The EqIA has been updated with the findings. This action is now closed.</i></p>	
<p>Confirm monitoring plans to assess the impact of the proposal on demographic groups, focusing on groups where potential disproportionate impacts have been identified</p>	<ul style="list-style-type: none"> <li>• Confirm monitoring plans (activity and timings) – January 2022</li> </ul>	<p>Project Sponsor</p>



## Appendix 1: Santander Cycles Demographic Data

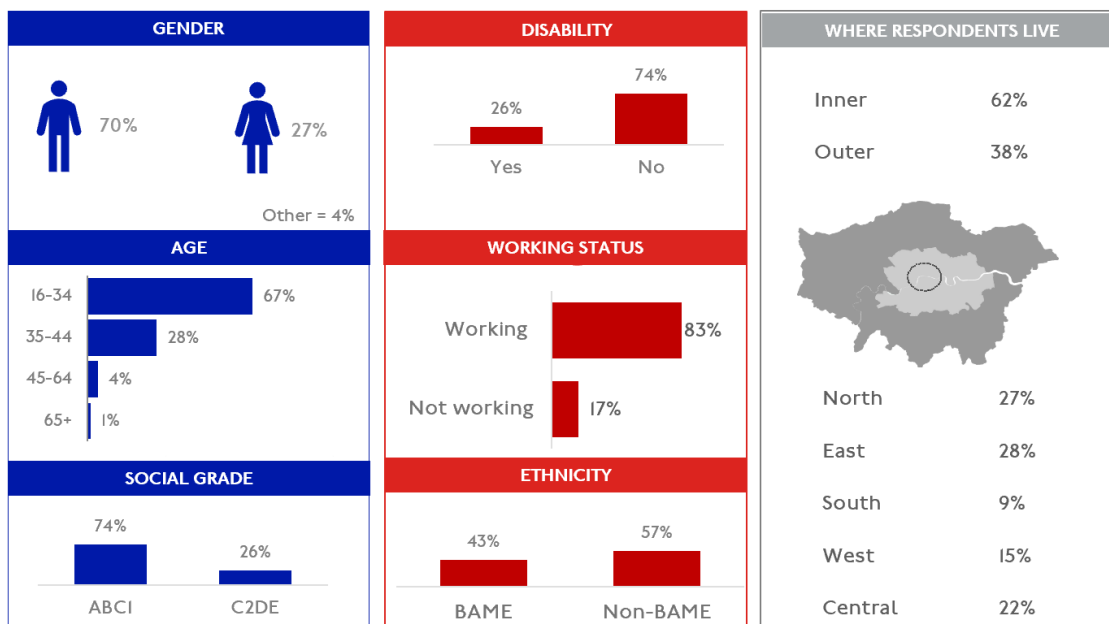
### Current Santander Cycles users are more likely to be non-BAME, male, under 35 years old, working and ABCI

Who is using Santander Cycles hire? (all used in last year)



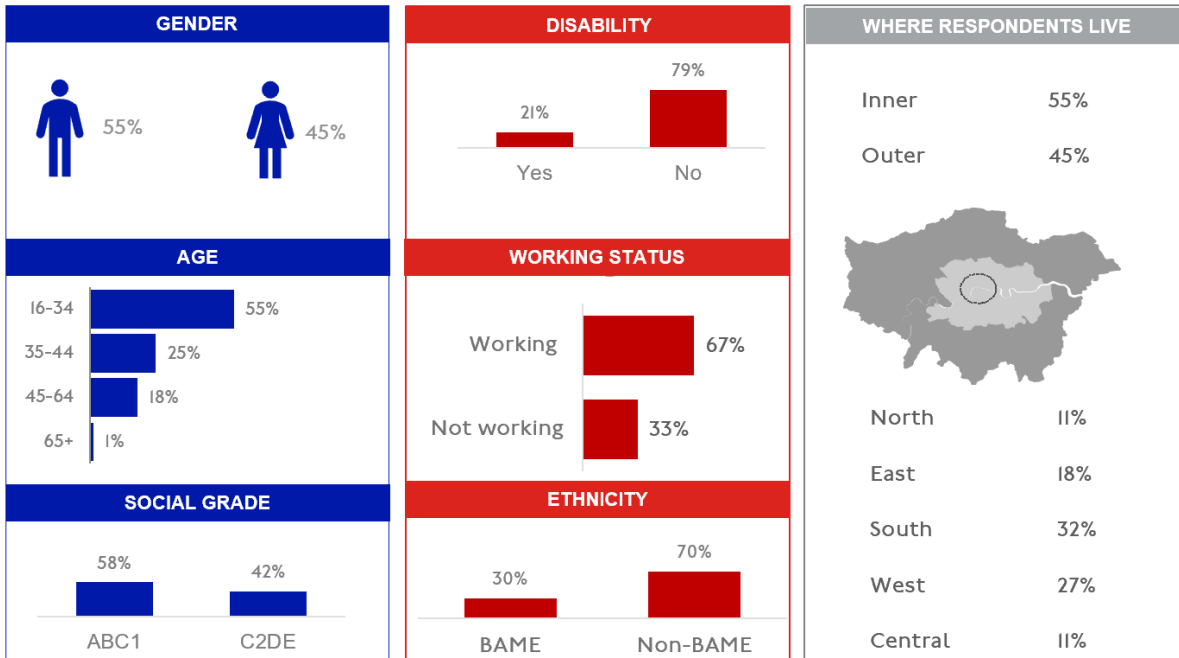
### Weekly users of Santander Cycles are more likely to live in Inner London, be in employment, male and under 35

Who is using Santander Cycles hire? Use Santander Cycles at least weekly



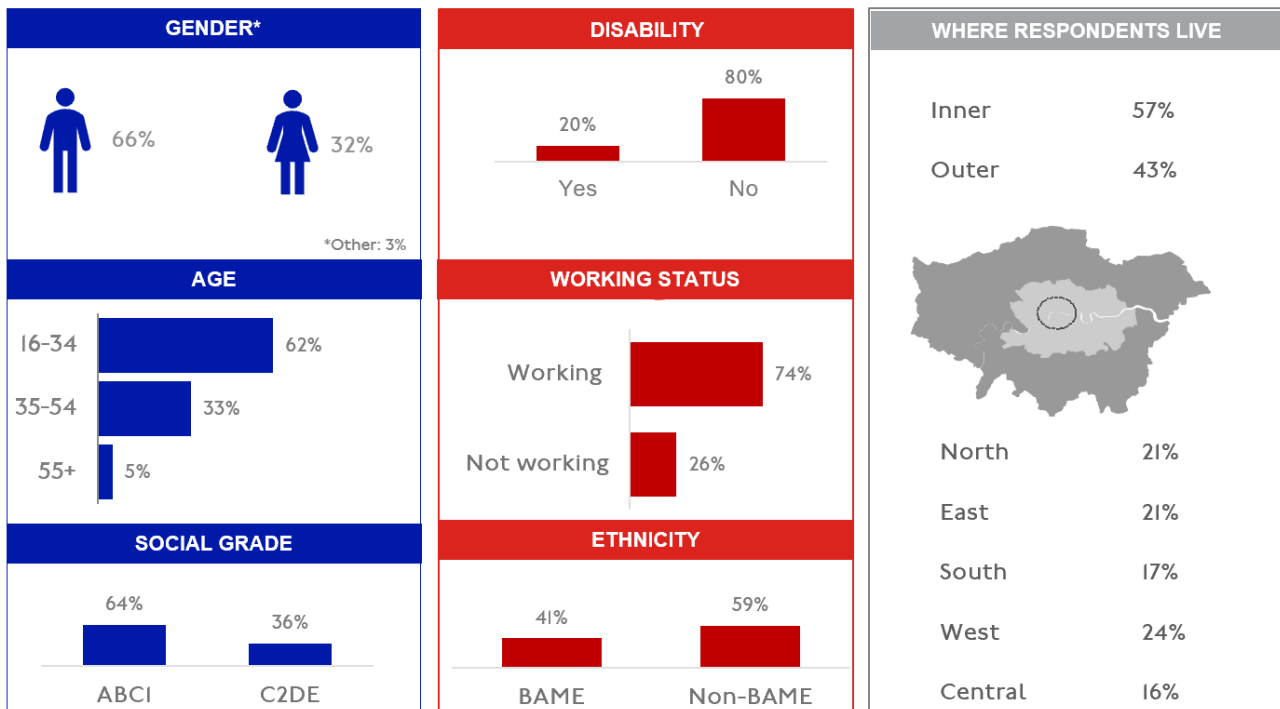
## Those using Santander Cycles 1-2 times per month tend to be working and aged 16-34. There is less of a difference by gender and socioeconomic grade among this group

Who is using Santander Cycles hire? Use Santander Cycles 1-2 times per month



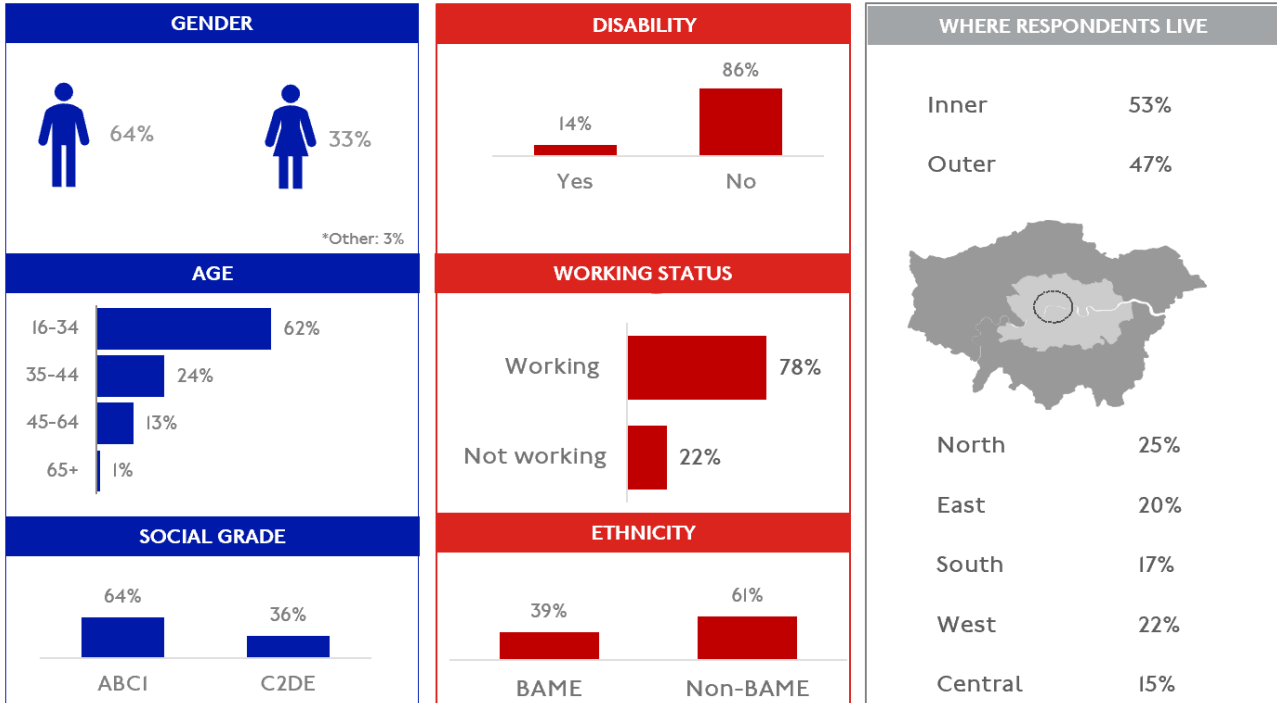
## Profile of Regular Santander Cycles users: Regular users are more likely to be male, aged 16-34 and of a higher socioeconomic grade

Who is using Santander Cycles hire? Regular Santander Cycles Users (last 6 months)



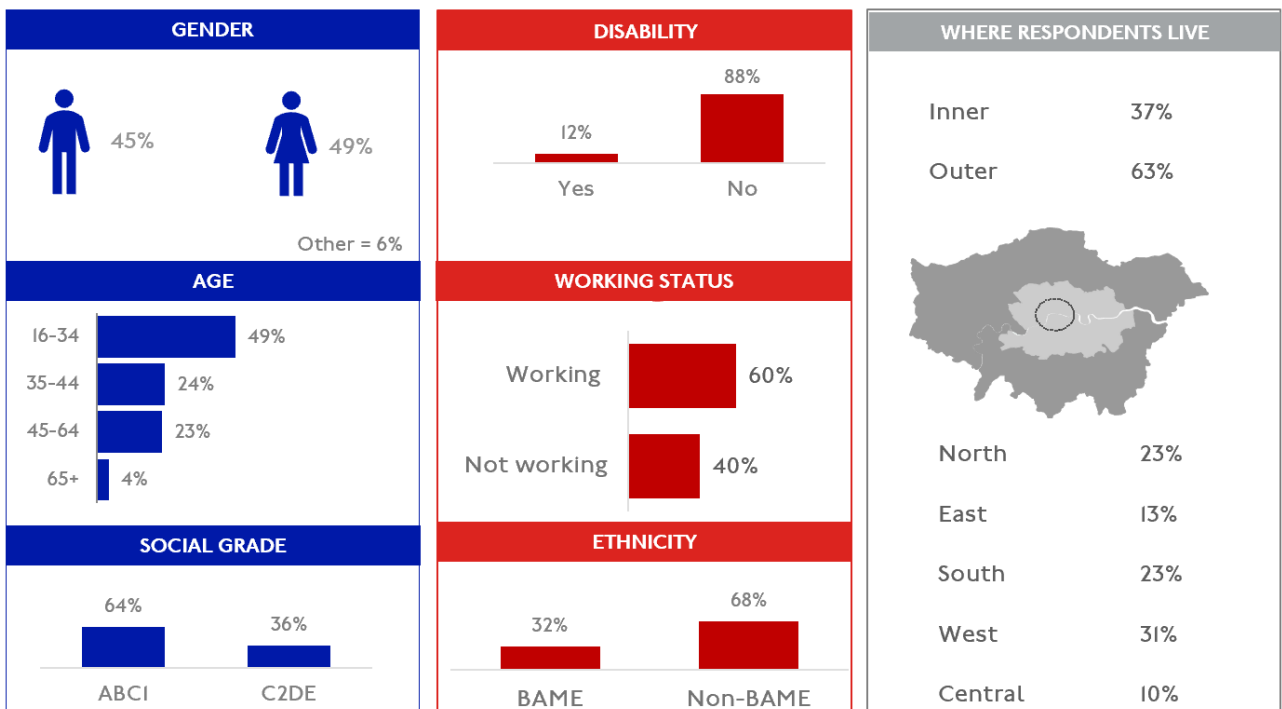
## Casual Users of Santander Cycles

Casual users of Santander Cycles



## Lapsed Users of Santander Cycles

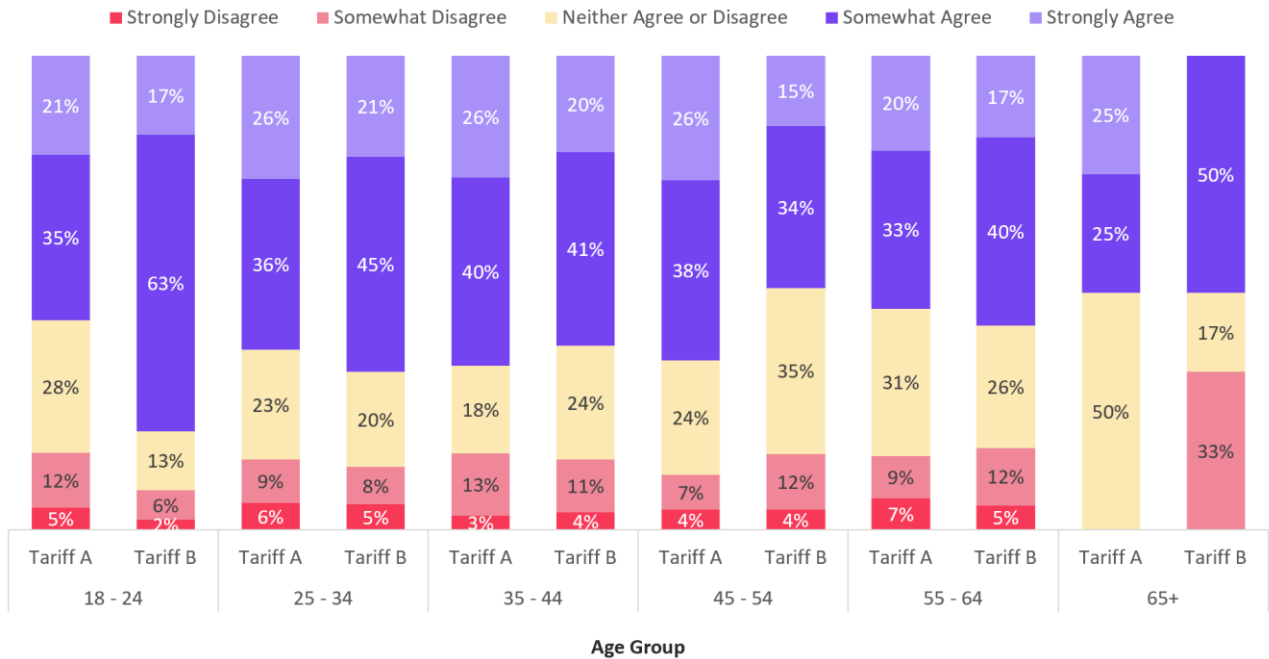
Lapsed users of Santander Cycles (have not used in the last 12 months)



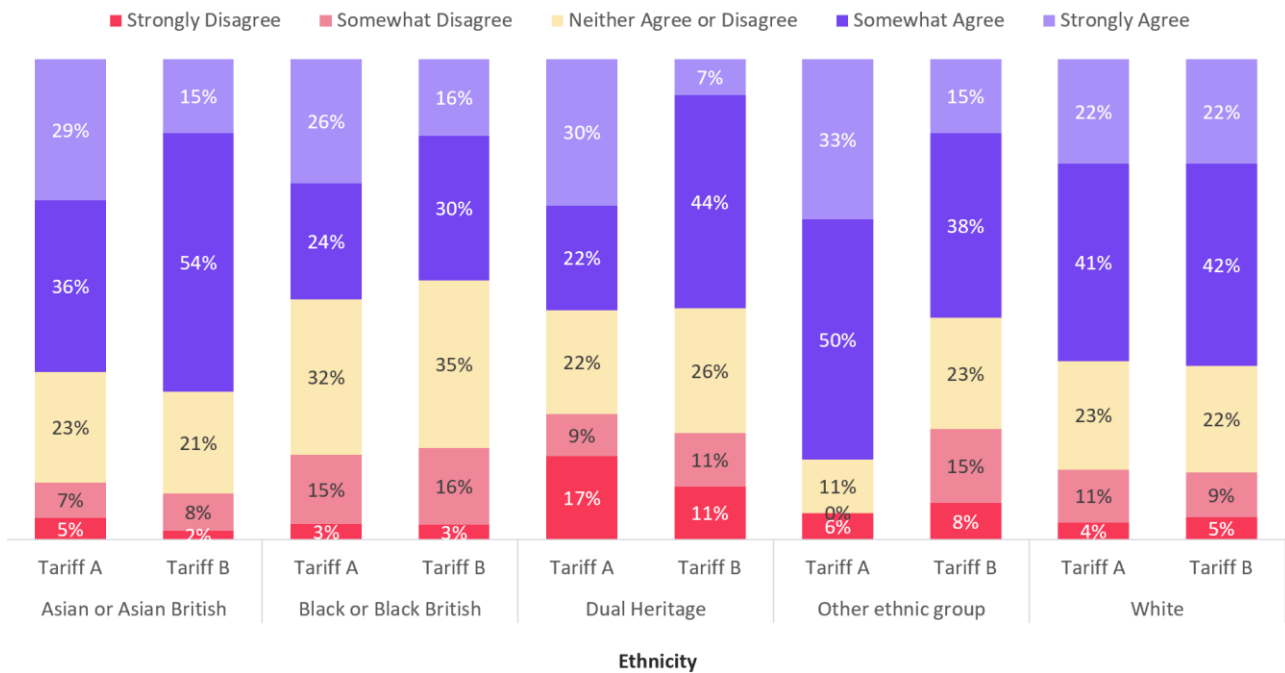
## Appendix 2: Value for Money Response by Demographic Group

Note – Tariff A represents the current tariff and Tariff B represents the proposed tariff.

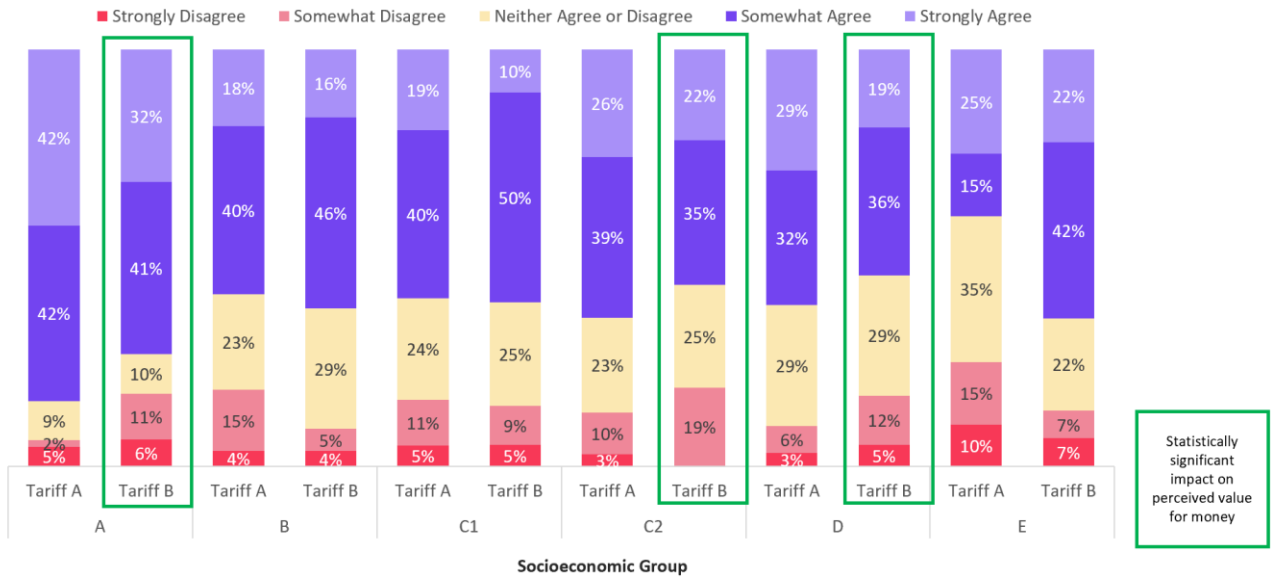
To what extent do you agree with the following statement: “The tariffs represent **good value for money**”



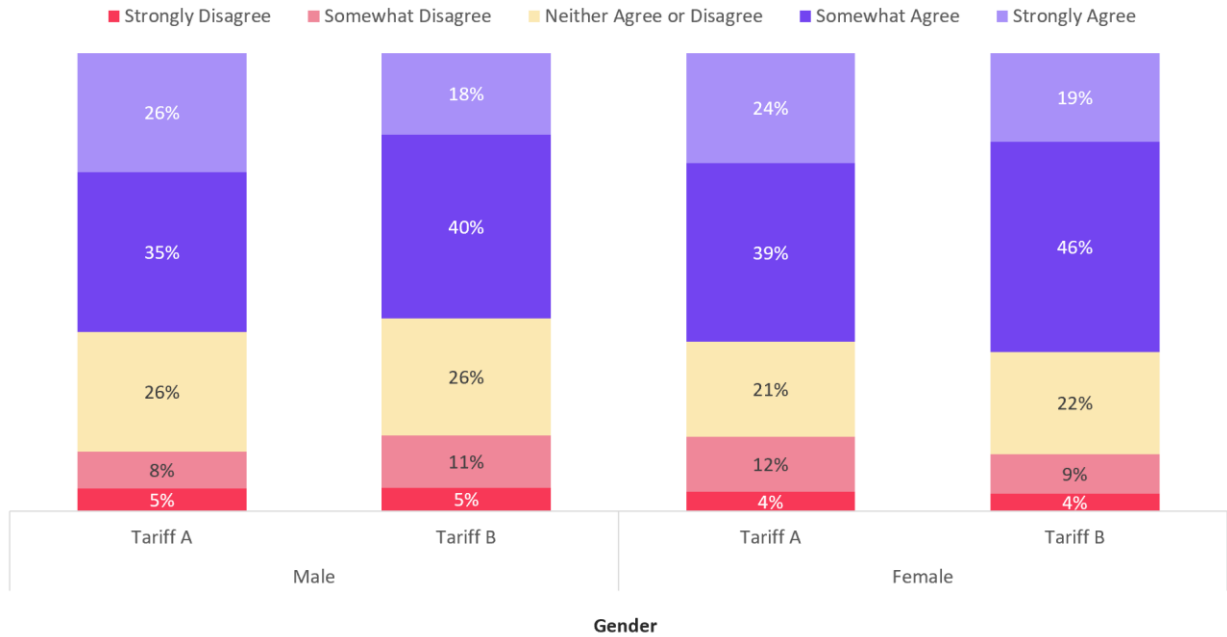
To what extent do you agree with the following statement: “The tariffs represent **good value for money**”



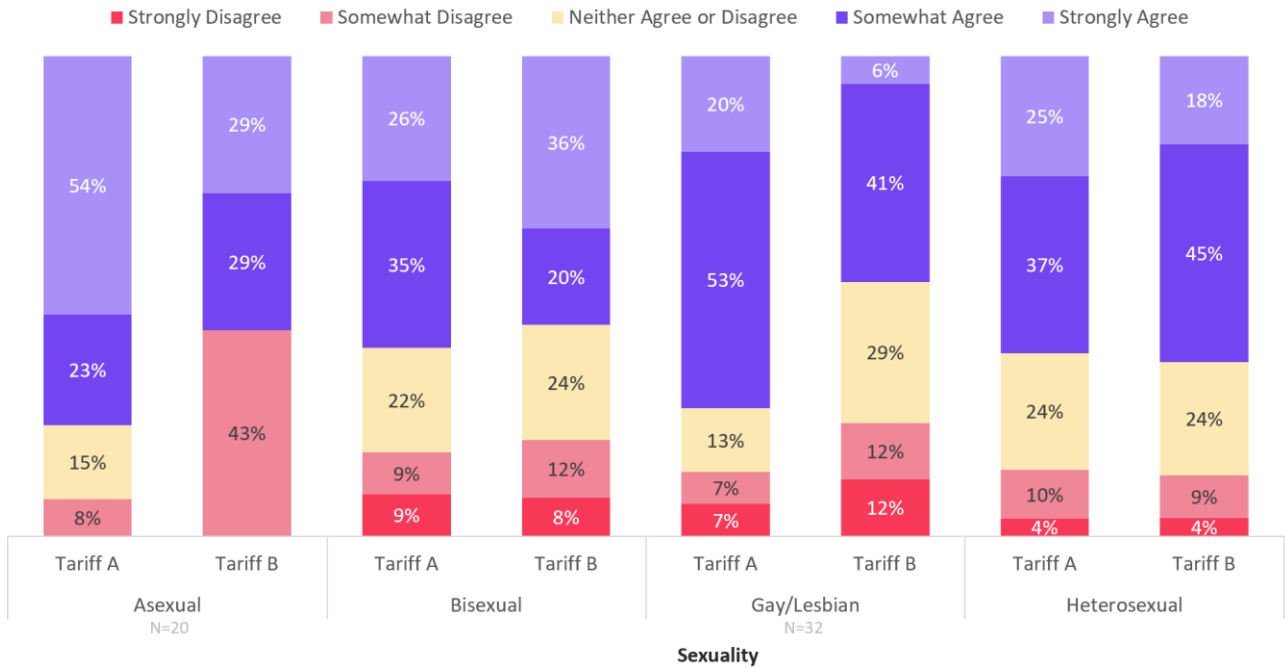
To what extent do you agree with the following statement: "The tariffs represent **good value for money**"



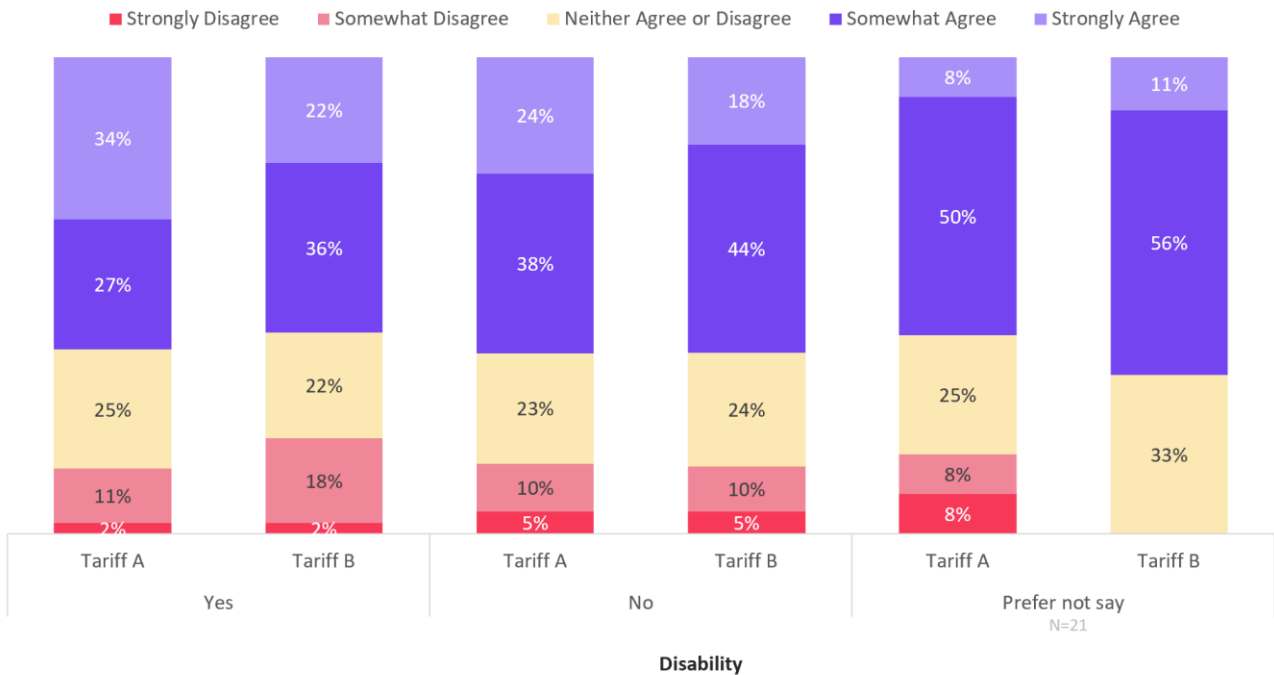
To what extent do you agree with the following statement: "The tariffs represent **good value for money**"



To what extent do you agree with the following statement: "The tariffs represent **good value for money**"



To what extent do you agree with the following statement: "The tariffs represent **good value for money**"





**Date: 22 August 2022**

**Item: Elizabeth line Train Operating Concession Extension**

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**This paper will be published with the papers for the next meeting of the Finance Committee.**

### **1 Summary**

- 1.1 The purpose of this paper is to seek approval for the Procurement Authority to enter into an extension to the existing Concession Agreement between Rail for London Limited (RfL) and MTR Corporation (Crossrail) Limited (MTRC) for the operation of passenger services on the Elizabeth line.
- 1.2 Exempt supplementary information is included as an appendix to this paper.
- 1.3 The use of Chair’s Action is considered appropriate as a decision to extend the term of the Concession Agreement is required before 28 August 2022, being the last date by which RfL is entitled to exercise the option to extend.
- 1.4 The contents of this paper and the exercise of the Chair’s Action will be reported to the next meeting of the Committee.

### **2 Recommendation**

- 2.1 **The Committee is asked to: note the paper and exempt supplementary appendix and approve additional Procurement Authority in the sum set out in the exempt appendix, for an extension to the current Concession Agreement for the Elizabeth line and for costs relating to regulatory access charges relating to the central section of the line.**

### **3 Background**

- 3.1 RfL, a subsidiary of Transport for London (TfL), has a Concession Agreement for the operation of TfL Rail and Elizabeth line services with MTRC which is due to expire on 28 May 2023.
- 3.2 In March 2013, RfL issued a notice in the Official Journal of the European Union to commence a competitive procurement process to appoint an operator for the provision of TfL Rail and Elizabeth line services via a Concession Agreement for an initial period of eight years commencing on 31 May 2015.
- 3.3 The Procurement Authority for the initial eight-year concession term was granted by the Board on 17 July 2014 and MTRC was awarded the contract on 30 July 2014.

- 3.4 As part of the procurement, bidders were asked to price additional two year and seven reporting period extension options, which RfL could call upon at its discretion.
- 3.5 RfL retains all revenue risk on the Elizabeth line, as well as the right to specify services. MTRC is remunerated with a fixed fee, adjusted for performance against defined service performance metrics, with a package of incentives for increased performance and abatements for below target performance.
- 3.6 These metrics relate primarily to providing high levels train service performance, customer satisfaction and protection of TfL's passenger revenue. Since operations commenced in 2015, initially branded as TfL Rail, the railway has seen high levels of performance across all of these performance metrics.
- 3.7 Train service performance has improved on the eastern route between Liverpool Street and Shenfield from 92 per cent public performance measure (PPM) under the previous operator (part of the Greater Anglia franchise) to 95 per cent PPM today. On the western route between Paddington, Heathrow and Reading performance has improved from 84 per cent PPM prior to May 2018 under the previous operator (part of the Great Western Railway franchise) to 93 per cent PPM today.
- 3.8 Stage 3 services on the central section of the Elizabeth line commenced on 24 May 2022 and have been operating with high levels of reliability and customer satisfaction.
- 3.9 The final stage of the Crossrail programme, Stage 5, is a complex stage which involves integrating the three separate sections of the Elizabeth line across separate infrastructure managers. Stage 5 is crucial for TfL to realise forecast passenger revenue uplifts and continuity of the existing operator, MTRC, will be critical to the delivery of Stage 5 both from an industry planning perspective, as well as ensuring their train driver establishment are fully competent to operate across the complex geography of the Elizabeth line.
- 3.10 It is therefore recommended that Finance Committee approves additional Procurement Authority to allow the Concession Agreement with MTRC to be extended.

**List of appendices to this report:**

Appendix 1 – Exempt supplementary information.

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