

## Tax relief is just the ticket to placate hard-hit commuters

Workers who use public transport daily deserve protection from unavoidable fare rises



London buses: air-conditioned and inexpensive Photo: Rex

By Boris Johnson

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The other day the clothes crisis became finally intolerable – not to me, but to those who have to live with me. Frankly I don't give a monkey's about clothes, and believe in wearing them until they have more or less disintegrated. I have professional suits and shirts and shoes that look (or so I like to think) pretty darned smart; but when it comes to casual, I have been told that I evoke a tenant farmer from rural France.

By the summer of this year, my last pair of supermarket jeans had worn out at the crotch and my much-loved green Boden corduroy jacket had lost all its geography-teacher chic. I had no non-work shirts, a sock famine; and there was nothing for it: I had to get to Marks & Spencer, and buy some stuff to last me the next 10 years.

But how to get there? I couldn't go by bike, since my plan was to load up with more kit than I could easily fit into a rucksack. I wasn't sure how easy it would be to lug the bags around the Tube. A taxi would cost about as much as an Easyjet flight to Milan. Then it hit me: I would do the simple and

commonsensical thing – the thing you do when you want to go shopping in Oxford Street. I took the bus, with my wife to supervise the shopping, and what a blissful experience it was.

We travelled in Club Class, in the very front row seats on the top deck; and though the day was gloriously sunny and our view panoramic, we were kept in perfect climactic comfort by an air-conditioning system that gently riffled our hair with cooling zephyrs.

We got from Islington to the West End in two shakes of a duck's tail, and as the fare was sucked anaesthetically from my Oyster card, I thought what a bargain it was – what a tiny proportion of the cost of the shopping expedition was taken by the transport.

And yet for millions of people who have to use buses every day – and who have no choice about which mode to use – the feeling is very different. If you have to use public transport morning and night, then you know that it can take a huge slice of your income – and that is why we politicians cast around so desperately for ways to reduce the burden.

Every autumn we face the same dilemma. If we follow the pleas of our officials, and raise fares – to cope with inflation and the cost of investing in our systems – we are tightening the squeeze on people who have already seen their disposable income shrink over the past five years.

If we are irresponsible, on the other hand, and we fail to replenish the “fare box”, then we risk disaster. We are coping with the oldest underground train network in the world, and with a city that is growing faster than any other European capital. If people are to have any hope of living near their place of work, we have to supply them with adequate trains, buses and Tubes. We cut costs at every opportunity – selling buildings, introducing automation, axing bureaucracy – but the trouble with a universal fares freeze is that it takes a huge chunk out of the budget. It means indefinitely postponing or cancelling schemes that are essential for growth, such as replacing the clapped-out signalling on the District line, or ordering new trains for the Piccadilly.

And then there is a second problem with an across-the-board fares cut – namely, that it is a hopelessly blunt instrument. Think of me luxuriating there on the Oxford Street bus, on my once-in-a-blue-moon shopping trip. Do I need a fare cut? Think of the millions of tourists who use our transport networks every day, and who probably don't even notice how much they are paying. Would they be any more inclined to come to this country if the cost of their urban transport was a little lower? Do they need or deserve an abatement in their fares? I don't really think so.

Look around you on the bus, and you will see that almost 40 per cent of the complement are travelling free or at cut price: the pensioners with their Freedom Passes, the kids, the veterans, the disabled, those in search of work. No politician is easily going to remove these concessions (try telling the affluent bourgeoisie that their Freedom Pass is at risk, and see what mayhem ensues).

The result is that the entire burden of fare-paying is carried by the 60 per cent – and that includes the people who make this country work, the people on low or moderate incomes who travel large distances every day to their places of employment and who have absolutely no choice in the matter. It is time we did something specifically to help them, and that something is to give tax relief on travel.

We need a scheme that is analogous to the government help currently given to child-care vouchers or cycle-to-work schemes. Employees should be allowed to pay for their season tickets from their pre-tax income.

To see what I mean, take a customer who buys an annual bus pass for £784. At present, he or she buys that season ticket after paying tax. Under the tax relief scheme, the employer would buy the season ticket and deduct the cost from his or her pay packet – and only then would the employee be assessed for tax. With their taxable pay reduced, the employee would save £251 in tax and National Insurance, and the employer would save £108. The administration costs would be kept minimal by doing it all online, and of course the relief would only apply at the basic rate.

Yes, there would be a cost to the Treasury – but then every year the government spends huge sums trying to hold fares down. This scheme strikes me as one George should consider further. You would allow continued investment in transport, and you would target your help at exactly the people who need it – not the millionaires and the tourists and the casual shoppers, but the hardworking people who are really turning the wheels of recovery.