

GREATER MANCHESTER TRANSPORT COMMITTEE

Date: Friday 14th October 2022

Subject: Network Review and Market Renewal

Report of: Simon Warburton, Transport Strategy Director, TfGM

Purpose of Report

To update members on the progress of the public transport Network Review and Market Renewal programme of work.

Recommendations:

1. Note the challenges and opportunities facing the public transport network and the conditions and details for the Network Review and Market Renewal programme of work as set out in this report.

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Equalities Implications

The Network Review and Market Renewal work aims to stabilise Greater Manchester's public transport network after a period of uncertainty caused by Covid-19, protect and improve Greater Manchester's public transport offer, reduce carbon emissions and improve air quality. Increased use of public and active transport is proven to reduce obesity and other diseases related to inactivity in a population as well as improving mental health and promoting wellbeing.

Impacts Questionnaire			
Impact Indicator	Result	Justification/Mitigation	
Equality and Inclusion	G		
Health	G		
Resilience and Adaptation	G		
Housing	G		
Economy	G		
Mobility and Connectivity	G		
Carbon, Nature and Environment	G		
Consumption and Production			
Contribution to achieving the GM Carbon Neutral 2038 target			
Further Assessment(s):	Equalities Impact Assessment and Carbon Assessment		
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.	 Negative impacts overall.

Climate Change Impact Assessment and Mitigation Measures

The plan will include an assessment of carbon emissions, current policies to reduce carbon emissions from transport and additional activities that will incentivise mode shift away from carbon intensive toward more sustainable forms of transport to help Greater Manchester meet the goal of being carbon neutral by 2038.

Carbon Assessment				
Overall Score				
Buildings	Result	Justification/Mitigation		
New Build residential	N/A			
Residential building(s) renovation/maintenanc	N/A			
New Build Commercial/Industrial	N/A			
Transport				
Active travel and public transport				
Roads, Parking and Vehicle Access				
Access to amenities				
Vehicle procurement	N/A			
Land Use				
Land use				
No associated carbon impacts expected.	 High standard in terms of practice and awareness on carbon.	 Mostly best practice with a good level of awareness on carbon.	 Partially meets best practice/ awareness, significant room to improve.	 Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management

The strategic risk issues with the programme are financial and legal, which are covered below.

Legal Considerations

As above, the NRMR programme will bring together multiple workstreams with their own legal considerations and interdependencies. An assessment of these legal considerations will form part of the NRMR programme. A key legal consideration is that new legislation may be required to introduce policies identified in the revised local transport policy framework and financial sustainability plan.

Financial Considerations – Revenue / Capital

A medium to long term funding strategy will be required which will need to show how the existing financial challenges can be managed. This strategy will need to explore how funding can be balanced between:

- i) management of the networks to drive up revenues and drive down costs; and
- ii) raising additional revenue through support from Government and local sources. Development of a sustainable funding model for both Metrolink and bus will be a key.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

GMCA Report - Towards the Bee Network - Network Review, Market Renewal and Bus Service Improvement Plan, 24/06/2022

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution? No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? No

Overview and Scrutiny Committee

N/A

1 Introduction and Background

- 1.1 Over the next three years, significant investment in Greater Manchester will dramatically improve the transport offer. Greater Manchester's move to bus franchising provides the mechanism to deliver transformational change. This all builds towards delivering the Bee Network, an integrated 'London-style' transport system, which will transform the way people travel across the city region.
- 1.2 At the same time, Greater Manchester is facing uncertain passenger numbers on public transport, increasing energy prices and inflation as the city region recovers from the pandemic. Since March 2020, Greater Manchester's public transport network has been supported by emergency funding provision which Government has confirmed will expire in October 2022 for Metrolink and March 2023 for bus (though there is indication bus recovery funding may again be extended).
- 1.3 To overcome these challenges and prepare GM's public transport network for the delivery of the Bee Network, GMCA will undertake a programme of work focused on Network Review and Market Renewal (NRMR). The aim of the programme is to navigate and move past the current shortfalls in demand, to plan for and promote a growth path for public transport in Greater Manchester to 2025 and provide the basis for further growth through franchise operation thereafter.
- 1.4 This paper presents:
 - Post pandemic recovery of Metrolink and bus, rail, traffic, walking and cycling.
 - How TfGM is planning to increase the use of public and active transport as part of an integrated Network Review and Market Renewal programme.
 - Progress to date on Network Review and Market Renewal.

2 Travel Demand

- 2.1 Public transport demand in GM is still below pre-pandemic levels. Traffic has returned to near pre-pandemic levels. Active travel has shown recovery, with cycling in particular growing above pre-pandemic levels, at certain times,

however overall changes to active travel patterns arising from the post-pandemic period are still emerging.

Metrolink

- 2.2 Patronage measures the number of single journeys that are made on the network.
- 2.3 Metrolink patronage sank to a low of 5% in April 2020. Patronage has continued recovering, punctuated by impacts of national events, holiday periods, planned engineering work on the network, rail strikes and most recently national weather warnings of extreme heat.
- 2.4 Considering the factors referenced above, journeys on the network have now recovered and plateaued at between 70% and 75% of pre-pandemic average patronage on a regular basis.
- 2.5 Increases in patronage continue to be correlated to football matches and large concerts across the city. For example, journey numbers carried during the weekend of the Parklife festival (11 June – 12 June 2022) are estimated to have been the highest number carried in 30 years of Metrolink operations (151% of a pre-pandemic average weekend).
- 2.6 Commuter trip numbers, although still suppressed, have also begun to recover on an upward trajectory. Estimates suggest that approximately 70% of pre-pandemic average commuter patronage has returned to the network with some pressure on peak capacities between Tuesdays and Thursdays on Altrincham, Bury, East Didsbury and Eccles lines.

Rail

- 2.7 Despite the challenges facing the industry, rail patronage in the north has recovered faster than the national average and London, with patronage at around 80% of pre-pandemic levels. Some Train Operating Companies (TOC) have reported patronage on some leisure routes to be much higher than pre-pandemic levels, with discretionary leisure travel leading the recovery for Northern and TPE, GM's two main Train Operating Companies. For Northern, commuter travel remains at below 50%, with leisure travel back to near pre-pandemic levels on certain routes.

2.8 Since April, footfall at Piccadilly Station has varied between 76% and 87% compared to the equivalent month pre-pandemic, with industrial action and events driving the variations.

Bus

2.9 Throughout the pandemic bus patronage has been more resilient than Metrolink. This is due to the greater use by 'blue collar' workers who have less of an opportunity to work from home, and with schools and colleges remaining open. Bus patronage hit a low of 15 - 20% of pre-pandemic levels during lockdowns. However, it has now recovered to approximately 80% of pre-pandemic patronage, but like Metrolink, is also showing signs of plateauing.

2.10 Bus patronage is also recovering unequally depending on the type of passenger class or ticket, for example concessionary travel is still some way below 80%.

Walking and Cycling

2.11 Active Travel trips are monitored by TfGM in two ways. Firstly, the TRADS Travel Diary Survey (and other surveys) provide an understanding of active travel across GM on an annual basis, but with a significant time lag. Secondly, a network of sensors at sample locations around GM provide much more current, timely data, but it has limited geographic coverage.

2.12 The latest available TRADS data comes from 2021, a year with lockdown restrictions in place at times, affecting travel patterns. Positively, TRADS 2021 showed an increase in mode share for active travel against an overall reduced travel market.

2.13 The latest data for 2022 from our network of sensors indicates some areas where walking and cycling has recovered, and is above, pre-pandemic levels.

2.14 Other data sources also give encouraging signs of an increase in cycling in Greater Manchester. The TfGM Sales Funnel survey results from 2021 showed positive signs for cycling, with a reduction in cycling 'Rejectors' (those who do not cycle for transport and would not consider cycling) from 45% to 33% and an increase in cycling 'Not Nows' (those who do not currently cycle but who are not against the idea of cycling) from 40% to 50%. The Network Principles Survey also found the proportion of people agreeing that the transport network

encourages walking and cycling increased, from 31% to 41% between 2018 and 2022.

2.15 When available, TRADs data for the autumn and winter of 2022 should provide a better understanding of whether the apparent uplift in cycling is set to continue.

Traffic

2.16 Over the last 12 months there have been a number of factors that could potentially effect highways volumes including:

- Reduced travel due to the Omicron variant over winter 21/22 and the requirement to self-isolate for positive COVID-19 test.
- Record fuel prices, the Department for Business, Energy and Industry's weekly "at pump" fuel price estimate show prices peaked at £1.91 for petrol and £1.99 for diesel over the summer. The average cost for a litre of unleaded over the last 12 months is 27% higher than the 2019 average.
- Wider pressure on the cost of living.

2.17 However, despite these factors, during the 12 months to August 2022 average weekly traffic volumes were just 3% below pre-pandemic levels.

2.18 The latest estimate shows no change in traffic volumes during the week ending 18 September 2022 compared to the same week in 2019.

2.19 A similar trend is being reported on the Strategic Road Network (SRN) with National Highways reporting traffic volumes for GM 2.8% below the equivalent period prior to the pandemic (Note: this figure is likely to be affected by the current M56 Smart motorway works).

2.20 Weekday traffic has broadly returned to the pre-pandemic profile.

2.21 The largest variation in trips is on weekdays during the early morning peak. Mid-September 2022 during the period 06:00 to 07:00 traffic volumes were 14% below the pre-pandemic average, between 07:00 and 08:00 they were 5% below. This reduction has been offset by an increase during the evening and early morning period.

3 Network Review and Market Renewal

- 3.1 Despite the recent plateau in Metrolink and bus patronage, there is still significant potential to grow public transport and active travel in GM. At present, around 60 per cent of the journeys in the city region are undertaken by motor vehicle. With the Bee Network's improved transport, fare and ticket offer, many of these journeys will be replaced by public or active transport. GM also has the fastest population growth of any metropolitan county in the last ten years (population growth between 2011 and 2021 was +6.9% in GM compared to 6.3% in England and Wales, with Salford and Manchester growing by 15.4% and 9.7% respectively). This population growth is projected to continue over the next decade, creating new transport demand.
- 3.2 TfGM is undertaking a programme of work focused on Network Review and Market Renewal (NRMR) in order to accelerate the recovery and growth of public transport demand in GM.
- 3.3 The aim of the programme is to navigate through the current shortfalls in demand and establish a growth path for patronage and revenue to 2025. This will then provide a strong base for franchising to further grow patronage thereafter.
- 3.4 The "Market Renewal" element of the programme will grow patronage on Metrolink and bus by designing interventions and products that will attract and retain customers, optimise patronage and revenue or reduce the cost of operating the network, aligned with the Bee Network delivery and vision.
- 3.5 The "Network Review" element of the programme will consist of Network Reviews of Metrolink and tendered bus services, on an ongoing basis to identify potential efficiencies.
- 3.6 The NRMR programme will also encompass ways to maximise revenue, including through enhancing revenue protection activity to reduce fare evasion.
- 3.7 The NRMR programme will establish one integrated, insight-led network plan and work programme across TfGM and its partners to prepare for the Bee Network, focussed on optimising GM levelling up and decarbonisation benefits, whilst meeting the Government's value for money challenges.

- 3.8 To deliver efficiencies and ensure consistency, the NRMR programme will bring together ongoing activity, including the Bus Service Improvement Plan and the City Region Sustainable Transport Settlement Programme. This will ensure delivery of the Bee Network and its vision. The programme will promote a clear pathway to GM's ambition of becoming carbon neutral by 2038. This will be achieved by providing excellent public transport and active travel choices for all, promoting sustainable travel behavioural change through integrated spatial, digital and transport planning and supporting the electrification of vehicles and public transport fleets.
- 3.9 The NRMR programme will include a "Bee Network Policy Review". This will be a review of GM's local transport policy framework, consideration of wider measures to encourage public transport market renewal and exploration of opportunities for local revenue raising to establish financial sustainability. Key considerations of this review will be alignment with Bee Network values, potential for market renewal, decarbonisation and tackling air pollution.
- 3.10 The programme will inform new market growth targets, so as to ensure that the outcomes towards of sustainable forward public transport system are secured.
- 3.11 Marketing and promotional activity will support public transport renewal. It will provide an immediate boost to awareness and engagement of existing infrastructure, products and services. This will include the different "ways to pay" messaging for Metrolink, and a targeted bus campaign linked to the new £2 single fare cap. This will be followed by an integrated 12-month, multi-modal campaign run from September, one year out from franchising.

Rail

- 3.12 Following bus franchising in 2024, GM will have the levers locally to integrate bus services and the Metrolink tram network – aligning fares, ticketing, information, branding and services – to optimise the utility of the network as a whole, and maximise patronage and ticket revenues.
- 3.13 By bringing passenger rail into this system, it will allow us to incorporate all public transport modes in GM, ensuring commuters get the benefits of an integrated system whatever mode they choose to use (as they do in London).

3.14 This is important because (as in London with the tube or overground) tram and rail complement each other in GM. Where there are public transport links between major towns, and between major towns and the regional centre, they tend to be either by rail or by tram, not both (e.g. Bolton, Stockport, Wigan all have principal links to the regional centre by rail). In order to reduce reliance on private car travel and support use of public transport, commuter rail can and must play a more significant role than at present and multi-modal journeys on bus and rail (or tram and rail) will need to be much simpler and more affordable than they are today.

3.15 GM is already engaging with the rail industry and the Great British Rail Transition Team (GBRTT) to explore how to unlock early integration which will play a key role in the NRMR work. One key area of focus is ticketing and joint working arrangements have been established to explore:

- **Introducing PAYG contactless payment and capping** – giving customers access to the modern technology and certainty over the fares they pay like on Metrolink and in London. The rail industry already has funding set aside to do this, there is a strong case for prioritising GM, given the action undertaken already to franchise buses, install similar infrastructure across the Metrolink tram network and move Metrolink to a zonal fare system.
- **Rationalising the number of ticket products available and simplifying the approach to tickets offered on certain routes** – e.g. advance purchases are offered on short-distance trips on some routes but not on others, and there are too many fares on short, simple key routes like Manchester-Manchester Airport.

3.16 TfGM will also be working with GBRTT over the longer term on rationalising fare bands within GM, Improving the retail experience, expanding the availability of easy-to-use multimodal tickets and improving the offer to the wider GM ‘travel to work’ area.

4 Progress to date

- 4.1 Work on Network Review and Market Renewal is already underway to reduce costs and deliver efficiencies.
- 4.2 TfGM has reduced the debt service on the Metrolink account by c.£16m p.a. through effective treasury management, a number of network efficiencies have been delivered and the contract with KeolisAmey Metrolink (KAM) is being actively reviewed to determine the opportunity to deliver more cost-effective service delivery.
- 4.3 As well as network efficiencies, a programme to deliver internal TfGM efficiencies is taking place, including reducing the use of external consultants, identifying any areas of role duplication, potential for redeployment and removal of less-essential activities. “Invest-to-save initiatives” are also being considered for energy costs, including energy efficiency projects and a Power Purchase Agreement (PPA) for Metrolink.
- 4.4 As outlined above, work has begun on a programme of market renewal to grow patronage on Metrolink and bus to achieve financial sustainability by designing interventions and products that will attract and retain customers, optimise patronage and revenue or reduce cost of operating the network, aligned with the Bee Network delivery and vision. This includes the launch of the £2 adult and £1 child single fare cap on bus, a year ahead of the planned implementation date. As reported to the Committee in August 2022, significant funding is also being invested to stabilise the bus network, in order to protect services, sustain existing patronage and provide the basis for future growth.
- 4.5 Building on the launch of new low bus fares, [#GetOnBoard](#) is a major integrated campaign aimed at promoting the use of public transport and active travel across Greater Manchester.
- 4.6 Launched 12 months ahead of the formal launch of the Bee Network, the campaign will direct people to sources of information that can help them to ensure they are accessing the best value for money for their journey using a specific mode of transport – bus or tram – and promote walking, cycling and wheeling.

- 4.7 As part of the campaign, there will also be a targeted business engagement strand encouraging businesses across the region to use a new Business Portal and support staff with sustainable travel choices. The portal can be accessed at <https://tfgmbusinessstravel.exhibition.app>
- 4.8 With commuter use of public transport still significantly below pre-pandemic levels, working closely with businesses and employers will be essential to driving patronage growth.
- 4.9 A wider engagement approach is focused on effective intelligence and insight gathering, working with business to promote modal shift, seeking advice and co-design approaches to improve the public transport offer and working with a business and employer audience to advocate for NRMR initiatives.
- 4.10 A portfolio of new business-to-business interventions is being compiled and will involve a combination of short-term tactical incentives and longer-term initiatives developed in collaboration with the business community. This activity will support businesses to more readily encourage public transport use alongside their return to the office plans and focus on modal shift from single occupancy car use supporting broader net zero initiatives.
- 4.11 Finally, antisocial behaviour on the network has increased significantly post pandemic and is cited as one of the key barriers to many potential customers. To address this a safety and antisocial behaviour reassurance campaign has commenced including increased Police activity and special operations such as those detailed in the TravelSafe report also on the agenda for this meeting.