

Greater Manchester Combined Authority

Date: Friday 27th September 2024

Subject: Bee Network Fares and Ticketing Products

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport
and Caroline Simpson, Group Chief Executive, GMCA, GMFRS & TfGM

Purpose of Report

The report proposes a number of changes to Bee Network fares and ticketing products to increase access to public transport through affordable and simpler fares and ticketing.

Recommendations:

The GMCA is requested to consider the following Bee Network fares and ticketing product proposals, subject to any feedback from the Bee Network Committee:

1. Approve the introduction of an Annual Bee Bus Ticket priced at £800.
2. Endorse the introduction of a TfGM scheme with local Credit Unions, from January 2025, to improve access to annual bus tickets.
3. Approve the continuation of the Bee Network Recompense Scheme for Tranche 3 bus customers.
4. Approve the introduction of multi modal 'pay as you go' (PAYG) contactless ticketing and capped fares across bus and tram in March 2025.
5. Note plans to provide an update on the annual review of the Capped Fares Scheme and proposed next steps.
6. Note the potential extension of the Care Leavers scheme, from aged 21 to aged 25, from April 2025.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management

N/A

Legal Considerations

The proposed scheme has been structured in such a way so as to ensure that it does not breach financial or procurement regulations.

Financial Consequences – Revenue

The forecast net financial impacts of introducing the products, including the Credit Union and recompense scheme are included in the budget for this financial year and will be factored into subsequent budget years.

The 2024/25 net budgetary impact of the proposed Credit Union scheme will only impact from when the changes are introduced in January 2025 through to the end of March 2025, and could result in additional income of circa £50,000 for the period, depending on the take up and abstraction from current ticket sales.

Financial Consequences – Capital

The costs of the back-office systems and other systems and technology required to implement PAYG are funded from capital budgets, including predominantly from CRSTS 1 funding.

Number of attachments to the report: 0

Background Papers

[GMCA 20230630 Delivering the Bee Network - Annual Review of Capped Bus Fares](#)

[GMCA 20230728 Delivering the Bee Network - Fares and Products](#)

[GMCA 20240712 Bee Network Fares and Tickets](#)

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

Yes

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

Bee Network Committee

This report will be considered by the Bee Network Committee on 26th September.

Overview and Scrutiny Committee

N/A

1. Introduction

- 1.1. Greater Manchester is delivering the Bee Network, an integrated, high-quality public transport and active travel system for the people and businesses of the city region. Key to the Bee Network are integrated, affordable and simple fares and ticketing products, aimed at supporting more people to travel for less, with back-office systems that do the hard work to make life easier for customers.
- 1.2. As pioneers of bus franchising, we now have local control of our most-used form of public transport, in addition to the largest light rail network in the country – Metrolink. This means that, following the implementation of the final phase of bus franchising on 5 January 2025, GMCA will be able to set fares and introduce and amend ticketing products across the Bee Network, without the need to negotiate with commercial operators. Importantly, it also allows GMCA to integrate fares and ticketing so that passengers can move seamlessly between Bee Network buses and trams, with an ambition to integrate cycle hire and GM rail in future.
- 1.3. At its meeting in July 2024, GMCA approved a reduction to the price of a number of Bee Network bus fares, from 5 January 2025, as follows:
 - A reduction to the price of 7-day Bus Travel on Bee Network Services from £21 Adult/£10.50 Child to £20 Adult /£10 Child; and
 - A reduction to the price of 28-day Bus Travel on Bee Network Services from £85.40 Adult/£42.70 Child to £80 Adult /£40 Child.
- 1.4. And also approved the introduction of a paper 'Hopper' single ticket for Bee Network bus users from 5 January 2025.

2. Proposals

- 2.1. It is proposed to introduce a number of further improvements to Bee Network fares and ticketing products, as set out below, to align with the implementation of the final phase of bus franchising in January 2025; and the introduction of 'pay as you go' (PAYG) contactless ticketing and multi modal capped fares across bus and Metrolink in March 2025.

Credit Union

- 2.2. At present, for regular public transport users, annual products can provide better value for money than shorter period tickets but require a significantly greater initial outlay.

- 2.3. As previously referenced in the *Bee Network Fares and Tickets* report to the GMCA on 12 July 2024, it is proposed to create a new TfGM scheme in which local Credit Unions may participate, through which an annual bus ticket (with no additional cost) will be made available to their customers via a Credit Union loan. This will enable those who may not be able to afford the initial outlay of an annual product to benefit from the value that the annual ticket offers.
- 2.4. An Adult Bee Bus Annual ticket, priced at £800, (which equates to the cost of 10, rather than 13, 28 day tickets) will be introduced from January 2025 along with the ability for customers to be able to pay for the annual product in monthly or weekly instalments through the customers local Credit Union.
- 2.5. The scheme will enable Credit Union members to *spread the cost* of an Annual ticket without any additional cost. This will particularly support those currently unable to afford long period products.
- 2.6. The new Adult Bee Bus Annual ticket priced at £800 will also be available to customers who wish to purchase it outright through Bee Network retail channels. This would significantly benefit customers who regularly purchase 28 day bus tickets throughout the year with savings of up to 23% against the reduced 28 day fare of £80 that will also be introduced in January 2025.
- 2.7. TfGM are working closely with the Credit Unions to implement the required arrangements for the scheme, with a view to opening applications later this year in preparation for January 2025.

Bus Franchising

- 2.8. Increases in single-operator fares, together with the reduction in weekly and monthly Bee Network ticket prices means that only a small proportion of customers (estimated at 3% of Tranche 3 customers) stand to be adversely impacted by the transition to Bee Network fares and tickets, following the implementation of the final phase of bus franchising on 5 January 2025. To mitigate the impact on tranche 3 customers, it is proposed to continue the recompense scheme available for tranche 1 and 2 customers.
- 2.9. TfGM will work with the outgoing commercial operators to make customers aware of the 'recompense scheme', alongside communications and marketing activities via Bee Network channels.

- 2.10. Agreement was unable to be reached with commercial operators to allow students to use Bee Network Student tickets on their services from the start of the academic year (referenced in *Delivering the Bee Network – Fares and Products* report to the GMCA on 12 July 2024). Students using operator student products will therefore need to transition to Bee Network student tickets in January 2025. Specific marketing and communications activities are being planned to ensure this customer group is reached; and, as above, if there are any customers who are adversely impacted, they will be able to apply to the 'recompense scheme'.
- 2.11. To provide a single, universal set of Bee Network fares and tickets across Greater Manchester, it is proposed that the Salford discount corridor tickets that were introduced in September 2023 will be removed from 5 January 2025 in line with the start of the third and final tranche of bus franchising. Sales of these tickets have been very low and the very few customers who are adversely impacted by the removal of these tickets will be able to apply through the 'recompense scheme'.

Multi Modal PAYG

- 2.12. The introduction of 'pay as you go' (PAYG) contactless ticketing and multi-modal capped fares across bus and Metrolink will provide greater flexibility and ease for customers. PAYG means customers will not need to plan and purchase travel in advance and will simply be able to touch-on / touch in and out (on bus and Metrolink) with their contactless bank card or device and know they will be charged the appropriate capped fare.
- 2.13. Currently, Metrolink customers can purchase an advance 7-day ticket to cover that travel for a week - or use contactless PAYG, and benefit from daily and weekly capping, and pay only the lowest fares for the actual journeys that they take.
- 2.14. That flexibility will be extended to both bus and multi-modal (bus and Metrolink) customers in March 2025.
- 2.15. Bus only customers will touch-on as they board with their fares contributing to the daily and weekly caps that are equivalent to the bus tickets the customer would otherwise have purchased.

2.16. The table below summarises the daily and weekly PAYG caps that will apply to bus only and to Bus and Metrolink following the introduction of PAYG in March 2025.

| Cap | 1-day Anytime | 1-day Off-Peak | Weekly |
|---------------------------------------|---------------|----------------|--------|
| Bus only | £5.00 | | £20.00 |
| Bus and any one Metrolink zone | £6.00 | £5.40 | £24.80 |
| Bus and Metrolink zones 2+3 or 3+4 | £6.70 | £6.40 | £28.40 |
| Bus and Metrolink zones 1+2 | £7.30 | £6.70 | £30.30 |
| Bus and Metrolink zones 2+3+4 | £7.60 | £7.00 | £32.50 |
| Bus and Metrolink zones 1+2+3 | £8.70 | £7.30 | £36.40 |
| Bus and all Metrolink zones (1+2+3+4) | £9.50 | £7.80 | £41.00 |

2.17. PAYG on bus will also include the benefits of the Hopper Fares, so anyone travelling on multiple buses within an hour will only be charged the single Hopper fare, mirroring the paper version that will be introduced in January 2025.

2.18. Multi modal (bus and Metrolink) customers will be able to travel across bus and tram using PAYG, with their fares contributing to daily and weekly caps that are equivalent to the multi modal (bus and Metrolink) tickets that the customer would have otherwise purchased.

2.19. The bus and multi modal PAYG will operate initially with adult fares only (as is the case for Metrolink and other schemes, including Transport for London's).

2.20. It is proposed to introduce bus and multi modal PAYG in March 2025, with the actual launch date to be determined closer to the time.

2.21. The scheme will be introduced alongside a detailed engagement and training programme, and an extensive customer communication programme, to ensure that customers understand how to benefit from this new, easier way to travel.

Extension to Care Leavers Scheme

2.22. Over the past 12 months, inquiries have been made at the GM Care Leavers Trust Board about the possibility of extending the existing travel offer for care-experienced young people under 21 up to the age of 25.

2.23. Subject to approval by the Combined Authority as part of the 2025/26 budget setting process, extending the concessionary pass for care leavers aged up to 25 could be introduced from April 2025. Work is ongoing to review current usage and to

understand the likely increase in people eligible for the offer and the likely costs of the extension.

3. Benefits

- 3.1. Simplifying the fares' structure and making transport more affordable supports and enables more people to access education, skills and opportunity.
- 3.2. Reducing the cost of bus travel will support further patronage growth on the network, as was previously evidenced by the 12% increase in patronage that followed the September 2022 initial capped bus fares scheme and £2/£1 and £5/£2.50 products, and the further enhancement of the 7 day cap at £21/£10.50 in January 2023. Lower fares will also help those customers already travelling by reducing the price of weekly and monthly travel, saving them money during a cost of living crisis.
- 3.3. In 2023, GMCA agreed to maintain these capped fares for a further year, with a review in Summer 2024, the output of which will be reported to GMCA in November.
- 3.4. Metrolink fares have been frozen since 2020, and the introduction of the Bee Network App now allows passengers to buy a new range of multi modal bus and tram tickets at a 20% cost saving compared to the cost of separate tickets, offering even better value for money.
- 3.5. Metrolink customers have benefitted from PAYG since July 2019 with the majority of adult Metrolink customers using this payment method for their journeys. Over 1.2 million journeys per month are made using Pay as you Go (PAYG) Bee Network fares and tickets to ensure public transport can enable more people to access education, work, leisure and opportunity.
- 3.6. The Credit Union scheme is particularly attractive to customers who use public transport regularly and who may not be able to afford the initial outlay of an annual product and benefit from the additional value it offers. Purchasing the annual ticket through the Credit Union, will enable Credit Union members to spread the cost of an annual ticket without any additional cost.
- 3.7. Multi modal PAYG further simplifies the ticket proposition. Customers can simply touch on and off their mode of transport and travel with confidence, knowing that the lowest fare will be calculated for them in the background.

4. Affordability

- 4.1. The forecast net financial impacts of introducing the products, including the Credit Union and recompense scheme are included in the budget for this financial year and will be factored into subsequent budget years.
- 4.2. The 2024/25 net budgetary impact of the proposed Credit Union scheme will only impact from when the changes are introduced in January 2025 through to the end of March 2025, and could result in additional income of circa £50,000 for the period depending on the take up and abstraction from current ticket sales.
- 4.3. The costs of the back office systems and other systems and technology required to implement PAYG are funded from capital budgets, including predominantly from CRSTS 1 funding.

5. Next Steps

- 5.1. Subject to GMCA approval, and consideration of any feedback from the Bee Network Committee, work will begin to implement the recompense scheme for the start of the final tranche of bus franchising (Tranche 3) on 5 January 2025.
- 5.2. Work will also continue with local Credit Unions to implement the proposed offer from January 2025.
- 5.3. Development of bus and multi modal ticketing PAYG is well underway and will be communicated to customers and other stakeholders as described above, prior to going live in March 2025.
- 5.4. The implementation of these proposals will mark a significant milestone in the delivery of the Bee Network. For the first time, customers will have access to a single, simple fares and ticketing proposition for the whole of Greater Manchester, with integrated fares across bus and tram and systems to ensure they receive the best value for money.
- 5.5. TfGM also intends to improve the ticketing offer and reduce prices for 18-21 year olds later in 2025. Work on this is in the early stages and more detail will be brought to GMCA in due course.