



## Bee Network Committee

Date: Thursday 28 September 2023  
Subject: Tackling Fare Evasion  
Report of: Danny Vaughan, Head of Metrolink, TfGM

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### Purpose of Report

To brief and seek endorsement from members on the strategy and ongoing plans to tackle Metrolink fare evasion.

### Recommendations:

The Committee are requested to:

- Note, comment on, and support the strategy and ongoing plans to tackle fare evasion on Metrolink.

### Contact Officers

Danny Vaughan, Head of Metrolink, TfGM	<a href="mailto:daniel.vaughan@tfgm.com">daniel.vaughan@tfgm.com</a>
Fran Wilkinson, Customer & Growth Director, TfGM	<a href="mailto:fran.wilkinson@tfgm.com">fran.wilkinson@tfgm.com</a>
David French, Strategic Commercial Advisor, TfGM	<a href="mailto:david.french@tfgm.com">david.french@tfgm.com</a>

## **Equalities Impact, Carbon and Sustainability Assessment:**

N/A

## **Risk Management**

N/A

## **Legal Considerations**

The legal basis for the charging of standard fares is set out within the Metrolink Conditions of Carriage. The power to prosecute for fare evasion is contained within the Metrolink Byelaws.

## **Financial Consequences – Revenue**

A focus on reducing fare evasion should result in additional farebox revenue for Metrolink.

## **Financial Consequences – Capital**

The operational plan to reduce fare evasion on Metrolink will incur costs, however, it is anticipated that the resultant additional farebox revenue will deliver a positive return on investment over the course of the next 12-months.

**Number of attachments to the report:** 0

## **Comments/recommendations from Overview & Scrutiny Committee**

N/A

## **Background Papers**

0

## **Tracking/ Process**

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

No

## **Exemption from call in**

N/A

## **Overview and Scrutiny Committee**

N/A

## **1. Background**

- 1.1 Metrolink is an “open” network in terms of fares and ticketing. In other words, there are no gates or physical barriers to entry on the network. Unlike the national rail network, Metrolink stops are unstaffed, largely outdoors and integrated on street. Metrolink has 99 tram stops over its 102 km network.
- 1.2 Passengers are required to pre-pay, via either a pre-purchased smart card product online, on the “Bee Network” app, or a paper ticket at a Ticket Vending Machine (TVM). Following the introduction of a zonal fares system, since 2019, passengers can avail of contactless touch-on/ touch-off using a bank card or smart device. There is no ticket validation on board, nor are there conductors on board trams. Teams of Customer Service Representatives (CSRs) travel across the network carrying out revenue protection activities.
- 1.3 This type of open network is common across Europe and is similar to light rail networks in Nottingham, Croydon and Dublin.
- 1.4 The main advantage of this type of open “turn up and go” network is accessibility, with few physical barriers to entry. It is also relatively low cost in terms of staff, the cost of sales, maintenance costs and capital expenditure in terms of buildings and systems that would need to be installed on fully gated networks.
- 1.5 The main disadvantage to this type of network is a higher exposure to fraud and revenue “leakage” in the form of fare evasion (ticketless or fraudulent travel). Since 1992 Metrolink has managed its cost base and ticket revenues, with an element of fare evasion, such that the network generated an operating surplus for reinvestment and expansion of the network.
- 1.6 However, fare evasion has risen since the Covid pandemic, for several reasons, including fewer season ticket sales. With ongoing funding challenges it is critical that TfGM, working with the Metrolink Operator, does everything it can to minimise fare evasion, so that high quality services can be sustained and fares kept affordable for the vast majority of fare paying passengers.

## **2. The Revenue Protection Challenge**

- 2.1 Fare evasion is not unique to Greater Manchester. Transport authorities across the world are facing extremely challenging financial circumstances in the post-Covid era,

and increased fare evasion has exacerbated the issue. External research indicates fare evasion on public transport can be as high as 25%. In 2019, the BBC reported that *'fare dodging costs London £100m a year'*.

- 2.2 The Metrolink network is no exception to this problem, and whilst patronage continues to recover strongly, further interventions are needed to close the gap between revenue received and the cost of running and maintaining the network.
- 2.3 To address this challenge officers have carried out research to inform a strategy, working with the Metrolink Operator, Keolis Amey Metrolink (KAM), and learning from operators from the UK and around world. Implementation of the strategy has already commenced, however a step change in revenue protection activity will take place in October 2023.
- 2.4 This renewed focus on revenue protection is expected to generate additional revenues, net of costs, of between £1 million to £2 million.

### 3. Strategy to Reduce Fare Evasion on Metrolink

- 3.1 A strategy has been developed, influenced by external research and successful application of recommendations, particularly the work of Graham Currie, Professor of Public Transport at Monash University in Australia. In Melbourne, by proactively tackling the issue on trams, fare evasion went down from c.20% to 6% of trips, resulting in AUD\$45 million of additional revenue in the first 12 months. This success was also replicated elsewhere, including for example, in New South Wales.
- 3.2 Some key elements of the strategy include:

- **Focus on Commuters:** External research across multiple international cities indicated that as much as 2/3rd of all revenue lost to fare evasion was due to a relatively small number of frequent travellers.

For example, in Melbourne, 'recidivists' (repeat offenders) represented just 8% of public transport users but accounted for 68% of all revenue lost.

Most notably, repeat offenders tended to be commuters, i.e., employees, who could be well educated, and relatively affluent.

Commuters are, therefore, the primary focus of TfGM's revenue protection activity.

- **Increased Ticket Checks:** There is a clear correlation between fare evasion and the level of contact between 'inspectors' and customers.

Therefore, conspicuous ticket checking and enforcement of 'penalty fares' is being increased across the network, and accordingly, additional staff have been recruited.

Plain clothes operations will also continue.

- **Increased Penalty Fares:** The maximum Penalty Fare will be increased from £100 to £120 to help deter fare evasion.
- **PR & Marketing Support:** The increase in ticket checks and penalty fares will be actively communicated to alert customers and deter deliberate fare evaders. We will also publish the number of ticket inspections carried out and the number of penalty fares issued, as well as the number of people taken to Court for failure to pay penalties. Where possible, and dependent on the timing of legal proceedings, and subject to data protection considerations, we will consider publishing the details of those we take to Court for persistent fare evasion and/or failure to pay penalties.
- **'Ways to Pay':** Messaging will also be prominent to help reduce accidental fare evasion (e.g., forgetting to tap on before boarding a tram). PR and Marketing campaigns will be sustained over a much longer period than has been previously done. An important message being that Bee Network fares have been kept low, with no Metrolink fare changes since 2020 despite costs rising with inflation, and passengers must pay for their journeys.

## 4. Current Operations and Upcoming Changes

- 4.1 Many factors impact the rate of fare evasion on Metrolink, from the demographics of the areas it operates in, to the ease of access to tickets and the presence of staff on the network. Protecting Metrolink revenues is a joint responsibility of TfGM and the Metrolink Operator, KAM.
- 4.2 TfGM is accountable for the design of the network, the fares and fare structure, the ticketing infrastructure (TVMs and platform validators), customer information and marketing campaigns.
- 4.3 KAM is accountable for the operation of the Metrolink network, including the reporting of faulty equipment, the deployment of revenue protection, customer service and security staff, monitoring of CCTV, and the issuing and recovery of standard fares (fines).

- 4.4 KAM's contract with TfGM sets out minimum standards in terms of staffing levels and deployment, and incentivises revenue protection by allocating revenue collected through issuing standard fares to KAM.
- 4.5 The minimum staffing levels are defined with the intention of ensuring a good spread of staff across the network by line and by time of day. Staff involved in front line operations have a mix of responsibilities including customer service, revenue protection, stewarding at special events and security management. KAM has a large single team of dedicated Customer Service Representatives (over 100 CSRs) plus an outsourced team of Travel Safe Officers (up to 50 TSOs) covering all of the above activities.
- 4.6 In 2022, CSRs checked between 250,000 and 300,000 tickets every 4 weeks, depending on special events across the transport network. This activity generated an average of 45,000 fines over a 12 month period.
- 4.7 KAM also puts a great deal of effort in taking persistent non-payers to court each month. In 2022, 4,500 people were prosecuted for non-payment of standard fares, receiving fines of up to £450.
- 4.8 KAM's CSRs and TSOs are also heavily involved in the activities of the TravelSafe Partnership. This is coordinated by TfGM with the backing of GMP with a view to tackling the problems of anti-social behaviour on public transport (including on Metrolink). The joint special operations with GMP and KAM's teams are hugely effective in tackling fare evasion as well as anti-social behaviour.
- 4.9 As part of the TravelSafe Partnership KAM's CSRs conduct educational sessions with school children across Greater Manchester. Each year approximately 50,000 primary school children are taught about the negative effects of crime, anti-social behaviour and fare evasion on the transport network.
- 4.10 Over the past weeks and months, TfGM and KAM have developed a robust operational plan to deliver against the strategy. This involves:
- **Greater CSR coverage:** 40 additional CSRs have been recruited and trained to focus on the city centre at busy times, with 10 more allocated to "checking on" (or virtual gate line) operations at the busiest stops. This brings the total CSR workforce to 150 members of staff.
  - **Plain clothes operations:** Carrying out plain clothes operations, in tandem with other deployment tactics and working with the TravelSafe Partnership.

- **Changes to deployments:** Using smaller roving teams in addition to current tactics to achieve enhanced network coverage.
- **Changes to tactics:** Engaging with customers to encouraging purchase at busier departure stops in addition to focus on issuing fines.
- **Changing signage and customer information:** To better inform passengers of the simple ways to pay as well as consequences of fare evading.
- **Security teams issuing fines:** A trial to enable the outsourced security teams to issue fines, subject to agreement with staff.
- **Special events:** Changes to queuing and stewarding of special events crowds to ensure advance ticket purchase.

4.11 Some measures have already started, others are to be phased in over the next few months, with a step change in network coverage of staff in October 2023.

4.12 These changes will be measured, and activity optimised to achieve revenue targets. Progress will be reported to future meetings of the Bee Network Committee.