

## Greater Manchester Combined Authority

Date: Friday 12<sup>th</sup> July 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

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### 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 approve the following Bee Network fares and ticketing product proposals, subject to any feedback from the Bee Network Committee:

1. Reduce Bee Network bus fares, from 5<sup>th</sup> January 2025, as follows:
  - a) Reduce the price of 7-day Bus Travel on Bee Network Services from £21 Adult/£10.50 Child to £20 Adult /£10 Child; and
  - b) Reduce the price of 28-day Bus Travel on Bee Network Services from £85.40 Adult/£42.70 Child to £80 Adult /£40 Child.
2. Introduce a paper 'Hopper' single ticket for Bee Network bus users from 5<sup>th</sup> January 2025;
3. Approve the principle to introduce a scheme, with local Credit Unions, from January 2025 to improve access to annual bus tickets;
4. Note the extension of the 'recompense scheme' to support the transition from commercial ticketing products to Bee Network products in the Tranche 3 area; and
5. Note the intention to bring a further report on Bee Network fares and ticketing products to GMCA in September 2024.

### Contact Officers

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BOLTON  
BURY

MANCHESTER  
OLDHAM

ROCHDALE  
SALFORD

STOCKPORT  
TAMESIDE

TRAFFORD  
WIGAN

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

N/A

## **Risk Management**

N/A

## **Legal Considerations**

N/A

## **Financial Consequences – Revenue**

The net financial impact of the proposals, of up to c.£1.25m in financial year 2024/25, was included in the 2024/25 budgeted risk allowances. The ongoing annual impact, that is estimated at up to c.£4-5m, is included within the medium-term financial plan and will be included in subsequent years' budgets.

## **Financial Consequences – Capital**

None

**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](#)

## **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 Thursday 25<sup>th</sup> July 2024.

## **Overview and Scrutiny Committee**

N/A

# 1. Introduction

- 1.1. The Bee Network is our plan for an integrated 'London-style' transport system for the people and businesses of Greater Manchester. It is a plan for a high-quality, fully integrated public transport and active travel system. Key to this are integrated, affordable and simple fares and ticketing products, aimed at achieving the Bee Network objectives of low fares and high patronage, with back office systems that do the hard work to make life easier for customers.
- 1.2. Greater Manchester has led the way in reforming and improving its transport network. 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<sup>th</sup> 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 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. Customers are already benefiting from Bee Network fares and tickets. The introduction of capped bus fares contributed to an increase in bus use of 12% (from September 2022 to April 2023, compared with the same period the year before). 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.
- 1.4. This report sets out proposals to further improve Bee Network fares and tickets as a further means to ensuring that public transport is an enabler to people accessing education, work, leisure and opportunity.

# 2. Proposals

- 2.1. It is proposed to introduce a number of improvements to Bee Network fares and ticketing products for customers to coincide with the implementation of the final phase of bus franchising in January 2025.

## **Lower Bus Fares**

- 2.2. In September 2022, GMCA introduced a capped bus fares scheme that saw the introduction of the £2/£1 single and £5/£2.50 day cap. This scheme was further extended in January 2023 when agreement was reached with Greater Manchester Travelcard Limited (GMTL) to cap the 7 day Anybus product at £21/£10.50. Since the introduction, these fares have been held at the original price despite price increases by commercial bus operators.
- 2.3. The introduction of the capped bus fares scheme contributed to a 12% increase in bus usage (September 2022 to April 2023 compared with the same period the year before) and a significant saving to the cost of travel for customers across GM.
- 2.4. To support customers, it is proposed to further reduce the price of 7 and 28 day bus travel, which, as well as reducing the cost of travel for existing customers is also expected to further encourage new customers to use Bee Network buses.
- 2.5. The proposed reductions in pricing, from 5<sup>th</sup> January 2025, are as follows:
  - c) Reduce the price of 7-day Bus Travel on Bee Network Services from £21 Adult/£10.50 Child to £20 Adult /£10 Child; and
  - d) Reduce the price of 28-day Bus Travel on Bee Network Services from £85.40 Adult/£42.70 Child to £80 Adult /£40 Child.
- 2.6. The 1-day bus ticket will be held at the current prices of £5 Adult/£2.50 Child.
- 2.7. It is proposed that the reductions in prices will be introduced from 5<sup>th</sup> January 2025 in line with the start of the third and final tranche of bus franchising. The tickets will be available for use on all Bee Network buses across Greater Manchester.
- 2.8. We will work closely with Greater Manchester Travelcard Limited (GMTL) to ensure the smooth transition to the new pricing across the region.

## **Paper Hopper Single**

- 2.9. At present in Greater Manchester, bus users who travel on multiple services to make a single journey have to pay a new fare each time they change service. This adds additional cost to journeys where a direct bus service is not available and discourages customers from using the full connectivity of the Bee Network.
- 2.10. It is proposed that a new single 'Hopper' ticket is created that would allow customers to 'hop on' as many Bee Network buses as they like for 60 minutes from

first issue. The price of the 'Hopper ticket' would be the same as the current single tickets i.e. £2 Adults, £1 Child, £1 Concession (pre 9.30am).

- 2.11. This new ticket would be available to purchase on bus and will replace the current Single ticket on Bee Network Services.
- 2.12. The ticket will be available to buy on bus as a paper ticket with a QR code. It is not proposed to make this ticket available on the Bee Network App as the longer-term goal is to encourage adult customers to use pay-as-you-go (PAYG) contactless payment, which will provide the same benefits to customers as a 'hopper'.

### **Credit Union**

- 2.13. As was previously referenced in the *Delivering the Bee Network – Fares and Products* report to the GMCA on 28 July 2023, it is proposed to create a new scheme with local Credit Unions from January 2025. A new, annual bus ticket will be developed and made available at a discounted rate via a Credit Union loan and a regular payment to the Credit Union. This will support those who may not be able to afford the initial outlay of an annual product to benefit from the value it offers.
- 2.14. Further details of the scheme will be provided in a subsequent report to GMCA in September 2024.

## **3. Transition for Third Phase of Bus Franchising**

- 3.1. As was the case for the first two phases of bus franchising (Tranche 1 – Wigan, Bolton and parts of Bury and Salford and Tranche 2 – Rochdale, Oldham and the remaining parts of Bury and Salford), work is underway to identify the fares and ticketing impact on customers as we transition to the final phase (Tranche 3) of bus franchising (the remaining southern parts of Manchester).
- 3.2. Single-operator ticket fare increases that have occurred since the start of Bus Franchising in September 2023 and the reduced fares proposals set out above will minimise any adverse customer impact of transitioning to Bee Network fares.
- 3.3. Where Tranche 3 customers are adversely impacted, the 'Recompense Scheme' (which was offered to Tranche 1 and Tranche 2 customers) will be available.
- 3.4. As the Tranche 3 area has a large student population, discussions are taking place with commercial operators to allow students to purchase Bee Network All Term student tickets for use at the start of the academic year. This will prevent the need for students to transfer from commercial operator All Term Student Tickets in

January 2025, mid-way through the academic year, when the final tranche of bus franchising commences.

## **4. Benefits**

- 4.1. Making transport more affordable supports and enables more people to access education, skills and opportunity. 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.
- 4.2. The Hopper Fare will open more opportunities to customers to access different areas of the city region and will also offer further, better, value for money. The Hopper fare will help customers when making journeys that require changes to services. Whilst TfGM are exploring further improvements to the interconnectivity of the city region, and proposals to changes to service provision through Network Reviews in the medium term, the Hopper fare will ensure that customers do not have to pay more than a £2/£1 fare for any bus journeys of up to 60 minutes.
- 4.3. The Credit Union annual discounted product is particularly attractive to customers who use transport a lot and who may not be able to afford the initial outlay of an annual product and benefit from the additional value it offers.

## **5. Affordability**

- 5.1. The 2024/25 net (of additional patronage and revenues) budgetary impact of the proposed lower fares and Hopper tickets will only impact the period from when the changes are introduced in January 2025 through to the end of March 2025 and is estimated to reduce 2024/25 franchised bus passenger revenue by up to c.£1.25m. This amount was included in the 2024/25 budgeted risk allowances.
- 5.2. The ongoing annual net (of additional patronage and revenues) impact, that is estimated at up to c.£4-5m, (which represents a circa 2-3% reduction in annual bus passenger revenue) is included within the medium-term financial plan and will be included in subsequent years' budgets.

- 5.3. The forecast budgetary impact of the Credit Union initiative will be included in a further Bee Network fares and ticketing products report to GMCA in September 2024.

## **6. Next Steps**

- 6.1. Subject to GMCA approval, and any feedback from the Bee Network Committee, work will begin to implement the reduced fares and the paper Hopper from the start of the final tranche of bus franchising (Tranche 3) on 5th January 2025. Work will also continue with local Credit Unions to implement a scheme from January 2025.
- 6.2. A further report on Bee Network fares and ticketing products will be brought to Bee Network Committee and GMCA in September with proposals for the introduction of 'pay as you go' (PAYG) contactless ticketing and multi-modal capped fares across bus and Metrolink from March 2025.
- 6.3. Multimodal PAYG will build on the success of PAYG contactless that has been in place on Metrolink since 2019; and will provide greater flexibility and ease for customers who, in future, won't need to plan and purchase travel in advance, they will simply be able to touch in/ touch out and know they will be charged the best value fare.
- 6.4. The introduction of PAYG will be a significant step in delivering our ambition of a fully integrated Bee Network, further improving the ease in which a customer can move between different modes, by removing a key barrier to travel for many customers.