

# **Bus Franchising in Greater Manchester Assessment September 2019**

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**Bus Market in  
Greater Manchester  
Supporting Paper**

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# Bus Market in Greater Manchester Supporting Paper

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# **1 Document overview**

## **1.1 Document purpose**

1.1.1 This supporting document is intended to provide additional information and analysis to support the understanding of the bus market set out in the Strategic Case of the Assessment, and referenced across the other cases. This document provides a current and historical view of the bus market in Greater Manchester, highlights trends over time, the structure of the market, including market share and cross boundary services, and describes the role of the GMCA in relation to the bus market. Finally, this document sets out the longlisting process undertaken to determine available options for reform of the bus market.

## **1.2 Document structure**

1.2.1 This document consists of 13 sections as follows:

- i. Document overview – this section sets out the purpose and structure of the document and what each section entails;
- ii. The role of bus in society – this section considers the importance of bus in supporting economic growth in society
- iii. The Greater Manchester bus network – this section provides an overview of the bus network and how it operates;
- iv. Number and quality of bus assets – this section details fleet information;
- v. Market distribution – this section sets out the market share data based on commercial and subsidised mileage which is referred to in multiple places throughout the Assessment;
- vi. Cross-boundary services – this section details the cross-boundary services by area;
- vii. Views of passengers – this section summarises the findings of customer experience surveys of on-board experience and passenger views on the bus market in Greater Manchester;
- viii. Reliability and Punctuality – this section contains an analysis of service punctuality using TfGM Punctuality and Reliability Monitoring System (PRMS) data;
- ix. Technological developments in transport – this section discusses the trends in demand and impact of new technologies on bus services;
- x. Bus industry funding – this section presents the Bus Industry Funding Forecast;

- xi. Current role of TfGM – this section sets out the key activities undertaken by TfGM in supporting and supplementing the bus market in greater Manchester; and
- Longlisting process and options for reform of the bus market – this section discusses the process undertaken to determine the options available for reform, which are considered in greater detail in the Assessment.

## **2 The role of bus in society**

- 2.1.1 Bus is vital for supporting economic growth, a high quality of life, and an improved environment, particularly in urban areas. The case for developing and maintaining strong bus networks is clear and supported by the evidence from transport markets around the world. In England, despite decline since deregulation, just under 4.5 billion trips per annum are still made on bus networks (DfT, 2017a), which is just under three times the number of trips made on the national rail network (ORR, 2017). In the former PTE areas, it is estimated that those trips generate £2.5 billion per annum in economic benefits (PTEG, 2013). Without buses as a travel option, UK city centres could not function in their current form; and congestion in city centres in the UK would be 21% higher in peak times as buses enable a much denser usage of road space than cars (see Figure 1). Two and a half million commuters per day use the bus for work, and a further one million use bus as a first back-up mode if their normal mode is unavailable or unsuitable that day (Begg, 2016). Bus has the largest market share of retail/expenditure trips to city centres (PTEG, 2013). In 2012, the Institute for Transport Studies estimated that every year bus users make 1.4 billion shopping trips and spend an estimated £27 billion on retail goods (Institute for Transport Studies, 2014). These insights show the importance of bus networks to city regions, including Greater Manchester.

**Figure 1: Transport Mode Density**



Source: Greater Manchester Transport Strategy 2040, (TfGM, 2017a).

**2.1.2** A series of reports by the Institute of Transport Studies at the University of Leeds examined the relationship between bus services and the economy. They found that bus services enabled a wide range of activity to take place and created a large number of social and economic linkages, including commuting, education, shopping, recreation and leisure, personal business, visiting friends and relations, access to healthcare and other purposes. In particular, they detailed how bus travel fulfils the following roles in the economy:

- i. it enables a well-functioning labour market;
- ii. it supports strong town centres; and
- iii. it fulfils both a social inclusion role for people who use the bus regularly and a social insurance role for those who do not, enabling them to travel if other modes fail (Institute for Transport Studies, 2014).

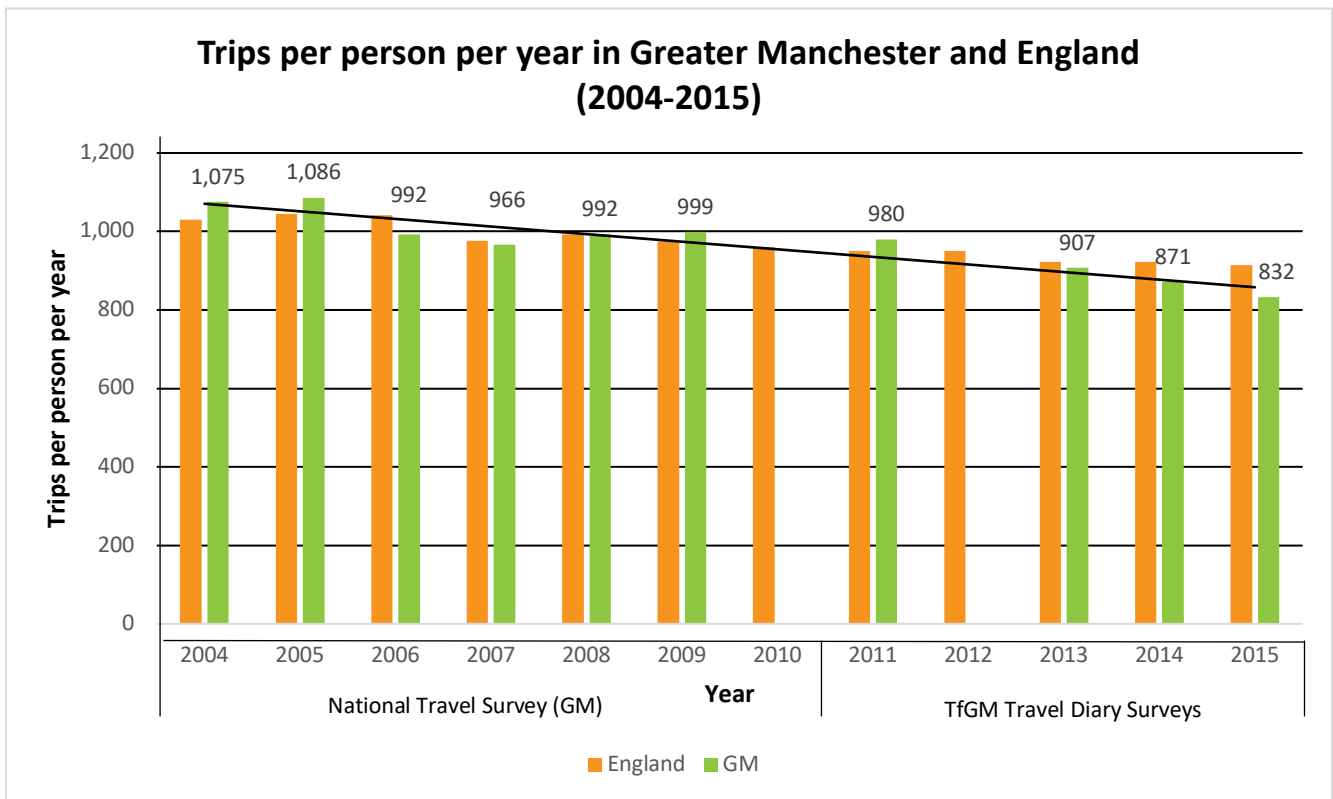


## *Bus networks and economic growth*

2.1.3 Improving bus services can make an important contribution to ensuring that a good level of economic growth can be achieved and the benefits of growth are spread in an equitable manner across existing and new residents. Improvements that deliver benefits to passengers will influence the economy and contribute directly to achieving jobs and growth in the following ways.

- i. Improving labour market access and mobility: any reduced journey times and costs due to increased modal shift towards bus, reduced congestion and better connectivity will improve access to jobs and thereby increase the supply of labour. The accessibility improvements will also enable some of those in the labour market to access better jobs thereby freeing up jobs for others. Buses play an important role in permitting young people and adults to access further and higher education opportunities, and their qualifications provide them with the skills and training to support local businesses in the longer term and access more productive job opportunities.
- ii. Supporting inward investment and economic growth: the resulting lower congestion levels from a modal shift towards public transport will support the growth ambitions and capacity of the city centre and key employment nodes to accommodate growth. There are risks to the forecast economic growth if transport supply does not proactively respond to the growth scenario, and if business and investor confidence is weakened due to perceptions of access to labour, suppliers, and consumers.
- iii. Productivity growth and agglomeration: improvements to bus services, via journey time and cost benefits, particularly within city centres, will bring economic activity (people and firms) closer together. This will change the overall effective density of the area (because firms and people are closer together) resulting in productivity gains, termed 'agglomeration'. Where transport supply directly influences land use decisions then this is termed 'dynamic clustering'.
- iv. Supporting the retail, leisure, and visitor economy: bus networks and the provision of a network of high quality public transport interchanges within town centres will promote take-up of retail and leisure activity throughout the conurbation.

Chart 1: All-mode Trips per Person per Year in Greater Manchester and England (2004–2015)



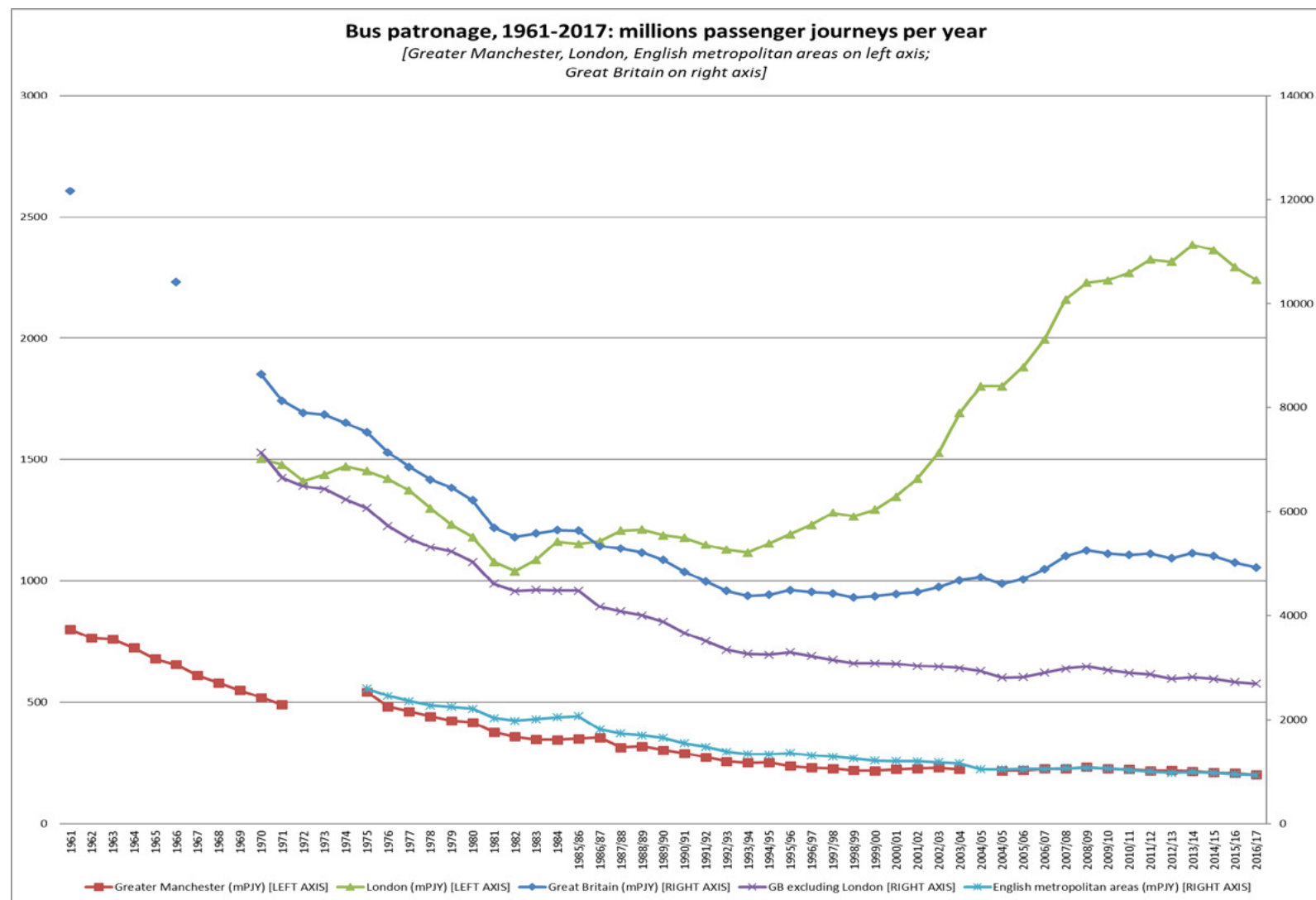
Source: Greater Manchester Transport Strategy 2040 Evidence Base, (TfGM, 2017a) (GM data not available 2010 / 2012)

### 3 The Greater Manchester bus network

#### 3.1 Patronage

- 3.1.1 The bus network in Greater Manchester is a deregulated network made up of commercial services that operators choose to provide, supplemented by subsidised services supported by the GMCA, and let by TfGM on behalf of the GMCA. Bus patronage across the UK as a whole has been in long-term decline since the 1950s and, outside London, this has continued post-deregulation across the UK (DfT, 2018a). Refer to Chart 2 which highlights the trend in patronage across the UK.

Chart 2: Greater Manchester and UK Bus Patronage (1961–2017)



Source: DfT Transport Statistics, SELNEC PTE, GMPTE Trends and Statistics, GMPTE Continuous Passenger Sampling (CPS) survey data

- 3.1.2 At the time of the deregulation of the bus market in Great Britain outside London in 1986, there were around 350 million bus journeys per annum in Greater Manchester; by 2000 this had dropped to just over 220 million per annum and demand has shown a modest decline since then to under 200 million per annum as shown in the table below. The modest growth nationally in the early 2000s was a result of growth in London, with areas outside of London showing a decline. The decline in bus patronage in Greater Manchester should also be seen in the context of a broadly steady number of public transport trips across all modes, as shown in Table 1 below.

**Table 1: Total Passenger Journeys on Public Transport Services in Greater Manchester (Millions of Journeys, 2009/10–2017/18)**

MODE	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Bus</b>	226.7	233	226.6	224	218.6	219.7	216.7	210.9	208.5	201.6	194.3
<b>Train</b>	22.2	22.8	22.7	22.1	24.9	25.3	24.7	25	25.1	26.7	26.9
<b>Metrolink</b>	20	21.1	19.6	19.2	22.3	25	29.2	31.2	34.3	37.8	41.2
<b>Total (Millions)</b>	<b>268.9</b>	<b>276.9</b>	<b>268.9</b>	<b>265.3</b>	<b>265.8</b>	<b>270</b>	<b>270.6</b>	<b>267.1</b>	<b>267.9</b>	<b>266.1</b>	<b>262.4</b>

Source: TfGM Internal Data and DfT

- 3.1.3 The method for calculating passenger journeys on train in Greater Manchester was rebased in 2015. The numbers provided in Table 1 above are consistent with the previous method, which involved factoring rail ticket sales data from the LENNON 2006 database. From 2015 onwards, a revised methodology using ORR data was used to rebase the 2015 figure, thereby increasing the previous number by 15.2 million, the impact of this on overall passenger journey numbers from 2015-2018 is shown in Table 2 below.

**Table 2: Total Passenger Journeys on Public Transport Services in Greater Manchester including Rail Rebase (Millions of Journeys, 2015/16–2017/18)**

MODE	2015-16	2016-17	2017-18
<b>Bus</b>	208.5	201.6	194.3
<b>Train</b>	40.3	43.7	43.4
<b>Metrolink</b>	34.3	37.8	41.2
<b>Total (Millions)</b>	<b>283.1</b>	<b>283.1</b>	<b>278.9</b>

Source: TfGM Internal Data, ORR and DfT

## 3.2 Bus operators

- 3.2.1 In Greater Manchester, three major operators have dominated the bus market for more than 20 years: First Manchester, Stagecoach Manchester and, to a lesser extent, Arriva North West. These are subsidiaries of major multi-national transport companies and they operate the vast majority of commercial mileage and carry the majority of passengers on the commercial network.

- 3.2.2 As at March 2019, there are 41 small and medium enterprise operators (SMEs) active in the Greater Manchester bus market who provide a mix of commercial and supported mileage. Further detail on these operators, how they have been categorised, and the mileage operated in 2018/19 can be found in Section 5 of this document.

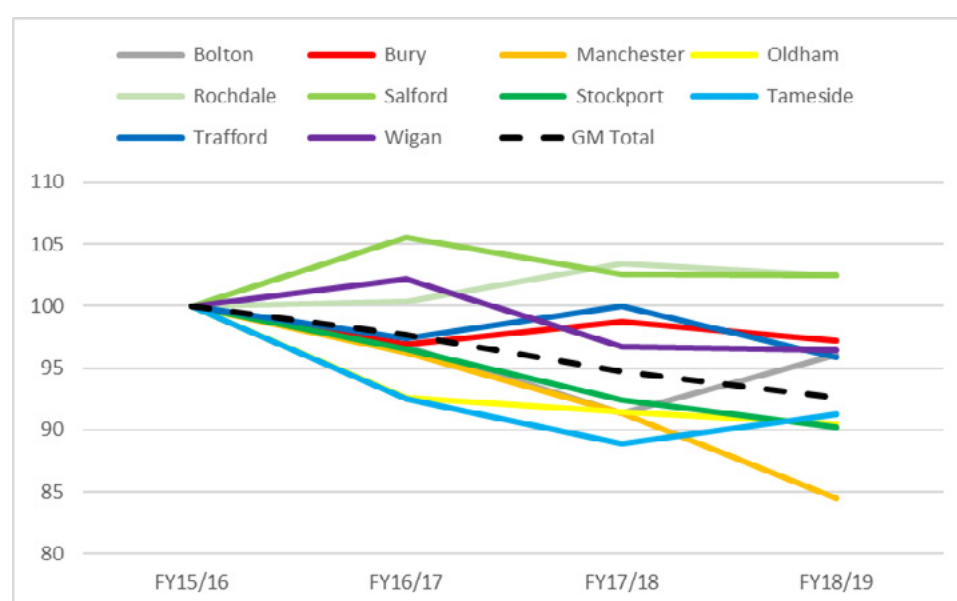
### 3.3 Network scale

- 3.3.1 The scale of the network is substantial. In 2018/19 in Greater Manchester, there were 64.5 million miles scheduled (TfGM internal data, March 2019). There are strong core routes linking the district centres with the regional centre, and in some cases with each other. Most core routes have high Monday to Saturday daytime frequencies, with at least six buses per hour in each direction. In the evenings, frequencies often drop to two buses per hour. Further detail on network composition and cross-boundary services can be found in Section 3.6 and Section 6 of this document respectively.

### 3.4 Network mileage

- 3.4.1 Chart 3 shows a downward trend in bus mileage across Greater Manchester since 2015. With the exception of services in Salford, some of which are affected by developments at Media City and the Leigh Guided Busway, and Rochdale where mileage operated has slightly increased, all other districts have seen a decline in mileage from 15/16 to 18/19. The amount of bus mileage operated overall in Greater Manchester has declined by c.7% since 2015.

Chart 3: Operated Bus Mileage in Greater Manchester by Region (2015 - 2019)



Source: TfGM internal data, March 2019 (TfGM, 2019a)

### 3.5 Network coverage and accessibility

- 3.5.1 Analysis performed of the network baselined in 2015 shows that Greater Manchester is reasonably well covered by bus services, as summarised in Table 3 and Table 4 below. This analysis uses the network current at that time and this network is also used as the baseline network for the development of the Franchising Scheme network scenario. Given the declines in operated mileage as evidenced above from 2015 - 2019, it is reasonable to assume that these percentages are likely to have declined since 2015. As at 2015, the vast majority (96.8%) of the population of Greater Manchester live within 400 metres of a bus stop with a weekday daytime service of at least one per hour, and for 79.8% of the population that weekday daytime service runs at least four times per hour. Lower proportions of the population are served at these frequencies in the evenings and on Sundays.

Table 3: Population within 400 metres of a Bus Stop (2015)

FREQUENCY	1 PER HOUR	2 PER HOUR	4 PER HOUR	6 PER HOUR	8 PER HOUR
Weekday (08:00-18:00)	96.8%	92.0%	79.8%	65.6%	46.4%
Evening (19:00-22:00)	89.5%	73.8%	41.8%	24.7%	14.9%
Sunday (daytime, 10:00-17:00)	91.2%	78.2%	45.9%	26.6%	16.1%

Source: TfGM internal data, 2015

Table 4: Population Served by Bus (2015)

Within 250m of a service at least 2bph daytime, 1 bph evenings/Sundays	<b>70.0%</b>
Within 400m of a service of at least 4 bph at all the above time periods	<b>38.7%</b>
Within either of the above categories	<b>76.2%</b>

Source: TfGM internal data, 2015

### 3.6 Network composition

- 3.6.1 For explanatory purposes, in this section the network has been divided into four broad areas radiating from the Regional Centre although it is acknowledged that considerable overlap exists between these areas both in terms of trip patterns and the extent of services operated.

#### *West (Salford and Wigan districts)*

- 3.6.2 This is an extensive area from Manchester city centre to the boundary with Lancashire, Merseyside and Warrington. As with most parts of the network, the densely populated area within the M60 motorway is dominated by radial routes into Manchester city centre which originate in Bolton and areas of Salford including Eccles and Irlam. The radial routes are supplemented by orbital links into local destinations such as Pendleton and Salford Quays as well as local services, many of which are financially supported by TfGM.

- 3.6.3 Beyond the M60 motorway, the area becomes polycentric in nature and the dominant towns of Wigan and Leigh are interspersed with smaller settlements including Tyldesley, Atherton, Hindley and Golborne. Due to the location and geographic characteristics of this area, the travel market is complex and difficult to serve and journey to work patterns are dispersed due to the Manchester travel market being less dominant with large numbers of trips also being made to Merseyside, Warrington, Cheshire and neighbouring parts of Lancashire.
- 3.6.4 Town service networks are operated in Wigan and to a lesser extent Leigh and there are interurban services between Wigan, Leigh, Bolton and Horwich which also serve smaller communities. Unlike most parts of Greater Manchester, many parts of Wigan district are not served by high frequency routes into the Regional Centre and the journey –to-work market is largely served by rail with stations in Wigan town centre and smaller communities including Atherton and Hindley. The south of the district is not served by the rail network and this has been addressed through the construction of the Busway between Leigh and Ellenbrook alongside extensive on-highway bus priority measures between Ellenbrook and Salford and the commencement of services between the Regional Centre and Leigh and Atherton in April 2016.
- 3.6.5 Cross-boundary services are an important element of the local bus service network in this area, particularly around Wigan district, with links provided to destinations in neighbouring areas including Warrington, St Helens, Ormskirk and Skelmersdale.
- 3.6.6 Although there are several operators running services on a commercial basis in this area, direct competition is very limited.

*North (Bolton, Bury, Rochdale and north Manchester)*

- 3.6.7 The network in this part of Greater Manchester is dominated by high frequency radial services into the Regional Centre which mainly start in the key district centres and operate via areas of high density residential development in north Manchester. Radial movements are also served by rail services from Bolton and Rochdale with Metrolink services from Bury and Rochdale via Oldham. Within areas of north Manchester, the radial services are supplemented by additional routes into the residential areas including Blackley and Crumpsall which also provide links to North Manchester General Hospital.
- 3.6.8 The radial services link to town networks in each of the district centres with services of varying frequencies including some low frequency routes run with

support from the GMCA. High frequency orbital links are also provided between Bolton, Bury and Rochdale with links also available to destinations further afield including Oldham, Pendleton and Salford Quays.

- 3.6.9 Cross-boundary services to neighbouring areas exist in this area including links from Bolton to Blackburn and from Bury and Rochdale to areas of east Lancashire including Rawtenstall, Bacup and Burnley. Due to limited rail connectivity from this area to the Regional Centre, there are also express services via the M66 and M60 motorways which then run via Prestwich and carry local trips in this area.
- 3.6.10 Some direct competition between operators exists in the area including between Bolton and Horwich, between Bury and Ramsbottom and on local services in Bolton. There is more significant and competitive activity in north Manchester along Moston Lane and the section of Rochdale Road between Harpurhey and the Regional Centre. This competitive activity has continued for several years and previously involved large and small operators but due to continued consolidation, all the services concerned are now run by large operators.

*East (Oldham, Tameside, Stockport and east/south east Manchester)*

- 3.6.11 High frequency radial services link the key district centres to the Regional Centre and also serve residential communities in the densely populated areas within the M60 including Newton Heath, Miles Platting, Clayton, Openshaw, Gorton, Longsight and Levenshulme. These services are supplemented by Metrolink services from Oldham and Ashton and rail services although frequencies at many suburban stations are low. Town networks are operated from Oldham, Ashton under Lyne, and Stockport with limited provision in Hyde, some of which supported financially by the GMCA. High frequency orbital links run between Oldham, Ashton under Lyne and Stockport and links to wider destinations including Rochdale and Wythenshawe are also available. Additional orbital links also exist in the areas nearer to the Regional Centre which provide links to north Manchester as well as points in south Manchester such as Didsbury and the universities.
- 3.6.12 This area of Greater Manchester includes low density semi-rural areas around Saddleworth which are served by a combination of commercial and supported services including the Saddleworth Rambler. Beyond the County boundary at Oldham, there is open countryside interspersed with small communities and consequently the cross-boundary links are very limited. In Tameside, there is greater provision due to the population centre formed by Glossop and Hadfield which, although administratively within Derbyshire is aligned to



Greater Manchester for employment and key services and consequently there are good cross-boundary bus links. From the Stockport area cross boundary links exist to areas including New Mills and Hayfield, to Buxton and intermediate communities and also to Macclesfield.

- 3.6.13 Although competitive activity has existed in the past, there is not currently significant direct competition between commercial operators in this part of Greater Manchester.

*South (south Manchester, Trafford)*

- 3.6.14 This is a densely populated area of Greater Manchester and includes inner suburbs such as Hulme, Moss Side and Old Trafford, suburban areas such as Didsbury, Chorlton, Urmston and Hale, extensive housing estates in Partington and Wythenshawe and town centres including Sale and Altrincham. Key destinations include the universities and hospitals, Trafford Park, Trafford Centre and Manchester Airport.
- 3.6.15 The area is served by medium and high frequency radial links from areas including Wythenshawe, Withington, Altrincham and Chorlton with additional links provided by Metrolink and heavy rail services although frequencies from some suburban stations are low. There is a particularly high density of service along Oxford Road due to the level of demand arising from trips to the universities. Certain areas, particularly Partington have poor links to the Regional Centre due to being remote from rail or Metrolink services and are reliant on bus services which do not have attractive end-to-end journey times. Orbital links exist between Stockport and Wythenshawe, Manchester Airport and Altrincham and with links in the inner area possible between the university, Gorton, areas of North Manchester and Salford Quays.
- 3.6.16 Due to the geographical characteristics of the area, local services are limited although some provision exists around north Trafford, Sale and Altrincham with the majority of routes operated with financial support from the GMCA.
- 3.6.17 There are limited cross-boundary links from this area into neighbouring parts of Cheshire with links to towns such as Wilmslow, Knutsford and Warrington. However, due to commercial rationalisation and continuing pressure on local authority budgets, the frequency and coverage of these services has reduced.
- 3.6.18 Since deregulation, there has been extensive competition in this part of Greater Manchester particularly on the Oxford Road corridor. However, due to the continuing consolidation of the industry, the level of competition has diminished considerably with the majority of corridors now being run by a single operator.

### **3.7 Market power and lack of competition**

#### *The Competition Commission (CC) report*

- 3.7.1 The failure of the bus markets in the UK (excluding London and Northern Ireland) to function well in terms of competition is supported by the findings of the formal investigation by the CC in 2010/11. Their report (Competition Commission (CC), 2011) considered the extent to which competition in the local bus market was prevented, restricted or distorted in the UK excluding Northern Ireland and London.
- 3.7.2 The report outlines that there are high levels of concentration in the market, whereby effective head-to-head competition between operators is absent without a great deal of entry or expansion (CC, 2011). The features identified in the CC report as having an adverse impact on competition are:
- i. The existence of natural barriers to entry and expansion as various barriers to entry exist in local bus markets including the potentially large and variable costs of competing with an existing operator on the same network. The CC report noted that large scale entrance and expansion into new markets was uncommon and usually associated with tendered services.
  - ii. One of the most significant barriers concerns network and ticketing effects. Once an operator is established in an area, they will promote their own discount and period tickets. Any other service by another operator would be unavailable to holders of these tickets without paying an extra fare, reducing its attractiveness. This also serves as an incentive to maintain a differential between operators' own fares and any multi-operator ticket.
  - iii. Operator conduct was also a factor, both in terms of retaliation if competing services were launched and avoiding competing in established 'core' territories of other operators. Operators also want to avoid retaliation on their other routes, so may avoid disturbing a 'status quo'. This results in geographic market segmentation. One example of this limited competition was noted by the CC as evident in the Greater Manchester market: "FirstGroup's internal documents do not suggest that there is active competition for commercial services in Greater Manchester, despite the close proximity of its operations to those of Stagecoach".
  - iv. Customer conduct in deciding which bus to catch is a barrier to on-road competition: customers place a high value on time saved and certainty relative to other factors. Unless a customer has already committed to a

particular operator through a pre-paid ticket, they would prefer to catch the first bus available when at the bus stop, regardless of differences in relative fares and service quality. This reduces the ability for new operators to compete on the basis of superior quality or lower fares. In Greater Manchester between 80 and 90% of trips are made on period rather than single tickets (TfGM, 2017a).

- 3.7.3 Bus markets had a period of (sometimes chaotic) competitive behaviour following deregulation. However, these factors mean that bus operators could not continue to fund competing services, so in most cases one operator emerged victorious, leading to geographic concentration and consolidation of the national market. Five large operators that emerged at the time of the CC report in 2011 held 69% of the market (Stagecoach, Arriva, National Express, FirstGroup and Go-Ahead), and there were a total of 1,245 operators in the UK, excluding London and Northern Ireland.
- 3.7.4 The effect of this limited competition has been to consumer detriment. The CC report found that “operators representing a substantial part of the market have earned profits that were persistently above the cost of capital on a national basis, indicating that competition may not have been wholly effective across the reference area” (CC, 2011). The report calculated an average Weight Adjusted Cost of Capital (WACC) for the bus industry of 9.7%. This compared to the Return on Capital Employed (ROCE) of the five large bus operators (Stagecoach, Arriva, National Express, FirstGroup and Go-Ahead), which averaged 3.8% higher at 13.5%.
- 3.7.5 Lack of competition can therefore be seen as a barrier to achieving value for money in terms of optimal reinvestment in bus services. The report stated that the “detriment to consumers and taxpayers as a result of the adverse effects on competition...was considerably in excess of £70 million a year and was likely to be between £115 million and £305 million a year,” (CC, 2011).

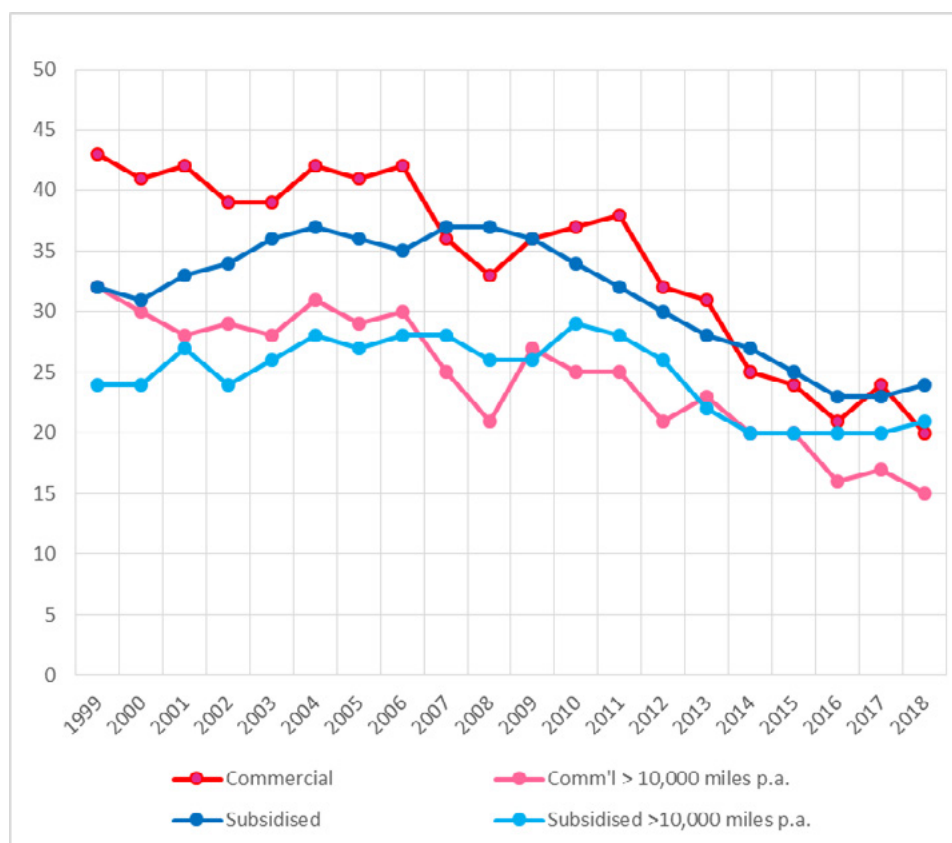
#### *Competition in Greater Manchester*

- 3.7.6 At a national level the concentration of the market has increased since 2011. The national picture is reflected in Greater Manchester, where until the recent announcement of the sale of some of FirstGroup operations, two operators run the vast majority of services (both in mileage and passenger journeys in the market in fairly defined geographical areas), despite recent attempts by some to extend their spheres of activity primarily through acquisition. Pro-rata according to patronage, the figures in the CC report of the cost of reduced competition, would suggest an annual impact in Greater Manchester in the range of £9 million to £23 million (CC, 2011).

- 3.7.7 As at March 2019, 85% of the bus market by mileage in Greater Manchester is commercial and the remainder comprises tendered services let mainly by TfGM on behalf of the GMCA. First Manchester, Stagecoach Manchester and Arriva North-West supply over 80% of commercial mileage in Greater Manchester as at March 2019. Further analysis on market share can be found in Section 5.
- 3.7.8 The announcement of the intended sale of FirstGroup's Queens Road depot and operations, and the potential for further sales of FirstGroup depots in the near future, mean that the position in terms of competition is very likely to alter in the near future. This would enable market entry by GoAhead and potentially two further firms into the Greater Manchester market, giving a level of market change that has not occurred since the sale of GM Buses in 1994.
- 3.7.9 It is not possible to predict the market strategies of the new entrants, and the extent that they will seek to compete with each other or with incumbents in the market. They may also look to replicate some of the ticketing arrangements in the whole area covered currently by FirstGroup which may change the effects on passengers. Operators may choose to invest in the Greater Manchester market to the benefit of customers. Whatever strategy is adopted, it is likely that, if further FirstGroup depots are sold there will be a period of uncertainty and increased competition in the Greater Manchester bus market, particularly in the north of the conurbation. This may, over time, settle down to a different pattern of services than those that currently exist.
- 3.7.10 Overall, it is likely that there would be some benefit to customers in the long term through increased competition, but also potential for issues created by a lack of co-ordination to become worse.
- 3.7.11 In contrast to the commercial market, the Competition Commission concluded "that the markets for tendering of supported services works well in most instances". This is important since the commercial and subsidised markets are based on quite different models of competition. The commercial market is based on operators competing for passengers on the road ("competition in the market"). The subsidised market is based on operators competing to run contracts ("competition for the market"). As the following analysis shows, in Greater Manchester there are considerable differences in the concentration of supply in the commercial and tendered markets. These differences are consistent with the Competition Commission's finding that unlike the commercial market, in general, the tendered market works well.

3.7.12 As can be seen in Chart 4 below, although there has been a reduction both in the number of operators running commercial services and the number running supported services since 1999, the decline in the former has been greater.

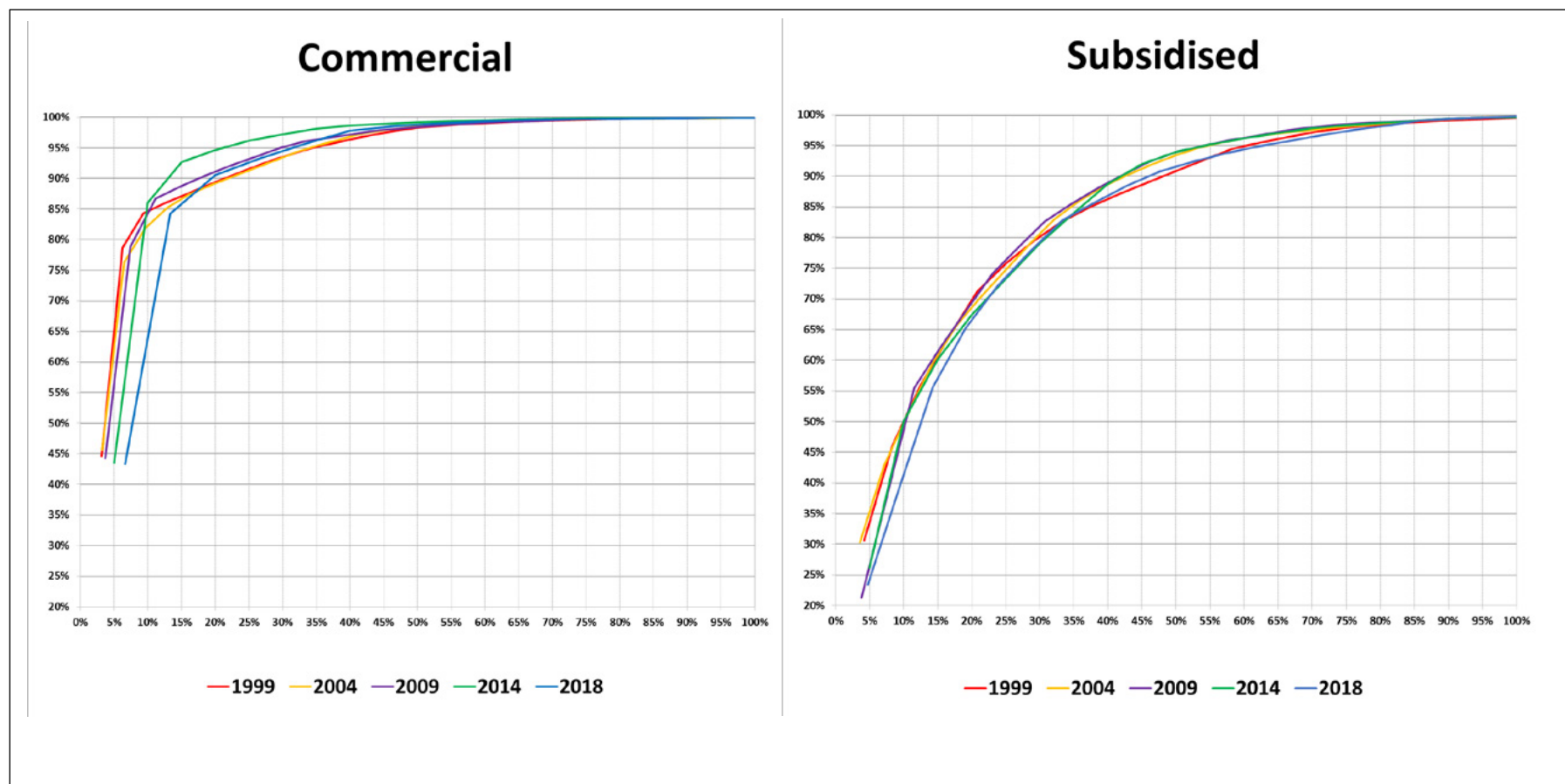
Chart 4: The Number of Bus Operators in Greater Manchester (1999 – 2018)



3.7.13 The bottom two lines of the chart, which exclude operators marginal to the Greater Manchester bus network, show that between 1999 and 2018 the number of operators running commercial services fell from 32 to 15 (a fall of 53%), whereas the number of operators of subsidised services fell from 24 to 21 (a fall of 13%). (The maximum fall, from a peak of 29 subsidised services operators in 2010, was still only 28%.)

3.7.14 Furthermore, as can be seen in Chart 5, operator share of subsidised mileage is more evenly distributed than for commercial mileage and has been so since at least 1999 (the earliest year for which data is available).

Chart 5: Operator Share of Commercial and Subsidised Mileage (1999 – 2018)



3.7.15 The top half of Table 5 below shows that shows that for commercial mileage, while there have been fluctuations in intervening years, between 1999 and 2018 the cumulative market shares of the top 2, 3, 4, 5, 10, 15 and 20 operators all increased.

3.7.16 In contrast the bottom half of Table 2 shows that, in the same period, the cumulative market shares of the top operators of subsidised mileage are similar for 2018 and 1999, with a reduction in the share operated by the top 2 (from 46.0% to 39.8%)<sup>1</sup>. Although there have been small increases in the total share operated by the top 4, 5, 10, 15 and 20 operators of subsidised mileage, these are not as big as the equivalent figures for commercial mileage. For the top 4, 5, 10 and 15 operators, the cumulative market share increases were between 0.9% and 3.7%; this compares with cumulative commercial market share increases of between 2.1% and 8.2%. For the top 20 operators, the market share increases for commercial and subsidised mileage are similar (0.8% and 0.9% respectively). In both cases this reflects a reduction in operators running very small levels of mileage.

**Table 5: Operator Share of Commercial and Subsidised Mileage**

No of operators	1999		2004		2009		2014		2018	
	% of all operators	% share of mileage	% of all operators	% share of mileage	% of all operators	% share of mileage	% of all operators	% share of mileage	% of all operators	% share of mileage
<b>Commercial mileage</b>										
2	4.7	78.7	4.8	76.3	5.6	78.9	8.0	86.0	10.0	84.2
3	7.0	84.3	7.1	81.9	8.3	86.7	12.0	92.6	15.0	90.5
4	9.3	85.9	9.5	85.3	11.1	88.7	16.0	94.6	20.0	93.2
5	11.6	87.4	11.9	87.4	13.9	90.4	20.0	96.2	25.0	95.6
10	23.3	94.0	23.8	94.4	27.8	96.7	40.0	99.1	50.0	99.6
15	34.9	97.8	35.7	98.3	41.7	98.8	60.0	99.8	75.0	100.0
20	46.5	99.2	47.6	99.4	55.6	99.6	80.0	100.0	100.0	100.0
Total ops	43		42		36		25		20	
<b>Subsidised mileage</b>										
2	6.3	46.0	5.4	42.9	5.6	38.4	7.4	50.1	8.3	39.8
3	9.4	55.9	8.1	51.4	8.3	55.5	11.1	60.2	12.5	55.6
4	12.5	63.8	10.8	59.6	11.1	62.0	14.8	67.4	16.7	65.2
5	15.6	71.2	13.5	65.8	13.9	68.1	18.5	73.3	20.8	72.1
10	31.3	87.1	27.0	85.9	27.8	88.0	37.0	94.0	41.7	90.8
15	46.9	95.5	40.5	94.7	41.7	95.8	55.6	98.4	62.5	96.7
20	62.5	98.7	54.1	97.7	55.6	98.6	74.1	99.6	83.3	99.6
Total ops	32		37		36		27		24	

3.7.17 In summary, the above analysis demonstrates that the number of operators of commercial mileage has decreased much more than the number of operators of tendered mileage; that supply of commercial mileage has, for at least 20 years, been more concentrated than for tendered mileage; and that

<sup>1</sup> The figure for 2014 was 50.1%, but it can be seen from Table 3 in Annex 2 that this increase was short-lived.

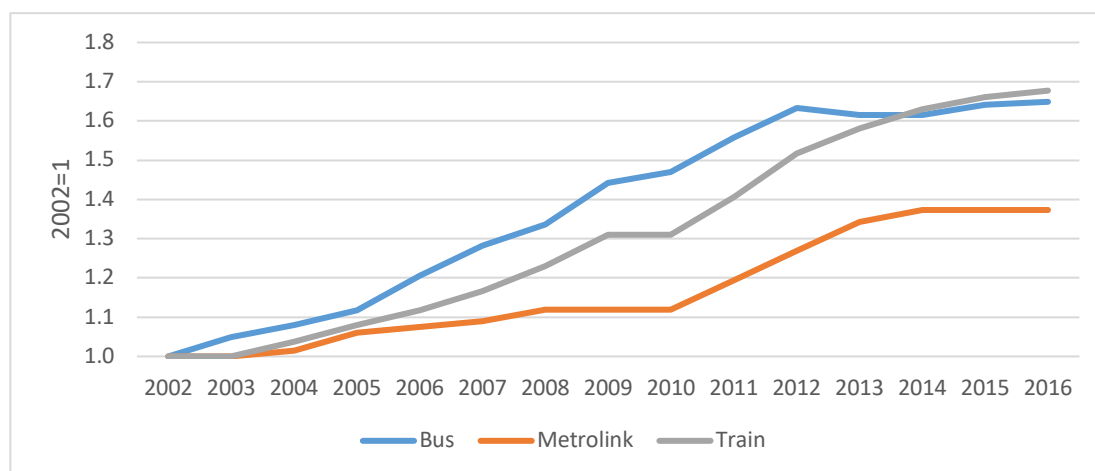
the general trend has for this disparity in the concentration of the two markets to increase.

- 3.7.18 The analysis does not take account of the sale of First's Queens Road depot and operations to Go-Ahead (expected to be completed in summer 2019) and the potential for further sales. While these events will disrupt both the commercial and tendered markets in Greater Manchester, there is no reason to suppose that the differing market mechanisms that brought about the trends described above will cease to operate.

### 3.8 Fares

- 3.8.1 Bus fares have increased over the last decade, as shown in Chart 6. From 2005 to 2012 they grew faster than comparable Metrolink and rail fares. Bus fares then fell in 2012–14 before returning to growth. However, both First Manchester and Stagecoach Manchester have since increased fares significantly in 2017 (although First Manchester has frozen some fares for customers using its mobile app) and further fare increases (of up to 6.6%) were introduced in January 2019.

Chart 6: Increase in Average Public Transport Fares in Greater Manchester (2002-2016)

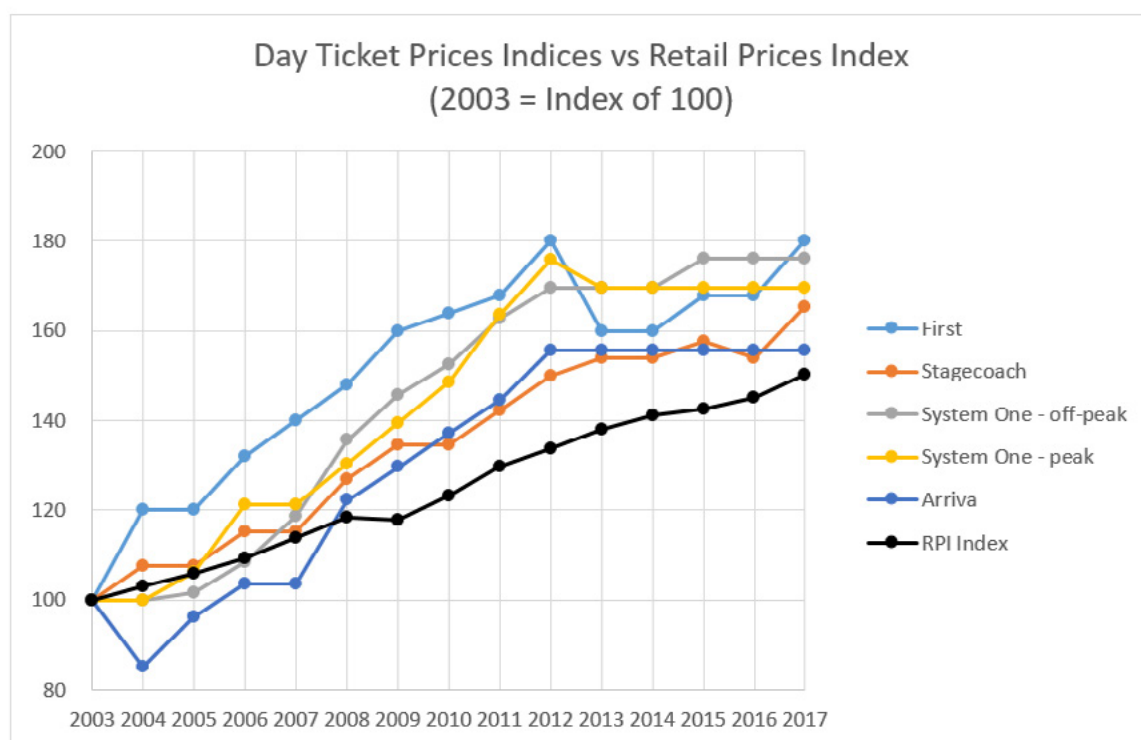


Source: TfGM Internal data, September 2017

- 3.8.2 Analysis performed (refer to Chart 7) shows that the on bus daily ticket price for the largest operators in Greater Manchester (as well as System One travel card) grew more than inflation from 2003-2017. On bus daily ticket prices for some operators fell below RPI Index between 2003 and 2008, but growth from 2008 to 2017 meant that daily ticket prices grew in excess of inflation when considering the period as a whole (2003-2017) (TfGM, 2017e).



**Chart 7: Day Ticket Prices Indices vs Retail Prices Index**



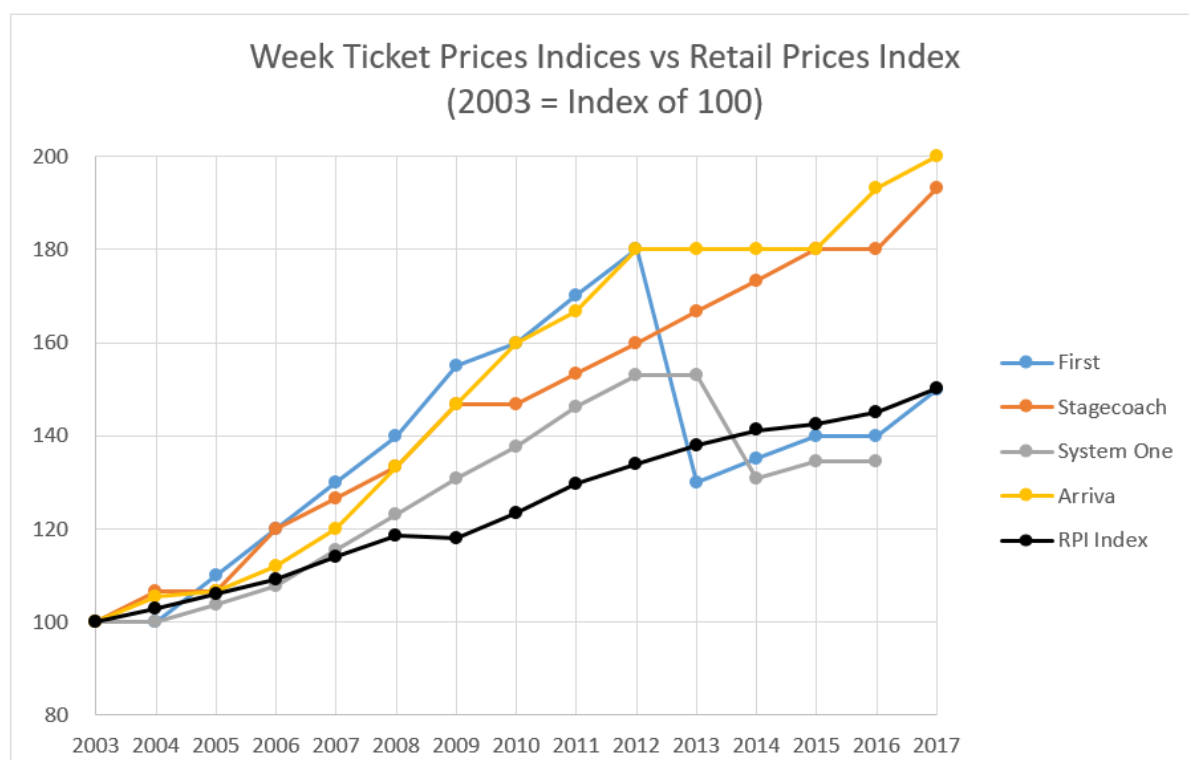
3.8.3 Note that the operators introduced mobile / smart ticketing in the last few years. To show the impact of this, Table 2 shows the index values for mobile/smart day tickets in September 2017 and presents the comparative index values for on-bus tickets and the RPI index. The table shows that despite the mobile/smart tickets being priced generally below the on-bus price, daily ticket prices for these operators still increased above inflation when taking the period as a whole (TfGM, 2017e).

**Table 6: On-Bus and Mobile/Smart Day Ticket Prices Relative to RPI (2003-2017, 2003=index of 100)**

Operator	On Bus	Mobile/Smart	RPI Index
First	180.00	168.00	150.30
Stagecoach	165.38	161.54	150.30
System One	169.70	151.52	150.30
Arriva	155.56	155.56	150.30

3.8.4 Analysis performed (refer to Chart 8) also shows that on bus weekly ticket prices for Stagecoach and Arriva grew in excess of inflation when considering from 2003-2017. First's week ticket price increased significantly ahead of inflation until 2012 but declined in real terms in 2013 and grew roughly in line with inflation for the remaining years. The System One ticket shows a similar trend.

Chart 8: Week Ticket Prices Indices vs Retail Prices Index



3.8.5 Note that the operators introduced mobile / smart ticketing in the last few years. To show the impact of this, Table 3 shows the index values for smart tickets in 2017 and presents the comparative index values for on-bus tickets and the RPI index. The table shows that the conclusions drawn above still hold: Stagecoach and Arriva increased prices above inflation from 2003-2017, but First and the System One travel card fell in real terms. As at December 2018, Stagecoach and First are more closely aligned in terms of actual prices, as shown in Section 3.9.

Table 7: On-Bus and Mobile/Smart Week Ticket Prices Relative to RPI (2003-2017, 2003=index of 100)

Operator	On Bus	Mobile/Smart	RPI Index
First	150.00	140.00	150.30
Stagecoach	193.33	186.67	150.30
System One	N/A <sup>2</sup>	130.77	150.30
Arriva	200.00	200.00	150.30

<sup>2</sup> Note that from 2017, System One no longer has physical weekly tickets.

### 3.9 Evidence of complex ticketing

- 3.9.1 Table 4 sets out the current range of adult daily, weekly and monthly tickets, including multi-operator tickets, by illustration as at December 2018. Child, young person, and group tickets are also available from most operators. For regular bus users, the vast range of tickets available can be confusing. For non-users, this could contribute to making the system appear very complex and off-putting.

Table 8: Numbers of Daily/Weekly/Monthly Tickets Available

Ticket Type	Count	Price Range
1-Day	22	£3.40 - £16.00
7-Day	29	£7.00 - £36.00
28-Day	14	£48.00 - £105.00

Source: TfGM internal data, December 2018

#### *Day and Weekly Tickets*

- 3.9.2 All 3 operators offer their own day and weekly tickets. Day tickets range in price between operators and area covered. As at December 2018, the largest operators sell their products at a similar price: £4.80 (First, on bus), £4.50 (First, on mobile), £4.50 (Stagecoach), and £4.20 (Arriva). An 'anybus' multi-operator day ticket costs £5.60 (GMTL).
- 3.9.3 7-day tickets, or weekly tickets, have a similar distribution of prices. Smaller operators and 'discount corridor' pricing from the larger operators creates a range of £7.00 to- £36.00, but the larger operators sell their standard 7-day products at similar prices: £16.00 (First, on bus), £15.00 (First, on mobile), £15.00 (Stagecoach). A 7-day 'anybus' ticket is £18.00 (GMTL).
- 3.9.4 Both large operators also offer discounted weekly tickets for certain areas, or 'discount corridors'. For example, First have a £11 weekly ticket for the Manchester-Walkden-Little Hulton area, and Stagecoach offer a Service 38 weekly ticket at £12 which is also valid on this section of the 34, X34 and 50 services. The situation on this corridor is typical for routes where more than one operator runs bus services. The variety of options and inconsistency between operators has a range of consequences for current and potential passengers.

#### *28-day and Monthly Tickets*

- 3.9.5 The larger operators offer 28-day or monthly tickets. As at December 2018, First's monthly ticket is £54 (discounted to £50 for direct debit); Stagecoach's 28-day ticket is £58. A 28-day 'anybus' ticket is £65.00 (GMTL). Neither First nor GMTL sell annual tickets. Stagecoach's annual ticket is £595.
- 3.9.6 Regular passengers may choose a single-operator period ticket and reduce their choice of buses, which could increase their average waiting time depending on the level of competition on their route. This choice may depend on price, or the extent of the network which the operators run outside of the competed corridor. Regular passengers may instead choose a multi-operator ticket which allows them to travel on any bus on the corridor, reducing their average waiting time, also giving them access to bus travel across the whole of Greater Manchester – but this flexibility incurs a higher cost to the passenger.
- 3.9.7 Infrequent passengers may not know in advance what their single fare will be, as it varies depending on operator, time of day and area. There is also limited information available to the passenger before they board the bus. While Stagecoach has recently introduced a fare calculator with full fare information, other operators, including Arriva, First, Manchester Community Transport, Transdev and Diamond Bus, provide either no information or only state a range of fares; information is not displayed on the bus. Overall, this shows how some customers may find the current situation complex and confusing.

#### *All operator tickets*

- 3.9.8 GMTL, a limited liability company set up as a joint venture by bus operators and TfGM, offers passengers the option to purchase multi-operator and multi-model tickets. GMTL have a range of paper products, called System One, and a range of smart products available on the *get me there* website.
- 3.9.9 The prices for these tickets are determined by the GMTL Board, which represents all bus companies in Greater Manchester. These tickets are priced at a premium in comparison to single-operator tickets. Commercial practice supports maintaining a differentiated fares structure in order to avoid a loss of revenue to a rival under a multi-operator scheme. As a result, the System One premium remains a barrier to wider take-up of a comprehensive ticket that would support more journeys across operators and across modes.

**Table 9: Comparison Cost of Period Tickets**

Product	1-day	7-day	28-day	Annual
GMTL Anybus	£5.60	£18.00	£65.00	N/A
Stagecoach	£4.50	£15.00	£58.00	£595
First	£4.80	£16.00	£54.00	N/A

Source: TfGM internal data, December 2018

- 3.9.10 Passengers who purchase an all-operator ticket are able to travel flexibly across Greater Manchester with different operators, without having to pay for multiple tickets. It also enables them to take advantage of the frequency of services in corridors such as Leigh to Atherton, where services are provided by different operators, but at a higher price.

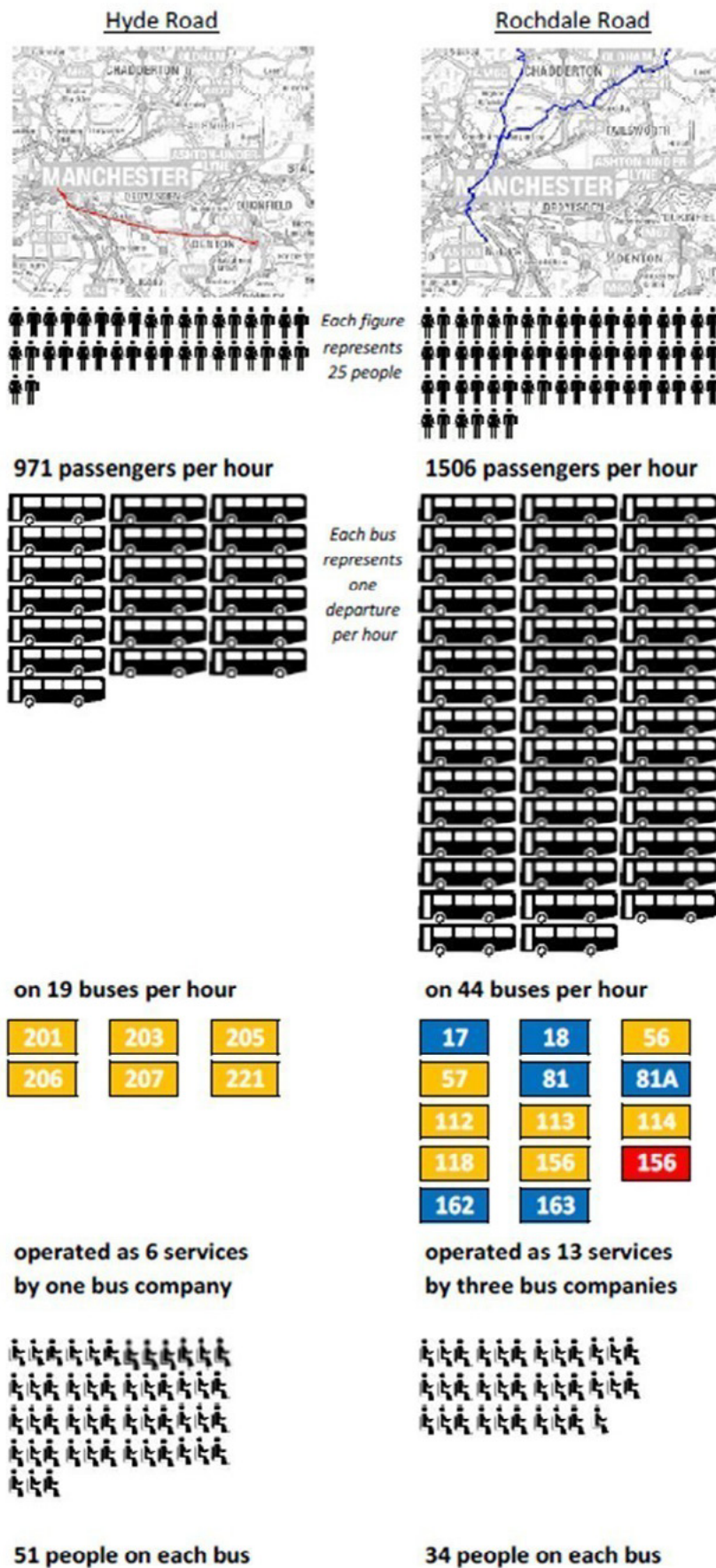
*Examples of complexity faced by passengers*

- 3.9.11 Routes served by more than one operator's services, which include some of the busier routes in Greater Manchester, see a particularly wide variety of ticket options. Taking one example as at April 2018, for the 5.5km trip between Pendlebury and Manchester city centre along Bolton Road, Broad Street and Salford Crescent, a passenger can choose between 7 services run by 3 operators (two large operators, First and Stagecoach, and one smaller operator, Diamond). First run up to 17 buses per hour, Stagecoach up to 8. In the evenings and on Sundays frequencies are much lower, and Diamond run 2 buses per hour in the evenings only on GMCA-supported services.
- 3.9.12 Five different single fares apply, from £1.40 up to £4.20, depending on operator. First charges £3.40 on one service (the 8) and £4.20 on other services (the 36 and 37) for the same trip. Across Greater Manchester there are around 30 different adult single fares, ranging from £1 to £4.50, depending on operator, service, distance and time of day.
- 3.9.13 On a sample of three typical services as at April 2018 (135, operated by First; 192, operated by Stagecoach; and 263, operated by Arriva), which each run 15km out from Manchester city centre, there are 14 different adult single fares, varying by distance and operator. These three services have different minimum single fares (£1, £1.50 and £1.80), either 2, 3 or 7 intermediate fares, and a maximum adult single fare of £3.40, £3.50 or £3.60. The maximum fare may be charged for a journey as short as 3.3km on one service, or over 6.3km on the other two. A mid-length trip along part of the route, of around 6km, will cost £2.80, £3 or a maximum of £3.40.
- 3.9.14 The sheer complexity of the options may be a disincentive for non-regular passengers who may not be able to anticipate how much they will be charged, or are unsure what portion of the services on the corridor they would be able to access. These uncertainties increase potential confusion and act as a barrier to increased patronage. They also tend to lengthen the time taken for passengers to board the bus and buy tickets, delaying journeys.

### **3.10 Evidence of lack of coordination within and between commercial networks**

- 3.10.1 As discussed in the Strategic Case, networks are planned not as an integrated whole but to compete with each other, and potentially to compete with other modes such as train or Metrolink. The situation in the current bus market is exacerbated by the fact that in a deregulated market, competition law prevents some types of coordination and integration that could, in the short term, improve the service, such as coordination of individual operators' fares. It also restricts the coordination of timetables and routes between current commercial operators. This can mean that the bus market is characterised by a lack of network integration, even though mechanisms exist (such as qualifying agreements) to legally allow a degree of coordination. This section provides illustrative examples of this lack of co-ordination in the bus market in Greater Manchester.
- 3.10.2 Where the commercial networks of different operators overlap, issues arise around over-bussing, complexity, and a lack of timetable coordination. The Rochdale Road corridor, where there is competition between First and Stagecoach, illustrates the first two of these points. Figure 2, compares it with the Hyde Road corridor as at March 2017, where there is one operator, and supply is well-matched to demand (six services). It shows that, although demand on Rochdale Road is just over 50% higher, supply (routes, frequency and capacity) is over twice as high, and so the average load is only two-thirds of that on Hyde Road.

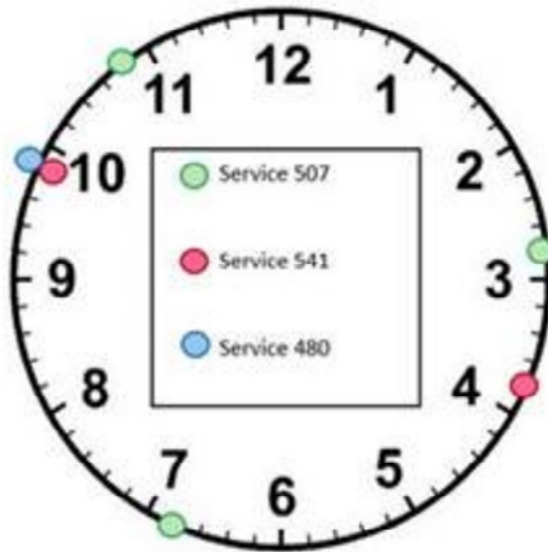
Figure 2: Hyde Road and Rochdale Road – Comparison of Demand and Supply (2017)



- 3.10.3 This is inefficient. If supply were to be more closely matched to demand on Rochdale Road, and the route structure simplified into fewer services (there are currently 13 different routes), resources could potentially be released for use on other network enhancements. The concentration of passengers and the ability of different operators to compete on the corridor means that there is greater competition on the Rochdale Road. The effect of this competition is to concentrate resources there, so resources cannot be used elsewhere on the network to meet demand. This concentration of competition does not lead to customer benefits across the network but to an inefficient use of resources where it occurs.
- 3.10.4 Greater consistency of approach across corridors would also enable a more coordinated approach to be taken to future growth. If the supply was better matched to demand, a high frequency service could be provided along each corridor, with properly coordinated timetables, which would be more attractive to passengers whilst less frequent.
- 3.10.5 Similar issues arise on other very busy corridors into Manchester city centre (including Wilmslow Road), and also (to a lesser degree) where there is active competition elsewhere in Greater Manchester, including corridors approaching both Bury and Bolton.
- 3.10.6 The service pattern on Tonge Moor Road, an arterial route into Bolton, shows how a lack of timetable co-ordination can result in an uneven service for passengers. In this case, there are two commercial services run by different operators with daytime frequencies of 20 minutes and 30 minutes which bifurcate north of Tonge Moor Road to serve the nearby communities of Harwood and Bromley Cross respectively. There is also an hourly daytime service operated under partial subsidy from the GMCA which runs from Bolton to Bury via Tonge Moor Road and a number of outlying communities. The timetables are uncoordinated and, rather than journeys being spaced evenly, there are varying gaps. In addition, passengers can only utilise all departures if they have a (more expensive) multi-operator ticket, meaning that waiting times for some passengers with an operator-specific ticket could be up to 30 minutes. A co-ordinated approach to planning the services on this corridor would enable a review of existing provision to be undertaken and an even headway provided on this common section.



Figure 3: Monday to Saturday Daytime Service Departures from Tonge Moor Road to Bolton Interchange (April 2018)



Source: TfGM internal data, 2018

### *Lack of coordination between commercial and supported networks*

- 3.10.7 The current supported network provides services to areas where, and at times when, commercial services are not operated, and it maintains many links that the commercial networks do not provide. This is particularly the case in areas outside the M60, although there are also instances of the GMCA supporting daytime services within densely populated areas within the M60 ring. As far as possible, the design of supported services aims to minimise duplication and hence revenue abstraction with the commercial network. This, coupled with the need to design supported services reactively in response to the decisions of commercial operators, leads to complexity and inefficiency.
- 3.10.8 The Tameside local network, centred on Ashton-under-Lyne, is currently provided by two commercial operators and a range of supported services, the latter including several daytime routes and evening/Sunday support for routes that operate commercially during the day.
- 3.10.9 The resulting service pattern is incoherent (with around 21 different service numbers) and inefficient, and so sub-optimal therefore impacting on the total level of use. Pooling the current resources would enable coverage to be maintained, but with a simpler network of higher-frequency routes. This could also provide new cross-town links to key local destinations such as Tameside General Hospital, whilst more attractive frequencies and operating periods would facilitate easier interchange with Metrolink and heavy rail services in Ashton town centre.

### *Lack of coordination between bus and Metrolink/rail*

- 3.10.10 Buses have an important role in providing links to stations serving the rail and Metrolink services. In doing so they can expand the potential for the overall public transport network to drive modal shift, allowing increased journey opportunities. This co-ordination across bus and other modes requires both network co-ordination and the appropriate fares structure to work well.
- 3.10.11 Multi-modal journeys are already a significant feature of the public transport market within Greater Manchester. Around 13% of Metrolink trips and 15% of rail trips towards the regional centre involve bus as either access or egress mode. Such multi-modal trips tend to be focused on major railheads within Greater Manchester. At Wigan Wallgate, Bolton, Bury, Rochdale, Ashton, Stockport and Eccles, between 19% and 38% of all inbound boarders use a bus to get to their station or Metrolink stop (TfGM, 2015).
- 3.10.12 Bus can also complement fixed-track modes in the same corridor, by – for example – serving areas between more widely-spaced rail stations or Metrolink stops, or in providing a lower-cost (albeit generally slower) alternative for some passengers. However, there are examples where the bus network is more of a competitor than a complement.
- 3.10.13 Metrolink’s Ashton line is paralleled by a high frequency bus service between the Etihad Stadium and SportCity campus and Droylsden. In the current environment, it would not be in the commercial interests of the bus operator to reduce this service. However, taking a wider network view would mean that passengers could be better served by enabling some bus service reductions on the direct Metrolink alignment, with resources redeployed to strengthen access into surrounding residential areas, for instance onto the busiest sections of the parallel Ashton Old Road corridor (which is served solely by bus). The current division between Metrolink and bus services prevents the planning of an integrated transport network, and the interests of passengers to be put first in thinking how the different services should fit together.
- 3.10.14 Timing can also be an aspect of coordination, and train operating companies do not consider coordination with buses when planning their timetables. Early morning and late night bus connections with trains to and from Manchester city centre at Wigan’s two rail stations do not work as well as they might. As at September 2018, of the main bus services into Wigan on Mondays to Fridays, none arrive into Wigan in time to connect with the first train for the day at 05:48 from Wigan North Western station with one service allowing a connection with the first train from Wigan Wallgate station at 06:01 and a further two services allowing a connection with the next departure from

Wigan Wallgate station at 06:08. In the late evening, no bus services offer departures connecting with the last arrival at North Western or Wallgate Station.

### *Stability and innovation*

- 3.10.15 One of the advantages of bus networks is the potential to quickly respond to changes in patterns of demand – they are much more flexible than fixed-track public transport. New or enhanced services can be introduced quickly to meet changes in travel patterns, for example arising from new housing development or new employment sites. However, excessive change affects user confidence and people’s ability to understand the bus network, and so can be detrimental to demand. A balance needs to be struck.
- 3.10.16 In the existing environment, there is a voluntary scheme in Greater Manchester that limits major service changes to six dates each year.
- 3.10.17 This headline data includes wide variations in the nature of changes made to the network. However, it does include instances where particular local areas have seen frequent changes to commercial services, with prospective passengers facing repeated changes in frequency, routeing, and destinations served.
- 3.10.18 The current market can be slow to innovate, even where potentially commercial opportunities arise. In recent years, Salford Quays has developed as a key growth area in Greater Manchester with a mix of residential, commercial and educational development. The Salford Quays Link bus service, initially funded by the GMCA in 2011, provided a high-frequency link between Salford University, Pendleton and Salford Quays. The service was successful in generating patronage, and after 14 months was replaced by a commercial extension of Stagecoach’s service 50, allowing further patronage growth to be accommodated by commercial operations.
- 3.10.19 Where such new growth areas emerge, there is an advantage in providing a service in advance of full occupancy of the development, to avoid the risk of travel patterns and mode choices becoming established before the commencement of services. However, demand may initially be low and operators are usually unable to sustain services during the early phase, even when there is the potential for longer-term growth and new markets.

## 4 Number and quality of bus assets

### 4.1 Fleet

- 4.1.1 As at September 2018, there are around 2,000 buses distributed among 20 operators, operated within and around the Greater Manchester area. This number is based on the fleet list returns that operators are required to provide to TfGM, supplemented by other fleet information where such returns were not available as at September 2018. Typically, these assets have a useful economic life of up to 15 years (12 for midi buses) and are maintained to strict engineering standards that allow operators to hold an operator licence from the Traffic Commissioner.
- 4.1.2 The data in Table 8 outlines the available fleet, totalling circa 2,700 vehicles for those operators who operate either solely within the Greater Manchester area or provide cross-boundary services (TfGM 2018a). It should be noted that not all of these vehicles are dedicated to providing commercial and services subsidised by the GMCA within Greater Manchester, as some operators deliver private hire services within Greater Manchester and general services wholly outside the area. For this reason, it has not been possible to identify precisely which specific vehicles currently service the Greater Manchester market exclusively. A number of operators have therefore been excluded from the fleet dataset as their vehicles primarily serve markets outside of Greater Manchester.
- 4.1.3 This gives a current fleet of 1,986 buses available for franchising in Greater Manchester, as shown in Table 10. However, this figure will remain subject to ongoing changes until franchising is fully implemented.

Table 10: Fleet List Adjustment (September 2018)

	DOUBLE DECKER	SINGLE DECKER	MIDI	MINI	COACH	TOTAL
Fleet list	1,244	847	496	15	86	2,688
Removal of vehicles primarily serving markets outside of Greater Manchester <sup>3</sup>	(160)	(217)	(204)	(13)	(4)	(598)
Removal of coaches (dual purpose)	-	-	-	(2)	(82)	(84)
Other adjustments <sup>4</sup>	-	(20)	-	-	-	(20)
Adjusted fleet list	1,084	610	292	0	0	1,986

Source: TfGM internal data, September 2018 (TfGM, 2018a)

<sup>3</sup> Removal of: Arriva North West, Chester Coaches, D&G Bus, Diamond Bus, Hattons Transport, High Peak, Nexus Move, Selwyns, Stagecoach Lancashire, Warrington's Own Buses.

<sup>4</sup> Other adjustments include removal of strategic spare fleet and any fleet registered after 30 September 2018.

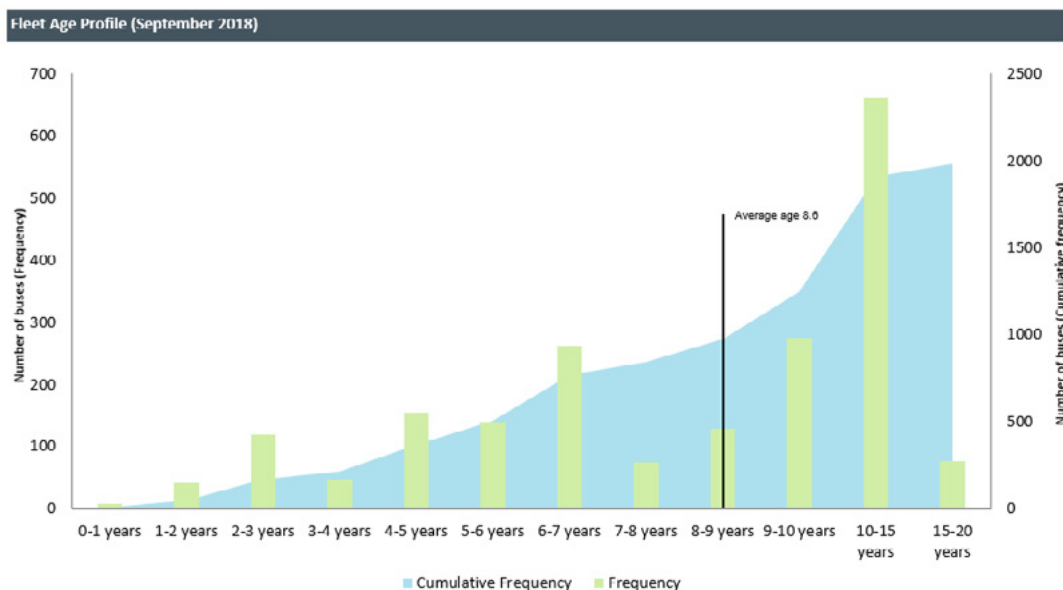
4.1.4 Currently, circa 70% of this fleet is held by the three large operators in Greater Manchester: Stagecoach, First and Arriva. Stagecoach's and First's Greater Manchester fleets are material to these companies' nationwide operations, representing 11% and 10% of their UK fleets respectively (TfGM 2018a). The vehicle type and age profile of the 1,986 buses required for franchised services is shown in Table 11 and Chart 9.

**Table 11: Vehicle Type and Age Profile of Greater Manchester Buses (September 2018)**

	DOUBLE DECKER	SINGLE DECKER	TFGM YELLOW SCHOOL BUS	MIDI	TOTAL
Number of vehicles	1,084	523	87	292	1,986
Average age (years)	8.3	8.9	8.5	9.3	8.6
Normal asset life (years)	15	15	20	12	n/a

Source: *TfGM internal data*, September 2018 (TfGM, 2018a)

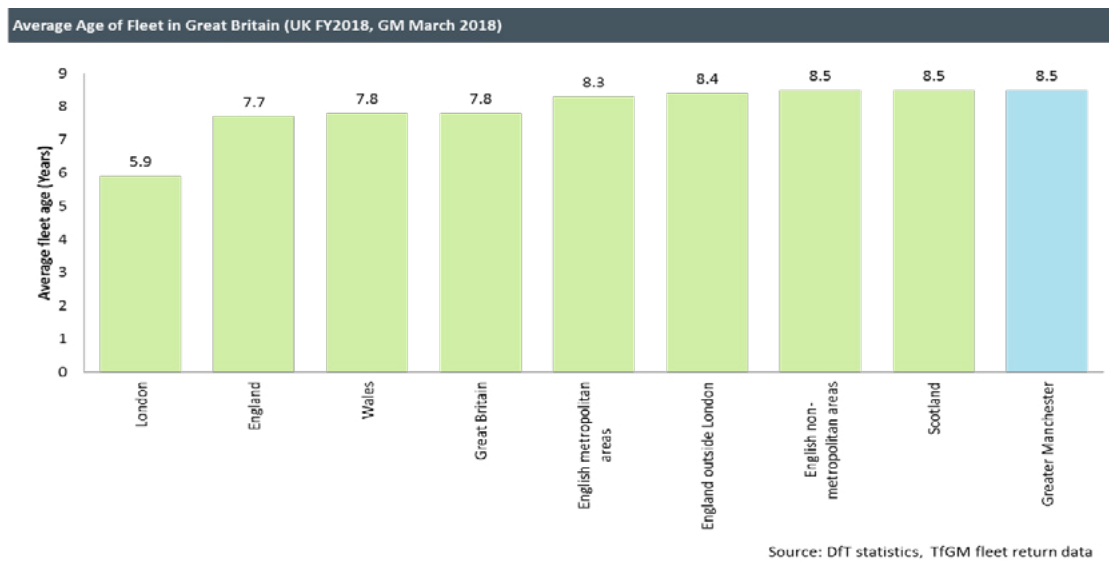
**Chart 9: Fleet Age Profile**



Source: *TfGM internal data*, September 2018

4.1.5 The average age of the fleet in Greater Manchester as at September 2018 is 8.6 years, which is older than the average for Great Britain of 7.8 years and for England outside London of 8.4 years (both as at March 2018). The following chart presents the spread of Greater Manchester fleet ages.

**Chart 10: Comparison of Average Fleet Age**

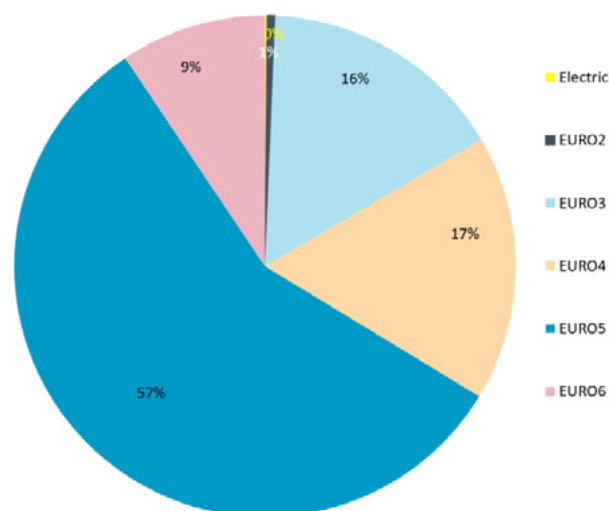


Note 1: Greater Manchester fleet is also included within the following categories of the above chart: England, Great Britain, English metropolitan areas, and England outside London.

Note 2: This chart has a different reference date to other charts in this Fleet section due to lack of national average fleet age data beyond March 2018. The average age of fleet in Greater Manchester has since increased to 8.6 years (as at September 2018)

- 4.1.6 The emissions standards of the current fleet are shown in Chart 11, with 9% of vehicles meeting Euro VI engine standards or higher.

**Chart 11: Engine Emissions Category (September 2018)**



Source: TfGM internal data, September 2018

- 4.1.7 The specification of fleet has improved in recent years, driven both by the legislative Public Service Vehicles Accessibility Regulations 2000, which

require minimum accessibility criteria (low floor/wheelchair and buggy spaces etc.), and also by bus manufacturers improving their product to provide an improved on-board experience (such as improved heating and lighting, CCTV and Wi-Fi) and reduced whole life costs for the operators.

- 4.1.8 Following the announcements of 19 February 2019, it is anticipated that First's Queens Road bus depot and operations (including the associated fleet) will be sold to Go-Ahead in 2019, and that this will include the transfer of ownership of fleet operating from that depot. It is assumed that the structure (including type, mix and age) of the Greater Manchester fleet is not going to change materially, in the short term as a result of this, or any subsequent, sale.

## **4.2 Clean Air**

- 4.2.1 The Mayor of Greater Manchester has set ambitious targets to improve air quality and has pledged that Greater Manchester will have a zero-emission bus fleet as part of its ambition to meet Greenhouse gas emission targets.
- 4.2.2 In response to this challenge and the Mayoral priorities, TfGM has developed and published a Clean Air OBC on behalf of the GMCA and the ten Greater Manchester local authorities. TfGM has been working closely with all 10 local authorities who remain legally responsible for reducing NO<sub>2</sub> levels to legal Limit Values.
- 4.2.3 The work undertaken to date proposes a package of measures that includes a charging Clean Air Zone. The OBC assesses options for achieving compliance in Greater Manchester and identifies a 'preferred option', being the proposed package of measures that achieves compliance in the shortest possible time, in accordance with the Greater Manchester local authorities' legal duties and public law principles.
- 4.2.4 In respect of bus fleet, analysis performed to date indicates that the current rate of investment in and replacement of fleet in Greater Manchester will not be sufficient to achieve compliance by 2024 (the anticipated date for compliance), and that additional retrofitting of Euro IV and Euro V hybrid engines is required to achieve Euro VI standards (required to meet air quality standards). It has been assumed that this degree of compliance will be met in Greater Manchester under any bus reform implemented. The costs and funding of any such intervention have not been included in this Assessment as they will form part of the Clean Air plan.

## **5 Market distribution**

5.1.1 This section provides market share information that is referenced in numerous places throughout the Assessment. For a list of numbers and figures referred to in the Assessment, please see Appendix A.

### **5.2 Market share by mileage**

5.2.1 Table 12 shows the market shares of operators in Greater Manchester according to commercial and subsidised mileage as at March 2019. Operators are grouped into three groups: those with the largest market share in Greater Manchester; operators which meet the definition of a small or medium enterprise (SME) in line with EU recommendation 2003/361; and “other large operators” which includes operators who are not SMEs by this definition and who currently operate a small proportion of the Greater Manchester bus market.



**Table 12: Commercial and Supported Mileage Market Share – March 2019**

Category	Group	Operator	Commercial miles 2018/19	Commercial market share 2018/19	Supported miles 2018/19	Supported market share 2018/19	Combined miles 2018/19	Combined market share 2018/19
Large GM	Stagecoach	Stagecoach Manchester	21,122,491	38.3%	2,062,234	21.9%	23,184,725	35.9
Large GM	First	First Manchester	19,673,631	35.7%	896,241	9.5%	20,569,872	31.9
Large GM	Arriva	Arriva	4,683,266	8.5%	261,034	2.8%	4,944,300	7.7
<b>Large GM Total</b>			<b>45,479,388</b>	<b>82.6%</b>	<b>3,219,510</b>	<b>34.1%</b>	<b>48,698,898</b>	<b>75.5</b>
Other large	Transdev	Rosso	2,606,493	4.7%	535,757	5.7%	3,142,250	4.9
Other large	Rotala	Diamond Bus	1,307,702	2.4%	1,633,997	17.3%	2,941,699	4.6
Other large	Transdev	Transdev	1,915,642	3.5%	0	0.0%	1,915,642	3.0
Other large	HCT	Manchester Community Transport	0	0.0%	1,605,781	17.0%	1,605,781	2.5
Other large	Stagecoach	Stagecoach in Lancashire	962,386	1.7%	0	0.0%	962,386	1.5
Other large	First	First Yorkshire West	287,663	0.5%	0	0.0%	287,663	0.4
Other large	RATP	Selwyn's Travel	131,082	0.2%	110,148	1.2%	241,230	0.4
Other large	Arriva	Yorkshire Tiger	114,797	0.2%	0	0.0%	114,797	0.1
Other large	Rotala	Preston Bus	58,029	0.1%	0	0.0%	58,029	0.0
<b>Other large Total</b>			<b>7,383,794</b>	<b>13.4%</b>	<b>3,885,684</b>	<b>41.2%</b>	<b>11,269,478</b>	<b>17.3</b>
<b>SME Total</b>			<b>2,217,106</b>	<b>4.0%</b>	<b>2,324,691</b>	<b>24.7%</b>	<b>4,541,797</b>	<b>7.2</b>
<b>Grand Total</b>			<b>55,080,288</b>	<b>100.0%</b>	<b>9,429,884</b>	<b>100.0%</b>	<b>64,510,172</b>	<b>100.0</b>

(85.38% of all  
GM miles)

(14.62% of all  
GM miles)

- 5.2.2 The market share of Stagecoach compared to FirstGroup in Greater Manchester has grown since the full deregulation of the Greater Manchester market, maintaining and latterly increasing mileage while FirstGroup's has declined. This has partly been through greater organic growth in the area that Stagecoach dominates (the south of the city) compared to that dominated by FirstGroup in the north. The south has seen strong employment growth, while the north of the city region has seen some decline (Manchester Independent Economic Review, 2009). Both Stagecoach and First have historically acquired other operators. More recently, Stagecoach purchased First's operation in Wigan (around 120 buses) in 2012. Stagecoach has also increased its share of subsidised services, now running about a quarter of these, while Arriva and FirstGroup have seen declines.
- 5.2.3 As at March 2019, the majority (85.38% of estimated mileage) of bus services in Greater Manchester are operated commercially (TfGM 2019a). The remaining 14.62% of bus mileage is operated under contract to TfGM on behalf of the GMCA. As at March 2019, there were 537 service contracts (for subsidised/supported bus services), comprising school services, fully tendered routes and 'add-on' contracts let where a service or a section of a service is run on a commercial basis some of the time (for example, weekday daytimes) and subsidised by the GMCA at other times (for example, evenings and weekends).

### **5.3 Other Large Operators**

- 5.3.1 As shown in Table 11, "Other large operators" includes operators who are not SMEs but who currently operate a small proportion of the Greater Manchester bus market. These "other large operators" include:
- Stagecoach in Lancashire;
  - First Yorkshire West;
  - Yorkshire Tiger (part of Arriva);
  - Diamond Bus (part of Rotala plc);
  - Preston Bus (part of Rotala plc);
  - Transdev (a multinational whose bus subsidiaries operating in Greater Manchester are Lancashire United, and Burnley and Pendle Travel);
  - Rosso (part of Transdev since January 2018);
  - Manchester Community Transport (which merged into the multi-city HCT Group in October 2017); and

- Selwyn’s Travel (part of the multinational RATP Group, owned by the French state).

5.3.2 These “other large operators” operate 17.3% of the market by mileage overall, including 41.2% of supported mileage.

## **5.4 SME Operators**

5.4.1 There are 41 SMEs active in the Greater Manchester bus market (as at March 2019), defined in line with EU recommendation 2003/361, that is an entity with fewer than 250 employees and an annual turnover of up to €50 million or with a balance sheet total of up to €43 million. Network Warrington has a market share of 1.1%; all other SME operators have market shares below 1%. As shown in Table 12, SME operators had a combined market share of 7% by mileage as at March 2019, including nearly a quarter of supported mileage. These operators are listed individually in Table 13 along with market share information.

**Table 13: Commercial and Supported Mileage Market Share (SME Operators) - March 2019**

<b>Operator</b>	<b>Commercial miles 2018/19</b>	<b>Commercial market share 2018/19</b>	<b>Supported miles 2018/19</b>	<b>Supported market share 2018/19</b>	<b>Combined miles 2018/19</b>	<b>Combined market share 2018/19</b>
Network Warrington	602,635	1.1%	88,654	0.9%	691,289	1.1%
Cumfybus	132,457	0.2%	468,534	5.0%	600,991	0.9%
High Peak Buses	579,732	1.1%	0	0.0%	579,732	0.9%
Vision Bus	92,736	0.2%	435,465	4.6%	528,201	0.8%
Stott's of Oldham	12,209	0.0%	487,181	5.2%	499,390	0.8%
D & G Coach & Bus	148,500	0.3%	136,114	1.4%	284,613	0.4%
Jim Stones Coaches	194,184	0.4%	88,319	0.9%	282,502	0.4%
HTL Buses	236,828	0.4%	0	0.0%	236,828	0.4%
M Travel Mini Buses	6,523	0.0%	230,044	2.4%	236,567	0.4%
R.S. Tyrer & Sons	9,533	0.0%	130,673	1.4%	140,206	0.2%
Belle Vue Coaches	11,275	0.0%	72,962	0.8%	84,237	0.1%
Hattons Travel	17,939	0.0%	44,600	0.5%	62,539	0.1%
Radio Cabs (Ashton)	0	0.0%	45,916	0.5%	45,916	0.1%
R Bullock Buses	37,208	0.1%	5,658	0.1%	42,865	0.1%
Finches	36,801	0.1%	0	0.0%	36,801	0.1%
Go Goodwins	0	0.0%	33,954	0.4%	33,954	0.1%
Olympia Travel	8,797	0.0%	22,350	0.2%	31,147	0.0%
Atlantic Travel GB	0	0.0%	21,368	0.2%	21,368	0.0%
Travel Assist Services	16,620	0.0%	0	0.0%	16,620	0.0%
Smith's of Marple	15,030	0.0%	0	0.0%	15,030	0.0%
South Pennine C.T.	9,375	0.0%	0	0.0%	9,375	0.0%
GHH Coach Hirers	8,590	0.0%	0	0.0%	8,590	0.0%
Blackburn Private Hire	8,570	0.0%	0	0.0%	8,570	0.0%
G B Coaches	0	0.0%	7,870	0.1%	7,870	0.0%
Hilton Travel	5,642	0.0%	0	0.0%	5,642	0.0%
Viking Coaches	361	0.0%	5,031	0.1%	5,392	0.0%
EasyBus	5,189	0.0%	0	0.0%	5,189	0.0%
Charlton Minicoaches	4,181	0.0%	0	0.0%	4,181	0.0%
Matthews Travel	3,767	0.0%	0	0.0%	3,767	0.0%
Elite Services	2,041	0.0%	0	0.0%	2,041	0.0%
D Hurst Travel	1,806	0.0%	0	0.0%	1,806	0.0%
Rigbys	1,662	0.0%	0	0.0%	1,662	0.0%
M D Travel	1,333	0.0%	0	0.0%	1,333	0.0%
Cambraco Travel	1,104	0.0%	0	0.0%	1,104	0.0%
Red Kite Travel	1,092	0.0%	0	0.0%	1,092	0.0%
Ellenbrook Travel	1,069	0.0%	0	0.0%	1,069	0.0%
Halton Transport	923	0.0%	0	0.0%	923	0.0%
Jones Executive Travel	613	0.0%	0	0.0%	613	0.0%
Chester's Coaches	371	0.0%	0	0.0%	371	0.0%
Bradshaws Coaches	254	0.0%	0	0.0%	254	0.0%
Ashall's Coaches	157	0.0%	0	0.0%	157	0.0%
<b>Total</b>	<b>2,217,106</b>	<b>4.0%</b>	<b>2,324,691</b>	<b>24.7%</b>	<b>4,541,797</b>	<b>7.0%</b>

## **6 Cross-boundary services**

### **6.1 Overview**

6.1.1 Cross-boundary services are those which run partly in Greater Manchester and partly outside in other counties and local authority districts; they cross the Greater Manchester boundary. There are currently around sixty general cross-boundary services in Greater Manchester which provide links with neighbouring areas and enable residents to reach employment, education and other key services. There is considerable variation in the level and type of cross-boundary services across Greater Manchester which is driven by a number of factors:

- i. Spatial and social characteristics of the areas served. There are significant variations in population densities, the number of trip attractors and the socio-demographic character of different communities.
- ii. Passenger markets served, such as journeys to work and journeys to education.
- iii. Trip patterns and distribution, taking account of specific origin to destination patterns, and the relative proportions of trips wholly within Greater Manchester, wholly within neighbouring areas and those which are made across the boundary.
- iv. The availability of services provided by other modes, particularly rail which is attractive for some cross-boundary journeys-to-work, particularly those ending in the regional centre (Manchester city centre and the Oxford Road corridor, central Salford and Salford Quays/Trafford Wharf).

6.1.2 These variations are reflected in differing levels of frequency and operating periods and whether cross-boundary services are run commercially or with financial support from TfGM and/or neighbouring local authorities. There are also a number of cross-boundary schools services; the majority are in the Wigan/Warrington/Merseyside area.

### **6.2 Description of cross-boundary services by area**

6.2.1 The following sections provide a description of cross-boundary services for different parts of Greater Manchester.

Wigan (neighbouring administrative areas: Lancashire, Merseyside and Warrington)

6.2.2 Wigan has the largest concentration of cross-boundary services in Greater Manchester due to the relative proximity of Wigan and Leigh to key centres a short distance beyond the county boundary in Lancashire (including Chorley, Ormskirk and Skelmersdale), Merseyside (including Newton-le-Willows and St Helens) and Warrington. Due to the relatively densely populated nature of the area with a number of key town centres (rather than a single main town surrounded by much smaller towns) and variable coverage of the rail network, there is a significant interurban trip market. As a result, the core cross-boundary services out of Wigan and Leigh operate at frequent intervals and also form the main service along the arterial routes into both towns, particularly Ormskirk Road, Warrington Road and Wigan Road (Standish) into Wigan, and therefore have a key role for local, short-distance trips wholly within Greater Manchester.

6.2.3 Other cross-boundary links in the area run at lower frequencies during the daytime only and are usually operated to link residential areas remote from high frequency services to local centres including services linking residential areas around Haydock in Merseyside to Ashton-in-Makerfield in Greater Manchester.

Bolton (neighbouring administrative areas: Lancashire and Blackburn with Darwen)

6.2.4 The core cross-boundary links from Bolton are on the Chorley/Leyland/Preston corridor and to Darwen and Blackburn, both of which have high frequency services operated by Stagecoach South Lancashire and Merseyside, and Transdev Lancashire United respectively. In both instances, these services also have a core function within Greater Manchester with the Stagecoach service providing the arterial service from Horwich to Bolton via Chorley Old Road. Similarly, following previous rationalisation by Arriva, the Transdev service provides the main link along Blackburn Road north from Bolton to the boundary with Blackburn with Darwen at Egerton.

6.2.5 Apart from these services, there are a small number of minor services including infrequent subsidised service 535 which operates from Bolton and extends a short distance over the county boundary to Belmont. This service is funded by TfGM although it does not have a unique function within Greater Manchester. Finally, there are infrequent rural services from the Darwen area into Bolton which operate on three days each week and are funded by Blackburn with Darwen Council.

Bury (neighbouring administrative areas: Lancashire)

- 6.2.6 The areas of east Lancashire located to the north of Bury have limited rail connectivity with towns such as Rawtenstall and Haslingden having no direct access to the rail network. As a result, there are well established express routes from Blackburn/Accrington/Haslingden (X41 Red Express) and Skipton, Burnley and Rawtenstall (X43 Witch Way) which both operate into Manchester city centre via the M66 and M60. Whilst these services are primarily aimed at the interurban market (that is, longer distance journeys between major town and city centres, rather than shorter local trips), they are the main services running the entire length of Bury New Road within the M60 and therefore carry shorter distance trips on this key radial route into Manchester city centre which covers areas of Bury, Salford and Manchester.
- 6.2.7 Other cross-boundary links in the area are operated by Rossendale Transport (Rosso) and provide a frequent service from Rawtenstall to Bury with some journeys extending to Bacup and Burnley. In addition to providing end-to-end links and links with intermediate communities, these services are also a significant part of the overall service along Walmersley Road into Bury town centre. Rossendale Transport also runs a half-hourly service from Accrington into Ramsbottom and Bury.

Rochdale (neighbouring administrative areas: Lancashire and West Yorkshire)

- 6.2.8 Rochdale has comparatively few cross-boundary links which reflects the low population density in the areas bordering the county boundary. The key link into Lancashire is provided by a frequent service operated by Rossendale Transport which runs from Rochdale to Bacup and onward to Rawtenstall and Accrington. Within Greater Manchester, this service also provides the main arterial link along Whitworth Road into Rochdale town centre. Key locations in West Yorkshire, including Todmorden, Hebden Bridge and Halifax are linked to Rochdale and Manchester city centre by the rail network whilst a half hourly commercial bus service is run between Todmorden and Rochdale by First West Yorkshire which combines with local services run by First Manchester and Rossendale Transport on the corridor between Littleborough and Rochdale. West Yorkshire Passenger Transport Executive (PTE) also provides financial support for an hourly daytime service between Halifax and Rochdale via Ripponden which provides links to intermediate communities not directly served by the rail network.

Oldham (neighbouring administrative areas: West Yorkshire)

- 6.2.9 The areas flanking the Oldham boundary are rural in character and form part of the Peak District National Park with a very low population density and few trip attractors. Services run by First Manchester within Greater

Manchester/Oldham district link communities in Saddleworth (including Uppermill and Diggle) to Oldham from where onward trip to Manchester city centre can either be made by bus or transferring to Metrolink. Beyond Saddleworth, there is an hourly cross-boundary extension of the First Manchester service to Huddersfield which largely serves local trip movements to intermediate communities since end-to-end journeys would generally be made on the interurban rail services run by Northern and TransPennine Express.

Tameside (neighbouring administrative areas: Derbyshire)

- 6.2.10 As with Oldham, Tameside borders a rural area, some of which is within the Peak District National Park. The only concentration of population comprises Glossop and the adjacent towns of Hadfield and Padfield. Whilst these towns are in the far north of Derbyshire, in terms of access to employment and key services they are aligned to towns with in Tameside (particularly Ashton, Hyde and Stalybridge) and Manchester city centre to where there is a frequent rail service. The main link from Tameside to Glossop is Stagecoach Manchester services 236 and 237 which combined provide three journeys per hour and are run from Ashton depot. There is also an hourly daytime route from Hyde and Hattersley which is run with financial support from TfGM and Derbyshire County Council. Within the Glossop area, this service performs a local function due to it providing part of the service for the sizeable Gamesley overspill estate.

Stockport (neighbouring administrative areas: Cheshire East and Derbyshire)

- 6.2.11 In addition to its function as a district centre for areas within Greater Manchester, Stockport also provides the nearest major concentration of employment, education and key facilities for neighbouring parts of Derbyshire and Cheshire. The Buxton rail line provides an hourly service linking Manchester city centre and Stockport with Buxton via Disley, New Mills and a number of smaller settlements. The rail service is supplemented by High Peak bus route 199 which runs every 30 minutes between Buxton and Manchester Airport via Stockport town centre. This service provides better penetration, particularly in areas remote from the rail stations, and is also aimed at staff working at the airport, which is reflected in the operation of very early morning journeys. Within Greater Manchester, the service provides direct links from Hazel Grove and other areas along the A6 to Manchester Airport and also provides the core service through High Lane.
- 6.2.12 High Peak also operates the Transpeak service along the A6 corridor which operates on a limited-stop basis and has an hourly frequency between Derby



and Buxton with four journeys per day extending to Stockport and Manchester city centre. This service is promoted as an interurban route and has no specific function for journeys wholly within Greater Manchester.

- 6.2.13 The rail service between Stockport and New Mills is also complemented by hourly commercial bus service 358 which is run by Stagecoach Manchester and provides the only link between Stockport and Hayfield and also links Hayfield and New Mills directly to Marple and Offerton. Within Greater Manchester, the service largely runs over other services although there are some small unique sections of route served.
- 6.2.14 The Cheshire East area has good rail connectivity from key towns, including Macclesfield and Wilmslow to Stockport town centre and Manchester city centre. Smaller communities without direct access to the rail network are served by supported daytime services including service 392 which runs from Macclesfield to Stockport and service P1 which links Poynton to Hazel Grove. Manchester, Salford and Trafford (neighbouring administrative areas: Cheshire East and Warrington)
- 6.2.15 The areas bordering this part of Greater Manchester are characterised by dormitory settlements with strong commuter flows into Manchester city centre. Journeys to the city centre are predominantly served by the rail network, either via Altrincham and Stockport from Knutsford, Northwich and rural communities, via Manchester Airport from Alderley Edge, Holmes Chapel and Sandbach, or along the Cheshire Lines route from Liverpool and Warrington. The rail links are complemented by a network of daytime supported services which link Knutsford, Styal and various villages to Manchester Airport and Altrincham.
- 6.2.16 There is a single service (service 130) which runs from Macclesfield and Wilmslow to East Didsbury which is operated hourly by Arriva and carries the 'Sapphire' brand used for higher quality services. This service complements the rail service to some extent on the grounds that it gives better penetration in certain areas although its role within Greater Manchester is limited to some links in the Cheadle area.
- 6.2.17 Areas to the west of Altrincham are unserved by the rail network and are served by daytime routes supported jointly by Cheshire East Council, Warrington Borough Council and TfGM which provide links to Warburton, Lymm and Warrington.
- 6.2.18 Warrington is also served on an hourly basis by First Manchester service 100 which operates frequently between the Trafford Centre and Manchester city

centre with one journey per hour continuing to Warrington. This cross-boundary link is useful for communities remote from the rail network and for providing direct public transport access from Warrington to the Trafford Centre, although journeys from Warrington to Manchester city centre would generally be made by rail.

## 6.3 Policies and objectives of neighbouring transport authorities

6.3.1 Greater Manchester borders seven neighbouring transport authorities: Blackburn with Darwen, Lancashire, West Yorkshire, Derbyshire, Cheshire East, Merseyside and Warrington. Initial discussions were held with these transport authorities in 2017 and more targeted discussions took place from April to August 2018. The proposals and objectives for bus reform were shared with the authorities and the opportunity was given for comment on these and the extent to which they may be impacted by bus reform in Greater Manchester. Whilst not specifically referred to as policies, each have transport plans and objectives for transport in their areas. Some of these are described as ‘priorities’ or ‘goals’ rather than objectives, and each authority takes a different approach to how it fills out the detail behind these objectives and the extent to which more detailed objectives exist. Table 14 below sets out the policy documents assessed for each neighbouring transport authority, and the extent to which these may be supported or impacted by bus reform in Greater Manchester.

**Table 14: Neighbouring Authority Policies**

Neighbouring Authority	Policy Documents reviewed	Supported or Impacted by Bus Reform
Blackburn with Darwen	Blackburn with Darwen Borough Council, Corporate Plan 2016-2019	Overarching strategy
	Blackburn with Darwen Borough Council LTP3 2011-2021	Could be impacted by Bus Reform and reference to improving cross boundary services/evening services to/from GM.
	Blackburn with Darwen Prosperity Plan, 2014-2020	Minimal impact
	Joint Highways and Transport Masterplan for East Lancashire	Minimal impact. Highlights importance of connecting people to opportunities
	Blackburn with Darwen, Air Quality Annual Status Report, 2017	Could be supported by Bus Reform through improvements in vehicle emission standards
	Blackburn with Darwen Council - Connect	Minimal impact
Cheshire East	Cheshire East Council Corporate Plan, 2017-2020	Overarching strategy
	Cheshire East Local Plan Strategy 2010-2030	Could be impacted by Bus Reform and reference to improving cross boundary services

	Cheshire East's Sustainable Community Strategy 2010 to 2025	Minimal impact. Highlights importance of integrated public transport system and improved access for young people
	Cheshire and Warrington LEP Refreshed Strategic Economic Plan, 2017-2040	Minimal impact. Reference to achieving good transport networks for employment
	Cheshire East Housing Strategy 2018-2023	Minimal impact.
Derbyshire County Council	Derbyshire County Council Plan 2018-19	Overarching strategy
	Working for Derbyshire Council Plan – 2017-2021	Minimal impact
	Derbyshire County Council LTP 2011-2026	Could be impacted by Bus Reform and reference to improving cross boundary services.
	Derbyshire County Council Sustainable Modes of Travel Strategy 2017	Minimal impact. Includes access to opportunities for young people
	D2N2 (LEP) Strategic Economic Plan	Minimal impact. Highlights importance of access to opportunities and links to Manchester airport
	Derbyshire County Council Environmental Policy, 2014	Minimal impact. Encouraging use of modes of sustainable modes of transport
Lancashire County Council	Lancashire County Council Corporate Strategy	Overarching strategy
	Lancashire LEP Strategic Economic Plan 2014	Minimal impact. Does refer to growth in neighbouring city regions and access to opportunities
	Lancashire County Council Local Transport Plan 2011-2021	Could be impacted by Bus Reform and reference to improving cross boundary services.
	Lancashire County Council Strategy for an Ageing Population	Minimal impact. Importance of promoting access, removing barriers to transport
	Lancashire County Council Rights of Way Improvement Plan 2015 - 2025	Minimal impact
	Preston, South Ribble and Lancashire City Deal	Minimal impact
	Lancashire Climate Change Strategy 2009 - 2020	Could be supported by Bus Reform through improvements in vehicle emission standards
	Highways and transport masterplans	Supported by Bus Reform. Connected neighbourhoods, improving commuting links
MerseyTravel	LCR CA's 'Transport Plan for Growth' (2014/15 – 2025/26).	Supported to a limited extent, does not refer to cross boundary services but does refer to access to opportunities
	Liverpool City Region Growth Strategy, 2016	Minimal impact
	The Liverpool City Region Bus Strategy	Minimal impact. Highlights importance of bus to economy, social capacity within city region
	Liverpool City Region Innovation Plan 2014-2020	Minimal impact

	Liverpool City Region CA Child Poverty and Life Chances Strategy	Minimal impact. Refers to sustainable investment in sustainable transport
Warrington Borough Council	Warrington Local Plan Core Strategy, 2014-2027	Overarching strategy
	Strategic Economic Partnership document, Cheshire and Warrington LEP	Minimal impact. Access to new jobs, investment in transport
	Warrington Borough Council Local Transport Plan 2011-2030	Could be impacted by Bus Reform and reference to improving cross boundary services and connectivity to airport
	Warrington City Centre Masterplan 2017-2040	Minimal impact
	Warrington Air Quality Action Plan 2017-2022	Could be supported by Bus Reform through improvements in vehicle emission standards
	Our Vision and Strategy for Health and Care Transformation in Warrington (Warrington Council, local CCG and local NHS trusts).	Minimal impact
West Yorkshire Combined Authority	West Yorkshire Combined Authority Corporate Plan, 2016-2017	Overarching strategy
	West Yorkshire LTP3 2011-2026	Could be impacted by Bus Reform and reference to cross boundary services and improving connectivity and access to hubs
	Leeds Transport Strategy (Interim December 2016 – pre-consultation version)	Minimal impact. Refers to opportunities and improvements to bus networks
	West Yorkshire Low Emissions Strategy 2016 to 2021	Could be supported by Bus Reform through improvements in vehicle emission standards
	West Yorkshire Bus Strategy 2040	Ambitions around emissions, increasing passenger numbers and bus network presented as a single network
	Leeds City Region Strategic Economic Plan 2016-2036	Could be impacted by Bus Reform and reference to cross boundary services – links to Manchester Airport
	WYCA Business Plan	Minimal impact.
	WYCA Transport Strategy 2040	Minimal impact.

6.3.2 Analysis of the neighbouring authorities' individual transport strategies and objectives was performed in 2018 and the outcomes of both the analysis and engagement activity are considered in further detail below. In this section the key overall objectives from the respective policies impacted are set out, and then any specific objectives that neighbouring authorities have that relate to connections to Greater Manchester and specifically bus services.

6.3.3 In general, the high-level objectives of neighbouring transport authorities relate to economic growth, environmental protection (both in terms of air quality and harmful emissions and reduction of CO<sub>2</sub>) and improving the

mobility for the people that live in their areas, and hence their quality of life and enhancing social mobility. For instance, Lancashire wishes to ‘help secure a strong economic future by making transport and travel into and between our major economic centres more effective and efficient’ (TfGM, 2018b). In some cases, this is related to specific areas – such as the priority for Blackburn with Darwen to improve access to areas of regeneration and economic growth (TfGM, 2018c). Some have more specific objectives, such as Cheshire East which has objectives including reducing congestion and improving the maintenance of the highway and transport network (TfGM, 2018d). Merseytravel’s Transport plan for growth (TfGM, 2018e) cites three transport priorities: ‘growth’, ‘low carbon’, and ‘access to opportunity.’

- 6.3.4 Warrington has a larger number of high level objectives that broadly align with these three areas, but also has at a high level the importance of integration with transport networks outside Warrington to enhance the sustainability of cross-boundary travel as an objective (TfGM, 2018f).
- 6.3.5 Authorities also have some objectives that relate more closely to the options set out in the Assessment, such as those on bus services and access to Greater Manchester for employment or other purposes. Greater Manchester bus services are valued by neighbouring authorities where there are cross boundaries. For instance, West Yorkshire’s Combined Authority (WYCA) has recently adopted a bus strategy that has similar objectives to those set out above and aims to increase patronage, move towards lower-carbon vehicle technologies and move to a near-to-zero emissions bus fleet (TfGM, 2018h).
- 6.3.6 Interest in cross-boundary services is more intense where potential exists for commuting and access to Greater Manchester by residents. The following section sets out the more specific objectives and views of neighbouring authorities that relate to reform of bus services within Greater Manchester, and the outcomes of discussions with neighbouring authorities. These discussions focused on the GMCA and the assumed policies and objectives of the authority in question, the process and timelines of considering options, what the options were (franchising and different forms of partnership) and what implications there might be. More detail was given on initial ideas of how a permitting scheme might work in the context of franchising.
- 6.3.7 The specific objectives that relate to reforms to the bus network in Greater Manchester are for Blackburn and Darwen:
  - i. Improving public transport links to Preston and Manchester to residents to benefit from job opportunities (TfGM, 2018c).
  - ii. Better evening links to Bolton and Manchester (TfGM, 2018c).

- 6.3.8 Discussions with Blackburn and Darwen were held on 26 April 2018. Both Franchising and Partnership options were discussed. Officers were supportive of GMCA's objectives for bus reform and the approach that would be taken to cross-boundary services. They noted the improvements that had been made from the 'Pennine Reach' scheme (a rapid bus transport scheme developed to improve public transport between Accrington, Blackburn and Darwen, linking in with railway lines), but noted the reduction in mileage from cuts to subsidised services. They noted that members were concerned about the lack of integrated ticketing, and wanted to explore the link to any scheme that would be introduced were Franchising to be chosen. They raised the concern that the Blackburn-Darwen-Bolton commercially operated service would be affected following potential establishment of Franchising.
- 6.3.9 The specific objectives that relate to reforms to the bus network in Greater Manchester are for Lancashire:
- i. As part of their key policies, Lancashire wish to improve links between employment centres in Lancashire and to Greater Manchester (TfGM, 2018b).
  - ii. The importance of bus services from Accrington, Burnley, Pendle and Rossendale into Manchester is noted in the Local Transport Plan and in other local plans (TfGM, 2018b), and Lancashire have the ambition to improve punctuality.
- 6.3.10 Discussions with Lancashire took place on 16 April 2018. It was agreed that the GMCA should consult on a potential permit scheme for services that crossed the boundary into Greater Manchester if a franchising scheme was to be implemented and it was also agreed that there should be further work on the process for supporting services on a shared basis in that instance. It was noted that Lancashire were in the process of beginning work on their new Local Transport Plan.
- 6.3.11 The specific objectives that relate to reforms to the bus network in Greater Manchester are for West Yorkshire:
- i. The Local Transport Plan looks to see improvement in strategic road and rail links, including to Manchester City Region and Manchester Airport.
- 6.3.12 Discussions with West Yorkshire took place on 25 May 2018. It was noted that currently, West Yorkshire are exploring the development of their bus network through non-statutory partnerships. In terms of cross-boundary services, it was noted that several services had recently been de-registered and had ceased or would cease. TfGM confirmed that the impact on West Yorkshire

passengers would be considered in any permit application process that was managed by the GMCA.

**6.3.13** The specific objectives that relate to reforms to the bus network in Greater Manchester are for Derbyshire:

- i. To ensure that there are effective cross-boundary working arrangements with adjoining cities (Derby, Sheffield, Manchester and Nottingham) (TfGM, 2018g).
- ii. To improve existing rail and bus connectivity, including services to Manchester (TfGM, 2018g).

**6.3.14** Discussions with Derbyshire took place on 11 July 2018. In discussion, it was stated that while geography meant that there was relatively few bus services that linked areas of Derbyshire to Greater Manchester, those that did exist were important. Specific services serving Buxton and Glossop were seen as important, and the links between Derbyshire and healthcare services (e.g. Stepping Hill Hospital) were ones that should be preserved. Support was expressed for the permit regime, and it was hoped that it would adequately cater for smaller operators.

**6.3.15** The specific objectives or policies that relate to reforms to the bus network in Greater Manchester are for Cheshire East:

- i. The refresh of the Local Transport Plan noted the strong travel to work links with Greater Manchester and the need to examine transport across different modes (TfGM, 2018d).
- ii. During the refresh of the Local Transport Plan, Stakeholders expressed interest in cross-boundary multi-operator and multi-modal ticketing to reduce the cost and journey times of public transport.

**6.3.16** Discussions with Cheshire East took place on 10 August 2018. It was stated that there were commuting flows from Cheshire East into Greater Manchester (and potentially more following the airport development) and some flows in the other direction to pharmaceutical and technology companies based in Cheshire. Cross-boundary services were seen as important to commuters and others, and it was felt to be important that the permit regime allowed services that connected Cheshire East to Greater Manchester to continue. In addition, there were rural areas close to the boundary of Greater Manchester and the transport authority was keen to work with TfGM to see how services could be supported and improved.

**6.3.17** There were no specific objectives that relate to reforms to the bus network in Greater Manchester for Merseyside. Merseyside published a Bus Strategy in

2016 highlighting the importance of bus to the local economy and society. The Liverpool City Region Bus Alliance is a partnership started in 2016 that aims to improve bus services and increase patronage, and shows the importance of bus services within Liverpool.

6.3.18 Discussions with Merseytravel took place on 3 May 2018. Merseytravel was broadly supportive of the approach outlined by TfGM to cross border services. It was suggested that this situation could make the management of cross-boundary services easier and potentially allow greater flexibility for the development of services to reflect changing travel patterns.

6.3.19 The specific objectives that relate to reforms to the bus network in Greater Manchester are for Warrington:

- i. As stated above, Warrington has a high level objective to enhance the sustainability of cross-boundary travel services. In the transport plan, mention is made of the possibility of express coach services to Liverpool and Greater Manchester (TfGM, 2018f).
- ii. The Warrington City Centre Masterplan (Warrington 2016) contains ideas to improve bus services within Warrington.

6.3.20 Discussions with Warrington took place on 31 May 2018. As well as plans for Warrington's bus services (including dealing with the lower level of subsidy available) the issue of ensuring that the cross-boundary permit scheme would be available to smaller operators was raised. Given the small role that services from Warrington play in Greater Manchester it was not envisaged that permit conditions would be onerous. It was agreed that possibilities for mass-transit (potentially a guided busway) could be realised in the future.

## **7 Views of passengers**

### **7.1 The views of passengers**

7.1.1 When determining the right set of objectives for the bus system and how the bus network should be configured, it is important to understand the views of passengers as well as the technical market failures that affect the way in which the bus market operates. Substantial economic benefit to reform is dependent on getting more people to use the bus network, so the views of passengers should also include those who are potential passengers but do not currently use the network, or use it infrequently. However, it is more difficult to ascertain their views with any accuracy precisely because of their lack of experience of the bus network.



7.1.2 Whilst undertaking work on all potential options for bus reform, research was undertaken by TfGM. This work combined with other sources provided the material for the views of passengers set out below. The sources are:

- i. A literature review of views on the bus market, undertaken by Atkins;
- ii. The Greater Manchester Transport Strategy 2040 sets out the GMCA's vision for the transport system in Greater Manchester. A twelve week consultation on a draft strategy was held between 4 July 2016 and 26 September 2016. 532 of the 1,740 public responses to the consultation concerned improvements to some aspects of the bus network;
- iii. The two waves of pre-consultation focus groups carried out for TfGM by Aecom in support of bus reform, and reported in December 2015 and August 2017, included 28 focus groups (a particularly large number);
- iv. Fares attributes survey research, which took place between November 2017 and January 2018 (TfGM, 2018i);
- v. The Transport Focus report Bus Passengers Have Their Say (March 2016) which was based on a sample of between 400 and 500 Greater Manchester bus passengers, as well as users from other PTEs;
- vi. Data from the Greater Manchester Travel Diary Surveys (TRADS) (large representative sample of 4,000+, crucially including the non-user view too);
- vii. Points to note from the recent Mayor's congestion conversation listening exercise (6,000+ online survey responses), including many comments on buses;
- viii. The Transport Focus Bus Passenger Survey has been running for a number of years and provides a time sequence and benchmarking with other parts of the country (Transport Focus, 2018); and,
- ix. National Highways and Transport Survey 2017, commissioned by local government, (a sample of 7,000 residents split across the ten Greater Manchester districts), (TfGM, 2017b).

7.1.3 The following section uses these sources to understand what current and potential passengers want from the bus service. The findings have been divided into four areas:

- i. network – how passenger experience different aspects of the network such as speed, reliability and accessibility;
- ii. fares and ticketing - how passengers feel about the fares and ticketing arrangements in Greater Manchester;

- iii. customer experience, including journey experience and other aspects of customer service; and,
- iv. value for money.

#### Network

- 7.1.4 Research undertaken in relation to views of bus services shows that a key barrier for potential passengers is the time taken for the bus service to complete journeys, and the frequency of services, especially where that frequency drops below a certain point. As well as wait times, passengers are put off undertaking trips that involve interchange between different bus services because of concerns about ticketing and using the services of different operators (Atkins, 2015a).
- 7.1.5 In terms of network coverage, generally non-users and lapsed users have a poor knowledge of the networks and trip opportunities. Research shows that non-users are aware of routes running to and from larger centres, but believe that trips between local estates and communities are much harder by bus without interchange.
- 7.1.6 Transport Focus research into bus users supports the evidence above on the nature of the network. The 2016 Survey *Bus Passengers have their say* set out some of the reasons why both users and non-users do not wish to use the bus more. 54 percent of users and 28 percent of non-users were reported as open minded as to whether to make more journeys by bus. When users listed their reasons for not using the bus more, value for money was the top reason followed by the number, timeliness and frequency of buses arriving. The fifth most significant factor was anti-social behaviour. The overall speed of the bus is also an important factor that passengers consider, with shorter journey times on buses being noted as a bus passenger priority for improvement (Transport Focus, 2016).
- 7.1.7 Among non-users, the biggest reasons for non-use are reach (the buses don't go where they want to go: in the Transport Focus research half of those who didn't currently but would consider using the bus cited this as the main reason) and the overall door to door journey time.
- 7.1.8 Research specific to Greater Manchester shows some similar themes, including around the timing of services and desires for more frequent services in particular areas. One hundred and ninety-one respondents (about 11%) to the *Consultation on Greater Manchester Transport Strategy 2040* raised a better network in terms of routes or timetabling. Some of the main issues raised in terms of the network in Greater Manchester were:

- i. Popular routes could be well served but other areas that are important for people are neglected; this was particularly true for evening and weekend services, where respondents felt that the lack of a viable evening service discouraged them from using the bus earlier in the day, as they lacked confidence they could return. One respondent wanted to see “support [for] the most important non-commercial routes, proper coordination of services, and an end to commercial operators competing with each other on the most profitable routes whilst neglecting others”.
- ii. The current network was felt to be divided and not to sufficiently facilitate both orbital routes (specifically mentioned by 25 respondents) and cross-city transport.

7.1.9 ‘Change in availability of bus’ is one of the top three transport factors determining reduced bus use in the last 12 months (TfGM, 2017c). In *Bus passengers have their say*, more buses going to where you want to go is the 6<sup>th</sup> highest priority for improvement in Greater Manchester; buses running more often than they do now is 4<sup>th</sup>.

7.1.10 Punctuality and reliability of services is also very important to passengers. Satisfaction with punctuality of the bus in Greater Manchester was 73% and satisfaction with the length of time waited was 76%, below overall satisfaction at 86% (Transport Focus, 2018). In terms of improvement, more buses arriving on time at your bus stop (2nd) and more journeys on buses running to time (3rd) are top priorities for improvement in Greater Manchester (Transport Focus, 2016). In focus groups, respondents’ reactions included making buses running on time a ‘contractual requirement.’ (Aecom, 2017).

7.1.11 Overall, the quality of the bus network, and the overall speed of buses on the network are strong determinants of bus usage, and therefore any improvements that can be made to these factors could help improve bus patronage.

#### *Fares and ticketing*

7.1.12 Infrequent users are aware that there are multiple options for buying tickets and types of fares, that there are variations between operators, and that the same journey can cost different amounts at different times, and these factors can be a barrier to using buses. Non-users also tend to worry that exact fares are required, whether or not that is the case, and have the perception that fares are high (Atkins, 2015a).

- 7.1.13 Feedback in London shows that buses are considered to be straightforward to use due to the flat fee, which gives people more confidence to use the bus service. This also means people feel less inclined to seek out fare information as they understand it is fixed within a certain (affordable) range, and that the system therefore has a high level of trust.
- 7.1.14 In research undertaken in Greater Manchester, ticketing emerges as one of the most important issues that people face when using the bus service. It was identified as one of the most significant negative issues in focus groups comprising those with the highest incidence of current or previous experience of using buses (Aecom, 2015).
- 7.1.15 The key issue in this respect is that period or multi journey tickets issued by bus operators for use only on their own services are considered to be a problem and a major disadvantage of the way that services are currently organised. At best, this inflexibility is considered to be an inconvenience to bus passengers and an ongoing source of irritation for them. At worst, some may feel they are unfairly penalised and are often forced to pay a heavy financial penalty (in relative terms) in order to make bus journeys across certain parts of or times of day in Greater Manchester. This is particularly true for those on corridors with services run by different companies (Aecom, 2015). A typical comment was, “My route has got three different operators on it so with my ticket I have a one in three chance of being able to get on the bus without having to pay extra” (Aecom, 2015).
- 7.1.16 TfGM research, aimed at understanding in more detail the aspects of ticketing that people in Greater Manchester would most value, came to the following conclusions:
- i. Simplicity: the current structure is widely felt to require a level of understanding which means it is often not simple for infrequent users (and anecdotal evidence suggests that a lack of simplicity and ease of understanding represents a barrier to those unfamiliar with transport networks). This is likely to be an important barrier for non-users. Peak/off-peak and singles/returns are considered to be a minefield for consumers who perceive that operators seem to want to ‘catch them out’ by all having their own rules around ticket validity rather than trying to find a unified system to make life simpler for consumers (Aecom, 2015). Typical of comments was, “I’ve tried using buses but the driver is tutting and blowing if you don’t have the right change and there’s no consistency with fares because

there's hundreds of suppliers and they all charge a different fare" (Aecom, 2015).

- ii. Interoperability: In the 2016 Bus passenger survey, tickets which better allow travel on all local bus companies is the tenth highest priority for improvement in Greater Manchester (Transport Focus, 2016). The importance of the interoperability of tickets between different buses and different modes was valued highly in focus groups. Passengers want to be able to switch from one mode of transport to another without needing to think about it, and without any interruption to the journey process. The lack of integration is felt to be demonstrated by the difficulty of making journeys using all three modes, especially in direct contrast to the ease of doing so using Oyster or contactless payments in London. Comments included, "There should be one ticket that will work wherever you are so you don't go to Bolton market then find the ticket you have doesn't cover you and you have to buy another one" (Aecom, 2015). The inability to catch the first bus without paying a premium was frequently raised spontaneously as a problem in the 2017 focus group research. (Aecom, 2017).
- iii. Multi-modal ticketing: 291 respondents in the *Consultation on Greater Manchester 2040 Transport Strategy* felt that integrated ticketing on bus was vital to improving the transport system in Greater Manchester. A typical comment was, "All public transport should be integrated and fares should cover journeys across multiple methods of transport. It should be possible to get a tram in one direction, then a bus in another direction, on the same ticket for a reasonable price, as it is in London with daily fare caps".

7.1.17 The differences between commercial services and those in the evening were also mentioned as an important issue in responses to the *Greater Manchester Transport Strategy 2040*, particularly for those such as shift workers who did not have a 9 to 5 travel pattern: "It is ridiculous that a passenger can pay for a day ticket on a bus, then be unable to board another bus, even covering the same route, because it is owned by a different company".

7.1.18 Complexity of current arrangements and the value of interoperable tickets were also mentioned in the focus groups run by Aecom in 2017. In terms of improvements, the GM residents segmentation survey reported that 73% would use public transport more with a smart ticket for several transport modes (82% of young people would do so) (TfGM, 2017c).

- 7.1.19 It is possible to conclude that both current and potential bus passengers would value having tickets that are simple, transparent and above all interoperable across the network. They would also want to see these interoperable tickets implemented through a workable smart mechanism that removed the need to have change and understand what fare needed to be paid. Overall, passengers want value for money for their tickets – better value for money from bus journeys was the number one priority for improvement in GM (Transport Focus, 2016). The reassurance given by the Oyster system that the right fare is being paid was also cited as an incentive to use the bus system (TfGM, 2016).
- 7.1.20 Operators are perceived to be competing with each other to the detriment of customers, and not being incentivised to reduce confusion. This creates a lack of trust among passengers who feel that they are unlikely to obtain fair value for journeys made: “There’s a massive lack of trust there because I don’t trust them to give me the cheapest fare if you can make the same journey three times and get charged three different fares” (TfGM, 2016).

#### *Customer experience*

- 7.1.21 For passengers across the UK, including in Greater Manchester, security is a primary concern. For those using the service and potential passengers, personal security is the primary concern at bus stops, with stops that do not have facilities (shelter, seating, lighting, etc.) and are in poor condition making buses notably less attractive. People can feel vulnerable and exposed when waiting, especially where there are not good facilities or lighting. (Atkins, 2015a).
- 7.1.22 Non-users predict that services will be overcrowded and noisy, seats will be uncomfortable, and the condition of the vehicle will be poor. People like to be able to feel ‘control’ and buses provide an experience without that. Research in the West Midlands showed that over 43% of people said experience of crime and anti-social behaviour has affected their bus use (Atkins, 2015a).
- 7.1.23 Poor driver attitudes and conduct can affect journey enjoyment, and this is an area where a small number of experiences can affect views of the system as a whole – reports of this can be based on hearsay rather than experience. Research in Greater Manchester reflected these widespread issues, the weaknesses of the bus network being focused on the condition of the buses and cleanliness, anti-social behaviour and the attitude of drivers. Several respondents to the consultation on the *Greater Manchester Transport Strategy 2040* cited anti-social behaviour as a reason to avoid bus as a mode of transport. In *Bus passengers have their say*, more effort to tackle anti-social

behaviour was the fifth most important priority for improvement in Greater Manchester (Transport Focus, 2016).

7.1.24 Satisfaction with information provision is low in Greater Manchester. In the latest Transport Focus survey, satisfaction with information provided inside the bus was 64% (Transport Focus, 2019). According to *Bus passengers have their say*, Passengers also valued having displays at the bus stop showing the times (Transport Focus, 2016).

7.1.25 Potential improvement in Real Time Passenger Information was seen as an advantage, particularly for those with some form of impairment. A respondent in the *Consultation on Greater Manchester Transport Strategy 2040* stated: “In London and Vienna, all buses have regular announcements of stops and changing points, probably linked to a GPS system. This should be a target in Greater Manchester. As a visually impaired person myself, I know that it is one of the issues which helps me to decide whether to use buses in an unfamiliar area”. In all, 67 respondents cited improved information as a key issue in improving bus services in Greater Manchester. The 2017 Act provides that the Secretary of State may make provisions for all buses to have on-board real time information, and DfT have indicated that this is part of current plans.

#### *On-board Experience*

7.1.26 On board experience is important to generate a positive image for bus travel, and encourage repeat business. Current satisfaction levels reported in the Bus Passenger Survey Autumn 2018 (Transport Focus, 2018), appear to demonstrate an overall reasonable number of existing passengers fairly satisfied or very satisfied (87%).

7.1.27 Table 14 shows that in the key areas of the journey experience identified by Transport Focus in their Bus Passenger Survey for 2018, passengers in Greater Manchester are generally more satisfied than those in West Midlands and West Yorkshire PTE areas, and generally less satisfied than those in Merseyside and Tyne and Wear. Satisfaction levels are similar in Greater Manchester and South Yorkshire. This suggests that more can be done to achieve a consistently good customer experience. The survey is of bus passengers, so does not include non-passengers (either lapsed users or people who have never used the bus). As Transport Focus’s remit excludes London, no survey data is available for this area.

**Table 15: Comparison of Elements of the Passenger Experience (Autumn 2018 Survey)**

Category	Area							
	Greater Manchester	Mersey	South Yorkshire	West Midlands	West Yorkshire	Tyne and Wear	Stagecoach GM	First GM
Overall journey satisfaction	87%	91%	86%	84%	85%	91%	89%	82%
Satisfaction with value for money (fare-payers only)	66%	75%	69%	66%	61%	72%	69%	60%
Satisfaction with punctuality	70%	76%	76%	71%	72%	82%	73%	62%
Satisfaction with on-bus journey time	83%	88%	83%	82%	82%	90%	81%	81%
Satisfaction with cleanliness and condition inside bus	77%	83%	70%	74%	76%	82%	77%	73%
Satisfaction with information provided inside bus	64%	69%	63%	72%	62%	75%	65%	59%
Satisfaction with helpfulness and attitude of driver	72%	77%	81%	69%	74%	81%	74%	67%

Source: Transport Focus Bus Passenger Survey, Autumn 2018

### *Value for money*

**7.1.28** In general, value for money is seen through the lens of a notion of fairness, particularly where fares differ for similar services, or where passengers have to pay more than once for the same journey, as described above.

**7.1.29** In Greater Manchester, one of the concerns raised by respondents in the *Consultation on Greater Manchester Transport Strategy 2040* was value for money and how fares paid were not necessarily being reinvested by operators into the service. A small number of respondents (20) expressed this in terms of value going to the shareholders of operators rather than to Greater Manchester. A larger number (44) wanted to see the introduction of franchising or a return to the public provision of bus services.

### *Passenger groups*

- i. The passenger transport body that covers the north-west of the UK, TravelWatch Northwest, put in a representation to the prospective Greater Manchester Mayor during the election process in 2017. In their submission, TravelWatch Northwest emphasised the contract

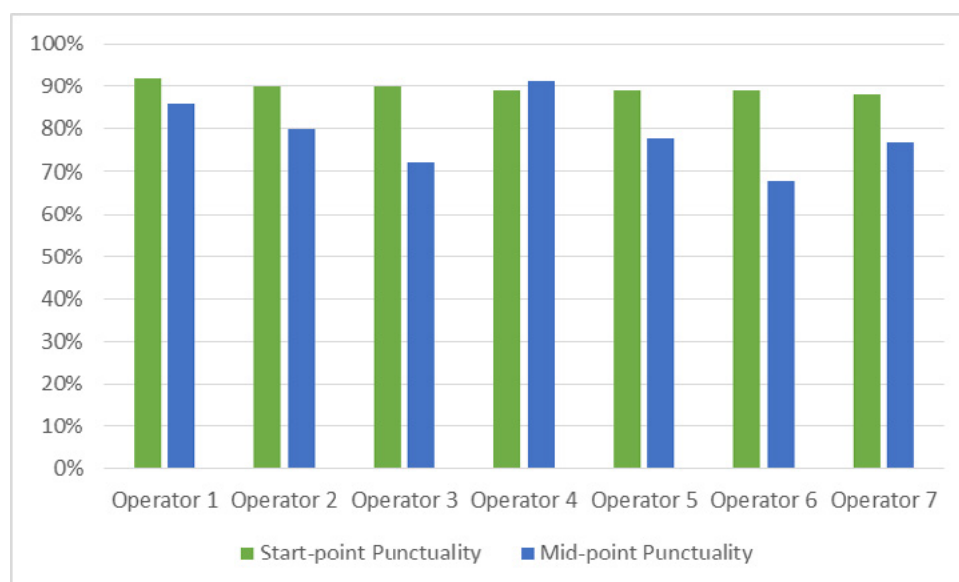


between services and integration in London and the Manchester bus service. Their key priorities for improving the service are integrated and multi-operator ticketing, more bus priority measures, and ability to cross subsidise less used but socially useful routes and a real improvement in information provision. According to TravelWatch Northwest, this should include real time information, information about fares and information covering all operators (rather than a single operator's network) at stops and stations. They also wanted the network to be simpler with better services at evenings and week-ends (TravelWatch Northwest, 2017).

## 8 Reliability and Punctuality

8.1.1 Chart 12 shows punctuality using TfGM Punctuality and Reliability Monitoring System (PRMS) data, ordered by start-point punctuality. PRMS was introduced as part of a voluntary partnership involving many but not all operators in Greater Manchester, and includes a Code of Conduct which sets out targets for reliability and punctuality. In line with the data sharing agreement between TfGM and bus operators which supports PRMS, results for individual operators cannot be disclosed to maintain commercial confidentiality, so results are anonymised.

Chart 12: Punctuality of Operators (April 2016 - March 2017)



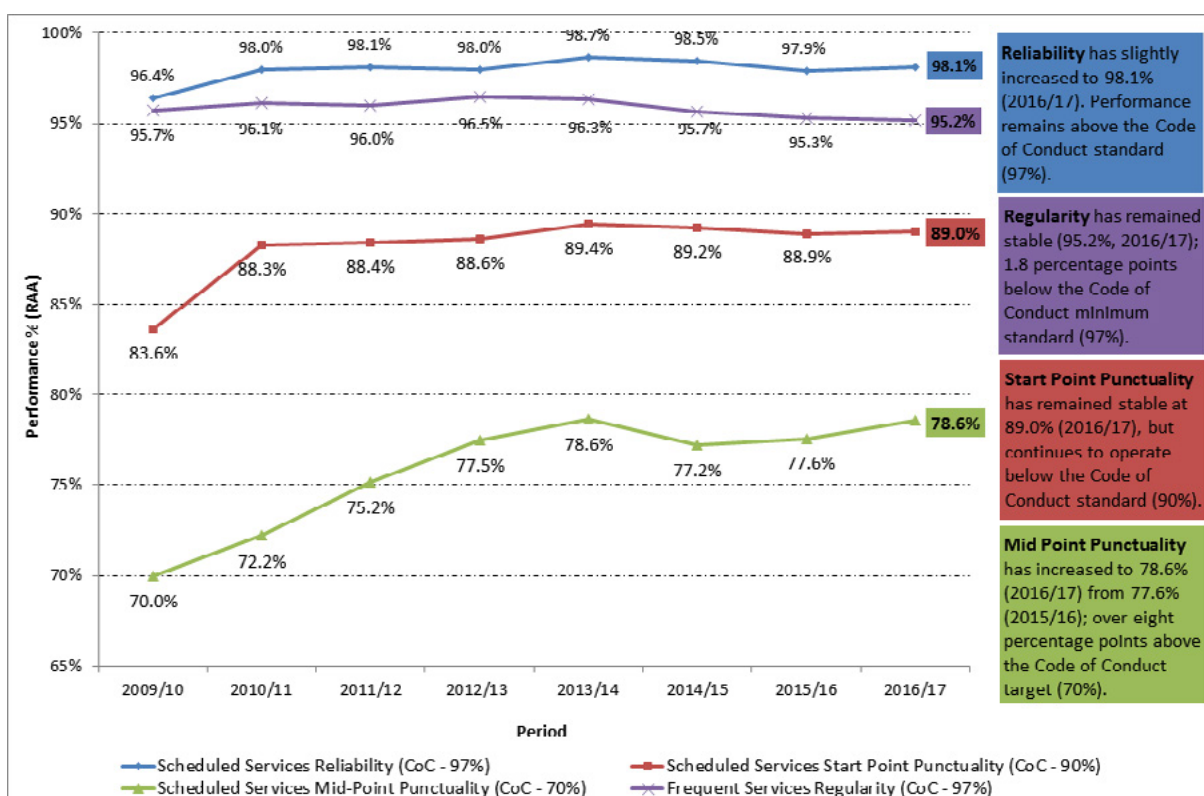
Source: TfGM PRMS data, 2017 (TfGM 2017d)

8.1.2 The picture for Greater Manchester is mixed, particularly when looking at mid-point punctuality, and levels of start-point and mid-point punctuality are not correlated across operators. While punctuality can be affected by factors

outside operators' control, such as congestion, this should not cause long-term issues with punctuality of service as operators can adapt by changing their timetables. Start point punctuality can also be quite poor, with some operators failing to achieve 90% punctuality, and mid-point punctuality for a number of operators falling below 75%.

8.1.3 Chart 13 shows trends for punctuality and reliability across all operators participating in the voluntary partnership and Code of Conduct. It shows that high levels of reliability, regularity (for high frequency services) and start-point punctuality (for services which are not high frequency) has been maintained for several years, above or close to the Code of Conduct standards. Mid-point punctuality (for services which are not high frequency) is notably lower, and below the Code of Conduct standard.

Chart 13: Punctuality and Reliability in GM (2009-2017)



8.1.4 Reliability and punctuality are affected by general traffic volumes and road speeds. However, punctuality is also dependent on running of the service by Operators and the allocation of dedicated resource to support i.e. spare and stand-by resources to keep services punctual. Table 15 and Chart 14 show that average road speeds (all vehicle types) on "A" and "B" roads in the Greater Manchester districts vary from year to year, but with noticeable declines in Manchester and Salford in recent years, coinciding with substantial highway and tram improvement works. Chart 14 shows that average journey times in

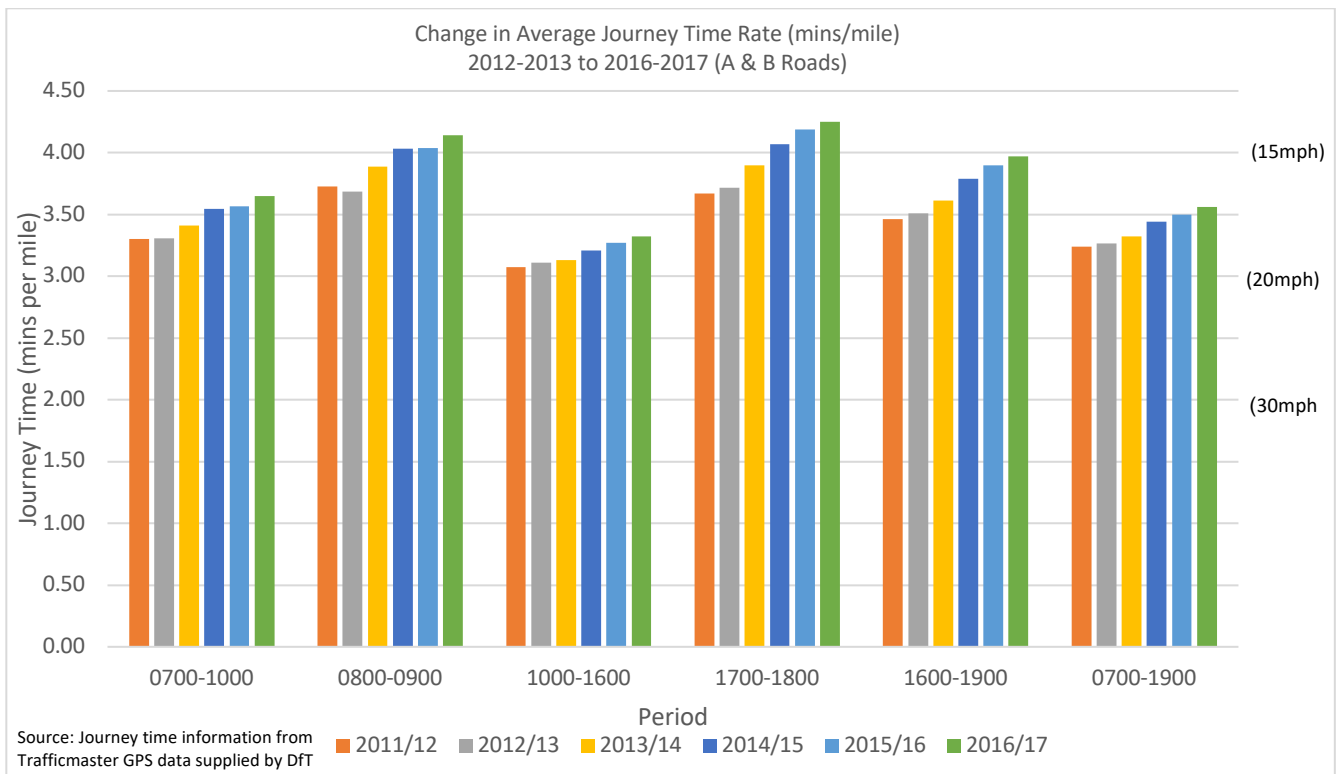
Greater Manchester on “A” and “B” roads has steadily increased since 2012/13.

**Table 16: Average Journey Time Rates and Speeds on A& B Roads Greater Manchester 2005/06 - 2016/17**

Time Period Year	A & B Road Journey Time Rates (mins/mile)						A & B Road Speeds (mph)					
	0700-1000	0800-0900	1000-1600	1700-1800	1600-1900	0700-1900	0700-1000	0800-0900	1000-1600	1700-1800	1600-1900	0700-1900
2005/06	3.44	3.92	3.10	3.74	3.49	3.32	17.44	15.30	19.37	16.06	17.19	18.07
2006/07	3.41	3.88	3.10	3.72	3.48	3.30	17.61	15.46	19.38	16.11	17.24	18.19
2007/08	3.37	3.84	3.10	3.67	3.46	3.28	17.79	15.63	19.37	16.34	17.35	18.30
2008/09	3.32	3.76	3.10	3.67	3.46	3.26	18.06	15.98	19.36	16.33	17.35	18.39
2009/10	3.37	3.81	3.11	3.75	3.53	3.30	17.79	15.75	19.29	15.98	16.99	18.17
2010/11	3.36	3.80	3.11	3.74	3.56	3.29	17.84	15.78	19.31	16.02	16.86	18.22
2011/12	3.30	3.73	3.07	3.67	3.46	3.24	18.18	16.10	19.53	16.34	17.33	18.51
2012/13	3.31	3.69	3.11	3.72	3.51	3.27	18.15	16.27	19.31	16.15	17.10	18.37
2013/14	3.41	3.89	3.13	3.90	3.61	3.32	17.60	15.43	19.18	15.39	16.62	18.06
2014/15	3.55	4.03	3.21	4.07	3.79	3.44	16.92	14.87	18.70	14.74	15.83	17.44
2015/16	3.57	4.04	3.27	4.19	3.90	3.50	16.82	14.85	18.35	14.33	15.39	17.15
2016/17	3.65	4.14	3.32	4.25	3.97	3.56	16.45	14.48	18.06	14.12	15.11	16.86

Source: Journey time information from Trafficmaster GPS data supplied by DfT (TfGM, 2019b)

**Chart 14: Change in Average Journey Time on A/B Roads in Greater Manchester**



## 9 Technological developments in transport

9.1.1 As set out in the Strategic Case, new alternative modes of public transport, alongside technological developments such as online shopping and home working, are having an effect on demand, whilst other technologies will change the way in which services are delivered. Whilst some of these technologies will help bus to improve its offering as a mode of transport, others could potentially reduce demand for travel or change the way in which services are delivered.

### *Demand Responsive Transport (DRT)*

9.1.2 Demand responsive transport (DRT) commonly called 'ride-hailing', such as Uber and Lyft, is changing the way we access transport. This technology combines multiple functionalities such as finding and tracking vehicles, hailing, coordinating with others, route planning, dynamic pricing, customer review, and payment technology, to provide a new type of service. Uber – the market leader – launched in London in 2012 and now operates in 17 cities across the UK, including Greater Manchester.

9.1.3 Typically, each service requires its own app with a separate payment mechanism and each service provider maintains its own customer relationships. The rise in popularity of on-demand technology has led to bus

operators trialling minibus services following a demand responsive route to a pre-determined destination.

- 9.1.4 Ride-hailing technology can be used in many different ways. It can be a competitor to traditional cab companies, but also may compete with bus services. This may erode some bus demand (and may be behind some recent downward trends), in particular if the service provided is one where rides are pooled and become cheaper (Transport Systems Catapult, 2016). Some transport authorities in the United States have partnered with ride-hailing firms and operators to provide services in low density areas and as alternatives to traditional bus or light rail services, particularly in fulfilling demand in the 'last mile'. This can support the public transport network as well as being a rival to it, and could be part of an integrated public and private transport network.

*DRT and bus services*

- 9.1.5 As well as cheaper and more convenient taxi services, ride hailing has the potential to change the way that bus services are delivered. There are a number of examples of trials and new initiatives by both traditional bus providers and new entrants to the market:

Case study	Overview
ArrivaClick	<ul style="list-style-type: none"> <li>▶ A flexible minibus service in Sittingbourne, Kent providing 'demand responsive, corner to corner' transport;</li> <li>▶ Using an App, passengers register personal and payment details and select pick up and drop off point;</li> <li>▶ Customers are guaranteed a seat with Wi-Fi and charging points in a luxurious minibus;</li> <li>▶ A survey completed through the course of the pilot showed that more than 50% of customers have switched from using private car to ArrivaClick and 43% of respondents use the service for their daily commute.</li> </ul>
Stagecoach Little & Often	<ul style="list-style-type: none"> <li>▶ High frequency, 'turn up and go' service operating along a fixed route in Ashford, Kent;</li> <li>▶ 17 seater luxury minibuses with contactless payment machines;</li> <li>▶ A survey commissioned by Stagecoach found that nearly 60% of its new customers who began using the Little &amp; Often service previously used their cars to make the same journeys.</li> </ul>
CityMapper Smart Ride	<ul style="list-style-type: none"> <li>▶ Fleet of private hire minibuses which pick up and drop off at fixed points on a road network, however the rides are 'on-demand' responding to customer requests and change their route according to both demand and congestion;</li> <li>▶ Recently launched as a free trial in Central London;</li> <li>▶ The eight-passenger minivans do not fall under the same regulations that apply to buses carrying nine or more passengers and as such are a bus-taxi hybrid.</li> </ul>
SOHJOA Project - RobobusLine	<ul style="list-style-type: none"> <li>▶ RoboBusline carries up to nine passengers on a straight quarter mile course on a public street;</li> <li>▶ With an operator on board in case of emergencies, the buses travel at 11km per hour learning the route and accruing knowledge of an automated bus operation;</li> <li>▶ SOHJOA is an EU-financed joint project seen as a game opener in autonomous bus research and development focusing on a number of aspects including sensor technology, user experience and how to complement overall public transit services with self-driving buses.</li> </ul>

### *Autonomous vehicles*

- 9.1.6 In respect of the bus market, autonomous vehicles could enable a significant reduction in labour costs. Through autonomous driving, buses could be operated with lower cost customer service staff only, or even without staff at all. However, autonomous vehicles would require significant upfront capital expenditure and further advancement in technology and legislation.
- 9.1.7 A further potential outcome is the reduction of congestion in urban areas, by exploiting the ability to safely drive more closely together, particularly on inter-urban routes (TfGM, 2017a). This could facilitate the introduction of bus

rapid transit lanes, with moving buses queued end-to-end, similar to trains, but cheaper to deploy.

- 9.1.8 The transition to autonomous vehicles will take place in several steps and whilst Government plans support AV's on UK roads by 2021, they are not expected to be part of everyday life before 2035. Some aspects of the services could be introduced sooner. FirstGroup has recently announced it will lead the first mainstream use of fully connected and autonomous vehicles (CAVs) in the UK.
- 9.1.9 Supported by £2.5m government funding, the project will see self-driving vehicles introduced in and around Milton Park, a large, high-tech business and science hub near Didcot. The vehicles will travel between private roads at Milton Park and public roads that link the site with nearby transport services.
- 9.1.10 Despite being relatively close to Didcot Parkway station, most travel to and from Milton Park is currently made in private vehicles. It is hoped that by the end of the trial up to 50% of private vehicle journeys within the business park will switch to using the shared, electric-powered pods. This and other examples show that the transport market is changing and for certain journeys, autonomous vehicles may be suitable and can be paired with rail-hailing technology.

#### *Smart ticketing*

- 9.1.11 Smart ticketing was first introduced in the 1990s, with multiple countries rolling out the initiative in the early 2000s. Greater Manchester has rolled out the 'Get Me There' ITSO-compliant card, the city region's first step towards smart payment technology. ITSO-compliant smart cards authenticate and validate passengers' electronic tickets, and store journey data for further analysis, and to improve future services. They remove the need for paper tickets, saving time and resource at the point of use, and will significantly reduce boarding times for bus as drivers will not need to deal with cash.
- 9.1.12 However, contactless 'EMV' payment opportunities are developing at an increasingly rapid rate due to investments from key organisations, such as Apple, Google and Mastercard. This technology is phasing out the need for passengers to carry the traditional ITSO-compliant smart card, as the EMV technology is instead available through, for example, contactless credit cards (TfGM, 2017a).
- 9.1.13 Aside from the payment efficiency of smart ticketing, it also has several other benefits. It has the potential to facilitate full integration across different operators and transport modes. If 'account-based' smart ticketing is



introduced, passengers would not have to purchase separate tickets for travel on different modes and the ticket can be used to 'cap' fares. Currently, a passenger would have to make a decision at the start of the day or week as to whether to purchase a single ticket or a period ticket, or a ticket of one or other operators. This may increase demand as it removes the barrier of having to consider fares and complex ticketing arrangements before travelling.

#### *Mobility as a Service (MaaS)*

9.1.14 'MaaS' goes beyond DRT and describes the bringing together of all forms of transport and transport providers to offer various travel options that best suit the individual making the journey, potentially through a single application offering all services from travel planning to payments (MaaS Global, 2018). It has the ability to combine many of the aspects of ride hailing technology, smart ticketing and other developments with data use to create an integrated transport system. The concept of MaaS originated in Finland through an early example of DRT, the 'Kutsplus' – an intelligent, adaptable nine-seater bus that could be summoned by users, and allowed them to determine the route it would take. (TfGM, 2017a). (However, in December 2015 the service was terminated, as it was deemed too costly to the taxpayer.)

9.1.15 Since then however, the idea of MaaS has been taken up with different supporting technologies. Under a system that facilitates a fully flexible public transport system, it is likely that bus would be used as part of a suite of transport options and demand would increase. Furthermore, this could enable the bus network to be streamlined to make the service more efficient, as other options are available to complete the 'last mile' of a journey.

#### *Impact on technological developments on bus demand*

9.1.16 Arguably, ride hailing technology has already had an effect on bus demand as potential passengers choose these services over a bus journey. There is no reliable information on the extent to which bus services in the UK have been, or will be, affected, but there is potential for an ongoing effect of reducing bus patronage. Uber and its competitors essentially offer a taxi service and compete with other taxi services, but now the new services are more akin to bus services and may have a greater effect in changing how the network functions in the future. Commuters benefit from a reliable, punctual service as well as saving capital and operational costs involved in private vehicle ownership and usage.

9.1.17 Demand responsive transport can be effective in driving mode shift as the service has more of the features of private travel. It can operate during

periods of low demand and provide a flexible service between a fixed bus schedule and taxi service. The case studies set out above showed the following:

- ArrivaClick - the majority of customers had moved from private car and taxi use rather than other public transport:
- Little & Often - a survey commissioned by Stagecoach found that nearly 60% of its new customers who began using the Little & Often service previously used their cars to make the same journeys (Stagecoach, 2017).

9.1.18 Technology thus has the potential to extend bus use into journeys previously dominated by the private car or taxi services, as well as potentially reducing bus demand. Effects in demand for buses will also depend on the level of integration of the system and the extent to which those running conventional bus services are also those running new services. All three of the large incumbent operators in the Greater Manchester market – Stagecoach, First and Arriva – have been involved in trials of different technologies, alongside new competitors such as CityMapper.

*Further potential for new technology*

9.1.19 DRT and MAAS can promote social inclusion and engage communities where there is no realistic public transport offering. This social benefit gives greater mobility and independence to young people, the elderly and mobility impaired. Improving access to local services and facilities brings economic benefit whilst reduction of traffic congestion and use of new technology can improve air quality.

9.1.20 Overall, demand responsive bus services can be seen as a means to promote modal shift and increase public transport use, particularly if they are part of a more integrated public transport offer through MaaS. Their potential in this area outweighs their direct threat to existing bus service usage, through extracting people from other forms of passenger transport, potentially making bus services less viable. DRT will need to work alongside and complement mass transit modes such as bus to be viable itself, otherwise it will negatively impact its own market through increased congestion.

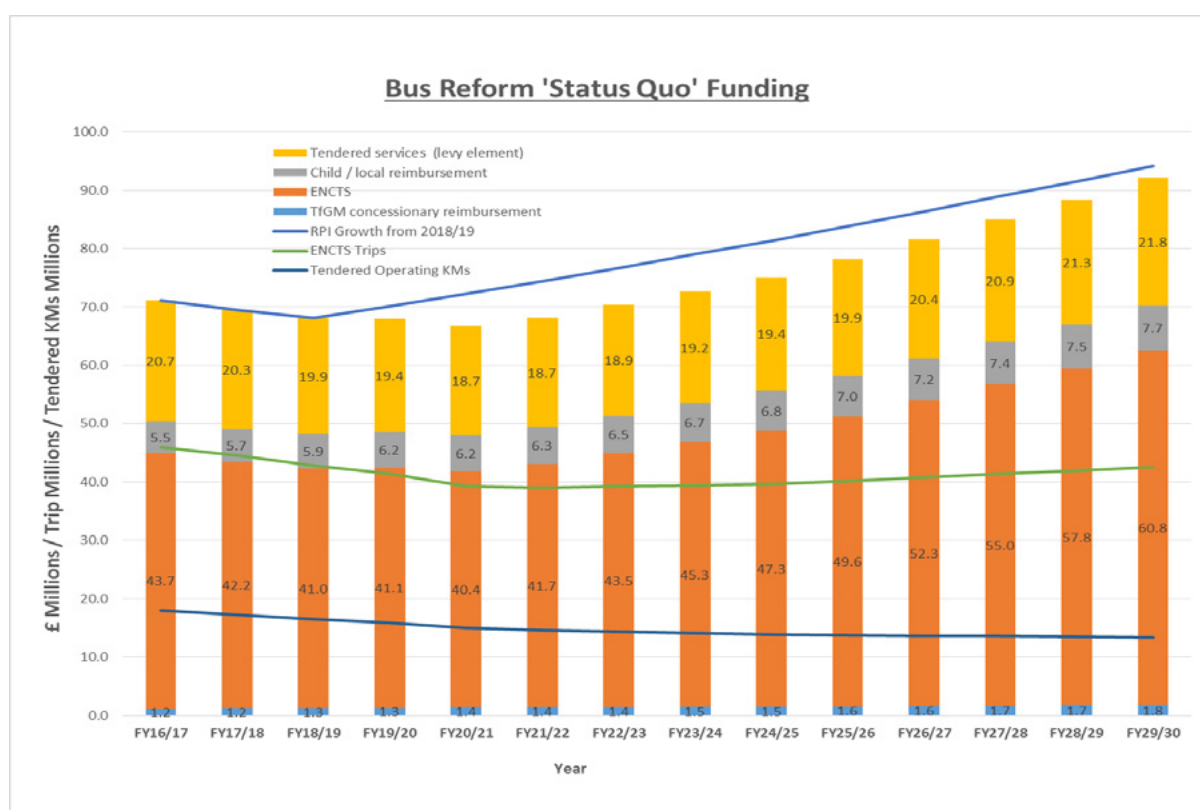
9.1.21 However, for DRT to act in this way and improve mobility overall, it needs to be part of an integrated transport system. This in a number of ways: in terms of the markets served; the fit of vehicle and journey to demand; how different modes are marketed and organised as an overall transport of mobility offering; how data is shared and used; and how scarce resources – such as road-

space – are allocated. To achieve the higher level of integration and the strongest enhancement mobility offered by MaaS will require relevant, rich and accurate data available from all the relevant sources, and platforms that are able to deliver consistently reliable services.

## 10 Bus industry funding

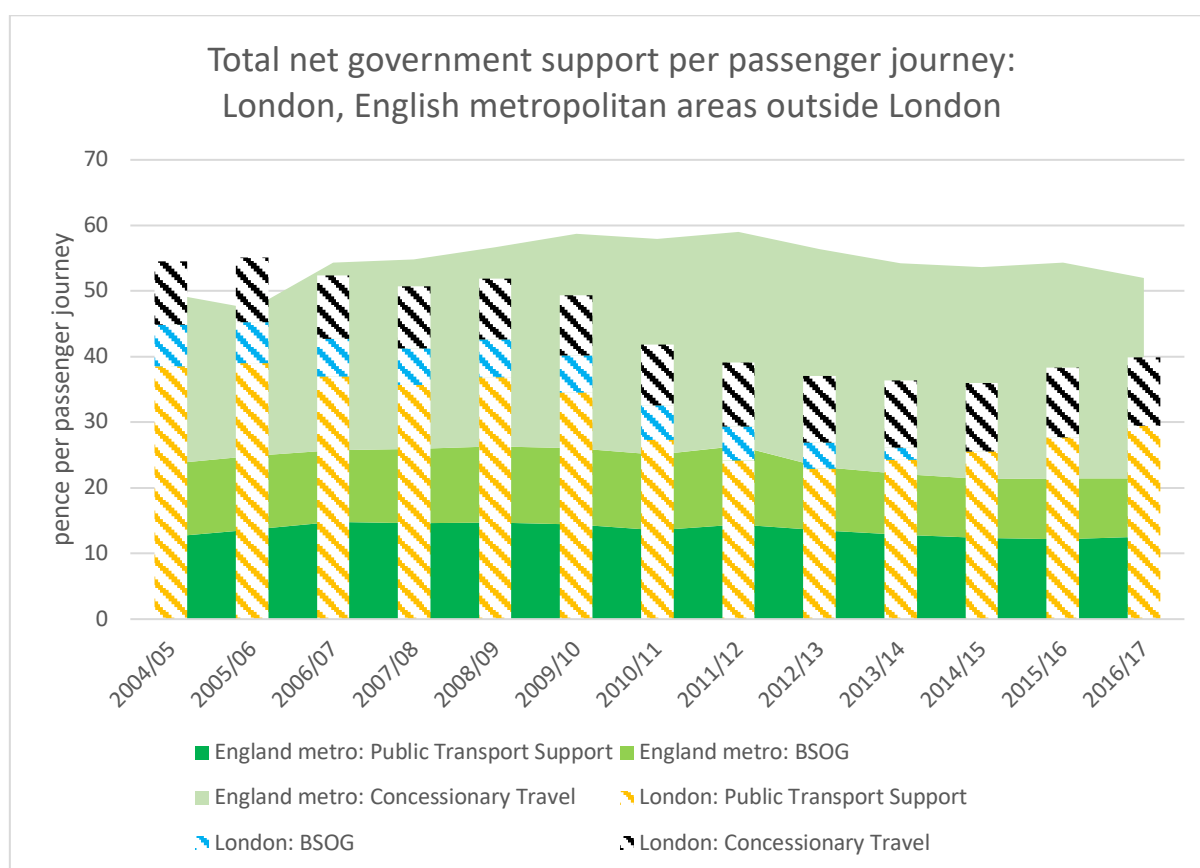
10.1.1 Figure 4 shows the funding of the bus industry according to the baseline estimates in the Financial Case of the Assessment. Approximately 10% of funding is forecast to come through the form of payments made by public authorities for tendered services (primarily TfGM, but also some neighbouring authorities), and 18% from concession payments (the national ENCTS budget will move to GMCA under the latest Devolution Agreement while local enhancements will continue to be paid by TfGM on behalf of the 10 Greater Manchester districts), and about 7% comes from the Bus Services Operators Grant.

Figure 4: Do Minimum Public Sector Funding



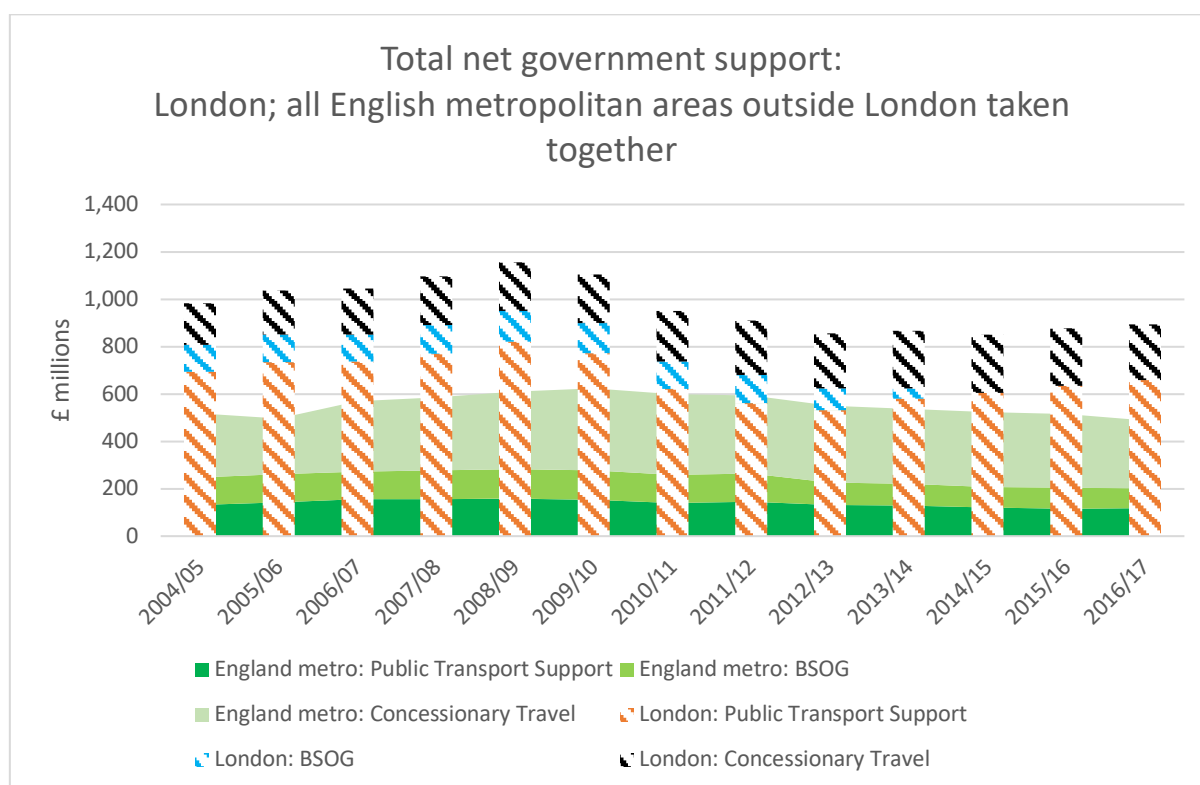
10.1.2 Chart 15 and Chart 16 show that the total government support for bus services in Greater London is higher than in the English metropolitan PTE areas (Greater Manchester, West Midlands, Tyne and Wear, Merseyside, West Yorkshire, South Yorkshire) taken together (as combined in official DfT statistics), although when expressed as support per passenger trip, support in the PTE areas is higher than in London.

**Chart 15: Total Net Government Support per Passenger Journey: London, English Metropolitan areas outside London**



Source: DFT Table BUS0503b

**Chart 16: Total Net Government Support: London; all English Metropolitan areas outside London taken together**



Source: DFT Table BUS0503b

10.1.3 More recently in February 2019, TfGM was successful in being awarded £5.4m of funding from DfT's Ultra-low Emission Bus Scheme (ULEBS) grant to partially fund:

- 10 Vantage Double Deckers and;
- 13 Metro-shuttles Single Deckers

## **11 Current role of TfGM**

11.1.1 TfGM currently plays a significant role in supporting and supplementing bus services by private operators:

- i. Funding and commissioning bus services that bus operators do not operate on a commercial basis, including early morning, evening, weekend, school services and Metroshuttle services. These subsidised bus services currently account for 14.68% of all bus mileage in Greater Manchester (TfGM 2019a) and a budgeted net expenditure of £27.1 million (2018/2019).
- ii. Managing the concessionary fares regime. The forecast value of the concessionary fare scheme for 2018/19 is £67.18 million – the value of bus travel within that figure is £50.8 million with the remainder covering rail, tram, travel vouchers and demand responsive transport. As well as the national scheme (which provides free travel for elderly and disabled people all day at the weekend and following the morning peak until 23:00 on weekdays), there is a locally funded scheme which provides discounted bus travel for children, and free travel for elderly people between 23:00 and 24:00. For disabled people the scheme provides free or discounted travel in the morning peak and free travel between 23:00 and 24:00.
- iii. Providing and maintaining bus infrastructure across Greater Manchester, including operating 25 bus stations and multi-modal interchanges (22 of which TfGM owns) and 16 Travelshops, and maintaining around 12,000 bus stops, of which more than 4000 have shelters (TfGM Internal Data).
- iv. Being a member of, and working with operators in, Greater Manchester Travelcards Limited (GMTL), a company owned by the public transport operators of Greater Manchester. The turnover for GMTL was £41.4 million in 2017, an increase of 16.5% compared with the previous year (GMTL, 2018). Passengers benefit from multi-operator and multi-modal tickets covering the whole of Greater Manchester.

- v. Managing the production, publication and dissemination of information about bus services in Greater Manchester, in collaboration with bus companies.
- vi. Providing financial support for Demand Responsive Transport services for communities and passenger groups which are difficult or not viable to serve with conventional bus services. The main service is 'Ring and Ride', a door-to-door accessible minibus scheme for people who have difficulty in using public transport. It provides local journeys not exceeding six miles to eligible residents.
- vii. Working with operators in partnership to improve services.

## **12 Longlisting process and options for reform of the bus market**

12.1.1 GMCA has long recognised that bus has not reached its full potential in meeting the needs of actual and potential public transport users or the economic, social and environmental needs of the city region as a whole. Bus market reform was a key element of the 2014 Greater Manchester City Deal. Following the deal, it was agreed that the DfT would work with Greater Manchester to identify any potential legislative changes that could be delivered in the next Parliament (i.e. following the 2015 general election) to further achieve the objectives of Greater Manchester's growth strategy. This meant the creation and analysis of a longlist of options for reform.

12.1.2 The longlist of options for the present Assessment was based on the list created during the DfT discussions. This was further refined as the proposal for the 2017 Act emerged, which refined the current partnership approach through Advanced Partnerships and also added the option of Enhanced Partnerships. At an early stage options were considered that could potentially be put in place and were considered when the nature of the DfT's new legislation on options for reforming the bus market was not certain. These options eventually did not have a basis in law through legislation and were not able to be implemented through administrative change, and are not considered further.

- i. various forms of incentives for operators, including the potential use of BSOG payments; and
- ii. a publicly appointed regulator, on the model of economic regulators in network industries.

12.1.3 This gave a longlist comprising the following six options:

- i. a 'do minimum' approach to the bus market, accepting the flaws in current market structure without attempting to make any significant

change. Activity on infrastructure and other areas currently pursued by TfGM would continue;

- ii. developing a current partnership approach within current parameters: maintaining the GMCA's current approach to partnership within the current deregulated market, utilising the 2000 Act and *Local Transport Act 2008*. This would mean developing the current VPA approach to deliver more benefits, potentially including taking advantage of the more flexible arrangements for 'Advanced Quality Partnerships' in the 2017 Act. These partnerships would deliver initiatives in specific areas and corridors;
- iii. a stronger partnership: maintaining many of the key features of the existing deregulated environment set out in the *Transport Act 1985*, but utilising provisions in current legislation (including the 2017 Act) to deliver a stronger partnership that would be able to deliver more benefits and greater longevity as an intervention. These include provisions for Enhanced Partnership which would allow the most extensive and strongest partnership to be formed;
- iv. Franchising: utilising new powers in the 2017 Act to use revenues to support payments to franchise operators. This would shift competition to for the market as the transport authority would specify services and seek bids to run services from private sector operators;
- v. an alternative franchising proposal, where the transport authority did not take revenue risk but supported specified services on a cost + basis;
- vi. a Quality Contract scheme: this would introduce a system similar to the franchised market via the provisions within the 2000 Act. This option has largely been superseded by the franchising provisions in the 2000 Act as amended.

12.1.4 The provisions that emerged in the 2017 Act mean that some options were ruled out. The provisions for Enhanced Partnerships provided a model for a stronger partnership and showed that a partnership could deliver more than previous versions. Whether or not the new provisions in the Act were to be used (and some aspects of a desirable partnership could be delivered through different governance models such as an Advanced Ticketing Scheme), this shows that taking a fresh approach and working with operators to see what an ambitious, strong, partnership could achieve would be the appropriate partnership approach.

- 12.1.5 As Quality Contracts offer a similar market framework to franchising, it would be appropriate to only take one of these options forward to a shortlist. The provisions in the 2017 Act on Franchising benefit from the experience of previous legislation and this offers a lasting market intervention that has a greater chance of success. Therefore, it would be appropriate to take franchising forward to the shortlist of options to be considered.
- 12.1.6 There are several potential variants of franchising that are apparent in different markets. They can vary in the extent to which the transport authority specifies services and whether the authority takes all or part of the revenue risk. The 2000 Act allows a mayoral transport authority to combine revenue streams and contract for the provision of bus services. While there are other models, notably in the rail franchising market, this model offers the authority more ability to make changes to the market to achieve its objectives (while taking concomitant risks). Models of franchising where the authority has less control would be likely to deliver outcomes closer to that of a partnership model. This means that this model of franchising will be considered in the appraisal process.
- 12.1.7 A 'hybrid' approach could also be put in place, using different interventions in different parts of Greater Manchester. For instance, Franchising could be introduced in part of the conurbation, potentially where the disadvantages of the current market are most acute. A partnership approach could be used for the remainder of the conurbation, to provide a level of consistency in services there and to try to define the relationship with the franchised services. This may have the effect of reducing the cost and risk of intervention in the bus market. However, this approach would mean introducing Franchising without gaining some of the key benefits in terms of the integration of the transport system – either in terms of fares or in terms of potential changes to the network.
- 12.1.8 The shortlisting of options took place in parallel with the legislative process. The publication of the Bus Services Bill showed that options previously considered (i.e. using BSOG as an incentive) were very unlikely to be supported by legislation, but also confirmed that franchising was likely to be possible and there would be a new form of partnership. A franchising scheme under the new Act was shortlisted as this looked to offer the greatest scope for reform. A quality contract scheme was discounted as it offered a similar market structure to franchising but would be time limited and offer less flexibility in terms of contracting. A new stronger partnership in Greater Manchester was shortlisted as an alternative option; it was assumed that this could take advantage of the new partnership provisions in the 2017 Act (an 'Enhanced



Partnership') but this was not confirmed as engagement with operators had not taken place.

12.1.9 This process led to a shortlist of:

- i. a 'Do minimum' option that would serve as a reference point for the other options and help to show whether any intervention was appropriate;
- ii. a franchising option covering the whole of Greater Manchester, the Franchising Scheme. This means that local bus services would be specified by TfGM who would contract with operators to provide the services, taking revenue risk; and,
- iii. two partnership options among operators and TfGM, potentially using the new partnership provisions within the Act. This is envisaged to contain commitments and have strong enough governance to deliver sustained benefits.

12.1.10 These options were chosen because they offer the most potential to effect real and long-lasting reform in the bus market in Manchester and to ensure that the whole of the Greater Manchester market is improved in line with the objectives set out in the Strategic Case of the Assessment. However, it is important to recognise that they would not be the only way in which intervention would support improvement in the performance of the bus market. Each of these options would be implemented in the context of the broader transport interventions set out in the 2040 Transport Strategy and the associated Draft Delivery Plan 2020-2025, which is set to be finalised later in 2019.

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