

Transport Select Committee: Impact of Coronavirus on Local Transport Transport for Greater Manchester (TfGM), June 2020

This written evidence supports and supplements the oral evidence of the Mayor of Greater Manchester to the Committee on 17 June.

Summary of Key Recommendations

1. Effective public transport is central to GM's recovery from coronavirus. To be effective, we must build back towards operational and financial stability across the transport sector. Government funding packages for Metrolink and bus expire on 3 August requiring an urgent need for clarity on the government's approach to funding from 4 August for this financial year and also for the next financial year. This is particularly pressing for Metrolink as, with the right support and the confidence to plan, GM's control over the network means it can be a powerful tool for GM's recovery.
2. The government is encouraged to work in a more joined-up way so that when financial support is issued to operators, how it will be used to best affect GM's recovery and ensure value for public money is hard-wired into any arrangement.
3. As well as supporting the supply of public transport, the government is encouraged to work with transport authorities to proactively manage demand and, with national interventions, bolster work being undertaken locally with employers and business groups¹.
4. Where appropriate, work to manage transport demand during this period of constrained public transport capacity should also be embedded into the government's long-term planning. GM encourages the government to expedite its consideration² of the case for local enforcement powers over Moving Traffic Offences, and urges it to work quickly with GM on policy innovations including side road zebra crossings.
5. GM urges the government to continue to plan for a long-term transport agenda and to ensure that the short-term work to manage ongoing disruption caused by coronavirus does not displace the ambition to 'level-up' the North through strategic infrastructure and effective day to day public transport. GM seeks to work proactively with the government on powers, funding and ways of working so that GM can 'Build Back Better' and ensure that an ambitious programme of transport and infrastructure reform and enhancement is central to delivering a fair, green and sustainable recovery.

Impact: Patronage & Finances

Covid-19 has had a profound impact on the numbers of people using all elements of transport in GM.

| | Bus (% change) | Metrolink (% change) | Rail (% change) | Cycling (% change) | Local Road Traffic (% change) |
|---|----------------|----------------------|-----------------|--------------------|-------------------------------|
| Maximum extent of impact during lockdown compared with pre-lockdown data | -95% | -95% | -97% | +100% | -70% |
| Range of change during lockdown compared with pre-lockdown data | -95% to -70% | -95% to -90% | -97% to -95% | -20% to +100% | -70% to -50% |
| Latest figures versus pre-lockdown data (at 21 June) | -62% | -80% | -90% | +20% | -45% |

As lockdown is relaxed, operators are being required to move towards 'normal' levels of service to meet the higher demand³ and so are incurring close-to 100% costs but with severe restrictions on farebox revenue due to social distancing. Government support is likely to be needed for at least the rest of the financial year. We want to work with the government now, not only to establish a more stable funding and operating regime for 2020/21, but also

¹ Safely Reopening GM: <https://togethergm.org/reopening>

² Confirmed by the minister in the House of Lords on 8 June: <https://bit.ly/2YwwN3Y>

³ Non-essential retail re-opened on 15 June. The impact on patronage/use that week compared to the week prior was: bus +20%; Metrolink +33%; rail +15%; highways +6%; cycling -14%

to start a practical dialogue about how GM and Government will together to deliver effective public transport in 2021/22.

Metrolink

Initially after lockdown, Metrolink was losing c.£6m per month in revenue. Longer-term, even with a gradual ramp-up to 50% of pre-Covid patronage, this may still result in a shortfall to the budget of in excess of £30m this financial year. Until Covid, Metrolink had never made an operating loss - unlike other national and local transport systems, it has never been a draw on government revenue until the Covid pandemic. The financial risk on Metrolink is borne by TfGM and, ultimately, the 10 districts. Analysis⁴ estimates that the impact on districts of coronavirus and the actions taken to manage it will be over £700m by the end of the current financial year and will create a total net deficit in local budgets of over £350m. The Impact will continue into the next financial year.

Bus

Bus operators have received funding directly from central government in order to run services, meaning TfGM have had limited opportunity to use its GM-wide network overview to help government ensure the best use of money in line with GM's overall transport needs.

Cycling, Walking and Road Space

With increased cycling and walking and the potential for busier roads as public transport continues to have severely restricted capacity (even under 'one-metre plus' social distancing), it is important that local authorities have the powers they need to manage road and pavement space, including to reallocate road space for active travel and over Moving Traffic Offences⁵. The GM Mayor has recently written to the transport secretary to set out GM's long-standing plans for side road zebra crossings to give parents, children and others more confidence to walk, including to get to school, and could be implemented cheaply and quickly - in time for the start of the new school year.

Longer Term

Given the disruption of coronavirus on transport operations and passenger attitudes, operators are likely to continue to face a challenging environment for the foreseeable future. A TfGM survey⁶ shows that half of workers who responded think, once travel restrictions ease, they will change their commute frequency; and half expect to work from home at least once a week. Only just over half of those who commuted 5+ days a week by Metrolink and half by rail pre-lockdown intend to travel the same way and with the same frequency.

GM wants to Build Back Better from coronavirus and public transport has a major role to play in this.

Mindful of the serious impact coronavirus has had, and will continue to have, on GM's bus sector, we want to work with the government to determine the best way forward on market reform and how best to use the powers held in the Act to ensure the role of bus is fully deployed in recovery, including in the form of the provision of support for a green bus fleet.

We are also committed to the long-term expansion of an integrated public transport and active travel network to support strategic economic recovery, as set out in the 2040 Transport Strategy and the GM Mayor's Our Network vision. Devolved reform of transport systems is crucial to this alongside long term devolved funding models, as signalled by Government in the March Budget Statement. Greater Manchester seeks earlier reinvigoration of that agenda as a central driver to Building Back Better, through a new five-year funding settlement for transport infrastructure.

⁴ <https://www.greatermanchester-ca.gov.uk/news/732m-cost-to-greater-manchester-local-government-from-coronavirus/>

⁵ Part 6 of the Traffic Management Act 2004

⁶ Of 14,701 workers surveyed carried out between 20 May – 1 June 2020