ITEM NO. 6

TRANSPORT FOR GREATER MANCHESTER COMMITTEE
REPORT FOR INFORMATION

Sub Committee: Bus Networks and TfGM Services
Date: 18 November 2016
Subject: Subsidised Bus Network Performance 2016/17 Mid-Year
Report of: Head of Bus

PURPOSE OF REPORT

To inform members of the performance of the subsidised bus network in 2016/17 Mid-Year (Sep 15 - Aug 16) period and draws comparison with the levels achieved in 2015/16.

RECOMMENDATIONS

Members are asked to note:

i) the subsidised bus network patronage for 2016/17 Mid-Year was 20.2million which represented 9.8% of the Greater Manchester bus market;

ii) the declared lost mileage (0.44%, 2016/17 Mid-Year) was within the industry minimum standard (0.5%);

iii) the high operational performance and environmental standards of the subsidised bus network; and

iv) the marked reduction (20.6%) in the number of contract breaches between the 2016/17 Mid-Year and 2015/16 financial period.

BACKGROUND DOCUMENTS

Subsidised Bus Network Performance 2015/16 08 July 2016

CONTACT OFFICERS

Howard Hartley 0161 244 1660 howard.hartley@tfgm.com
Steve Gilholme 0161 244 1675 steve.gilholme@tfgm.com
Rob Petch 0161 244 1159 rob.petch@tfgm.com
1. Introduction and Background

1.1 At the end of 2016/17 Mid-Year period (Aug 16), 81.6% of the bus network mileage in Greater Manchester was provided on a commercial basis by 21 operators. Transport for Greater Manchester (TfGM) subsidised the remaining 18.4% (10.1 million miles per annum) which focusses on areas of the network which are deemed socially necessary, but are not considered commercially viable by bus operators.

1.2 During Aug 16, the subsidised bus network consisted of 621 service contracts, 18 less than the equivalent month in 2015/16 (Aug 15, 639 contracts). The general (317; 51.0%) and school (286; 46.1%) contracts were provided by 23 operators, generating approximately 841,496 miles per month (Aug 16). Contracted mileage had declined by only (-1.2%) from its level in Aug 15 (851,572miles). Circa 48.3% (300) of the contracts were provided by Arriva, First Manchester, Manchester Community Transport and Stagecoach Manchester; covering 59.2% (498,528miles) of the subsidised network mileage. A detailed performance profile of the subsidised bus network is provided in Appendix A.

2. Subsidised Bus Network

Patronage

2.1 Developments in TfGM's ability to analyse electronic ticket machine data have led to the capability to track and report patronage at a network, operator and route level. This information is collated and analysed each month to identify trends and increase our understanding of passenger demand across the subsidised bus network.

2.2 Figure 1 presents the monthly patronage profile on subsidised bus services, along with the number of contracted journeys for the 2016/17 Mid-Year period.

2.3 Subsidised service patronage (including school and general services) for the 2016/17 Mid-Year period was 20.2m, generated from 1.34m journeys which was comparable with 2015/16 financial year. It is worth noting that the average number of passengers per journey had remained relatively static between 2015/16 (15.2) and 2016/17 Mid-Year (15.1). The subsidised service patronage demand represented approximately 9.8% of the overall bus market for Greater Manchester.

2.4 During 2016/17 Mid-Year period, the large sized operators, which included Stagecoach Manchester, First Manchester, Arriva and Manchester Community Transport accounted for 64.2% (13.0m) of the overall subsidised service patronage (20.2m); a reduction of 2.9% when compared to 2015/16. Both the absolute number and the share of overall
patronage carried by both medium sized operators (including South Lancs Travel, Rosso and Cumfy Bus) and small sized operators had increased to 4.9million (24.2%) and 2.3million (11.6%) respectively.

**Figure 1: Subsidised Service Patronage (2016/17 Mid-Year)**

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**School Patronage**

2.5 The school service patronage, which represented 23.6% of the overall subsidised bus demand, increased by 1.8% between 2016/17 Mid-Year (4.8million) and 2015/16 (4.7million). The number of contracted school journeys had remained stable, however average occupancy per journey had fractionally increased from 34.6 (2015/16) to 35.0 (2016/17 Mid-Year). It is worth noting that the small operators carried 39.1% (1.9million) of the school patronage, but only 3.1% (0.5million) of the general contract patronage. Figure 2 provides a breakdown of the subsidised service patronage by contract type and operator grouping.

**Figure 2: Subsidised Service Patronage**

<table>
<thead>
<tr>
<th>Category</th>
<th>2016/17 Mid-Year</th>
<th>% Change from 2015/16</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Service Contracts</td>
<td>4,777,039</td>
<td>23.6%</td>
<td>Improving</td>
</tr>
<tr>
<td>General Service Contracts</td>
<td>15,451,359</td>
<td>76.4%</td>
<td>Declining</td>
</tr>
<tr>
<td>Overall</td>
<td>20,228,398</td>
<td>100.0%</td>
<td>Stable</td>
</tr>
<tr>
<td>Large Operators</td>
<td>12,994,909</td>
<td>64.2%</td>
<td>Declining</td>
</tr>
<tr>
<td>Medium Operators</td>
<td>4,885,830</td>
<td>24.2%</td>
<td>Improving</td>
</tr>
<tr>
<td>Small Operators</td>
<td>2,347,659</td>
<td>11.6%</td>
<td>Improving</td>
</tr>
<tr>
<td>No. Journeys</td>
<td>1,342,578</td>
<td>0.84%</td>
<td>Declining</td>
</tr>
<tr>
<td>Passengers per Journey</td>
<td>15.1</td>
<td>-0.81%</td>
<td>Stable</td>
</tr>
</tbody>
</table>
Operational Performance

2.6 The operational performance of the subsidised bus network was determined through the in-house Punctuality Reliability Monitoring System (PRMS) and is outlined in Figure 3. For the 2016/17 Mid-Year period, both service reliability and start point punctuality had remained stable at 98.5% and 90.9% respectively. However, mid-point punctuality has fractionally declined to 82.3%, but it is worth noting this level of performance is over twelve percentage points above the Traffic Commissioner’s minimum standard (70%). The standards of the subsidised bus fleet within Greater Manchester remains high with 77.4% of the bus fleet Euro VI or better and an average fleet age of 7.6 years.

Figure 3: Subsidised Network Performance 2016/17 Mid-Year

<table>
<thead>
<tr>
<th>Measure</th>
<th>No. Obs.</th>
<th>2016/17 Mid-Year</th>
<th>Change from 2015/16</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled Service Performance (last 12 months)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability</td>
<td>17,445</td>
<td>98.5%</td>
<td>-0.09%</td>
<td>Stable</td>
</tr>
<tr>
<td>Start Point Punctuality</td>
<td>13,540</td>
<td>90.9%</td>
<td>0.00%</td>
<td>Stable</td>
</tr>
<tr>
<td>Mid-Point Punctuality</td>
<td>3,905</td>
<td>82.3%</td>
<td>-1.39%</td>
<td>Declining</td>
</tr>
<tr>
<td>Overall Punctuality</td>
<td>17,445</td>
<td>86.6%</td>
<td>-0.69%</td>
<td>Declining</td>
</tr>
<tr>
<td>Vehicle Quality (most recent quarter)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Euro IV</td>
<td>4,891</td>
<td>77.4%</td>
<td>-0.12%</td>
<td>Stable</td>
</tr>
<tr>
<td>Hybrid Diesel</td>
<td></td>
<td>24.2%</td>
<td>-0.86%</td>
<td>Declining</td>
</tr>
<tr>
<td>Low Floor</td>
<td></td>
<td>100.0%</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Age (av.)</td>
<td>7.6</td>
<td>0.38</td>
<td></td>
<td>Stable</td>
</tr>
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</table>

2.7 Tendered contract performance is reviewed during regular performance meetings with operators and where areas of concern are identified, the causes of these are reviewed and appropriate action identified as appropriate either by the operator or by TfGM if the issue relates to timetabling or scheduling. The degree of detail that can be produced is similar to that shown in Appendix A.

Customer Comments

2.8 For the 2016/17 Mid-Year period, a total of 299 subsidised bus service comments, which were considered to be in the operators’ control, were received by TfGM. The level of comments/complaints was down from the number received in 2015/16 (348) and equated to 0.01 complaints per 1,000 passenger journeys. The quality of service provided by the tendered operators was the principal category of complaint/comment (62.9%, 188),
followed by staff related issues (30.8%, 92). It is also worth noting that the subsidised bus complaints represented 14.9% of all (i.e. bus and demand responsive transport) customer complaints/comments received by TfGM.

2.9 Figure 4 outlines the monthly trend in customer complaints/comments during 2016/17 Mid-Year period.

**Figure 4: Subsidised Bus Network - Customer Comments (2016/17 Mid-Year).**

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**Declared Lost Mileage**

2.10 Operators are contractually obliged to declare any lost mileage that occurred on TfGM contracts each month and these declarations are subsequently verified through analysis of their electronic ticket machine data. The proportion of declared lost mileage incurred on the subsidised service network during 2016/17 Mid-Year period, broken down by the principal causes, is presented in Figure 5 and Figure 6 overleaf.

2.11 For the current twelve month period, the declared lost mileage was 44,870 miles, which represented 0.44% of the subsidised schedule mileage. The declaration is an increase on the equivalent figure for 2015/16 (42,645 miles; 0.41%), however it continues to operate within the industry limit (0.5%). The individual monthly declarations were also within the desired threshold for nine of the twelve months; exceptions were Nov 15 (0.63%), Jan 16 (0.52%) and May 16 (0.63%). The latter was a consequence of the industrial action undertaken on the 24th May 16.
2.12 The principal causes of the declared lost mileage during 2016/17 Mid-Year period, as identified by the operators, were related to traffic congestion and enforcement (15,195 miles; 33.8%) and vehicle breakdowns (13,721 miles; 30.6%). Staff issues accounted for 9.0% (4,037 miles) of the declared lost mileage.

Figure 5: Subsidised Bus Network - Declared Lost Mileage

<table>
<thead>
<tr>
<th>Category</th>
<th>Declare Lost Mileage (2016/17 Mid-Year)</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mileage</td>
<td>% of Schedule Mileage</td>
</tr>
<tr>
<td>Large Operators</td>
<td>26,823</td>
<td>0.44%</td>
</tr>
<tr>
<td>Medium Operators</td>
<td>16,951</td>
<td>0.50%</td>
</tr>
<tr>
<td>Small Operators</td>
<td>1,095</td>
<td>0.15%</td>
</tr>
<tr>
<td>Overall</td>
<td>44,870</td>
<td>0.44%</td>
</tr>
</tbody>
</table>

Contract Breaches

2.13 Contract breaches are reported failures to deliver a subsidised service in accordance with the contract specification and will culminate in a financial deduction being made from the operator’s monthly payment. The level of financial penalty is dependent on the number and composition of breach types. Figure 7 overleaf shows the number of contract breaches by type between Sept 15 and Aug 16.
2.14 During 2016/17 Mid-Year period, there were 1,674 confirmed contract breaches (Figure 8) which represented a marked improvement (435; 20.6%) on the equivalent figure for 2015/16 (2,109). The level of breaches in 2016/17 Mid-Year equated to 0.02 and 0.20 breaches per mile and per contract respectively. Timekeeping and operational breaches continued to be the main category of breaches (79.1%; 1,324). The reduction in the breach total was partly a reflection of the improved contract management processes which continue to provide a larger amount of more consistent data in terms of performance monitoring.

**Figure 8: Subsidised Bus Network - Contract Breaches**

<table>
<thead>
<tr>
<th>Category</th>
<th>2016/17 Mid-Year No. Breaches</th>
<th>% Breaches</th>
<th>% Change (2015/16)</th>
<th>Trend</th>
<th>% Market Share (Mileage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Operators</td>
<td>953</td>
<td>56.9%</td>
<td>-18.8%</td>
<td>Improving</td>
<td>59.5%</td>
</tr>
<tr>
<td>Medium Operators</td>
<td>657</td>
<td>39.2%</td>
<td>-13.4%</td>
<td>Improving</td>
<td>33.2%</td>
</tr>
<tr>
<td>Small Operators</td>
<td>64</td>
<td>3.8%</td>
<td>-63.6%</td>
<td>Improving</td>
<td>7.2%</td>
</tr>
<tr>
<td>Driver Related</td>
<td>257</td>
<td>15.4%</td>
<td>-22.1%</td>
<td>Improving</td>
<td>-</td>
</tr>
<tr>
<td>Timekeeping &amp; Operational</td>
<td>1,324</td>
<td>79.1%</td>
<td>-17.0%</td>
<td>Improving</td>
<td>-</td>
</tr>
<tr>
<td>Vehicle Related</td>
<td>93</td>
<td>5.6%</td>
<td>-49.2%</td>
<td>Improving</td>
<td>-</td>
</tr>
<tr>
<td>Overall</td>
<td>1,674</td>
<td>100.0%</td>
<td>-20.6%</td>
<td>Improving</td>
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</table>
Deductions from Operator Payments

2.15 Contract deductions for the 2016/17 Mid-Year period amounted to £182,971 representing 0.68% of the total operator payment (£27.1million); fractionally higher than the proportion deducted during 2015/16 (0.51%; £186,904). The majority of the deduction (81.0%) was associated with the lost mileage declared through the operators’ Electronic Ticket Machine (ETM) submissions. It is worth noting that the ‘large’ sized operators, collectively have a disproportionately high proportion of the network level deductions (67.9%) when compared with their respective shares of operator payments (54.7%) and subsidised network mileage (59.5%). Figure 9 presents the monthly network deduction profile broken down by Large, Medium and Small operator groupings.

Figure 9: Subsidised Bus Network - Operator Deductions (2016/17 Mid-Year)

3. Recommendations

3.1 See front sheet for recommendations

Howard Hartley

Head of Bus
### Operational Performance - All Services (Aug-15-Aug-16)

#### Performance Measures

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<tbody>
<tr>
<td>Start Point Punctuality</td>
<td>92.1%</td>
<td>90.3%</td>
<td>91.3%</td>
<td>90.6%</td>
<td>90.8%</td>
<td>90.9%</td>
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<tr>
<td>General Service PAX</td>
<td>89.6%</td>
<td>89.4%</td>
<td>89.4%</td>
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<td>89.4%</td>
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<tr>
<td>Local Link Services PAX</td>
<td>89.6%</td>
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<tr>
<td>Commercial Service PAX</td>
<td>89.6%</td>
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#### Number of Proportion of Contracts with Declared Lost Mileage

<table>
<thead>
<tr>
<th>Contract with No Lost Mileage (%)</th>
<th>Aug-16</th>
<th>Sep-15-Aug-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Contracts</td>
<td>699</td>
<td>831,572</td>
</tr>
<tr>
<td>Declared Lost Mileage (mi)</td>
<td>2,683</td>
<td>864,847</td>
</tr>
<tr>
<td>Undeclared Lost Mileage (mi)</td>
<td>52</td>
<td>864,847</td>
</tr>
<tr>
<td>Lost Mileage (%)</td>
<td>0.01%</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

#### Number of Proportion of Contracts Breaches

<table>
<thead>
<tr>
<th>No. of Breaches</th>
<th>Aug-16</th>
<th>Sep-15-Aug-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Breaches</td>
<td>166</td>
<td>22</td>
</tr>
</tbody>
</table>

#### Performance Graphs / Tables

1. **Declared Lost Mileage (%)**
   - Aug-15: 92.5%
   - Sep-15-Aug-16: 88.9%

2. **Customer Complaints (within Operator Control)**
   - Aug-15: 92.5%
   - Sep-15-Aug-16: 88.9%

3. **Commercial Services**
   - Aug-15: 92.5%
   - Sep-15-Aug-16: 88.9%

4. **Subsidised Service Patronage**
   - Aug-15: 92.5%
   - Sep-15-Aug-16: 88.9%

---

### Performance Graphs / Tables

#### Subsidised Service Patronage (Aug-15-Aug-16)

- **Performance Measure**
  - Aug-15: 92.5%
  - Sep-15-Aug-16: 88.9%

#### Commercial Services (Aug-15-Aug-16)

- **Performance Measure**
  - Aug-15: 92.5%
  - Sep-15-Aug-16: 88.9%

#### Local Link Services (Aug-15-Aug-16)

- **Performance Measure**
  - Aug-15: 92.5%
  - Sep-15-Aug-16: 88.9%

---

### Performance Graphs / Tables

####Declared Lost Mileage (mi)

- Aug-15: 2,683
- Sep-15-Aug-16: 864,847

####Undeclared Lost Mileage (mi)

- Aug-15: 52
- Sep-15-Aug-16: 864,847

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### Performance Graphs / Tables

####Number of Proportion of Contracts with Declared Lost Mileage

<table>
<thead>
<tr>
<th>Contract with No Lost Mileage (%)</th>
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<td>Undeclared Lost Mileage (mi)</td>
<td>52</td>
<td>864,847</td>
</tr>
<tr>
<td>Lost Mileage (%)</td>
<td>0.01%</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

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### Performance Graphs / Tables

####Customer Complaints (within Operator Control)

- Aug-15: 92.5%
- Sep-15-Aug-16: 88.9%

####Commercial Services

- Aug-15: 92.5%
- Sep-15-Aug-16: 88.9%

####Subsidised Service Patronage

- Aug-15: 92.5%
- Sep-15-Aug-16: 88.9%

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### Performance Graphs / Tables

####Operational Performance - All Services (Aug-15-Aug-16)

- **Performance Measure**
  - Aug-15: 92.5%
  - Sep-15-Aug-16: 88.9%

####Number of Proportion of Contracts with Declared Lost Mileage

<table>
<thead>
<tr>
<th>No. of Breaches</th>
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### Performance Graphs / Tables

####Declared Lost Mileage (mi)

- Aug-15: 2,683
- Sep-15-Aug-16: 864,847

####Undeclared Lost Mileage (mi)

- Aug-15: 52
- Sep-15-Aug-16: 864,847

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### Performance Graphs / Tables

####Customer Complaints (within Operator Control)

- Aug-15: 92.5%
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####Commercial Services

- Aug-15: 92.5%
- Sep-15-Aug-16: 88.9%

####Subsidised Service Patronage

- Aug-15: 92.5%
- Sep-15-Aug-16: 88.9%

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### Performance Graphs / Tables

####Operational Performance - All Services (Aug-15-Aug-16)

- **Performance Measure**
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### Performance Graphs / Tables

####Customer Complaints (within Operator Control)

- Aug-15: 92.5%
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####Commercial Services

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####Subsidised Service Patronage

- Aug-15: 92.5%
- Sep-15-Aug-16: 88.9%

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### Performance Graphs / Tables

####Operational Performance - All Services (Aug-15-Aug-16)

- **Performance Measure**
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