

TRANSPORT FOR GREATER MANCHESTER COMMITTEE REPORT FOR INFORMATION

Date: 13 July 2018

Subject: Introduction of a zonal fare structure on the Metrolink network

Report of: Customer Director

PURPOSE OF REPORT

This report details a proposal by the Mayor of Greater Manchester and TfGM to introduce a zonal fare structure on the Metrolink network in early 2019. Subsequent to the May 2018 report to the GMCA that was reported for information to the Committee on 15 June 2018, this report summarises the proposal and sets out the results of a public engagement exercise.

RECOMMENDATIONS

Members are asked to:

- (i) note the summary of the proposal, as reported to GMCA in May 2018;
- (ii) note the approach to the public engagement exercise that ran between 1 June and 17 June, the response rate and the wider level of engagement undertaken; and
- (iii) note the results of the public engagement exercise.

BACKGROUND DOCUMENTS

Report to GMCA 29 September 2017.

Report to GMCA 25 May 2018.

Report to the TfGMC 15 June 2018.

CONTACT OFFICERS

Stephen Rhodes	0161 244 1092	Stephen.Rhodes@tfgm.com
Gareth Turner	0161 244 1119	Gareth.Turner@tfgm.com

1. Introduction and Background

- 1.1 The introduction of a zonal fare structure on the Metrolink network provides an opportunity to simplify the fares and ticketing offer for Metrolink customers in early 2019; to take advantage of the next iterations of smart ticketing; and to enhance the customer offer in line with the 2040 Transport Strategy objectives for fares and ticketing. Similar zonal fare systems are widely used in the operation of tram and light rail systems around the world.
- 1.2 The proposal would facilitate greater transparency of fares and allow the removal of historic anomalies in the current fare structure across Greater Manchester. It would also provide a simpler and more attractive customer offer, and address comments raised by Leaders when approving the January 2018 Metrolink fare changes at the GMCA meeting of 29 September 2017.

2. Proposal Summary

- 2.1 The proposal introduces four concentric, ringed fare zones and is largely designed around the existing underlying fare bands, which have been introduced incrementally and in response to local factors as the Metrolink network has expanded. Illustrative and geographical maps of the proposed zones are included at Appendix 1.
- 2.2 As the Metrolink network has expanded, a number of factors have been taken into account to ensure that fares across Greater Manchester provide comparable value for money. These factors include both distance and journey time, such that fares are based on relative 'journey quality' rather than any one deciding factor.
- 2.3 The proposal does not change the underlying factors which have determined fares to date. However, by introducing concentric, ringed zones and harmonising fares across the region, the proposal achieves a significant simplification of the current fare structure, as well as offering other customer benefits, including enhanced value for money.
- 2.4 In the proposal, fares are calculated based on the number of zones a trip passes through, with each zone only counted once. For example, a trip from Manchester Airport to Bury would be calculated as a four-zone fare, rather than an alternative option that charges for every zonal boundary crossed, which would result in higher fares for cross-city journeys.
- 2.5 The proposed zonal fare structure would apply to all existing and future ticketing and payment channels on the Metrolink network, including contactless payment, paper tickets, 'get me there' mobile app ticketing and ITSO smart card.

- 2.6 An Equality Impact Assessment (EQIA) has been undertaken to ensure that the proposal does not unlawfully discriminate against any of the protected characteristics. The assessment demonstrates that the proposal has a positive overall impact as a result of simplifying the approach to fares and ticketing, and by ensuring a more consistent approach to pricing across zones.

3. Public Engagement Approach

- 3.1 The objectives of the public engagement exercise were to highlight the rationale and benefits of the proposed changes; to share the specific geography and zones proposed; and to seek public views on the proposed zonal fare structure that will be incorporated into the final design (as far as is possible), while still mitigating the financial and operational risks related to the proposal.
- 3.2 An online survey was used to seek public views on the proposal through informal, 'open conversation' style activity. The survey questions were designed to capture feedback on the convenience, simplicity and value for money proposition of the proposal, relative to the current fares system, by combining closed questions with open text fields for comment.
- 3.3 The survey was supported by a dedicated web page (tfgm.com/zonal) that provided further detail on the proposal, including fares detail and maps illustrating the proposed zones. The web page was designed to encourage respondents to review the supporting information prior to submitting their responses. Links for further background were provided, as were contact details for anyone with a query or requiring additional information.
- 3.4 The survey was live for over two weeks, launching on Friday 1 June (the week following GMCA approval of the proposal in principle) and ending at midnight on 17 June, to provide people with a reasonable period to hear about the proposal, alongside wider considerations linked to the development and introduction of contactless payment on the Metrolink network; and to have the opportunity to respond.
- 3.5 Awareness of the public engagement exercise was raised using an integrated approach across owned, earned and paid media channels. A press release was issued at the launch of the survey (in addition to the press release issued with the May GMCA paper); posters on each of the 93 Metrolink stops were used to target Metrolink users; and social media activity resulted in the majority of traffic to the survey landing page and conversion to responses.
- 3.6 In addition to the public engagement exercise, TfGM have engaged with Leaders, Members and officers to discuss the policy aims and expected customer benefits of the proposal, and to discuss the local impacts of the proposal on individual Districts.

4. Survey Outputs

- 4.1 A total of 4,981 completed survey responses were received. Additionally, there were 1,369 'partial' responses (those started but not submitted). While the total number of responses is the key indicator of the level of interest in the survey, awareness of the proposal has also been tracked by monitoring the number of visits to the web page during the survey period (23,000), as well as the reach of activity on some of the key channels that helped to drive traffic to the web page. The awareness campaign generated 139,020 impressions on Twitter (i.e. the number of times our Twitter content has been seen), and a reach (i.e. the number of people who have seen the zonal content on Facebook) of 224,521 on Facebook.
- 4.2 The response to the public engagement exercise was dictated by the level of interest in Metrolink; 99% of respondents had used Metrolink in the previous year. The vast majority of respondents had an awareness of zonal fares outside Greater Manchester and lived close to tram routes. Compared to the Transport Focus annual Tram Passenger Survey respondent profile, the Metrolink Zonal survey had a younger age profile (over half of respondents were aged between 25 and 44) and a higher percentage of male respondents (52% male, compared to 44% female).
- 4.3 The numeric data from the responses has been analysed to identify any statistically significant differences in responses from different demographic groups, respondents using stops in each of the four proposed zones, respondents using each of the Metrolink lines, and those respondents who are using stops which are on the boundaries of the proposed zones. Where respondents chose to give comments, they have been thematically coded to allow meaningful analysis and to identify prevalent topics.

Ease of understanding

- 4.4 As noted in the report to the GMCA in May 2018, "the proposal achieves a significant simplification of the current fare structure, reducing the number of fares available per product from 8,556 (the number of point-to-point combinations) to just ten."
- 4.5 The survey asked: "Have you ever used zonal fares in another town or city?" and "How easy or difficult is it to understand the proposed zonal fares?"
- 4.6 The majority of respondents had previously used, or were aware of, zonal fare systems in other locations and 73% said that they thought the proposal is easy to understand.
- 4.7 Those respondents who said that they found the proposal difficult to understand tended to live in the outer zones or on the border between two zones. In particular, there was some confusion / misunderstanding about

how fares would be calculated based on travelling in certain zones and in which zones 'boundary stops' would be located.

- 4.8 From the survey it is evident that, although the response in relation to 'ease of understanding' was generally positive, there is a need for further clarification regarding how fares are calculated and what tickets are required to permit travel within certain zones. If the proposal is approved, this will be managed by a communications campaign prior to the introduction of the new fare system, and a managed transition period including both assisted (e.g. staff to guide customers through the purchasing process on stop) and self-serviced (e.g. website guides) methods.

Convenience of zonal fares and impact on Metrolink use

- 4.9 As noted in the report to the GMCA in May 2018, "the proposal makes using Metrolink more flexible and convenient for customers by converting the current fares, which only allow travel between two points on the network, into zonal fares which allow travel anywhere on the network within the selected combination of zones."
- 4.10 The survey asked: "To what extent do you think that the proposed zonal fares would make using Metrolink more or less convenient than the current fares system?" and "Do you think the new zonal fares would encourage you to make more of fewer journeys using Metrolink than you do now?"
- 4.11 Over half of respondents thought the proposed zonal fares would make using Metrolink more convenient than the current fares system. Those living in Zone 1 and Zone 2 were the most likely to feel that the proposed zonal fares would be more convenient than the current system. However, those living further away from Manchester City Centre, in Zones 3 and 4, were more likely to feel that the proposed zonal fares would be less convenient.
- 4.12 Amongst respondents who felt that the proposals would make using Metrolink less convenient, the reason given most frequently was that it would mean more expensive journeys. This has been addressed below in the section that considers the responses relating to the perceived value for money of zonal fares.
- 4.13 Half of the respondents did not feel that the proposed changes would make any difference to the number of journeys they make using Metrolink. However, almost a third said they would make more journeys and a fifth said they would make fewer journeys.
- 4.14 Respondents who said they would travel more as a result of the proposal also said they would mainly do so at evenings and weekends. Meanwhile, those who said they would travel less stated they would mainly reduce their morning peak trips. The responses seem to be proportionate to the

absolute price of fares, with those living in the outer zones being more likely to say they would use Metrolink less under the zonal fare system.

- 4.15 Demographic analysis by location against Acorn data shows that those living in more affluent areas (i.e. those areas with Rising Prosperity) were more likely to say they would use Metrolink more often with the introduction of zonal fares, as too were those at the opposite end of the scale (i.e. those living in Urban Adversity).
- 4.16 These responses support the policy goals of the proposal, reported to the GMCA in May 2018, “to improve social inclusivity across Greater Manchester by making Metrolink more accessible to residents and to increase use of public transport and encourage modal shift to more sustainable travel modes with the associated benefits for congestion and air quality.”

Perceived value for money of zonal fares

- 4.17 The survey asked: “Do you think the proposed zonal fares would make using Metrolink better or worse value for money than currently?” The responses to this question were relatively more polarised, with 42% feeling they would provide better value for money than the current system and 37% feeling they provided worse value for money.
- 4.18 It is evident from analysis of open comments that respondents have not considered the proposal within the context of the fare increase (of RPI+1%+1.33%) that was approved by the GMCA in September 2017 and will be applied in early 2019 irrespective of the zonal proposal. This information, including the reference to the GMCA decision in September 2017, was made available on tfgm.com/zonal during the engagement exercise but it does not appear to have been to have been fully understood and/or considered by those who have responded.
- 4.19 It is important to note that 78.5% of the proposed zonal fares are lower than the assumed 2019 non-zonal fares, while 10% of fares are the same and 11.5% of fares are higher. The extra flexibility of zonal fares is being offered without the introduction of a price premium in excess of the aforementioned fare increase, and as a result, the proposed fares will offer better value for money than the current fare structure in the majority of cases.
- 4.20 It was apparent from the survey response that there is a general view that Metrolink fares do not represent good value for money. Metrolink is operated without public subsidy, and consequently its revenues must cover the costs of running the network as well as the costs of borrowing used to develop the network. Compared to revenue modelling using the current fare structure, the proposal (before any assumptions about additional generated trips and associated revenues) puts c.3% (c. £2 million) of

forecast revenue at risk in 2019. This is a result of harmonising different fares within the new zones to the lowest current price point, as detailed in the May 2018 report to the GMCA.

Other Comments

- 4.21 At the end of the questionnaire, respondents were offered the opportunity to provide any other comments they might have. Many re-iterated their responses to previous questions, but other comments mainly related to commonly raised issues, including: better integration of the public transport system; network capacity; then introduction of contactless payment; and fare evasion. These comments have been passed on to the relevant functions within TfGM for further consideration

5. Recommendations

- 5.1 Recommendations are set out at the front of this report.

Stephen Rhodes

Customer Director, TfGM