

**Manchester City Council
Report for Resolution**

Report To: Executive – 14 November 2018

Subject: Funding towards City Centre Free Bus (Metroshuttle) Costs

Report of: City Treasurer and the City Solicitor

Summary.

Metroshuttle is the free- to-user city centre bus network. Since its introduction in September 2002 it has been a popular addition to the city centre’s transport network and has been copied both within Greater Manchester and by other cities. In the last year it carried 1.33 million passengers.

The previous contract has operated for eight years and, due to its popularity, has been extended a number of times during that period. Transport for Greater Manchester have now undertaken a procurement exercise for the contract’s renewal.

This report details the contract renewal process and seeks approval for the City Council continued annual financial contribution to Transport for Greater Manchester towards the total costs of the City Centre Free Bus service.

Recommendations

The Executive is recommended to:

1. Delegate authority to the City Treasurer and City Solicitor, in consultation with the Executive Member for the Finance and Human Resources, to finalise and agree the detailed terms of the funding agreement with Transport for Greater Manchester (TFGM).
 2. Authorise the City Solicitor to enter into, and agree and complete on behalf of the Council all the necessary legal documentation giving effect to the above.
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Wards Affected: Deansgate and Piccadilly

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The service contributes to the economic success of the city by providing an attractive and easy to use network of free bus services for residents, workers and visitors to the city centre. By connecting the main stations with key business, retail and entertainment facilities the service helps to support the city’s economy.

A highly skilled city: world class and home grown talent sustaining the city's economic success	Accessibility to the transport network is key to local residents being able to connect to education, training and jobs and the service assists with the achievement of these objectives.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	An affordable and accessible transport system helps to provide access to a wide range of employment and other opportunities. By providing good and effective connections across the city centre Metroshuttle assists with the achievement of this objective.
A liveable and low carbon city: a destination of choice to live, visit and work	Metroshuttle services in the city centre support residents in the central wards and others who travel to the city centre who choose not to own a car or, if they do, to use it less. The Metroshuttle fleet uses energy efficient vehicles.
A connected city: world class infrastructure and connectivity to drive growth	Metroshuttle services are free to use, linking city centre stations with other key destinations of the growing city centre. Being free to use they help to increase connectivity within the city centre and benefit the local economy.

Environmental and Climate Change Impacts

The service will use electric vehicles provided by TfGM (3 electric and 7 low carbon diesel electric hybrid buses). The service provides connections between the city's main rail terminals and other city centre destinations and adds to the overall attractiveness of the public transport system in the city.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The current funding contribution towards the annual costs of the Metroshuttle is £877k, following the conclusion of the procurement exercise, and the enhancement to the service through introducing an evening service and widening the service to include Salford, the proportion of costs that Manchester will be required to pay is £882k per annum.

Due to the proposed changes to the service there have been some initial one off costs in respect of changes to the Route infrastructure and marketing costs. The initial costs total c£91k, and Manchester will be asked to contribute an additional

£21k as a one off contribution towards TFGM set up costs in the current financial year.

The costs of the Metroshuttle are funded by draw down of funds from the Bus Lane reserve.

Financial Consequences – Capital

There are no capital consequences as a result of the proposals in this report.

Contact Officers:

Name: Carol Culley
Position: City Treasurer
Telephone: 0161 234 3030
E-mail: c.culley@manchester.gov.uk

Name: Fiona Leddon
Position: City Solicitor
Telephone: 0161 234 3087
E-mail: f.leddon@manchester.gov.uk

Name: Richard Elliott
Position: Head of City Policy
Telephone: 0161 219 6494
E-mail: r.elliott@manchester.gov.uk

Name: Paul Hindle
Position: Head of Finance
Telephone: 0161 234 3025
E-mail: p.hindle@manchester.gov.uk

1 Introduction

- 1.1 Metroshuttle, the free-to-use city centre bus network, has been one of Manchester's transport success stories since its introduction in September 2002 when it replaced the previous Centreline operation. It has since been copied both across Greater Manchester and in other cities. The routes connect the city's main rail stations to the main commercial areas in the heart of the city centre and also provide connections to some of the city's key visitor attractions, and retail destinations. Passenger numbers have grown significantly since Metroshuttle's commencement, to 1.33 million journeys last year. Patronage declined during the period of significant city centre disruption associated with the completion of the second city Metrolink crossing and Cross City bus schemes. The more extensive city centre Metrolink network has also had impact. However the service remains very popular with those that use it and now that the major work is complete there is the opportunity to re - launch the service and plan on a more stable basis.
- 1.2 The service is an important component in encouraging people to use public transport rather than cars, bringing them closer to their intended destination. It also contributes to a reduction in carbon emissions and uses a combination of fully electric and diesel - electric hybrid vehicles that meet the strictest current emission standards. These buses were procured by TfGM with the assistance of Department for Transport (DfT) green bus funding.
- 1.3 For many visitors Metroshuttle services provide a first point of contact with the city, requirements are included in the contract that places greater emphasis on service quality and provision than is usually the case. These additional measures include:
- Ensuring only drivers with the right skills and attitude are selected and are provided with appropriate service training;
 - Improved levels of supervision and more robust measures to remedy any issues that may arise, particularly during times of peak demand; and
 - Introduction of targets and standards for customer satisfaction.
 - Extending operating hours

2.0 Current Position

- 2.1 TfGM's contract for provision of the existing Metroshuttle expired in October 2018 and following a full OJEU (open procedure) procurement exercise they are looking to award a new contract to continue provision of the service. Metroshuttle is delivered through a partnership between the Council and Transport for Greater Manchester. The proposed annual cost of operating the enhanced service is £1.815m, of which the Council's contribution is £0.882m per annum. This is funded from the ring fenced bus lane surplus.

3.0 New Contract Terms

- 3.1 TfGM intends to relaunch the service to take account of revised routes that will complement the operation of Metrolink across the city centre, but still maintaining connections to major destinations in the city centre.
- 3.2 Under the terms of the proposed renewed contract the service will now operate two routes, rather than three that are currently in operation.
- 3.3 The two routes, both commencing from Piccadilly Station and reaching the most popular trip attractors, whilst maintaining a 10 minute frequency are as detailed below:
- 3.4 Service 1: Largely maintains the current Service 3 route, operating through the centre of the city's shopping district through to Spinningfields, Peter Street and Manchester Central and an amended route, returning from Spinningfields to Piccadilly Station.
- 3.5 Service 2: Combines the routes of the current Services 1 and 2 and operating in a clockwise direction via Victoria Station, removing duplication on the service itself and the Metrolink network, operating via Whitworth Street to retain links to Oxford Road and Deansgate Rail Stations.
- 3.6 Service 2 will also extend to Salford Central Station during peak hours, with a 50% funding contribution for this element of cost from Salford City Council.
- 3.7 The operational hours of both routes are extended to offer a later evening service on Monday to Saturday, with the last departure times being extended from approximately 19:00 to approximately 22:00.

A plan showing the new routes is attached at Figure 1

4 Vehicles and re-branding

- 4.1 The revised two-route service will reduce the peak vehicle requirement from 17 (plus 3 spares) to 10 (plus 3 spares). The remaining 7 vehicles will be cascaded onto the general network to operate on tendered services, which will deliver savings over time. All vehicles will be subject to refurbishment, for use on the city centre service or for wider redeployment.
- 4.2 A new service branding is planned to be introduced as part of this refurbishment work, in readiness for the contract renewal, in order to relaunch the service. To simplify the concept, in particular, for visitors to the city, it is proposed that the service be renamed 'Free bus: around the city'. At the same time, to enhance the local nature of the services and to inject some individualism and personality, each of the 13 buses will display a fact or quote about Manchester on the side windows.
- 4.3 The vehicles will be non-route specific in order to improve resilience and allow use of the fleet interchangeably across both services. The proposed new livery is designed to be a break from the current Metroshuttle fleet and an attractive addition to the city centre streets. Consideration has been made for cost-

effective practicality as well as being suitable for advertisers (i.e. not too distracting). Work is on-going to sell advertising space and explore the possibility for rear wraps on a number of the vehicles on the run-up to Christmas.

- 4.4 The re-launch of the service also requires an update to the route infrastructure across the city centre.

5.0 Conclusion

- 5.1 The service brings many positive benefits to the city, and its popularity is demonstrated in the continued usage of the service. It plays a significant role in helping visitors navigate the city centre, and encouraging commuters to leave their cars at home, by providing almost end to end public transport connections.

6.0 Contributing to the Manchester Strategy

(a) A thriving and sustainable city

- 6.1 The service contributes to the economic success of the city by providing an attractive and easy to use network of free bus services for residents, workers and visitors to the city centre. By connecting the main stations with key business, retail and entertainment facilities the service helps to support the city's economy.

(b) A highly skilled city

- 6.2 Accessibility to the transport network is key to local residents being able to connect to education, training and jobs and Metroshuttle assists with the achievement of these objectives.

(c) A progressive and equitable city

- 6.3 An affordable and accessible transport system helps to provide access to a wide range of employment and other opportunities. By providing good and effective connections across the city centre assists with the achievement of this objective.

(d) A liveable and low carbon city

- 6.4 The services in the city centre support residents in the central wards and others who travel to the city centre who choose not to own a car or, if they do, to use it less. The Metroshuttle fleet uses a combination of electric and electric/diesel hybrid vehicles.

(e) A connected city

- 6.5 The service will help improve connectivity across the City Centre. The services provide free services linking city centre stations with other parts of the growing

city centre. Being free to use they help to increase connectivity within the city centre and benefit the local economy.

7.0 Key Policies and Considerations

(a) Equal Opportunities

- 7.1 The fleet uses accessible vehicles and drivers are trained to ensure that the service is operated in a way that takes account of the needs of people with disabilities.

(b) Risk Management

- 7.2 Project risks and appropriate mitigations are addressed within the body of this report.

(c) Legal Considerations

- 7.3 The City Council and TfGM have previously entered into a funding agreement providing for the City Council's grant funding contribution and a renewal of this funding agreement on similar terms has been proposed and is currently being considered and finalised. The funding agreement will allow for termination on giving relevant notice.

Free bus

Route proposal including Salford



Figure 1