

Report to: Transport Committee

Date: 3 July 2020

Subject: **COVID-19 Impacts and Recovery**

Director: Dave Pearson, Director Transport & Property Services

Author: Dave Pearson, Director Transport & Property Services, Liz Hunter
Head of Transport Policy, Richard Crabtree Rail Development
Manager

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

1 Purpose Of Report

- 1.1 To provide the Transport Committee with an update on current issues relating to the impacts of COVID-19 on transport operations and proposals for the recovery.
- 1.2 To set out the proposed priorities and objectives of a Transport Recovery Plan.

2 Information

Combined Authority impacts and recovery

Current Public Transport Provision

- 2.1 Following the Prime Minister's announcement on 10 May, steps were taken to restore bus to support Step 2 of the Government's recovery roadmap which occurred on 1 June. Around 75% of services are now operating, with some bus routes restored to normal frequencies between 0700 and 1900 Monday to Friday. Capacity is however severely constrained by social distancing limitations to around 20% of normal. Demand for public transport had

increased to around 25% of normal ridership following the restart of non-essential retail on 15 June. The implications of the announcement of relaxation of the 2m social distancing rule on 23 June 2020 were being considered at the time of writing however it was not expected to increase in bus and train capacity to more than 50%.

- 2.2 Rail timetables were similarly cut back in late March to around 60% of normal. Some increase across the network occurred on Monday, 18 May together with a new regime for managing social distancing on trains and stations. Currently local rail services are reporting ridership at 15% of normal levels and generally social distancing is being observed. A further service uplift is being planned for July which will increase capacity into major towns and cities at peak times.
- 2.3 Communications messages from the Combined Authority have sought to discourage travel by public transport and to warn of the risk of delays to passengers if buses or trains cannot allow people on because they have reached their safe capacity. From 15 June, passengers were required to wear a face covering on buses and trains.
- 2.4 Works have been carried out at Combined Authority operated bus stations, interchanges and bus shelters to reinforce the social distancing advice and to reduce the risk of overcrowding. There was a partial re opening of Bus Station Travel Centres from 15 June to assist MCard holders extend their tickets or obtain a refund. A limited resumption of AccessBus is planned for August however social distancing will significantly constrain the service.
- 2.5 The Combined Authority has also been working with schools to provide transport to support the limited return to school of some year groups. Should social distancing requirements continue to operate in September when a more extensive return of schools and colleges is expected, there will be significant cost and practical implications of increasing transport provision to meet this.

Public Transport Funding

- 2.6 The sudden and prolonged loss of fare revenue has had a major impact on Local Transport Authorities and the bus sector nationwide. The following financial support has been provided to maintain as bus service during the lockdown period;
 - Government has continued to pay the Bus Service Operators Grant to bus operators for commercial services and to local authorities for tendered services at the rate operating prior to the pandemic.
 - Government has also asked Local Transport Authorities to maintain concessionary fare and tendered bus service payments to bus operators at the value that was being paid immediately before the emergency. This provides c£6 million per month. Government has asked this to continue until August.

- The Government has also paid an emergency Covid-19 Bus Service Support Grant (CBSSG) direct to bus operators. This increased from late May to pay for the partial restoration of services in June
 - Government has also paid the Combined Authority CBSSG of £0.77 million between March and June to assist in funding the shortfall in fares revenue on bus contracts where the Combined Authority takes the revenue risk. A further sum for July and August is awaited based on returns to Government for the April to June period.
- 2.7 The current bus service funding package operates until August however the significant reduction in public transport passenger revenues is expected to continue beyond the easing of lockdown measures. At the time of writing, the funding arrangements beyond August are unknown. Acting through the Urban Transport Group and representations from Cllrs Blake and Groves, the Combined Authority is pressing for a more accountable and local determined approach to Government funding support to restore the bus service.
- 2.8 The dramatic reduction of use of public transport has also had an impact on MCard sales which have been negligible since March. In addition many customers who bought MCard tickets in expectation of travel have sought refunds. Customers have been offered an extension of the duration of their ticket so they get the benefits deferred until they return to traveling to work Whilst many have taken this offer, others have requested cash refunds. The cost pressure of refunds is manageable at present however, if sales revenue does not return in the Autumn, the trading position of West Yorkshire Ticketing Company Ltd , the joint venture company owned by the Combined Authority and transport operators to manage the MCard, becomes in jeopardy.
- 2.9 On rail, the current emergency government funding under Emergency Measures Agreements currently ends in September, it is understood that an extension of this is under consideration. Whilst Northern Rail and LNER will continue to operate under government control, there will be financial uncertainties for all other franchises.

Bus network impacts and recovery

- 2.10 Around 75% of bus services are currently operating, with core routes restored to normal frequencies between 0700 and 1900 Monday to Friday. Service levels are determined by the funding support package and COVID-19 workforce availability issues. With ridership and therefore fares revenue at around 20% of normal there remains a significant funding gap. As social distancing restrictions are relaxed, revenue will increase to close that gap. However, the rate at which this occurs is unknown and the changes to travel behaviour arising from the pandemic are expected to be long lasting. There is a material risk that the gap is not closed within the period of emergency funding.
- 2.11 The uncertainty around the Government funding support described in 2.6 beyond August is making it difficult for both the Combined Authority and bus operators to plan for the recovery of services. If sustained for the remainder of

the year, the increased costs and reduced income incurred by the Combined Authority will lead to a £12 million funding gap. This may increase in the event that Government emergency funding ceases ahead of a full economic recovery of services and it becomes necessary to fund the operation of bus services which were previously provided without subsidy.

- 2.12 Bus companies are obliged to trade profitably and will take the necessary steps to do so if costs exceed revenues and funding. This may give rise to a shrinkage in the network with some routes/ journeys not being reinstated during the recovery period and consequential job losses. Under these circumstances, the Combined Authority will be under pressure from the affected communities to restore services. To prevent this will require a longer, tapered approach to emergency Government funding support. Cllr Blake and the Metro Mayors have written to the Secretary of State seeking assurances as to continued funding and its local determination.
- 2.13 Local Transport Authorities awarded additional funds for bus services in the Better Deal For Bus Users programme reported to the February meeting of the Committee are able to utilise this funding to support bus services during the emergency and the ensuing recovery period. The Combined Authority was awarded £1.086 million from this fund which will assist in the process of reinstating the network. This funding will be deployed in the period where the bus network is restored following the end of social distancing limitations.
- 2.14 The Combined Authority has continued to maintain its network of tendered bus services and its re- procurement programme has continued during the pandemic. New contracts for services in the Calderdale area (including those contracts previously operated by TJ Walsh) and serving Leeds Bradford Airport will commence in September and tenders are currently invited for the Shipley local service network. The current criteria and value for money metrics approved by the Committee has been applied to ensure these services continue to demonstrate value for money and align with the Combined Authority's policy.
- 2.15 In the event that the Combined Authority is required to consider the reinstatement of a withdrawn bus service, the criteria and value for money metrics will be applied. The Committee's Local Bus Working Group will be convened to review the position with regard to such services prior to any award of contract. The Working Group will also review the deployment of funds under the Better Deal For Bus Users described in this report. It is proposed to review the criteria and value for money metrics as part of the Transport Recovery Plan. Appendix 1 sets out the Terms of Reference for the Working Group approved by the Committee in 2018.

Rail network impacts and recovery

Service recovery

- 2.16 Since the previous report to the Transport Committee on the implications of COVID 19 on the rail network, timetables have continued to remain reliable

with PPM (Passenger Performance Measure) for all operators well over 90% PPM. Network Rail are managing to keep a full network available as well as continue with key maintenance work where social distancing is possible.

2.17 At the time of writing Northern is currently operating approximately 60% of its normal services. This will increase to 68% from 6th July and is focused on peak service increases into urban centres including Leeds. On June 15th in line with non-essential shops re-opening, Northern increased capacity (additional carriages) on the Leeds-Sheffield via Moorthorpe and Leeds-Sheffield via Castleford and Barnsley services, and adding extra peak-only trains on some routes. In general, in this region, most lines on Northern's network have at least one train per hour on weekdays (every other hour on Sundays), stopping at all stations, and more where services overlap. The main exceptions are:

- Airedale and Harrogate lines have 2 trains per hour in line with demand identified on those routes.
- Only 1 train every two hours Leeds to Selby/Hull, to Doncaster and Preston.
- Skeleton peak-only service Huddersfield – Wakefield – Castleford.
- No services on York-Pontefract-Sheffield and Knottingley – Goole line.

2.18 TransPennine Express (TPE) are currently operating at 70% of their usual services which increases to 85% on July 6th. They are running services from Leeds:

- fast over the Pennines to Manchester Victoria twice every hour, extending alternately to Liverpool and Manchester Airport
- fast to Manchester Piccadilly every hour
- fast to York twice every hour, extending alternately to Newcastle and Middlesbrough / Redcar
- fast to Selby and Hull every hour
- stopping towards Huddersfield hourly, plus a stopping service on from Huddersfield to Manchester

On July 6th TPE plans to improve capacity by increasing carriages (from 3 to 6) wherever possible on its trains between Manchester – Huddersfield and Huddersfield – Leeds. This will provide capacity for local commuting journeys at 140% of pre-COVID-19 levels in the peak periods. Timetables will not however change.

2.19 Cross-Country trains are also running hourly on their Scotland – York – Leeds – Wakefield – Sheffield – South West route. LNER's trains are running hourly from Leeds to London with one service a day to Harrogate and return, and the same for Bradford. Both Cross Country and LNER are operating as reservation service only. Grand Central suspended all services on 3 April, and this arrangement is continuing for the foreseeable future.

2.20 Overall, rail continues to show very low levels of demand across West Yorkshire, data for Leeds station shows levels are currently 91% lower than

the same period last year. However, the figures also show demand continues to increase steadily as the service level increases. Train operators have indicated an increase in passenger numbers in recent weeks largely owing to warm weather and easing of lockdown restrictions. Communications continue to be released to discourage leisure journeys by rail.

- 2.21 The industry has continued to encourage passengers to follow current government guidance to help reduce and mitigate risks of spreading COVID-19 on trains and at stations. Some of the measures include marked out seating on trains, posters, and floor markings to facilitate social distancing. Cleaning measures have also been enhanced with the use of a spay fog which protects surfaces from COVID-19 for several days. Government guidance was issued on the 15th June that now requires all passengers to wear face coverings on public transport.

Active travel impacts and recovery

- 2.22 On the 5th June, the Combined Authority submitted an application for the Department for Transport's Emergency Active Travel funding, announced on 9th May on behalf of the Combined Authority and West Yorkshire partner councils. This application is for a first tranche of funding which is expected to be released as soon as possible so that work can begin at pace, subject to submission of satisfactory plans. We expect guidance about tranche two shortly. The West Yorkshire indicative allocation was £12.567m (with £2.513m in tranche 1 and £10.053m in tranche 2).
- 2.23 The programme of schemes was established to provide swift and meaningful plans to provide more safe space for cyclists and pedestrians. We set out to the Government the need for a degree of flexibility over the detail of the schemes in the programme so to be able to respond to changing circumstances. The total funding requirement identified in the application exceeded the indicative allocation identified by Government, and so further prioritisation will be required to match the level of funding that is made available. This sets out the level of our ambition and readiness to deliver against future tranches of funding.
- 2.24 As discussed at the last Transport Committee, it is proposed that existing programmes, such as Transforming Cities Fund, are reviewed to consider whether any schemes can be delivered in a temporary way prior to full delivery.
- 2.25 To help with understanding the needs of those walking and cycling, an interactive map has been launched using the Combined Authority's Your Voice engagement platform. This map will support the development of the programme of improvements and where relevant, could also be used to inform future schemes, programmes and planning work such as LCWIP. The 'Safer Streets for Cycling and Walking' interactive map will allow people to highlight issues that they are experiencing when travelling by bike or on foot and to suggest where improvements could be made to make these journeys safer, including increasing space for social distancing. This map will allow people to

highlight issues in Calderdale, Kirklees and Wakefield. Bradford and Leeds already have their own interactive map engagement platforms, and the West Yorkshire Your Voice map provides links to these for residents wanting to identify issues in those districts.

Transport Recovery Plan

- 2.26 It is proposed that a Transport Recovery Plan is created to draw together in one place the role of transport through the restart and into recovery and what is needed to ensure transport can effectively and efficiently perform that role. The Transport Recovery Plan will inform the wider Economic Recovery Plan. Delivery of the Transport Recovery Plan will be overseen by Transport Committee; the Chair of the Transport Committee will report progress to the Combined Authority's Economic Recovery Board.
- 2.27 It is proposed that this plan is considered by the Combined Authority at the end of July and so Transport Committee's input is sought into the following priority areas and the headline objectives.

Bus Network – proposed actions to support restart and recovery

1. Providing passengers with a safe travelling environment which, in accordance with Government guidance, minimises the risk of virus transmission whilst providing access to work and essential journeys.
2. Working with bus operators to restore patronage and service levels transparency of the operating costs, public sector funding and revenues required to do so. Secure from Government a new approach to bus funding to ensure a sustainable and locally-led bus provision for communities.
3. Ensure the effectiveness of the Combined Authority's funding of the bus sector through concessionary fares and bus service provision to ensure they meet the Authority's policy objectives and the challenges of the changed economy. Review the criteria and value for money metrics applied to Combined Authority funded bus services to ensure they meet the requirements of a changed economy.

Ticketing, Fares and Information – proposed actions to support restart and recovery

4. Working with West Yorkshire Ticketing Company seek to restore the customer base and revenues of the MCard multi modal ticketing range.
5. Adapt ticketing products and payment options to reflect changing travel behaviours and customer expectations with particular regard to the anticipated increase in flexible and home working.

6. Focus on the affordability and flexibility of bus travel for under 25s introducing the Fare Deal for Young People approved by Transport Committee in February 2020
7. Working with the credit union sector and respective Government agencies to adapt payment technology to support passengers without bank accounts, jobseekers and those facing other mobility challenges exacerbated by the economic effects of the crisis.
8. Enhancing our live transport information services to enable passengers to understand the level of bus occupancy before boarding.
9. Work with app providers on multi modal journey planning and reviewing the options for pre-bookable transport including Demand Responsive Transport.

Rail – proposed actions to support restart and recovery

10. Working with rail operators to ensure the rail services cater as far as possible for the increasing passenger numbers in the region with social distancing and other safety measures in place.
11. As demand returns, securing from Government a commitment to invest in the local railway and a commitment to regional and national schemes to support reliability, greater capacity and connectivity for passengers and an improved offer for freight.
12. Through the Williams Review conclusions, work with Government to develop greater local involvement in decision making and devolution of funding.

Active Travel – proposed actions to support restart and recovery

13. Seeking the views of the public on issues they are experiencing when travelling by bike or on foot and to suggest where improvements could be made to make these journeys safer, including increasing space for social distancing.
14. Securing longer term investment in cycling and walking infrastructure, facilities and engagement activities starting with maximising the Government's Emergency Active Travel funding and making the case for longer-term, sustained investment.

Cross-cutting actions to support the restart and recovery

15. Review our capital programme to consider ways to bring forward the outcomes for example through using temporary measures before the permanent schemes are implemented and to ensure that the schemes are fit for social distancing.

16. Make the case to Government for more investment across transport to support the economic recovery and provide a long-term benefit for passengers and those walking or cycling.
 17. Pilot E-scooters to understand the benefits, issues and scalability.
- 2.28 The intention is that transport will also be part of the Economic Recovery Plan where it will feed into the priorities for inclusive growth, carbon and infrastructure in particular. In this wider economic plan, the case will be made for investment in transport to support our zero carbon targets through a new green deal, to support inclusive growth through providing accessibility and connectivity to all communities and to support successful towns and cities of the future. Links will also be made to how transport projects are a potential growth area and infrastructure skills remains a priority.

3. Clean Growth Implications

- 3.1 Air quality has seen improvements during the crisis. Local real-time road-side monitoring shows harmful NO₂ emissions on a downward trajectory during the early stages of lockdown and it can be inferred from this that CO₂ emissions were similarly reduced
- 3.2. It is therefore important that the Transport Recovery Plan seeks to ensure that the recovered transport network delivers a more favourable situation with regard to air quality and carbon generation than existed prior to the pandemic

4. Financial Implications

- 4.1 COVID-19 is having a significant impact on the Combined Authority's revenue budget. This is manifested in reduced commercial income, increased bus station costs, lost commission from MCard sales and increased costs of bus service contracts where fares revenue is used to offset costs. The initial forecast full year impact of continued disruption by COVID-19 would suggest a £12 million funding gap which has been reported to Government. This will be revised as the year proceeds however continued uncertainty around Government funding for bus beyond August is limiting the accuracy of forecasting at present.
- 4.2 It is proposed that capital funds within the Bus Strategy and Smartcard and Information Programmes previously approved by the Committee are utilised to support the following activities in support of the Transport Recovery Plan
 - Bus Strategy Programme – develop new criteria and metrics for Combined Authority funded bus services
 - Smartcard and Information Programme- the presentation of operator derived bus occupancy data into the Combined Authority's real time information services

- Smartcard and Information Programme- the expansion of functionality of the MCard app to facilitate new ticketing products and services
- Smartcard and Information Programme- technology solutions to support transport payment and ticketing for job seekers and those without bank accounts

5. Legal Implications

- 5.1 There are no legal implications directly arising from this report.
- 5.2 At the Committee meeting on 13 March 2020 the following delegation was agreed in anticipation of disruption to the Committee business due to the COVID 19 emergency:

That the following delegation be exercised should there be disruption/cancellation of Transport Committee meetings during the Coronavirus situation:

(a) To delegate authority to the Managing Director and Directors of the Combined Authority to take any action and decisions as they consider to be necessary, which would ordinarily fall to be taken by the Transport Committee to ensure the timely progress of the business of the Committee.

(b) This is subject to consultation with the Chair and Deputy Chair of Transport Committee, and in consultation with members of the Committee (via appropriate communication channels).

- 5.3 The above arrangements were reviewed at the previous meeting and it was agreed to retain them at least until this meeting of the Committee but to use it only where a decision is required in response to the COVID-19 emergency. Given the continued civil emergency, it is proposed to retain the arrangement until the September meeting of the Committee.

6. Staffing Implications

- 6.1 There are no staffing implications directly arising from this report.

7. External Consultees

- 7.1 The content of this report has been developed with input from bus and rail operators.

8. Recommendations

- 8.1 That the Committee notes the updates provided in this report.
- 8.2 That the Local Bus Working Group oversees the reinstatement of the bus network and any commissioning of services by the Combined Authority in support of this.

- 8.3 That the Committee endorses the framework set out for the Transport Recovery Plan set out in paragraph 2.26
- 8.4 That the Committee approves alterations to the scope of the Bus Strategy and Smartcard and Information Programmes to facilitate elements of the Transport Recovery Plan set out in 4.1
- 8.5 That the delegated decision-making arrangement approved by the Committee on 13 March be maintained for use on urgent matters relating to the COVID-19 emergency and reviewed at the next meeting.

9. Background Documents

None.

10. Appendices

Appendix 1 – Terms of Reference for Local Bus Working Group approved 2018

