



# Transport Resource Unit Briefing

## The Transport Innovation Fund (TIF)

### Summary

#### Investment in transport

The Transport Innovation Fund will unlock £3 billion to be spent on changing the way that we travel in Greater Manchester. This funding will be used to extend the bus and tram network, improve train stations, bring improvements for cyclists and support people to use public transport. Most of these improvements will be brought in by 2013.

#### Congestion charge

Part of the available funding is in the form of a loan which will need to be repaid through the introduction of a congestion charging scheme. This charge will not be introduced until the vast majority of the public transport improvements should be in place, and will only affect people who travel during peak times. There will be discounts and exemptions for some groups.

#### Why is this investment needed?

Greater Manchester's economy has grown rapidly over recent years and this growth is predicted to continue. There is concern that the city-region's transport system will not have the capacity to support new jobs as the economy grows.

#### How will this impact on the voluntary and community sector (VCS)?

Problems with accessing or using public transport may make it difficult for service users to physically access services, and may prevent staff and volunteers from being able to travel to their place of work. If the congestion charge is brought in, this may have financial implications for organisations who may need to reimburse their volunteers and/or paid staff members if they are needed to travel during the charging times. The charge could also act as a barrier to some groups or individuals wishing to access services. VCS organisations which are particularly dependent on volunteers, are sited near to the charging rings or whose core work involves transport may be particularly affected.

#### Consultation

A 14 week formal consultation period is now underway and will end on Friday 10<sup>th</sup> October 2008. Following this exercise, and possibly following a Greater Manchester-wide referendum on the issue - a final decision on whether to proceed with the proposals will be made.

The Transport Resource Unit (TRU) will consult with representatives from the VCS during the consultation period to ensure that organisations fully understand the proposals and are aware of what the impact might be on their services.

**More information about the TIF proposals and the consultation plans can be found on the GM Future Transport website: [www.gmfuturetransport.co.uk](http://www.gmfuturetransport.co.uk).**

**For more information about the work of TRU, please see the GMCVO website: [www.gmcvo.org.uk/transport](http://www.gmcvo.org.uk/transport)**



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## 1. Context

The creation of the Transport Innovation Fund (TIF) was announced in the 2004 White Paper, 'The Future of Transport'. The fund supports local authorities to bid for funding to reduce congestion, largely through road-pricing schemes.

Like other large city-regions, Greater Manchester's economy has grown rapidly over recent years and this growth is predicted to continue, despite the current economic downturn. Transport modelling projections suggest that the city-region's economic potential for growth and job creation will outstrip the transport system's ability to physically support these new jobs. AGMA and GMPTA argue that up to one in seven new jobs could be at risk if the transport system is not expanded to cope with this pressure.

Opponents to the scheme argue that there is little evidence of congestion increasing. The Greater Manchester Transportation Unit (GMTU) data from 2007 shows car trips largely remaining steady or showing a slight decline across Greater Manchester during the last ten years, with the exception of Oldham which has seen a notable increase.

Metrolink and rail use has been showing steady increases in most areas, leading trains in particular to be pushed to capacity. It is thought that 20% of journeys made by Metrolink would previously have been made by car. In contrast, since the deregulation of the industry in 1986, bus use has been in decline across the UK (with the exception of London). In the first twenty years of deregulation, bus journeys in Greater Manchester fell by 38%. Non-profitable routes are usually withdrawn by commercial bus operators. Where these routes are felt to be socially necessary, and money is available, GMPTA can provide a subsidy to continue the service. 20% of Greater Manchester bus mileage is now subsidised.

It appears clear that as the economy has grown, car travel and car ownership has increased, while at the same time more people are using public transport to commute into Manchester. Parts of the road network, particularly on and around the motorways, are already stretched beyond capacity. If the economy and the population of Manchester continue to grow, an increased drain will be placed on an already stretched transport infrastructure.

These issues prompted The Association of Greater Manchester Authorities (AGMA) and Greater Manchester Passenger Transport Authority (GMPTA) to work in partnership to submit a TIF bid to the Department for Transport (DfT). AGMA represents all 10 of Greater Manchester's local authorities and GMPTA is responsible for public transport in the city-region. The bodies have been successful in their bid to secure nearly £3 billion – potentially the largest investment in public transport ever seen outside of South East England to transform the buses, trams and commuter rail links in the Greater Manchester region

The sheer size of the funding available dwarfs any other funding available for local transport schemes. By way of comparison, Greater Manchester's Local Transport Settlement negotiated with the DfT equates to roughly £50 million per year, in contrast to the roughly £200 million per year that will be available from TIF funding between 2008 and 2015. The bulk of GMPTA's funding comes from a levy placed on the ten Greater Manchester district authorities, which is in turn financed through Council Tax. It has been estimated that to fund the proposed public transport improvements without the TIF funding would add over £200 per year to a typical Band D Council Tax bill.



## 2. The public transport offer

A package of public transport improvements is proposed in the bid, including:

- An expanded bus network, included extended orbital services
- Partnership arrangements between bus operators and the Greater Manchester Passenger Executive (GMPTE) to better regulate standards of service
- Bus feeder services to rail and Metrolink stations will be strengthened with direct and more frequent services to the city centre and other town centres across the region
- 120 additional dedicated Yellow School Buses
- Eight new transport interchanges
- An expanded Metrolink line including new stops in Rochdale and Oldham town centres, Ashton under Lyne, East Didsbury and Manchester Airport
- More capacity on peak time trams and trains through additional carriages
- More trams and longer trains running at peak times
- Improvements to over 40 railway stations
- Double the amount of park and ride facilities around the city
- A smart travel card helping to improve interconnectivity and allow for easy movement from tram to train to bus and real-time information at all major bus and rail stations
- 200km of new and improved cycle routes and a city centre cycle hire scheme
- A behavioral change programme including individual travel planning

The full expenditure on public transport will total £2.2 billion, nearly £1.2 billion of which will be spent on the Metrolink expansion alone. The vast majority of improvements will be operational before the introduction of the congestion charge.

## 3. The congestion charge

Unlike the London congestion charging scheme, the Greater Manchester is a 'smart scheme' which seeks to address congestion at peak hours only. The exact boundary of the inner ring is subject to further consultation.

### Morning Peak Inbound

- During the morning peak the congestion charge will only apply to vehicles travelling towards Manchester between 7am and 9:30am Monday to Friday. Drivers will pay £2 (at 2007 prices) when crossing an outer ring (just within the M60) and £1 on crossing an inner ring closer to the city centre (see Figure 1 below). There will be no charge for vehicles travelling out of Manchester at this time of the day

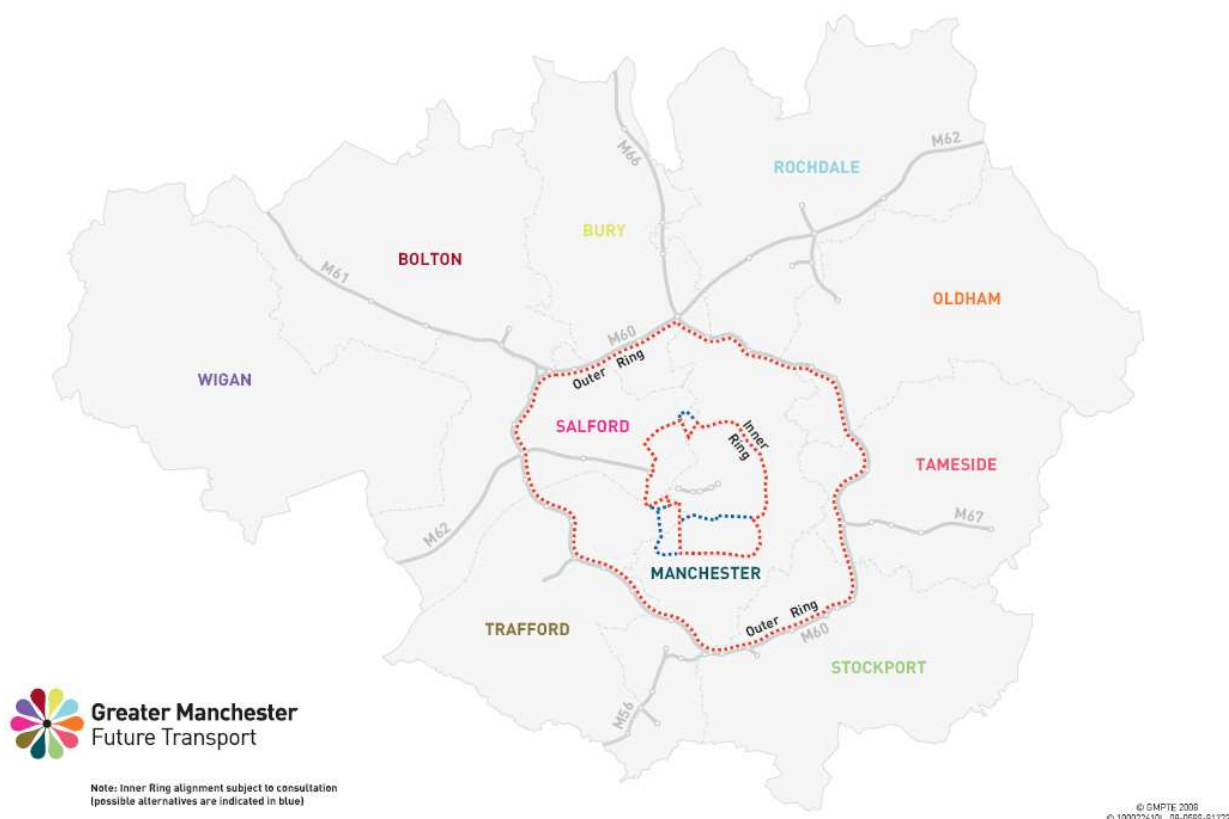
### Evening Peak Outbound

- During the evening peak the congestion charge will only apply to vehicles travelling away from Manchester between 4pm and 6:30pm. Drivers will pay £1 when crossing the inner ring and £1 when crossing the outer ring. There will be no charge for incoming cars at this time.

### No Charge

- There will be no charge at all for any vehicles travelling before 7am, between 9:30am and 4:00pm or after 6:30pm Monday to Friday regardless of the direction of travel.

- There will also be no charge at weekends or on Bank Holidays. There will be no charge for people travelling within boundaries or for vehicles traveling around the M60 or the inner ring.



• *Figure 1: Outer and inner ring road*

The £5 charge (at 2007 prices) will be no more than £6 in 2013 if charging is introduced then as planned. The implementation of the charge is earmarked to cost £318 million.

#### 4. Proposed exemptions

A range of discounts has been proposed, subject to further consultation.

- A 100% discount has been proposed for buses, motorcycles, blue badge holders, emergency vehicles, licensed Hackney carriages, private hire taxis, community transport operators and patients attending regular hospital appointments.
- A 50% discount has been proposed for car trips into Trafford Park until the completion of the Trafford Park public transport package.
- A 20% discount has been proposed for low paid workers.
- A capped day pass of £10 is proposed for drivers, such as multi-drop delivery vehicles, who cross charging rings repeatedly at peak times.
- HGV and other commercial vehicles will be charged at the same rate as private cars.

## 5. Public Consultation

A 14-week consultation on the proposals commenced on 7<sup>th</sup> July and runs until 10<sup>th</sup> October. All Greater Manchester householders will be sent information on the proposals during this period and there will be specific stakeholder engagement work with the business community, minority groups, young people and the voluntary sector.

A Greater Manchester-wide postal referendum is still a possibility at this point. This will only happen if all local authorities agree to be bound by the result. At the moment, Bury, Stockport and Trafford councils are actively opposing the proposals, while the remaining councils have indicated their support. A key political challenge ahead for AGMA will be to secure the support of all the local authorities, as without this support the proposals cannot go ahead.

There are two official consultation response forms – a [public response form](#) and a [business response form](#) which can be accessed via the GM Future Transport website: <http://www.gmfuturetransport.co.uk/consultation>. All of the response forms will go directly to Ipsos MORI (an independent research agency) for analysis. Furthermore, there is a programme of business and public exhibitions throughout July, August and September – these details can also be accessed from the GM Future Transport website.

The key question to be addressed during the consultation period is whether the congestion charge is a fair price to pay for the proposed public transport improvements. Comments are also sought on the proposed exemptions for certain user and vehicle groups, and the exact location of the inner charging ring.

## 6. Impact on the voluntary and community sector

TRU will be consulting with the VCS over the coming months to try to ascertain the potential impact on the sector. VCS organisations are likely to have similar concerns as businesses as to the effect of the congestion charge on staff and volunteers travelling to their place of work. Paid staff may be expected to pay the charge from their own wages; however it would seem likely that volunteers would need to be reimbursed by the organisation for any charges that they incur. This may have a disproportionate impact on organisations that require volunteers during peak hours or require volunteers to be particularly mobile, such as Citizens Advice Bureaux, furniture recycling services, volunteer car schemes and other volunteer-led community initiatives. Registered community transport schemes are likely to have a 100% exemption from the charge, although the finer details of this are still unclear.

VCS organisations may also wish to consider the possible impact on their service users. The implementation of a congestion charge may have implications for people on low incomes, although this may be mitigated by the proposed reduction for low paid workers and the public transport improvements which would benefit households without a car. There may be particular impacts on semi-rural communities, which are likely to have poorer public transport infrastructure, and groups which traditionally are more dependent on cars or lack confidence in using public transport. Equally, the investment in public transport may benefit these groups, particularly the proposed work around individual travel planning and support.

Key questions that VCS organisations might wish to consider could include:

- **Is your organisation already facing problems with people getting to work or to access your services?**
- **How will the public transport improvements affect the area in which you work and enable people to access your services more easily?**
- **How will the congestion charge affect your staff and/or volunteers?**
- **Will your organisation have to pick up a congestion charge bill from your staff and/or volunteers? If so, how much is this likely to be and how will you fund this?**
- **Is the congestion charge likely to present any barriers to the people that you work with?**

TRU will consult with representatives from the VCS during the consultation period to ensure that organisations are fully briefed on the proposals and to ascertain the likely impact of the proposals on the sector as a whole. TRU will be holding a number of information events across Greater Manchester and will be researching the possible effect of the proposals on VCS organisations, their staff, volunteers and service users.

Organisations may wish to put together responses on behalf of their own organisation or service users/client group – TRU would welcome the chance to read any responses.

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