



**GMITA Sub-Regional Seminar  
18 January 2010  
Great Hall, Town Hall,  
Manchester**

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# What is GMITA?

- Public body accountable to 10 Greater Manchester District Councils.
- Promote and provide a public transport network.
- Ensure quality, safety, attractiveness, convenience and accessibility.
- 33 Councillor Members – Appointed by the ten Greater Manchester District Councils.
- Clerk, Deputy Clerk & small policy team based within Manchester Town Hall to Service the Authority.
- Policies and decisions implemented by GMPTE.



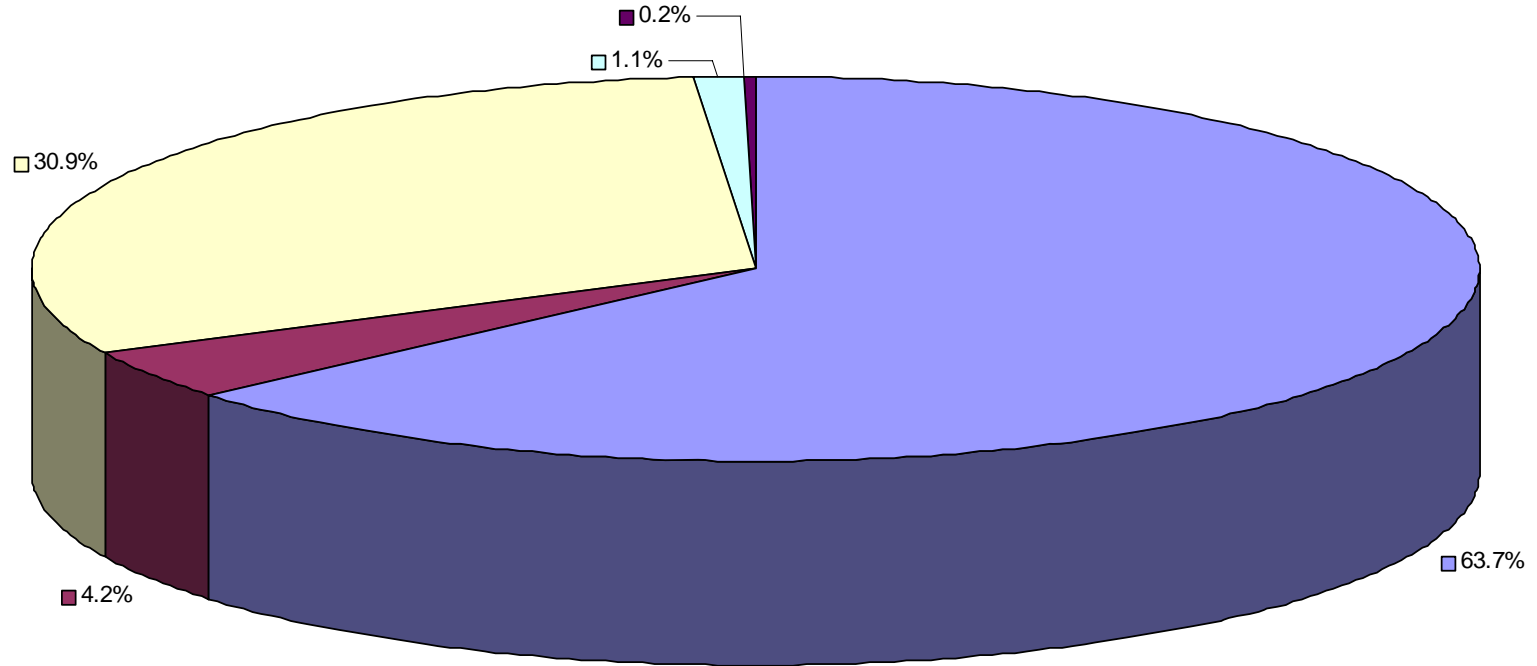
# GMPTE functions

## Our Vision:

### ***Making public transport the preferred choice in Greater Manchester***

- Manage, maintain and develop infrastructure of public transport network.
- Build and maintain local bus stations, shelters and stops.
- Work in partnership with private transport operators (bus, rail and Metrolink) to improve service levels and standards.
- Pay for concessionary fares for the elderly, young persons and people with disabilities in line with national and local policy.
- Subsidise some bus services and alternative options, including community transport services.
- Buy-in most school bus services.

# Funding – Revenue expenditure

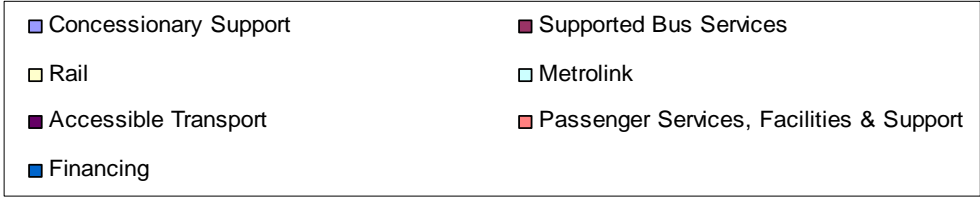
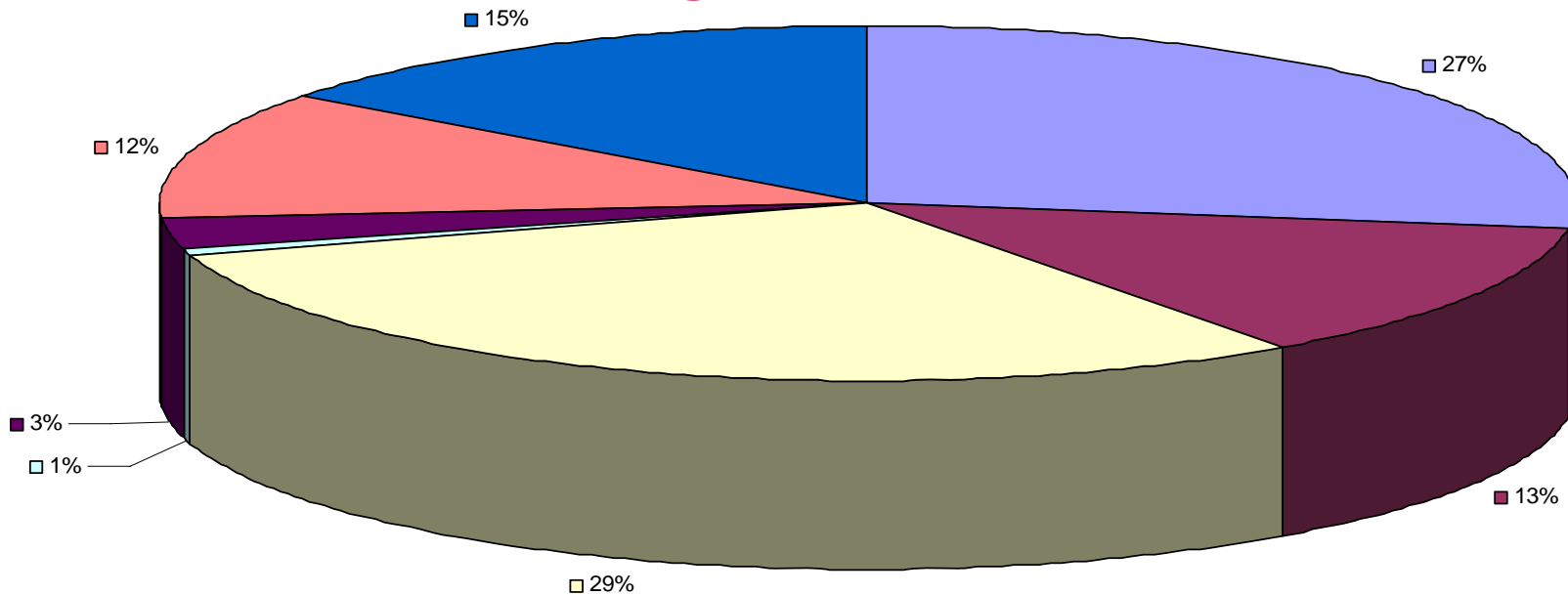


■ Levy from Districts = £165 million in 2009/10	■ National Concessionary Travel Grant = £10.8 million in 2009/10
□ Rail Grant = £79.9 million in 2009/10	□ Net use of specific reserves = £2.9 million in 2009/10
■ Other Grants = £0.4 million in 2009/10	

# Pressures

- Competing services – education, social services etc.
- Competing bodies – fire, police, waste.
- Operator contract cost increases.
- Bus and Rail fares increases.
- Local concessionary fares scheme.
- National Concessionary Travel Scheme – operating costs and uncertainty of future funding levels.
- Finance costs of previous and planned expenditure.

# What does the budget deliver?



# Concessionary Bus Support

- Payments made to bus operators to compensate for free or discounted travel by concessionary passengers (elderly, disabled, young persons).
- 2009/10 spend of £70.4m (£65.6m buses; balance Rail and Metrolink) represents 32% of total expenditure
- English National Concessionary Scheme since April 2008 :-
  - Free off-peak bus travel for concessionary travellers (elderly, disabled) anywhere in England.
  - Greater Manchester pay for all travel from and within its boundaries on eligible services.
  - Funding fixed by DfT for 3 years; increasing at 2.5% per annum – future under review.
- Costs increasing in line with operator fares and costs (c. 7%)

# Supported Bus Services

- Cost of providing services that are not commercially viable for operators, but are socially necessary.
- General Network
- Metroshuttle.
- Schools Network including Yellow School Buses.
- Demand Responsive/Urban & Rural bus projects.
- 2009/10 cost of £33.0m.
- Represents 15% of total expenditure.
- Costs currently increasing by up to 7% year on year, including additional commercial deregistrations.

# General Network

- Provide services where/when operators deem 'not commercially viable'
  - many evenings and Sundays and some early morning (work) services
  - Promotes social inclusion in targeted areas
- 509 current contracts, of which 253 due for renewal during 2010/11
- 11.4 million miles of subsidised routes
- Improvements during 2009/10 included:
  - Additional Christmas Services (Airport on Christmas Day, all major towns on Boxing day, late services New Year's Eve)
  - New Town Centre Metroshuttle bus services in Bolton and Stockport
  - New buses in Eccles (provided by Arriva, supported by GMPTA/E)
  - More Local Link Services to replace deregistered services (eg Offerton)
- Costs have increased by 65% over 5 years
- 2009/10 net costs of £18.2m and costs increasing by up to 7% year on year

# Schools Network

- Procured largely on behalf of LEAs.
- 415 contracts (incl. 42 'Yellow' School Buses).
- Yellow School Buses - reduced individual home-to-school journeys by 265,00 car-miles in 2009/10 school year and reduced anti-social behaviour reports by 72% since introduction in 2003.
- Cost increased by 19% over 5 years.
- 2009/10 net costs of £9.6m and costs increasing by c.7% year on year

# Accessible Transport

- Ring & Ride – as at 31 December 2009.
  - 40,800 registered users
  - 1.12m journeys per annum
  - 63,300 wheelchair passenger journeys per annum
- Additional grants to voluntary sector agencies eg Travel Training Schemes; Small Travel Grants for elderly and disabled people.
- Travel Vouchers.
  - 10,000 scheme members
- Represents 3% of total expenditure.
- 2009/10 costs of £6.9m and costs budgeted to remain at similar levels in 2010/11.

# Passenger Services, Facilities & Support

- Bus station operations.
- Travel Shops.
- Safety & Security.
- Bus shelters.
- Passenger Information.
  - Telephone
  - Timetables
  - Displays
- Consultation, diversity & social inclusion.
- GMITA/E Support Costs.
- 2009/10 expenditure of £30.5m.
- Represents 14% of total expenditure.
- Costs budgeted to increase in line with AGMA budget guidelines in 2010/11.

## Efficiency Savings

- Pressures identified above mean that we continually aim to improve our efficiency and effectiveness and reduce costs/ maximise value for money.
- Efficiency and procurement savings targets include
  - £0.5 million from procurement savings.
  - £0.5 million from review of processes and improving their effectiveness.
  - £0.4 million of further efficiencies in relation to facilities management, data analysis, accommodation, utilities and other costs.
- Other opportunities for efficiency savings and cost reductions will be considered and appraised for implementation in future years.

# Metrolink

- Carries circa 20m passengers p.a., removing 3.8m car journeys.
- All surpluses re-invested in network.
- £100m Service Enhancement Programme now substantially complete.
- Works to renew city centre tracks, replace Altrincham line overhead cables and improve Altrincham line and city centre stops completed on time and on budget.
- New Ticket Vending Machines being installed across network.
- New Media City Link opens Summer 2010.
- Work progressing on time and on budget on Phase 3a extensions (to Droylsden, Chorlton, Oldham and Rochdale)- Total cost £575m.
- Further extensions from Chorlton to East Didsbury, Droylsden to Ashton, to Manchester Airport and to Oldham and Rochdale town centres, as well as a second City Centre crossing, agreed by AGMA as part of Greater Manchester Transport Fund.

# Rail

- Infrastructure support – station improvements focussing on passenger security and information systems.
- Service support – eg subsidised additional services to Greenfield and Stalybridge, and from May 2010 Wigan via Atherton.
- Concessionary support - to provide half-fare weekday peak concession and free at other times for elderly and disabled, and half-fare concession for 16 – 18 year olds in full time education.
- Manage local rail interests – GMPTE rail-related management and administrative support.
- Expenditure of £79.9 m in 2009/10 of which £78.3 m (98%) is paid to franchisee.
- Similar level of income and expenditure budgeted for 2010/11.

## Financing Costs

- Infrastructure development (eg Metrolink, Bus Stations, Rail Station improvements) funded by a combination of grants and prudential borrowing.
- Interest costs on prudential borrowings funded from Levy and, in case of Metrolink, also from surpluses generated from operation of system.
- Financing costs also include Minimum Revenue Provision (MRP) which is used to build up funds to repay the original borrowings.
- Any surplus funds placed on deposit to earn interest to offset long term financing costs.
- 2010/11 budget includes £4.94 million to fund the financing costs of the public transport schemes funded through the Greater Manchester Transport Fund. This equates to 3% of the 2009/10 levy, as agreed by AGMA in May 2009.

# Greater Manchester Transport Fund

## Funding:

- £1.5billion of expenditure
- Made up of £448m from Regional Funding Allocation; £165m grant from DfT; £147m 'topslice' from LTP funding 2010 – 2019; up to £775m borrowings.
- Borrowing costs funded primarily from Levy and from net revenue surpluses generated by the public transport schemes.

## Schemes:

- Metrolink extensions to East Didsbury, Ashton, Oldham and Rochdale town centres, Manchester Airport; and a second City Centre Crossing.
- Cross City Bus Package.
- Park and Ride Schemes.
- Leigh – Salford – Manchester Busway.
- Rail station improvements.
- New Interchanges at Altrincham and Bolton.
- Four road schemes to be delivered by local authorities.

# Levy Budget Process

- Initial paper presented to AGMA in November 2009.
- Scrutiny committee of Leaders and Treasurers in December 2009.
- Consultation with public – 18 January 2010.
- AGMA Executive meeting - 29th January 2010.
- GMITA Policy and Resources budget meeting – 18 March 2010.



**THANK YOU  
ANY QUESTIONS ?**