

Greater Manchester's Clean Air Plan to tackle Nitrogen Dioxide Exceedances at the Roadside

Appendix D - Technical Note: Vehicle Sector Review – Coach and Minibus

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June 2022

1. Introduction

Background

- 1.1 After the initial Outline Business Case (OBC) submission in March 2019, a series of technical notes were published setting out the results of analysis and research carried out to better understand the vehicles in scope for the scheme.
- 1.2 For coaches and minibuses this included, in particular, *Technical Note 4: Analysis of the Coaches Market*, and *Technical Note 18: Minibus Vehicle Research*.¹ Further notes were produced setting out the development of analytical tools, with the latest published summary of that work provided in *T4 Appendix A of the Modelling for Consultation*.²
- 1.3 This evidence formed the basis of the development of the Option for Consultation. From March 2020, it became clear that the COVID-19 pandemic would affect the Greater Manchester Clean Air Plan (GM CAP); and a programme of work was carried out in 2020/2021 to better understand the possible impacts of the COVID-19 pandemic on the GM CAP, published as the *Impacts of Covid Report* in June 2021.³ This evidence, alongside feedback from the Consultation, was used to inform the revised GM CAP as approved by the ten GM local authorities in June/July 2021.
- 1.4 At that time, GM identified several possible risks to the GM CAP, which included concerns about the risk of vehicle price increases and the impact of any further lockdowns in the UK or countries in the supply chain.
- 1.5 The report, which was originally developed in February 2022, draws a series of findings and conclusions to better understand the circumstances affecting Coach and Minibus owners in Spring 2022 and the implications for the GM CAP and surrounding policy framework.
- 1.6 Since Spring 2022, there have been further dramatic changes to the economic context in the UK which are not explicitly addressed in this report but are set out in **Appendix E**. A range of factors associated with the impact from war in Ukraine, increased costs of energy and fuel, changes to Bank of England base rates and forecasts, global supply chain challenges, and the cost-of-living crisis have combined to create a context of increased financial hardship for businesses and families.

Structure of Note

- 1.7 The remaining sections of the report are structured as follows:
 - **Section 2** provides a review of the in-scope vehicles of the current Coach and Minibus sector in GM;
 - **Section 3** reviews the impacts of COVID-19 on the Coach and Minibus sector, with a particular focus on the availability and prices of purchasing new and used coach and minibuses. This section also considers the vulnerability impacts of COVID-19 on the sector; and

¹ All available at <https://cleanairgm.com/technical-documents/>

² https://assets.ctfassets.net/tlpgbvy1k6h2/3AKtd1g0fg5OwQFNzc5FIQ/2b42ae34e93d292a5ec2eb26f7f5e8fb/T4_-_Appendix_A_Behavioural_Response_Cost_Models_and_Demand_Sifting_Tool.pdf

³ GM CAP- Impact of COVID Report. Available at: <https://cleanairgm.com/technical-documents/>

- **Section 4** provides a summary of the key findings, also presenting details of any key risks or issues facing the sector in responding to the GM CAP.

1.8 In addition, **Appendix A** provides a list of data used to inform the report and **Appendix B** reviews the recent changes in travel behaviour within GM through the pandemic up until January 2022.

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2. Review of Vehicles in Scope

Overview of Vehicle Sector

- 2.1 A coach is considered to fall within vehicle category M3 of the DfT vehicle classifications, defined as a ‘Motor vehicles with at least four wheels designed and constructed for the carriage of passengers’ comprising of more than eight seats and a maximum mass exceeding 5 tonnes, whereas a minibus falls into category M2 by not exceeding 5 tonnes maximum mass⁴ (see **Table 2-1**).

Table 2-1 Categorisation of vehicles with at least four wheels and used for the carriage of passengers

Classification	Description
M1	Vehicles designed and constructed for the carriage of passengers and comprising no more than eight seats in addition to the driver's seat.
M2	Vehicles designed and constructed for the carriage of passengers, comprising more than eight seats in addition to the driver's seat, and having a maximum mass not exceeding 5 tonnes.
M3	Vehicles designed and constructed for the carriage of passengers, comprising more than eight seats in addition to the driver's seat, and having a maximum mass exceeding 5 tonnes.

Source: transportpolicy.net/standard/eu-vehicle-definitions/

Review of In-scope Vehicles

Overview

- 2.2 For context, the proportion of vehicle types in GM, relative to the regional and national averages, are provided in **Table 2-2** based on the latest available registration statistics from the DfT. There will be instances, particularly for commercial usage, where vehicles are based in one location but used in another, but this table provides an overview of the relative size of each fleet.

Table 2-2 Proportion of Vehicle Types Registered by Area

	Cars	Van	HGV	Bus & Coach	Other
GB	85.0%	3.4%	11.3%	1.3%	0.4%
England	85.1%	3.5%	11.3%	1.3%	0.4%
NW	85.7%	2.9%	10.9%	1.5%	0.3%
GM	85.6%	2.1%	11.8%	1.6%	0.4%

Source: Department for Transport., Statistical data set, All vehicles (VEH01), Last updated 13 January 2022

⁴ Definition of Vehicle Categories, Vehicle Certification Agency

Coaches

- 2.3 **Table 2-3** shows the number of coaches serving GM that are GM and non-GM based as of 2019, showing that the GM based fleet is typically more non-compliant than the non-GM based fleet, this may be reflected in the smaller organisations operating in a more local basis, whereas longer distance out of area coaches, are more likely to be operated by larger organisations and to be generally more compliant.

Table 2-3 Number of Coaches Serving GM (2019)

	GM Based	Non-GM Based	Total
Compliant	233	529	762
Non-Compliant	464	448	912
Total	697	977	1,674

Source: T4 Appendix C, Vehicle Population Estimates

- 2.4 Without intervention there will be a natural turnover of the coach fleet serving GM. Based on a typical assumed lifespan of a coach of up to 20 years, and assuming the same fleet age composition, the coach fleet was projected into the future. This was applied for each year by removing the oldest vehicles and replacing with a new one (whilst keeping the overall age profile consistent). This naturally leads to an increase in Euro 6 (compliant) coaches over time. The coach fleet serving GM, (pre-COVID-19) was therefore projected from 2019 to 2023. These projections are presented in **Table 2-4**.

Table 2-4 Forecast Do Minimum (without CAP) Compliant Coaches 2023

	GM Based	Non-GM Based	Total
Compliant	386	600	986
Non-Compliant	311	377	688
Total	697	977	1,674

Source: T4 Appendix C

Minibuses

- 2.5 **Table 2-5** shows the number of minibuses serving GM that are GM and non-GM based as of 2019.

Table 2-5 Number of Minibuses Serving GM (2019)

	GM Based	Non-GM Based	Total
Compliant	130	306	436
Non-Compliant	1,903	805	2,707
Total	2,032	1,111	3,143

Source: T4 Appendix C, Vehicle Population Estimates

- 2.6 The minibus fleet has been projected forward in a similar fashion to the coach fleet as described earlier. A typical lifespan of 20 years has been assumed. These projections are presented in **Table 2-6** and are based on pre-COVID-19 natural fleet turnover assumptions.

Table 2-6 Forecast Do Minimum (without CAP) Compliant Minibuses 2023

	GM Based	Non-GM Based	Total
Compliant	417	413	830
Non-Compliant	1,616	698	2,313
Total	2,032	1,111	3,143

Note: Values above exclude those minibuses that operate as PHVs

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3. Review of COVID-19 impacts on the Coach and Minibus vehicle sector

Overview

- 3.1 The Coach and Minibus sector has been reviewed to consider pre-pandemic background characteristics, COVID-19 related impacts on the industries affected by the sector, and a review of the expected vulnerabilities when responding to the GM CAP.
- 3.2 On 17th February 2022, the Society of Motor Manufacturers and Traders (SMMT) released an article stating that UK bus and coach registrations had fallen to the lowest recorded level as demand dwindled after the pandemic⁵.

COVID-19 Effects on the Coach sector

Background

- 3.3 The first UK national lockdown in March 2020 had a significant impact on the coach and minibus market, with many coach and minibus operators either having to stop their services altogether or only operate at a significantly reduced capacity.
- 3.4 According to the Confederation of Passenger Transport (CPT), coach tourism operators, on average, require a coach occupancy of 47-53% to breakeven. With the implementation of the 1m physical distancing, depending on vehicle type, social bubbling and additional COVID-19 mitigation factors, coaches were having to operate at a maximum of 35-50% occupancy during the pandemic.⁶
- 3.5 Once the lockdown restrictions began to ease and destinations began to reopen, more coach and minibus operators were then able to begin operating again albeit with restricted passenger numbers and dampened demand as not all sectors could re-open. The ongoing restrictions and guidance, whilst not as restrictive as the national lockdowns, continued to affect road passenger transport, with declining ridership impacting operator confidence and orders for new vehicles.
- 3.6 During this time, key sectors served by the coach and minibus sector, in particular the tourism and hospitality sector, were badly affected by the restrictions in place. In 2021, a recovery in this sector occurred due to ongoing restrictions on international travel resulting in a boom in domestic holidays. However, whilst the sector saw an improvement, the coach and minibus market continued to be negatively impacted by reductions in international travel⁷ and, due to social distancing requirements, weak demand for coach and minibus travel.

⁵ <https://www.smmt.co.uk/2022/02/uk-bus-and-coach-registrations-fall-to-lowest-recorded-level-as-pandemic-dents-ridership/>

⁶ <https://www.cpt-uk.org/media/ijnl3w4f/aid-to-trade-document.pdf>

⁷ <https://www.route-one.net/news/difficult-road-ahead-for-incoming-coach-tourism-recovery/>

- 3.7 Schools, colleges and universities have remained open during the pandemic, although government restrictions during the pandemic placed restrictions on face-to-face learning at various points throughout the pandemic. This has impacted the number of people travelling on a daily basis to access education which will have reduced at various points through the pandemic, though as education establishments have remained largely open, the coach and minibus operators that transport students to educational establishments are less likely to be negatively affected than other sectors.
- 3.8 On 28th November 2021, a report was released by Unite union after a survey of bus driver members. This revealed the bus driver shortages are at far higher levels than previously indicated, with 99% of bus garages experiencing driver shortages and 79% of respondents to the survey recording that vacancies had increased since the pandemic began in March 2020⁸.
- 3.9 There is limited quantifiable data available to analyse the impact of COVID-19 on the coach market and the impacts after the first lockdown, but there are several reports that qualitatively surmise how certain operators have been affected. The remainder of this section discusses the COVID-19 impacts on Regular, Special, and Occasional Coach Services.

Impact of COVID-19 on Regular Coach Services

- 3.10 Regular coach services are defined as all services which provide for the carriage of passengers at specified intervals along specified routes, with passengers being picked up and set down at predetermined stopping points.
- 3.11 Whilst the larger national operators of regular services do not have large numbers of vehicles based within GM (e.g. National Express / Megabus), prior to the pandemic, GM was served by a frequent operation of scheduled long-distance coach services serving a large and varied number of destinations across the UK. Within this context, there are also some franchise operations which operate services on behalf of national operators, such as Selwyns, which is based in GM, and operates services on behalf of National Express.
- 3.12 National Express is one of the largest coach operators in the UK. In August 2021, National Express brought together several existing brands such as Fareham based Lucketts and Woods Coaches of Leicester into National Express Leisure, aimed at providing one place for holidays and leisure travel by coach with operations in Fareham and Birmingham⁹.

⁸ <https://www.unitetheunion.org/news-events/news/2021/november/new-survey-reveals-shocking-shortage-of-bus-drivers/>

⁹ <https://www.nationalexpressgroup.com/media/news-releases/2021/national-express-takes-next-step-into-uk-leisure-travel-market/>

Case Study: National Express

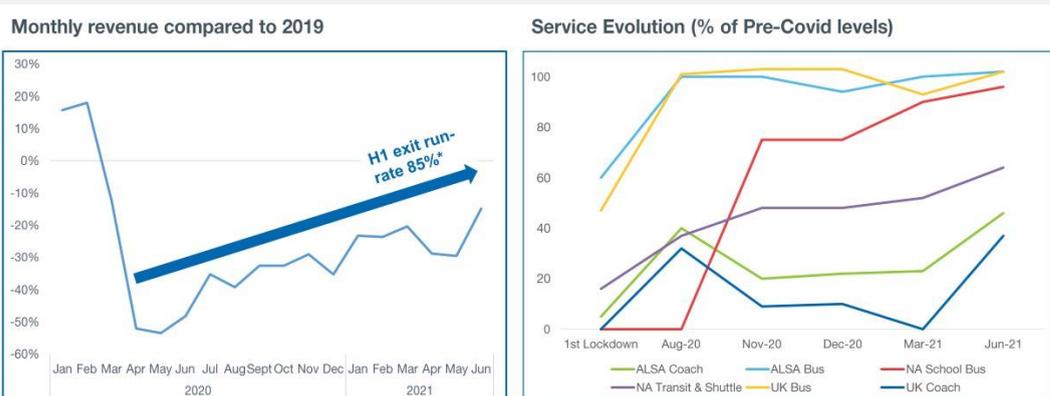
National Express are one of the largest operators in the UK, operating regular services between major cities and key destinations. The company have central depots in Birmingham and London.



A common aspect of their business model is to franchise services out to private operators, who are then required to buy or lease vehicles as specified by National Express.

How COVID-19 Affected National Express

- Reported £60m losses for the first half of 2020¹⁰ resulting in a hit to the company share price, trading at £1.59 compared to £4.69 at the start of 2020.
- Although aggregate demand fell by 80% during the spring 2020, revenues were approximately 50% of normal levels by end of 2020, due to pre-existing contracts and support from government and local authorities for services such as school buses.
- Secured cash from Bank of England COVID Financing scheme and the selling of new shares to investors was enough to see it through a slow 2021.
- National Express is currently in the process of a takeover by Stagecoach. The proposal is subject to a number of approvals and is expected to be completed towards the end of 2022.
- June 2021 Q1 figures show a revenue of £172.8m compared to Q1 2020 revenue of £189.9m. The 9% decrease was due to temporary mothballing of coach operations. This was counteracted by a revenue growth in Bus services, operating at 102% for much of the period.
- Profits were operating at a loss of £20m, but this was a much-reduced level to Q2 2020, which reflected the loss in Coach. The decline in revenue was partly mitigated by payroll savings through the use of the Coronavirus Job Retention Scheme (CJRS) and other cost actions¹¹.



- The above charts show total National Express monthly revenue compared to 2019 and Service Evolution as a percentage of pre-COVID-19 levels, these are for National Express as a total, including ALSA (Spain) and North American divisions along with UK.
- By June 2021 revenue was at 85% of June 2019 level.

¹⁰ <https://www.theguardian.com/business/2020/aug/13/national-express-shares-fall-warns-covid-19-recovery-slow>

¹¹ <https://www.nationalexpressgroup.com/media/i2tdj5xc/national-express-hy-2021-presentation-post-final-tweak-11-aug-2021.pdf>

Impact of COVID-19 on Special Regular Services

School Services

- 3.13 The Home to School (HTS) scheme that was introduced by the Government in August 2020 helped some coach operators to gain extra revenue (to help cover lost revenue from suppressed passenger demand) as a result of the COVID-19 restrictions¹². The scheme gave local authorities extra funding to help procure additional vehicles, including coaches, to accommodate social distancing policies on public transport for the reopening of schools. However, many operators argued that it was not enough support, as only 15% to 20% of coach operators were providing those services, leaving the rest with no extra revenue income to fill the gap¹³.
- 3.14 In December 2021, the Government announced the intention to extend existing Vehicle Accessibility Regulations 2000 exemptions for HTS services to the end of the 2021 to 2022 academic year, and qualified medium-term exemptions for rail replacement (RR) and HTS services that are still not compliant when existing exemptions expire in summer 2022¹⁴. These exemptions will ensure that essential HTS and RR services can continue while requiring operators to become increasingly compliant with existing legal obligations.

Rail Replacement Services

- 3.15 Some operators have been able to adapt to the changing environment by offering rail replacement services as an extra revenue stream. However, this limits many coach operators as vehicles must be Public Service Vehicle Accessibility Regulations (PSVAR) vehicles in order to provide this service. Though it should be noted that the rail network has also been significantly impacted by a large decrease in passenger demand and, as a result, it is expected that there will be limited rail replacements requiring support from coach operators.
- 3.16 Rail demand in January 2022 was at 55% of pre-pandemic levels, as a result of timetable reductions due to staff shortages following the Omicron wave, having previously returned to 70% of pre-pandemic demand¹⁵.
- 3.17 There are some operators during the pandemic that have used rail replacement services as their main source of income. Spencer Graham Coaches of Silloth invested in three PSVAR vehicles and have provided rail replacement services, which has provided the company enough revenue to survive during COVID-19¹⁶. Whilst this example is from an operator from outside of GM, it does provide an indication of how the wider coach market may need to adapt in the future, including coach operators based in GM, although this is unlikely to be enough to make up the difference in lost revenue from the tourism industry.

Impact of COVID-19 on Occasional Coach Services

Tourism Industry Effects on Coach Sector

- 3.18 The tourism industry forms an important part of the coach sector market¹⁷. Coach operators deliver vital footfall to attractions across the UK and carry spectators to

¹² <https://www.ft.com/content/424808f0-c5d8-4b64-a127-c2e802b67d17>

¹³ <https://www.ft.com/content/424808f0-c5d8-4b64-a127-c2e802b67d17>

¹⁴ <https://www.gov.uk/government/publications/public-service-vehicles-accessibility-regulations-2000-and-their-application-to-home-to-school-and-rail-replacement-coach-services>

¹⁵ <https://www.dailymail.co.uk/news/article-10394121/Demand-trains-plummets-timetables-slashed-Rail-travel-55-pre-pandemic-levels.html>

¹⁶ <https://www.route-one.net/features/covid-19-positive-change-for-the-coach-industry/>

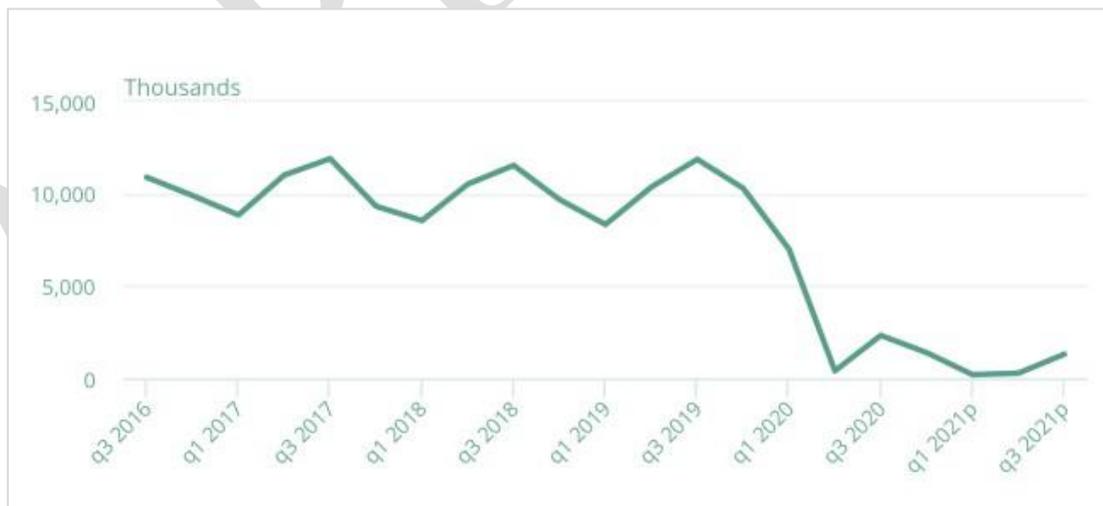
¹⁷ <https://publications.parliament.uk/pa/cm200001/cmselect/cmtrdind/268/01101p11.htm>

concerts, festivals and sporting events, as well as coach tours around the UK. Pre-pandemic, in 2019, coach travel catered for over 23 million tourism visits a year and contributed £14bn to the UK economy¹⁸. Many of the coach companies based within GM will support the tourism sector and will have been significantly impacted by the downturn in this market. Around 80% of the coach industry's income is derived from tourism related activities¹⁹.

General Impact on Tourism

- 3.19 Pre-pandemic, UK residents consistently made more visits abroad than foreign residents made to the UK. As a result, the total amount spent by UK residents during visits abroad was higher than the total brought into the UK by foreign residents visiting²⁰. As international travel restrictions ease into and out of the UK, the emerging trend appears to follow the same path with over 4 times more UK tourists traveling overseas compared to foreign tourists arriving in Quarter 3 (July to September) 2021.
- 3.20 According to the Office for National Statistics (ONS), overseas residents made 1.3 million visits by air to the UK in Q3 2021. This is a decrease of 86% compared with Q3 2019, due to the continued restrictions on international travel and perceptions of international travel (see **Figure 3-1**). Overseas residents spent a total of £1.2 billion on their visits to the UK during this period (which covers the typical summer peak travel period); this is a decrease of 87% on the same quarter in 2019²¹ (see **Figure 3-2**).
- 3.21 COVID-19 restrictions prevented the collection of data at ports, therefore Sea and Eurotunnel data has not been assessed throughout the pandemic. Typically, Sea and Eurotunnel numbers make up 20% of all pre-COVID-19 travel numbers, so this may account for slightly lower numbers. However, analysis of administrative data, shows a 95% drop in passenger numbers when compared with Q3 2019.

Figure 3-1 Visits to the UK by Overseas Residents, 2016 to 2021 (Q1 – Q3 2021, air only)



Source: ons.gov.uk/peoplepopulationandcommunity/leisureandtourism

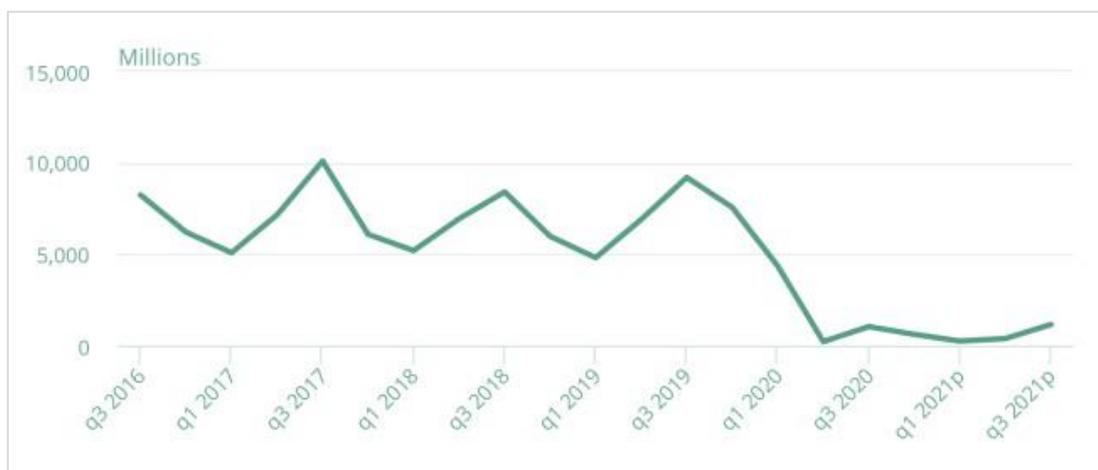
¹⁸ <http://www.movingforwardtogether.uk/covid-19-latest-news/14bn-and-10-000s-of-jobs-at-risk-if-coach-travel-sector-collapses-warns-cpt/>

¹⁹ <https://www.cpt-uk.org/media/ijn13w4f/aid-to-trade-document.pdf>

²⁰ <https://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism/bulletins/overseastravelandtourism/january2019provisionalresults>

²¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism/bulletins/overseastravelandtourism/julytoseptember2021>

Figure 3-2 Spending in the UK by Overseas Residents, 2016 to 2021 (Q1 – Q3 2021, air only)



Source: ons.gov.uk/peoplepopulationandcommunity/leisureandtourism

3.22 Reasons for travel into the UK were recorded as part of the ONS travel and tourism data survey²²; all trips had a significant decline, but holiday visits were still down by 95%. Visiting family and relatives had decreased by 70% and business trips decreased by 90%.

3.23 On 17 November 2021, VisitBritain released its 2022 tourism forecast²³. The key points on inbound international travel are:

- Inbound visits are forecast to increase to 24.0 million, 59% of 2019 levels;
- Spending associated with inbound visits is forecast to be £19.2 billion, 67% of 2019 levels;
- By the end of 2022 the UK is forecast to have recovered to approximately 68% of pre-COVID-19 levels;
- Visits from Europe are forecast to recover sooner than long haul; and
- Spend per visit expected to remain higher than pre-pandemic due to longer average length of stay and higher prices.

3.24 The VisitBritain forecast for 2022 domestic tourism is not currently available, the most recent 2021 forecast, (late 2021), stated that:

- There was expected to be recovery to £56.2 billion in domestic tourism spending in 2021, an increase of 65% on 2020 but still only 61% of the level of spending seen in 2019; and
- There was a revision on the initial numbers stated for 2021 as domestic tourism is recovering slower than expected.

How Have Coach Operators Coped?

3.25 National Express reported a £445m loss in 2020 due to the COVID-19 pandemic. However, they are optimistic as, throughout 2021, they have seen a rapid recovery in demand when travel restrictions have been lifted²⁴. They have also been using the down time during the pandemic to reduce costs, diversify contracts and access government loans to ensure the business emerges financially stronger.

²² <https://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism/bulletins/overseastravelandtourism/julytoseptember2021>

²³ <https://www.visitbritain.org/2022-tourism-forecast>

²⁴ <https://www.theguardian.com/business/2021/mar/18/national-express-reports-445m-loss-for-2020-after-80-drop-in-passengers>

- 3.26 The Birmingham-based group whose markets include UK, North America and Spain, secured £900m of new contracts through a move to win profitable contracts from weaker bus and coach operators that are at the brink of collapse after the pandemic. This could trigger consolidation within the sector²⁵.
- 3.27 Many small travel companies have not recovered from 2020, with financial times stating 76 passenger vehicle groups entering into insolvency within the UK²⁶, although this represents a small overall share of the market.
- 3.28 Notwithstanding any further restrictions, the outlook for 2022 is positive. As an example, Andersons Travel had returned to around 60% of pre-pandemic business by the end of 2021. A degree of this has been due to diversification, for example home-to-school is now a predominant area of work²⁷.
- 3.29 It is hoped that spring / summer 2022 the coach sector will see the postponed 2020 and 2021 bookings, along with new bookings, providing a much-needed boost to coach tourism.

COVID-19 Effect on the Minibus Sector

Background

- 3.30 It is important to note that there is limited data or published articles available to provide direct insight into the effects of COVID-19 on the minibus sector. Therefore, the following information presented considers mainly qualitative anecdotal information on the performance of the minibus sector, in the context of the wider markets they serve.
- 3.31 As stated in *Technical Paper 18*, the minibus sector is made up of several types of operators that will have been affected differently by COVID-19. These are:
- Community Transport;
 - Local Authorities;
 - Local Bus Operators;
 - Coach Operators;
 - Rental / Leasing Companies; and
 - Education Establishments.
- 3.32 Local authorities, community transport and education establishments are unlikely to have been as significantly financially impacted as commercial operators as they do not use their vehicles for commercial reasons. These services are less reliant on passenger income generation. Although with COVID-19 restrictions in place demand for these services will have reduced significantly during the pandemic, it is likely that as restrictions ease and confidence rises these will return to operate largely as normal.
- 3.33 With the closure of schools during the first national lockdown, it is likely that minibus drivers serving daily travel to and from school may have been placed onto the furlough scheme as these services would not have been in operation, though will have likely restarted operation once schools returned in September 2020. These

²⁵ <https://www.ft.com/content/02a27f99-8955-4220-95c4-3e15e9844ad8>

²⁶ <https://www.ft.com/content/02a27f99-8955-4220-95c4-3e15e9844ad8>

²⁷ <https://www.route-one.net/news/difficult-road-ahead-for-incoming-coach-tourism-recovery>

services will have been paused again in January 2021 as schools remain closed for the majority of pupils following another national lockdown, though returned to operation through the remainder of 2021.

- 3.34 In the case of the Ring and Ride service provided by TfGM, the service was completely stopped for just over two months when the first national lockdown occurred but has since restarted, albeit at a reduced service level, since 18th May 2020²⁸ and has continued to serve lower passenger numbers. To support the COVID-19 vaccine roll out in 2021, the Ring & Ride service has been used to support travel to vaccine centres where limited public transport is available.
- 3.35 Local bus operators, coach operators and rental and leasing companies will have been impacted severely due to their minibuses being used to provide an income-generating service. Using the coach sector as an example, minibus operators will likely have placed many of their staff on furlough and taken payment holidays for any vehicles they have used a loan to buy. Also, with the continued impacts on the sector, many drivers of coaches and minibuses are likely to have transferred to other sectors which have been more resilient through the pandemic.
- 3.36 Other minibus groups are likely to be sole operators, owned by individuals, small businesses and have fleets of only a few minibuses. For this sector it is highly likely that the small businesses will have been heavily impacted by COVID-19 and most likely have had to utilise the furlough scheme and payment holidays.

Changes as a Result of COVID-19

- 3.37 There is no direct evidence that could be found to support exactly how minibus owners and operators have been affected by COVID-19.
- 3.38 For local bus operators, coach operators, rental and leasing companies and smaller sole operators, the effects are likely to be greater as companies in these industries rely on their vehicles to generate income.
- 3.39 Similarly, the rental and leasing sector has been impacted by COVID-19. A report from the British Vehicle Rental and Leasing Association (BVRLA) produced in September 2020, states that 94% of their members expect reduced revenues compared to their forecasts pre-COVID-19²⁹. Although the report does not state how heavily affected the revenues will be, it does give an indication on the severity to which the market has been affected.

Will the Coach and Minibus Sector Recover?

- 3.40 There is little to no evidence to indicate exactly how the industry has been affected by COVID-19 and how it will recover. With vehicles used across different industries, there are likely to be differences in the scale of recovery depending on the sector they are in and how heavily impacted it is by COVID-19.
- 3.41 The coach sector has been heavily impacted by COVID-19 and is reliant on the tourism and events-based sector recovering, as well as consumer confidence improving. Whilst there was some recovery through 2021, many large events were cancelled. Also, continued restrictions on international travel, and nervousness in the use of public transport, is likely to result in a slow recovery of the coach sector. This slow recovery, combined with continued uncertainty in the market, could result in

²⁸ <https://www.wigantoday.net/news/uk-news/minibus-services-relaunched-across-greater-manchester-help-vulnerable-residents-2857659>

²⁹ <https://www.bvrla.co.uk/resource/aug-2020-covid19-research-presentation.html>

several coach operators ceasing their operations permanently, leading to fewer vehicles on the road. Many drivers may have switched away from the coach and minibus sector, to other sectors performing more strongly, such as HGV and vans haulage and delivery sectors. This is noted in a recent article with sky news that The Unite union stated that there are more than 4,000 vacancies for bus and coach drivers across the UK and some companies have been forced to cancel services because drivers are not available³⁰.

- 3.42 Local bus operators are likely to have a quicker recovery as they provide a daily service for people to travel to their desired location. Although passenger numbers remain low at present, operators can still provide a level of service albeit at a reduced scale. Passenger numbers on buses have decreased sharply from 80% of pre-pandemic levels to less than 60% since the rise of the Omicron variant and the re-introduction of work-from-home advice in December 2021, leaving firms reliant on recovery grants to run services³¹. It is possible that, as the COVID-19 recovery continues, passenger numbers will begin to increase, but if this increase in patronage will return to pre-pandemic levels is uncertain.
- 3.43 Smaller operators are likely to be the most vulnerable to COVID-19 and may struggle to survive due to their lack of capital. Whilst operators have been able to access the furlough scheme, the sustained restrictions placed on travel that utilise the coach and minibus sector may have placed many businesses in a vulnerable position post pandemic.
- 3.44 The future of the minibus sector is unclear and is difficult to predict due to the sustained reductions in travel by public transport and uncertainty around whether public transport demand will return to pre-pandemic levels. Some sectors such as local authorities, community transport and education establishments will likely be able to survive COVID-19 and most likely return to pre-COVID-19 levels due to the nature of their sector. The local bus operators, coach operators, leasing and rental companies and smaller businesses are in the most precarious positions.

Review of COVID-19 impacts on vehicle sales

Overview

- 3.45 The key changes in the coach and minibus sales market during the pandemic are discussed below.

Vehicle Registrations

- 3.46 Before the pandemic, the UK new bus and coach market was already in decline, with the market falling by 18.8% in 2019, with annual registrations falling for a third consecutive year to 5,874 units, according to figures released by the SMMT³². Whilst there was some growth in Q4, this was driven by minibus registrations, which were up 49.0% to 1,311 units. SMMT suggest that the reasons for this continued decline were due to a combination of weak business confidence, declining passenger numbers and some confusion over clean air zones which has depressed demand³³.

³⁰ <https://news.sky.com/story/theyre-leaving-in-droves-uk-faces-bus-driver-shortage-as-hgv-industry-offers-better-pay-12442971>

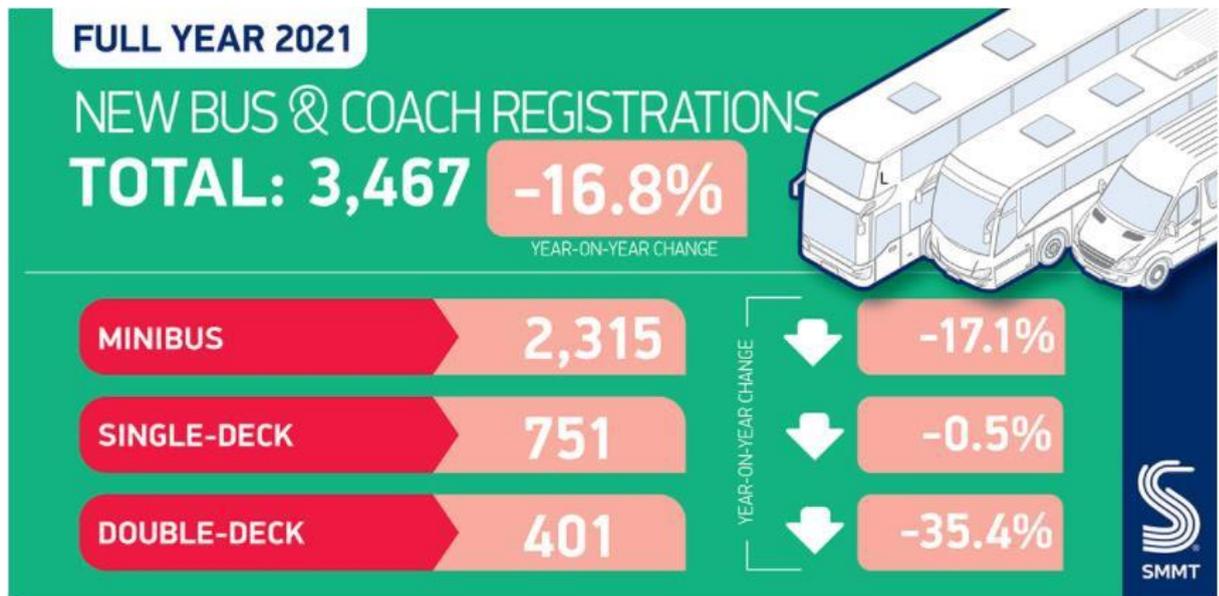
³¹ <https://www.theguardian.com/business/2022/jan/11/bus-services-in-england-face-axe-as-end-to-emergency-covid-funding-looms>

³² <https://www.smmt.co.uk/2020/02/third-year-of-decline-for-uk-bus-coach-market/>

³³ <https://www.smmt.co.uk/2020/02/third-year-of-decline-for-uk-bus-coach-market/>

3.47 An article released on 17 February 2022 by SMMT³⁴ states that demand for new buses and coaches dropped further in 2021 and was the weakest year since records began in 1996, with a total of 3,467 new registered buses (see **Figure 3-3**).

Figure 3-3 Bus and Coach and Minibus Registrations 2021

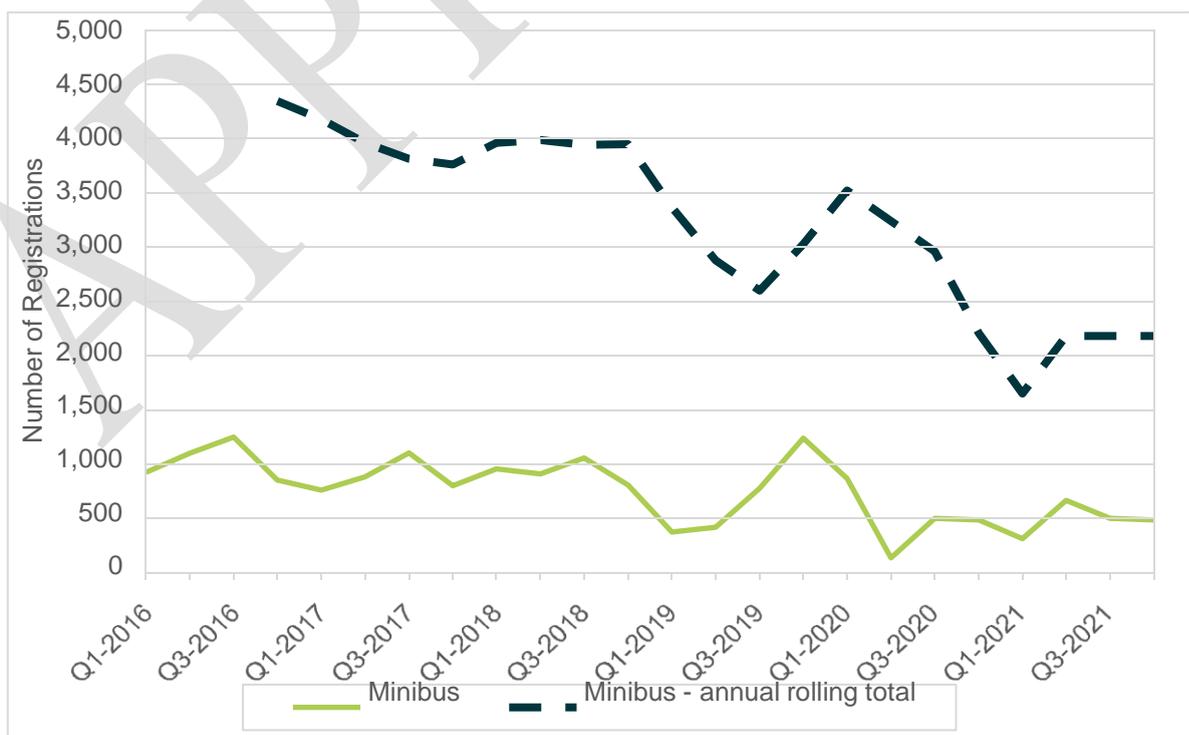


Source: SMMT

3.48 Details of quarterly registrations for minibus, bus and coach for recent years are illustrated in **Figure 3-4** and **Figure 3-5**, based on data held by SMMT.

3.49 There was a clear downward trend in both markets prior to the pandemic which was then exacerbated in 2020. There is some early evidence of the position stabilising towards the end of 2021.

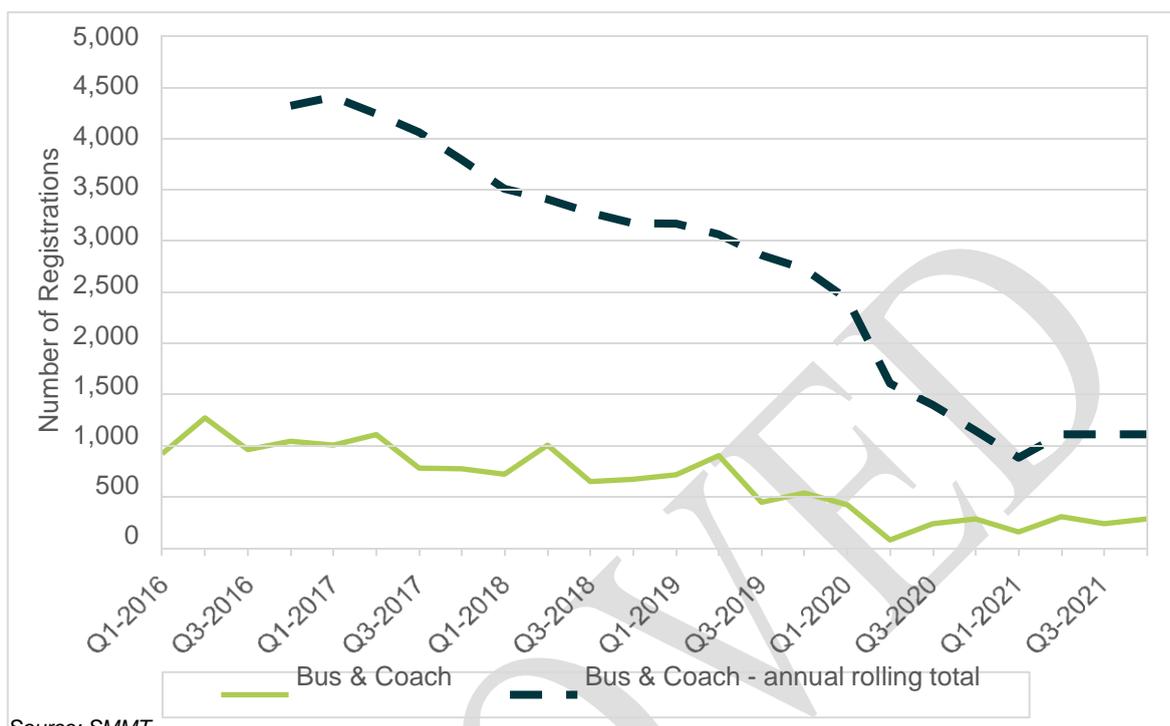
Figure 3-4 Trend in Minibus Registrations



³⁴ <https://www.smmt.co.uk/2022/02/uk-bus-and-coach-registrations-fall-to-lowest-recorded-level-as-pandemic-dents-ridership/>

Source: SMMT

Figure 3-5 Trend in Bus & Coach Registrations



Source: SMMT

Vehicle Availability

3.50 There is limited information on the availability of coaches. From a review of the online listings of second-hand coaches available for sale³⁵, there does appear to be a wider range of second-hand vehicles available for purchase.

New Prices – Coach

3.51 The findings show that the cost for new coach vehicles that have between 45 and 60 seats was typically over £250,000, with a median price of approximately £280,000 in 2019 and approximately £225,000 in 2022. Even with the supply chain issues and rising manufacturing costs, it is likely this fall is due to reduced demand.

Table 3-1: Costs of New Coaches

2019 Price	2022 Price
Between £250,000 – £300,000	~ £225,000

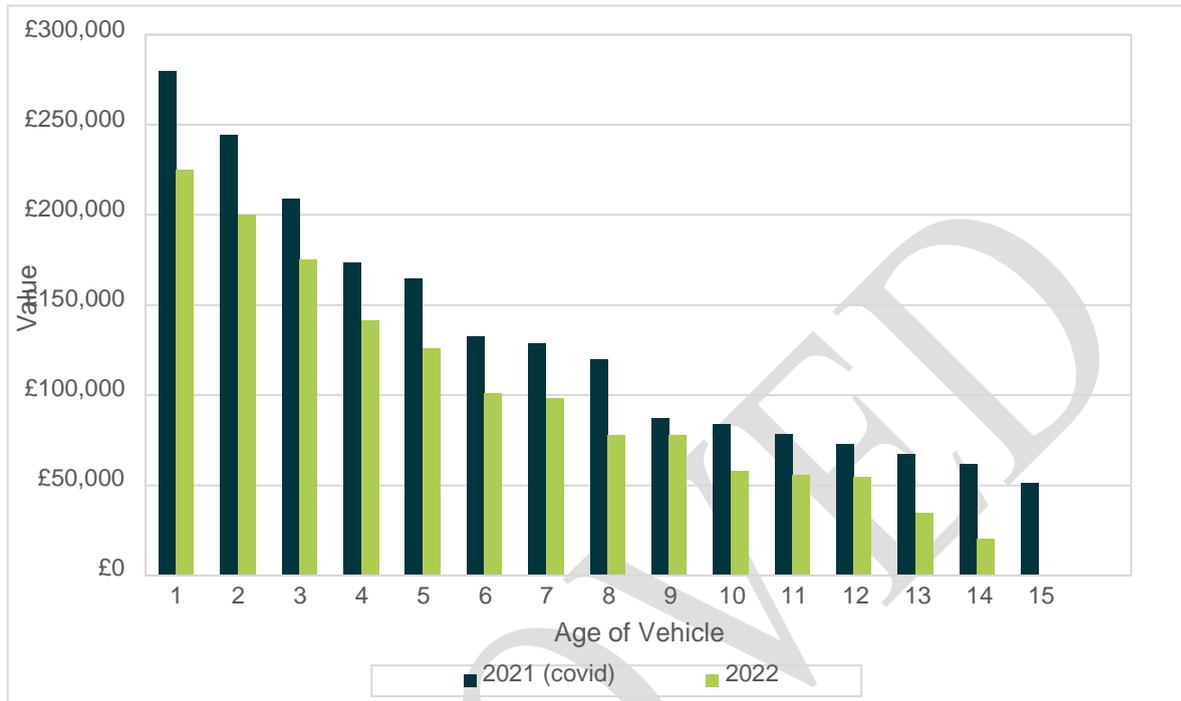
Second-hand Prices – Coach

3.52 An assessment of available second-hand coaches (45 – 60 seats) was undertaken in 2021. Second-hand coach prices also took a fall during 2021 compared to 2019, likely to be because of COVID-19. The assessment was therefore repeated in January 2022, and this shows there has not yet been a recovery in price, instead

³⁵ <https://classifieds.busandcoachbuyer.com/classifieds/coaches/>

falling further. It is noted that this is in contrast to other sectors such as the vans sector. (see **Figure 3-6**).

Figure 3-6 Second-hand Coach Purchase Prices



Source: average prices extracted from search of classifieds.busandcoachbuyer.com undertaken in 2021 and 2022

- 3.53 **Table 3-2** displays the price comparison for a second-hand compliant coach pre-COVID-19, in Autumn 2021, versus current market prices. Second-hand coaches on the market varied in price depending on age, mileage and condition.
- 3.54 Second-hand compliant coaches ranged in type and condition. A review in January 2022 of Mercedes-Benz models (the most common on the market and registered in GM) found that prices ranged from £86,000 to £207,000, with the higher end being a 2020 registered vehicle. The average cost of a popular model; the Tourismo, was approximately £168,000 in 2019 compared to £133,000 in 2022. The mid and high-end prices appear to be recovering slightly whilst the lower end vehicles have continued to fall in value.
- 3.55 This indicates a potential loss of confidence and demand in the market due to COVID-19 as operators take stock of their operations and vehicles. Most operators will likely be holding back renewals of their fleet until the market improves.

Table 3-2: Second Hand Compliant Coach Cost Estimates

Category	Model	2019 Price Range (Pre-COVID-19)	Autumn 2020 (Mid-COVID-19)	2022 Price Range
Lower	Mercedes-Benz (all on market)	£142,000	£115,000	£86,000
Mid	Mercedes-Benz Tourismo	£168,000	£130,000	£133,000

Higher	Mercedes-Benz (all on market)	£180,000	£165,000	£207,000
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Table 3-3: Second Hand Non-Compliant Coach Cost Estimates

Age (years old)	2019 Price Range (Pre-COVID-19)	Autumn 2020 (Mid-COVID-19)	2022 Price Range
15+	~ £20,000	~ £15,000	Less than £20,000
10-15	£42,000 - £80,000	£20,000 - £70,000	£20,000 - £56,000
5-10	£80,000 - £115,000	£45,000 - £85,000	£56,000 - £101,000

3.56 **Table 3-3** shows the same price comparison for second hand non-compliant coaches. The same trend as the compliant coaches is evident. Comparing to the autumn 2020 prices it does appear the newer end of the market has recovered slightly but is not yet back to pre-pandemic levels.

3.57 An alternative, more affordable approach for coach operators to become compliant is to retrofit their vehicles, for those vehicles where retrofit is possible. As stated in *Technical Note 4*, the cost to retrofit would range between £13,000 to £20,000³⁶ and with grants available from the GM CAP of up £16,000, this could be a viable way for coach operators to achieve compliance for GM based fleet.

3.58 However, only Euro V engines can be retrofitted which would equate to 120 GM coaches as stated in *Technical Note 37*. This would leave 191 non-compliant GM coaches that cannot be retrofitted, thus requiring a more expensive solution.

New Prices – Minibus

3.59 New market prices for minibuses range from between £25,000 and £55,000, with the vehicles over £50,000 being primarily the Mercedes eVito electric vehicles.

3.60 CAP HPI data provided to AECOM in February 2022 allowed for the comparison of new purchase prices for a Ford Transit minibus in summer 2019 compared to January 2022 – the data shows there has been a 7% increase in purchase price.

Table 3-4: Estimated Cost of a New Minibus

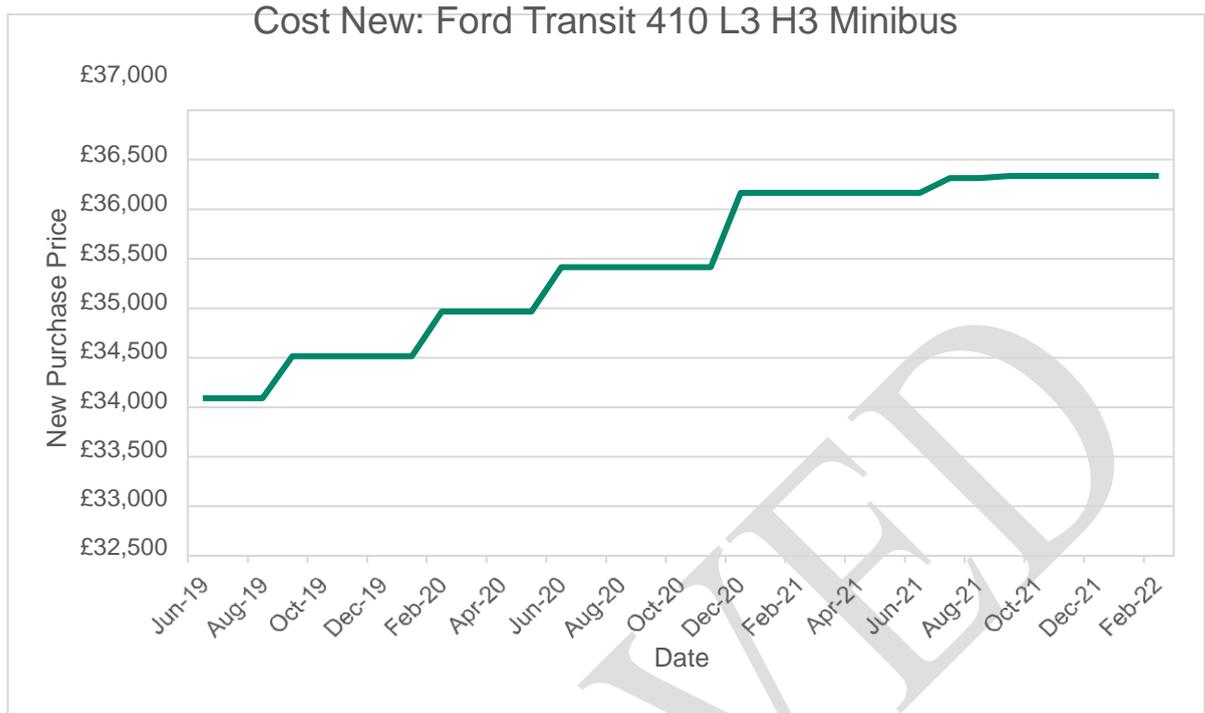
2019 Typical Price	2022 Typical Price
£34,000	£36,500

Source: CAP HPI data request 2022 – data provided on 15th February 2022.

3.61 The CAP HPI data allows for the trend of new minibus prices to be displayed (see **Figure 3-7**). This shows that since summer 2019, there has been a steady and continued increase in the purchase price of a new Ford Transit minibus. It does appear that the price has remained stable since summer 2021.

³⁶ Note these values were derived prior to the emerging global costs crisis, which may have also impacted retrofit costs.

Figure 3-7 New Minibus Purchase Price (retail condition, excluding VAT)



Source: CAP HPI data request 2022 – data provided on 15th February 2022.

Second-hand Prices – Minibus

3.62 Second-hand minibus prices have been obtained for available compliant and non-compliant vehicles from Auto Trader. This data is compared against market price data collected in 2019 and 2020 and is summarised in **Table 3-5 & Table 3-6**.

Table 3-5: Second Hand Compliant Minibus Cost Estimates

Model	9 – 12 Seats			13 – 15 Seats		
	2019 Price (Pre-COVID-19)	Autumn 2020 (Mid-COVID-19)	2022 Price	2019 Price (Pre-COVID-19)	Autumn 2020 (Mid-COVID-19)	2022 Price
Ford Transit	£12,000	£16,000	£21,000	£20,000	£16,000	£22,000
Mercedes-Benz Sprinter	£29,500	£20,500	n/a	n/a	n/a	£29,000
Average	£21,000	£18,500	n/a	n/a	n/a	n/a

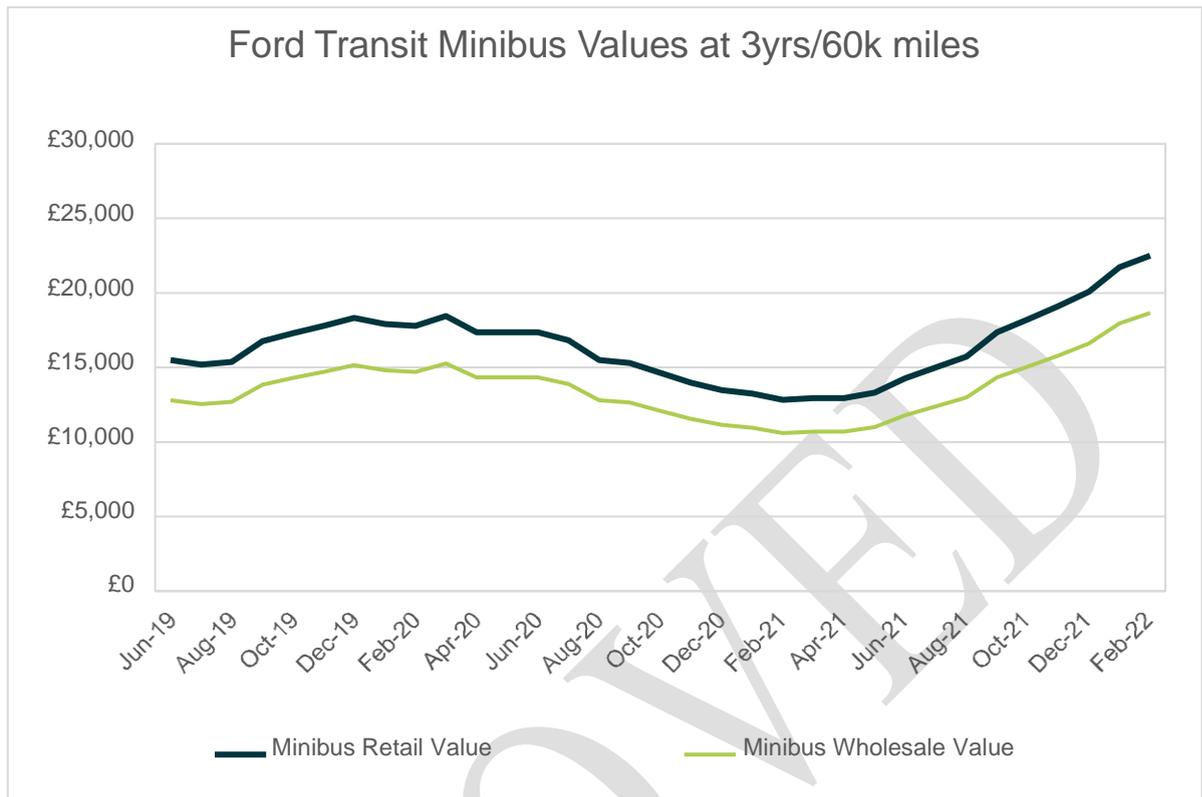
Table 3-6: Second Hand Non-Compliant Minibus Cost Estimates

Model	9 – 12 Seats			13 – 15 Seats		
	2019 Price (Pre-COVID-19)	Autumn 2020 (Mid-COVID-19)	2022 Price	2019 Price (Pre-COVID-19)	Autumn 2020 (Mid-COVID-19)	2022 Price
Ford Transit	£12,000	£9,000	£2,500 – 20,000	£20,000	£8,500	£5,000 – 9,500
Mercedes-Benz Sprinter	£29,500	£12,000	n/a	n/a	n/a	£7,500*
Average	£21,000	£10,000	n/a	n/a	n/a	n/a

* Only one vehicle available at time of search

- 3.63 There was a reduction in price of second-hand compliant minibuses during 2020 and this appears to have recovered with the price of both a smaller and larger minibus now equal to or exceeding pre-pandemic prices. The purchase price of second hand non-compliant vehicle has continued to fall and the average price of a non-compliant minibus is considerably lower now than in both 2019 and 2020.
- 3.64 From the CAP HPI data **Figure 3-8** shows the trend in the value of second-hand minibuses throughout the pandemic. An initial small rise in value in March 2020 was followed by a significant fall in value throughout the remainder of 2020. The value began to recover in early 2021 and, by the start of 2022, the value of a second-hand Ford minibus is exceeding 2019 pre-pandemic levels.

Figure 3-8 New Minibus Purchase Price (retail condition excluding VAT)



Source: CAP HPI data request 2022 – data provided on 15th February 2022.

Review of Vulnerability in responding to GM CAP

How have Coach Operators Coped?

- 3.65 COVID-19 has had a big impact on the coach and minibus sector. In particular, the coach operators that serve the tourism and events-based sectors have suffered the most due to the tourism industry taking a significant hit during the pandemic. The operators that provide regular services between destinations have also been impacted but have, at least, been able to operate at a reduced capacity. Whilst those that provide transport for students have most likely seen an increase in business through the introduction of the Home to School scheme, if these trends persist or are fundamentally different to the original assumptions made on the GM CAP, this could have a significant impact on the vulnerability of the coach and minibus sector response to the GM CAP.
- 3.66 This section reviews the original vulnerability assessment of the coach and minibus sector undertaken in 2019 and assesses how the COVID-19 pandemic has impacted coach and minibus vulnerability to the GM CAP.
- 3.67 Smaller operators are the most vulnerable due to the small capital they are likely to have in reserve. Larger operators have been able to diversify, with National Express able to raise over £1 billion from stock market offerings.
- 3.68 As shown in **Table 3-7** the coach industry will be impacted differently depending on the service type. Occasional services are likely to be the most heavily impacted due to their reliance on the tourism and events-based industries that have seen continued reductions in visitors and demand. We cannot yet predict when this service type might fully recover, restrictions are being scaled back and demand is increasing as

confidence rises, however the lasting impacts to the tourism and events-based industries are unclear.

- 3.69 Regular services are also likely to be highly impacted but not as significantly as occasional services. Regular services, such as National Express and Megabus, were able to recommence services once the first national lockdown was lifted and were able to operate at reduced capacity. Though during the January 2021 lockdown, both operators had, once again, suspended their services. The reduced capacity on their timetable and number of passengers on each coach will mean that, financially they are still vulnerable, but are more likely to have a faster recovery when restrictions are fully lifted. Recovery is dependent on customer confidence in their ability to provide a safe and hygienic travelling environment. There will also be a dependency on the speed of international recovery.
- 3.70 The special regular services are likely to have experienced the smallest impacts of COVID-19 and, in some cases, even benefit from it. The HTS scheme from central government has given extra funding for Local Authorities to provide extra vehicles to transport students to and from school. This extra funding has meant that more coaches have been used to fulfil this need. Unfortunately, there is no data available to identify how many GM coach operators this has helped.

APPROVED

Table 3-7: COVID-19 effect on Coach Industry by Service Type

Market Segment	Example	Pre COVID-19 – Responding to GM CAP	COVID-19 Impact	Impact on Responding to GM CAP (Post COVID-19)
Special regular services	Regular, scheduled service, not open to all passengers, such as: school services	<p>Medium impact</p> <p>Primarily owned by larger companies that have higher percentage or newer, GM CAP compliant fleet already.</p> <p>For those larger companies with a larger fleet size of non-compliant vehicles, this will result in a significant cost to upgrade.</p>	<p>Likely to have a medium impact.</p> <p>Will have seen a reduced service from reduction in school trips during lockdown.</p> <p>Some operators will have gained more work from the Home to School Scheme, but this would only impact 15% to 20% of the market.</p>	<p>High impact.</p> <p>Market price of new coaches has fallen by over £25,000.</p> <p>Good availability of second-hand compliant vehicles, lower and mid-range have decreased in price, higher end has seen a price increase. The impact from COVID-19 reduced demand.</p>
Regular services	Regular, scheduled service open to all passengers	<p>Medium impact</p> <p>Primarily owned by larger companies that have higher percentage of newer, GM CAP compliant fleet already.</p> <p>For those larger companies with a larger fleet size of non-compliant vehicles, this will result in a significant cost to upgrade</p>	<p>High impact likely.</p> <p>Operating at reduced capacity, both in the number of routes and the number of passengers on board.</p> <p>Susceptible to any possible national or regional lockdown which is likely to affect number of passengers on board.</p> <p>Likely to recover when COVID-19 is under control and numbers can recover to pre-COVID-19 levels.</p>	<p>High impact.</p> <p>Market price of new coaches has fallen by over £25,000.</p> <p>Good availability of second-hand compliant vehicles, lower and mid-range have decreased in price, higher end has seen a price increase. The impact from COVID-19 reduced demand.</p>
Occasional services	<p>Multi-day visit, or tour requested by a customer or offered by a carrier.</p> <p>Excursion or day trip requested by a customer or offered by a carrier.</p> <p>Local excursion or day trip offered to those already on a multi-day visit or tour.</p>	<p>High impact</p> <p>Likely to be smaller companies, older fleets. Significant cost to upgrade vehicles.</p>	<p>Very high impact likely.</p> <p>Relies heavily on tourism and events sector which have seen a massive reduction in tourist numbers and heavy restrictions</p> <p>Will remain at high risk until the tourism and events sectors recover.</p>	<p>Very high impact</p> <p>Price of new and second-hand compliant vehicles have reduced; however, the price of second-hand non-compliant vehicles have reduced further resulting in a larger capital required to upgrade. Significant COVID-19 impacts to demand and operations.</p>

- 3.71 It is possible that larger companies may keep their compliant vehicles for longer than normal, due to the financial losses incurred from COVID-19 and as many of their coaches will not have been used during the first national lockdown and are currently operating at a reduced service therefore vehicles will have lower mileage than normal. This could therefore reduce the availability of second-hand compliant vehicles on the market, leading to a potential supply gap.
- 3.72 Alternatively, if the financial losses are too severe, more coach operators may go into administration, resulting in more compliant (as well as non-compliant) vehicles entering the second-hand market. This will likely drive the price down, potentially making it more affordable to buy compliant vehicles. It is more likely that this could particularly impact smaller companies, who typically operate a higher proportion of non-compliant vehicles and could result in an increase in this type of vehicle for sale, which the larger companies will be less likely to want to buy.
- 3.73 As mentioned previously, in 2019 there were 269 non-GM based coaches serving GM, of which 259 are non-compliant. This figure represents 12% of the total non-compliant vehicles serving GM. Being non-GM these vehicles would not qualify for any funding for an upgrade to a compliant vehicle. The CAZ could discourage these coaches from operating in GM, or if continuing to operate as a non-compliant vehicle they will be liable for the charge, hindering the success of the GM CAP and having a continued detrimental effect on air quality.
- 3.74 A factor that will have an impact on the industry's ability to respond to the GM CAP is how the UK economy responds post COVID-19. Coach operators that are dependent on the tourism and events-based sectors are tied to how long it takes these sectors to fully reopen and recover and whether they can return to pre-pandemic levels.
- 3.75 It is likely that larger operators will survive due to their ability to raise capital to cover the losses as well as their ability to diversify and acquire contracts from small companies.
- 3.76 If smaller operators do go out of business, it is likely that there will be a larger number of vehicles on the second-hand market, and the data shows many smaller operators have non-compliant vehicles.
- 3.77 During consultation undertaken in 2020, many operators noted that the combined impact of the GM CAZ and COVID-19 could force them to close their business. Operators specified that the GM CAZ charge would be 'too significant' in their ability to be able to afford the charge given their current financial situation due to COVID-19 and upgrading to a compliant vehicle would be 'too expensive', especially after COVID-19.

Minibuses Vulnerability Review

- 3.78 Local authorities and education establishments (as long as schools remain open) are both likely to have low impacts. This is due to neither sectors' reliance on customers to operate.
- 3.79 Community transport services are predicted to have a medium impact. Although the industry does rely on customers to operate, they do not operate for a profit so therefore not reliant on demand, and their overheads are likely to be small. It is important to note that community minibuses are exempt from the CAZ so will not affect the overall success of GM CAP.

- 3.80 Local bus operator, using minibuses, are likely to have been highly impacted during the lockdowns due to the large reduction in demand as a result of the restrictions on the movement of people. However, the industry has received help from the government so operators are likely to survive and, as the demand continues to increase, the industry should be able to recover.
- 3.81 Coach operators, using minibuses, are likely to be the most affected by COVID-19 due to the lack of financial support from the government and the reliance on the tourism and events-based sectors. The recovery of this industry will depend on whether they get financial support and the rate at which demand increases and returns to pre-COVID-19 levels.
- 3.82 The leasing and rental industry is also likely to be highly impacted as they have experienced a significant reduction in demand for their services. As tourism continues to return to pre-pandemic levels, these sectors should also recover.
- 3.83 Those classified as being in 'other' are also likely to have felt a high impact. In particular, the smaller operators are unlikely to have the capital to survive the impact of COVID-19 suppressing demand in 2020 and into 2021.

Table 3-8: COVID-19 effect on Minibus Industry by Service Type

Market Segment	Typical Example	Pre COVID-19 – Responding to GM CAP	COVID-19 Impact	Impact on Responding to GM CAP (Post COVID-19)
Local Authorities (13%)	Public sector owned and operated vehicles.	Low impact Public sector owned	Low impact likely. Do not rely on customers to operate so are likely to operate as normal. Those minibuses that provide a service to the community are likely to operate at a reduced service.	Medium impact Price of new minibus has increased by 7% due to vehicle supply issues. There has been an increase in price of second-hand compliant vehicles, however no increase in second-hand non-compliant so current vehicle value reduced.
Community Transport (9%)	Vehicles that are operated for community groups and charities. In this group there can be cross over between charities and local authorities as operators.	Medium impact Significant cost to upgrade if existing vehicles are non-compliant	Medium impact likely. Rely on customers in order to operate and are likely to have reduced demand due the customers they serve being older and at a greater risk of COVID-19 effects, but they are able to operate at reduced capacity.	High impact With the increase in price of compliant vehicles the impact will increase to a high level
Education Establishments (18%)	Institute that owns and operates their own minibus fleet, such as schools, specialist schools, colleges and universities.	Medium impact Cost to upgrade if existing vehicles are non-compliant	Low impact likely. Do not rely on customers to operate and most likely own their own vehicles. Most likely return to pre-COVID activity when safe to do so.	Medium impact Price of new minibus has increased by 7% due to vehicle supply issues. There has been an increase in price of second-hand compliant vehicles, however no increase in

Market Segment	Typical Example	Pre COVID-19 – Responding to GM CAP	COVID-19 Impact	Impact on Responding to GM CAP (Post COVID-19)
		Likely to own low volume of vehicles.		second-hand non-compliant so current vehicle value reduced.
Local Bus Operators (2%)	A local bus operator that offers minibus services in parallel to bus services.	Medium impact Significant cost to upgrade if existing vehicles are non-compliant.	High impact likely. Rely on customers in order to operate and have seen a large reduction in demand and revenue. Have received financial help from the government so are likely to survive.	High impact With the increase in price of compliant vehicles combined with the impact of reduced income due to COVID-19.
Coach Operators (2%)	Coach operators that offer minibus services in parallel to coach services (both commercial and private).	High impact Significant cost to upgrade if existing vehicles are non-compliant.	Very high impact likely. Rely on customers in order to operate and have seen a large reduction in demand. Have not received financial help from the government so face a precarious future.	Very High impact Business already highly impacted by COVID-19, on top of increased prices to upgrade to compliant vehicles
Leasing / Rental companies (10%)	Rental companies that offer a range of vehicles for leasing, which includes a range of minibuses	High impact Significant cost to upgrade if existing vehicles are non-compliant.	High impact likely. Have seen a large reduction in demand. Benefit from government schemes such as the Furlough scheme. Members of BVRLA state they are confident of being able to recover once COVID-19 is over.	Very High impact Business already highly impacted by COVID-19, on top of increased prices to upgrade to compliant vehicles
Other (36%)	Minibuses that are owned by individuals, such as sole traders or individuals for private use.	High impact Significant cost to upgrade if existing vehicles are non-compliant, sole traders or private use, non-commercial.	High impact likely. Sole traders rely on customers to operate. May not have capital to survive reduced demand.	Very High impact Business already highly impacted by COVID-19, on top of increased prices to upgrade to compliant vehicles – may not be business, could be for personal use so may not be eligible.
Taxi and Private Hire Vehicles (10%)	Not assessed within this Evidence Note			

4. Conclusion

Summary

4.1 This note has sought to address the following key considerations:

- A review of the current position of the coach and minibus fleet;
- Report on the impact of COVID-19 in terms of changes to travel behaviour within GM, including changing transport trends and economic trends as a result of the COVID-19 pandemic;
- Specific COVID-19 pandemic impacts on this vehicle type (Coaches and Minibuses); and
- Comment on the extent to which those changes may be considered material to the success of the GM CAP given the vulnerability of the vehicle type (Coaches and Minibuses) to meet GM CAP compliance.

4.2 The most recent national datasets cover bus, coach and minibus combined. They show that this sector accounts for less than 2% of all vehicles and that is consistent locally, regionally and nationally.

4.3 Based on 2019 data, there are 1,700 coaches serving GM with 60% of those being compliant. There are 3,100 minibuses serving GM with 15% of those being compliant.

4.4 We do not have recent observed patronage data for the bus, coach and minibus sectors individually but public transport trip levels generally are between 60% and 75% of pre-pandemic / typical levels with bus performing more strongly than rail / Metrolink.

4.5 Coach operators can be categorised as offering three types of services:

- Special regular services (e.g. school travel provision);
- Regular services; and
- Occasional services.

4.6 Other than school services, which are largely back to normal, the ongoing impact on the coach market is dependent on how soon tourism and general travel returns to 'normal' levels. At the present time, that remains uncertain though there has been a general increase in leisure travel in recent months.

4.7 The impact of the pandemic has generally reduced prices for both new and second-hand coaches due to the reduced demand in the sector.

4.8 Conversely the price of new and second-hand minibuses has increased other than for second-hand non-compliant vehicles.

4.9 There is a wider range of organisations / businesses that use minibuses. Local authority, community transport and education related are all likely to be relatively unaffected as they are less demand dependant. But local bus and coach operators and leasing companies will be subject to the same travel demand uncertainties associated with the bus and coach sector.

Appendix A – List of Documents

This Appendix provides a list of documents and data sources used to inform this report.

Document Title	Date	Description	Relevance to GM CAP
Chapter 1			
Mayor of Greater Manchester writes to Government reiterating call for non-charging Clean Air Zone	May 2022	Announcement, provide background on current status of GM CAP https://www.greatermanchester-ca.gov.uk/news/mayor-of-greater-manchester-writes-to-government-reiterating-call-for-clean-air-zone	Current Status of GM CAP
GM CAP Technical Documents (various)	various	All available at Technical Documents Clean Air Greater Manchester (cleanairm.com) https://cleanairgm.com/technical-documents/	Published Technical Reports for GM CAP
Chapter 2			
Definition of Vehicle Categories	Feb 2022	Definition of Vehicle Categories, Vehicle Certification Agency https://www.vehiclecertification.gov.uk/vehicle-definition	Definition of Vehicle Categories
UK Coach Fleet Database - Transport Resources International Limited (2019)	2019	Provides information about coach makes and registrations	Coach makes and registrations
DfT (2018) Analysis of DVLA registered vehicle database records (version Q2 2016)	2018	Provides information about minibus registrations in GM	GM Minibus registrations
DfT, Statistical data set	Jan 2022	Provided the proportion of vehicle types registered by area	Vehicle types registered by area
T4 Appendix C, Vehicle Population Estimates	2019	Provided numbers of coaches/minibus serving GM by regions and compliances	Published Technical Reports for GM CAP
Chapter 3			
Online article from the Society of Motor Manufacturers and Traders (SMMT) -	Feb 2022	Stating falling demand and registrations of UK bus and coach: https://www.smmt.co.uk/2022/02/uk-bus-and-coach-registrations-fall-to-lowest-recorded-level-as-	Understand impacts of COVID on coach/minibus sector
Confederation of Passenger Transport (CPT) aid-to-trade-document	Various	Providing coach occupancy information https://www.cpt-uk.org/media/ijnl3w4f/aid-to-trade-document.pdf	Research

Online article from route-one.net	Aug 2021	Covid impact on coach and minibus sector https://www.route-one.net/news/difficult-road-ahead-for-	Research
“New survey reveals shocking shortage of bus drivers” - Online article from Unite The Union	Nov 2021	This revealed the bus driver shortages https://www.uniteunion.org/news-events/news/2021/november/new-survey-reveals-shocking-shortage-of-bus-drivers/	Research
“National Express takes next step into UK leisure travel market” - National express	Aug 2021	Impact of COVID-19 on Regular Coach Services: https://www.nationalexpressgroup.com/media/news-releases/2021/national-express-takes-next-step-into-uk-	Research
“National Express shares fall as firm warns Covid-19 recovery will be slow” – The Guardian	Aug 2020	How COVID-19 Affected National Express: https://www.theguardian.com/business/2020/aug/al-express-shares-fall-warns-covid-19-recovery-slow	Research
“Half Year Results” – National Express	Jul 2021	How COVID-19 Affected National Express: https://www.nationalexpressgroup.com/media/aj2tdona-express-hy-2021-presentation-post-financial-aug-2021.pdf	Research
“UK coach sector warns of looming disaster without government support” - FT	Sept 2020	The Home to School (HTS) scheme that was introduced by the Government in August 2020 helped some coach operators to gain extra revenue (to help cover lost revenue from suppressed passenger demand) as a result of the COVID-19 restrictions: https://www.ft.com/content/424808f0-c5d8-4b64-a127-	Research
Public Service Vehicles Accessibility Regulations 2000 and their application to home-to-school and rail replacement coach services	Dec 2021	The Government announced the intention to extend existing Vehicle Accessibility Regulations 2000 exemptions for HTS services: https://www.gov.uk/government/publications/public-service-vehicles-accessibility-regulations-2000-and-their-application-to-home-to-school-and-rail-replacement-coach-services	Research
Demand for trains plummets after timetables were slashed: Rail travel is 55% of pre-pandemic levels after Omicron wave saw firms axe services to cope with staff shortages	Jan 2022	Rail demand in January 2022 was at 55% of pre-pandemic levels, as a result of timetable reductions due to staff shortages following the Omicron wave, having previously returned to 70% of pre-pandemic demand: https://www.dailymail.co.uk/news/article-10394121/Demand-trains-plummet-timetables-timetables-Rail-travel-55-pre-pandemic-levels.html	Research
COVID-19: Positive change for	Jun 2020	Spencer Graham Coaches of Silloth invested in three PSVAR vehicles and have provided rail replacement	Research

the coach industry?		services, which has provided the company enough revenue to survive during COVID-19 https://www.rote-one.net/features/covid-19-postive	
Memorandum submitted by the Confederation of Passenger Transport	Oct 2000	The tourism industry forms an important part of the coach sector market: https://publications.parliament.uk/pa/cm200001/cmsel/ec/cmtndi/268/01101p11.htm	Research
£14bn and 10,000s of jobs at risk if coach travel sector collapses warns CPT	Sep 2020	Pre-pandemic, in 2019, coach travel catered for over 23 million tourism visits a year and contributed £14bn to the UK economy https://www.cpt-uk.org/news/14bn-and-10-000s-of-jobs-at-risk	Research
Proposition of support that enables the coach to tourism industry to trade out of the Covid-19 crisis		Around 80% of the coach industry's income is derived from tourism related activities https://www.cpt-uk.org/media/ijnl3w4f/aids-to-trade-out-of-the-covid-19-crisis	Research
Overseas travel and tourism: January 2019 provisional results	Jan 2019	The total amount spent by UK residents during visits abroad was higher than the total brought into the UK by foreign residents visiting https://www.ons.gov.uk/peoplepopulationandcommunity/sureandtourism/bulletins/overseas-travel-and-tourism	Research
Overseas travel and tourism, UK, provisional: July to September 2021	Feb 2022	Overseas residents spent a total of £1.2 billion on their visits to the UK during this period (which covers the typical summer peak travel period); this is a decrease of 87% on the same quarter in 2019 https://www.ons.gov.uk/peoplepopulationandcommunity/sureandtourism/bulletins/overseas-travel-and-tourism	Research
2022 tourism forecast	Nov 2021	VisitBritain released its 2022 tourism forecast https://www.visitbritain.org/2022-tourism-forecast	Research
National Express reports £445m loss for 2020 after 80% drop in passengers	Mar 2021	National Express reported a £445m loss in 2020 due to the COVID-19 pandemic. However, they are optimistic as, throughout 2021, they have seen a rapid recovery in demand when travel restrictions have been lifted: https://www.the-guardian.co.uk/business/2021/mar/18/national-express-reports-445m-loss-for-2020-after-80-drop-in-passengers	Research
National Express targets smaller rivals struggling in pandemic	Mar 2021	Have Coach Operators Coped pandemic. https://www.ft.com/content/02a27f99-8955-4220-95c4-3e15e9844ad8	Research
'Difficult road ahead' for incoming coach tourism recovery	Aug 2021	Andersons Travel had returned to around 60% of pre-pandemic business by the end of 2021. A degree of this has been due to diversification, for example home-to-school is now a predominant area of work https://www.rote-one.net/news/difficult-road-ahead-for	Research
Minibus services relaunched across Greater	May 2020	The Ring and Ride service provided by TfGM was completely stopped for just over two months when the first national lockdown occurred but has since restarted	Research

Manchester to help vulnerable residents		https://www.wigantodanet/news/uk-news/minibus-services-relaunched-across-greater-manchester	
Aug 2020 Covid19 Research Presentation - UPDATE	Sep 2020	British Vehicle Rental and Leasing Association (BVRLA) states that 94% of their members expect reduced revenues compared to their forecasts pre-COVID-19. https://www.bvrla.co.uk/press-releases/2020-covid19/	Research
'They're leaving in droves': UK faces bus driver shortage as HGV industry offers better pay	Oct 2021	The Unite union stated that there are more than 4,000 vacancies for bus and coach drivers across the UK and some companies have been forced to cancel services because drivers are not available https://news.sky.com/story/they-re-leaving-in-droves-uk-faces-bus-driver-shortage-as-hgv-industry-offers-better-pay	Research
Bus services in England face axe as end to emergency Covid funding looms	Jan 2022	Passenger numbers on buses have decreased sharply from 80% of pre-pandemic levels to less than 60% since the rise of the Omicron variant and the re-introduction of work-from-home advice in December 2021, leaving firms reliant on recovery grants to run services https://www.theguardian.com/business/2022/jan/11/bus-services-in-england-face-axe-as-end-to-emergency-covid-funding-looms	Research
Third year of decline for UK bus & coach market	Feb 2020	The UK new bus and coach market was already in decline, with the market falling by 18.8% in 2019, with annual registrations falling for a third consecutive year to 5,874 units SMMT suggest that the reasons for this continued decline were due to a combination of weak business confidence, declining passenger numbers and some confusion over clean air zones https://www.smm.co.uk/2020/2/third-year-of-uk-bus-coach-market/	Research
UK bus and coach registrations fall to lowest recorded level as pandemic dents ridership	Feb 2022	Demand for new buses and coaches dropped further in 2021 and was the weakest year since records began in 1996, with a total of 3,467 new registered buses. https://www.smm.co.uk/2022/2/uk-bus-and-coach-registrations-fall-to-lowest-recorded-level-as-pandemic-dents-ridership	Research
Coaches For Sale	Feb 2022	Coach sale info: https://classifieds.busandcoachbuyer.co.uk/classifieds/coach	Research
CAP HPI data	Feb 2022	New Minibus Purchase Price (Raw Data not published). Data request 2022 – data provided on 15th February 2022.	Research
Leger Holidays	Feb 2022	Evidence of larger operators with bigger fleets tend to have a higher percentage of compliant fleets https://www.leger.co.uk/content/business-update	Research

Chapter 4			
		(No additional sources in Chapter 4)	
Appendix A			
		(No additional sources in Appendix A)	
Appendix B			
Coronavirus (COVID-19) UK Government Dashboard	Oct 2020	https://coronavirus.data.gov.uk/	Background of Covid Timeline
“Greater Manchester's COVID-19 Management Plan: how we control outbreaks”	2022	https://greatermanchester-ca.gov.uk/coronavirus-19-management-plan/	Background of Covid Timeline
“Prime Minister announces new local COVID Alert Levels”	Oct 2020	https://www.gov.uk/government/news/prime-minister-announces-new-local-covid-alert-levels	Background of Covid Timeline
TfGM's C2 Database	various	Traffic flow data was extracted and analysed from TfGM's C2 Database https://tfgm2.drakewell.com/minimumdemand.aspx	Information on local traffic impacts
“Budget 2021: Fuel duty rise axed as petrol prices hit record highs”	Oct 2021	Fuel Prices Increase: https://www.statandard.co.uk/news/politics/budget-2021-fuel-duty-rise-axed-petrol-prices-record-highs	Information on Economic Related Impacts
“GDP monthly estimate, UK : December 2021”	Dec 2021	GDP information https://www.ons.gov.uk/economy/gross-domestic-product/bulletins/gdp-monthly-estimate-uk/december2021	Information on Economic Related Impacts
“Average weekly earnings in Great Britain: February 2022”	Dec 2021	Growth in average total pay (including bonuses) of 4.3% and growth in regular pay (excluding bonuses) of 3.7% among employees was seen in October to December 2021 https://www.ons.gov.uk/employment-and-labour-market/people/leisure-employment-and-labour-market/bulletins	Information on Economic Related Impacts
“UK economy latest”	Dec 2022	Information on Goods import and exports https://www.ons.gov.uk/economy/economic-output-and-productivity/outputs/articles/uk-economy-latest/2021-01	Information on Economic Related Impacts
“Cities Outlook 2022”	Jan 2022	Change in pub and restaurant sales in City Centres and Suburbs. Weekday footfall in Birmingham, Manchester and London https://www.centreforcities.org/wp-content/uploads/2022/01/Cities-Outlook-2022-	Information on Economic Related Impacts

Appendix B – Review of COVID Impacts

Overview

- B.1 Travel behaviour and the economy have been impacted by the COVID-19 pandemic and have resulted in changes in the way that people travel and the way businesses operate. In this chapter we will assess some of the key data findings found throughout the period to better understand the levels of impact on transport and travel generally.
- B.2 Chapter 3 focuses on the impacts of COVID-19 on the coach and minibus sectors.

COVID Timeline

- B.3 In January 2020, COVID-19 first appeared in the UK. By 30th November 2020, there were an estimated total of 1.6 million people testing positive to the virus in the UK with 58,24537 cases resulting in deaths.³⁸
- B.4 As stated within the GMCA COVID-19 Management Plan Executive Summary, GM had more than 16,000 confirmed cases and nearly 2,800 people died during the first four months of the COVID-19 pandemic.³⁹
- B.5 In Summer 2020, North West England was one of the worst affected areas by the pandemic with GM placed under additional restrictions on 31st July 2020. Throughout 2020, GM continued to experience a disproportionate impact to the rest of the UK from these additional restrictions, such as the three-tier system for lockdowns across England. This three-tiered system was first announced by the Government in October 2020 to '*simplify and standardise local rules*'.⁴⁰
- B.6 On 5th November 2020, the Government imposed a second national lockdown with restrictions on continued business activity in England. These restrictions were in place between 5th November and 2nd December 2020, followed by a return to 3 Tier system restrictions.
- B.7 On 19th December 2020 the Government introduced an additional 4th Tier, with lockdown measures beginning in London and the South East, after having identified the Alpha (Kent) variant, coming into effect on 21st December 2020 until a third nationwide lockdown was re-introduced on 6th January 2021.
- B.8 March 2021 saw Step 1 of the Government's roadmap being introduced, with schools reopening and outdoor gatherings being allowed with the proviso of staying local. April 2021 saw Step 2 of the roadmap allowing limited indoor contact, businesses such as hairdressers to reopen and outdoor hospitality. Step 3 came into effect in May 2021, allowing indoor meetings limited to 6 people and 10,000 people for large sport stadiums. Step 4, on 19th July 2021, saw the remaining venues such as nightclubs reopen, and the removal of most other restrictions.

³⁷ UK deaths is based on deaths within 28 days of a positive test and does not include excessive deaths.

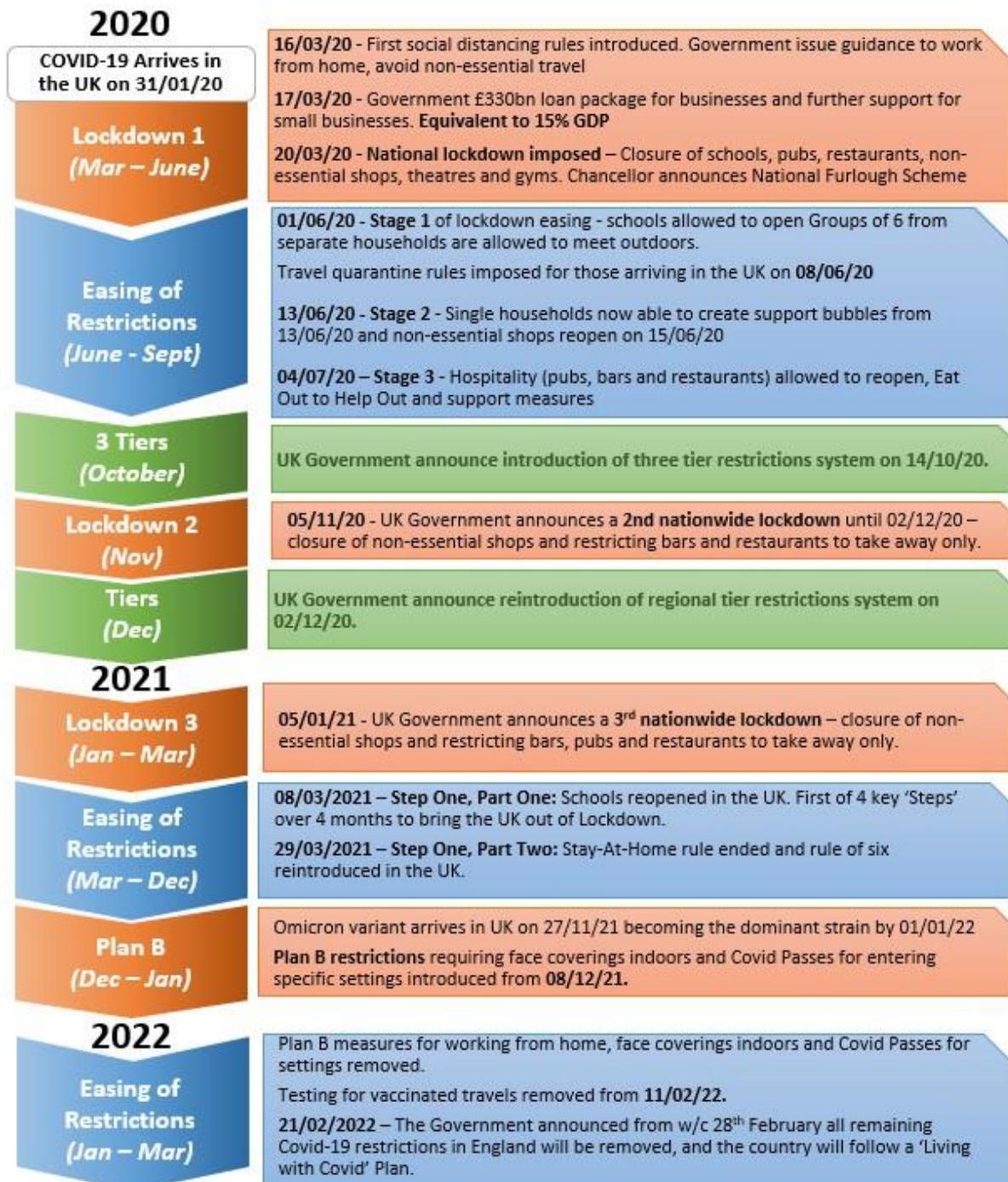
³⁸ Coronavirus (COVID-19) UK Government Dashboard <https://coronavirus.data.gov.uk/> (accessed 01/10/20)

³⁹ COVID-19 Management Plan – Executive Summary (GMCA) <https://greatermanchester-ca.gov.uk/coronavirus/COVID-19-management-plan/>

⁴⁰ Prime Minister announces new local Covid Alert Levels - <https://www.gov.uk/government/news/prime-minister-announces-new-local-covid-alert-levels>

- B.9 With the discovery of the Omicron variant, Plan B measures (face coverings indoors and use of Covid Passes at specific settings such as nightclubs), which also recommended working from home where possible, were implemented from 8th December 2021 to 27th January 2022.
- B.10 A summary of the key COVID-19 events and Government responses has been captured in **Figure B-1**.

Figure B-1 COVID-19 Timeline January 2020 to March 2022



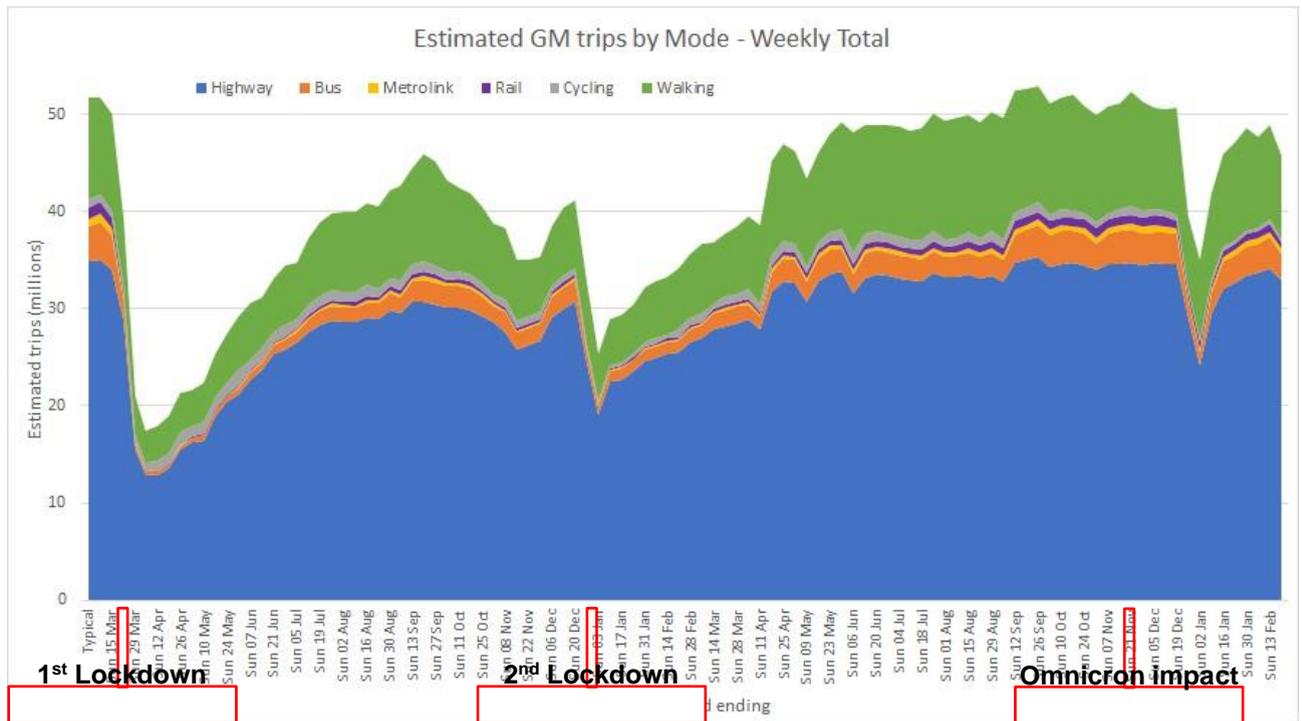
- B.11 The COVID-19 pandemic has had a transformative global impact to health, businesses, the economy, and way we live and interact with one another.

- B.12 At the time of the production of this note in March 2022, the UK appears to be exiting the pandemic. Case numbers are stabilising, death and in-patient numbers remain low, reflecting the positive impact of a successful vaccine programme rollout.
- B.13 However, emerging evidence gathered over the course of 2020 and 2021 has shown that there have been substantial changes to the economy, travel patterns and our behaviours. These changes have been driven by Government policy in the short term, however some of the behaviours adopted during Government lockdowns may continue as restrictions ease. In addition to this, economic impacts following the recent easing of restrictions have resulted in impacts which can be seen locally, nationally and globally within the economy.

COVID-19 Impacts on Travel Behaviour

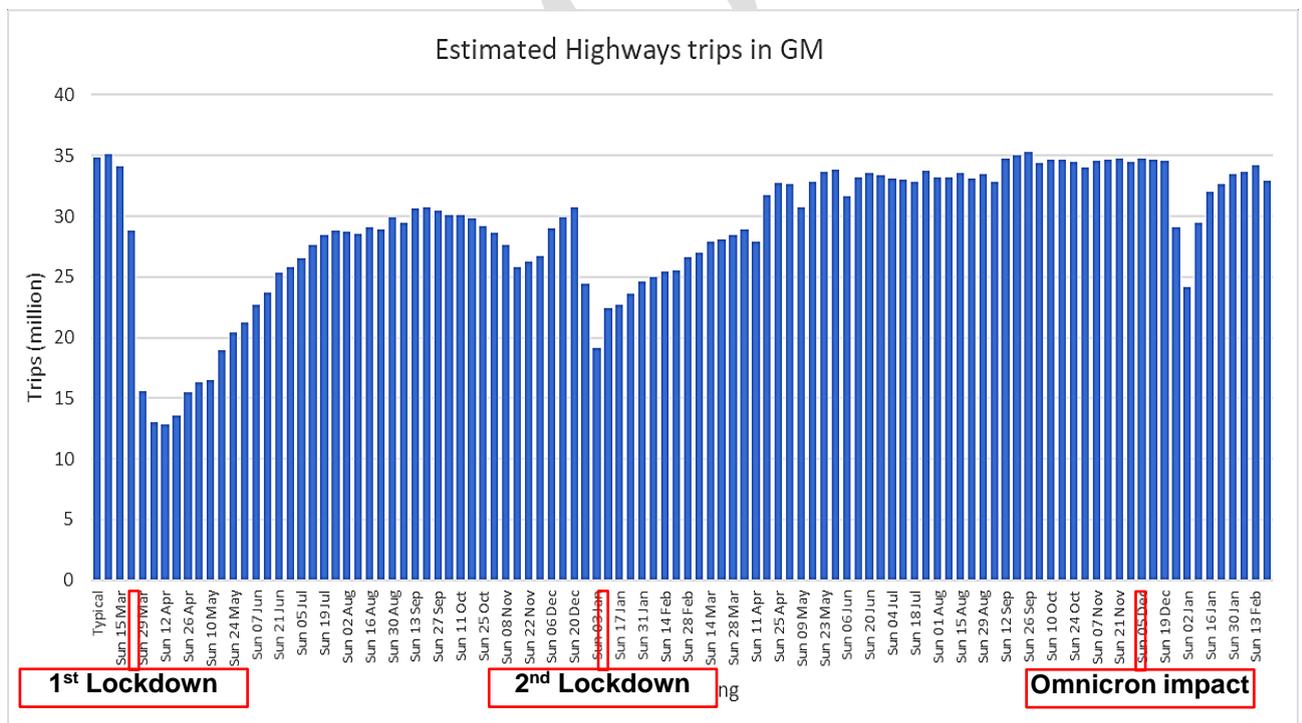
- B.14 Detailed analysis has been undertaken on the impacts of COVID-19 on travel demand within GM to compare 'pre-pandemic' and 'during pandemic' travel levels within GM.
- B.15 As shown in **Figure B-1**, there are a number of Government interventions which have had an impact on traffic levels (for all modes of transport). These include:
- Government guidance issued on 16th March 2020 to work from home 'where possible';
 - Closure of all UK schools to children, apart from those who have key worker guardians on 20th March 2020;
 - Closure of the hospitality and leisure sector on the 20th March 2020 including pubs, bars, restaurants, gyms, theatres etc.;
 - Re-opening of schools to all children in September 2020 alongside the UK Government encouraging workers to return to the office;
 - Implementation and extension of the Government Tiered restrictions;
 - Return to lockdown conditions on 5th November 2020, 2nd December 2020 and 6th January 2021; and
 - Hotel quarantine for travelers from high-risk countries.
- B.16 Since the beginning of the pandemic, travel patterns across the UK have significantly changed, driven by changing Government guidelines and the perception of transmission risks on certain forms of transport. An overview of the changing trends of travel behaviour by mode in Greater Manchester is provided in **Figure B-2 to Figure B-6**; the data has been provided by TfGM. Three key dates have been flagged in each figure: the first and second national lockdowns plus the emergence of the Omicron variant.

Figure B-2 Overview of travel behaviour – All Modes



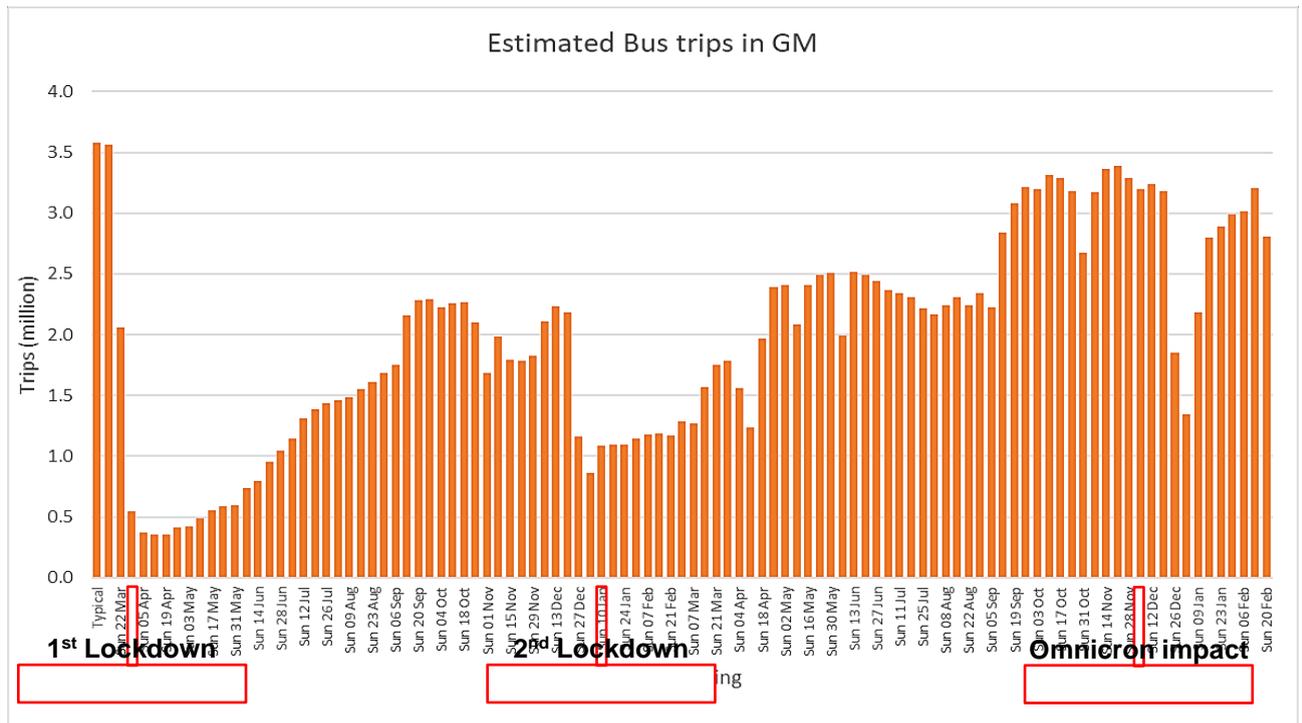
Source: TfGM

Figure B-3 Overview of travel behaviour – Highway



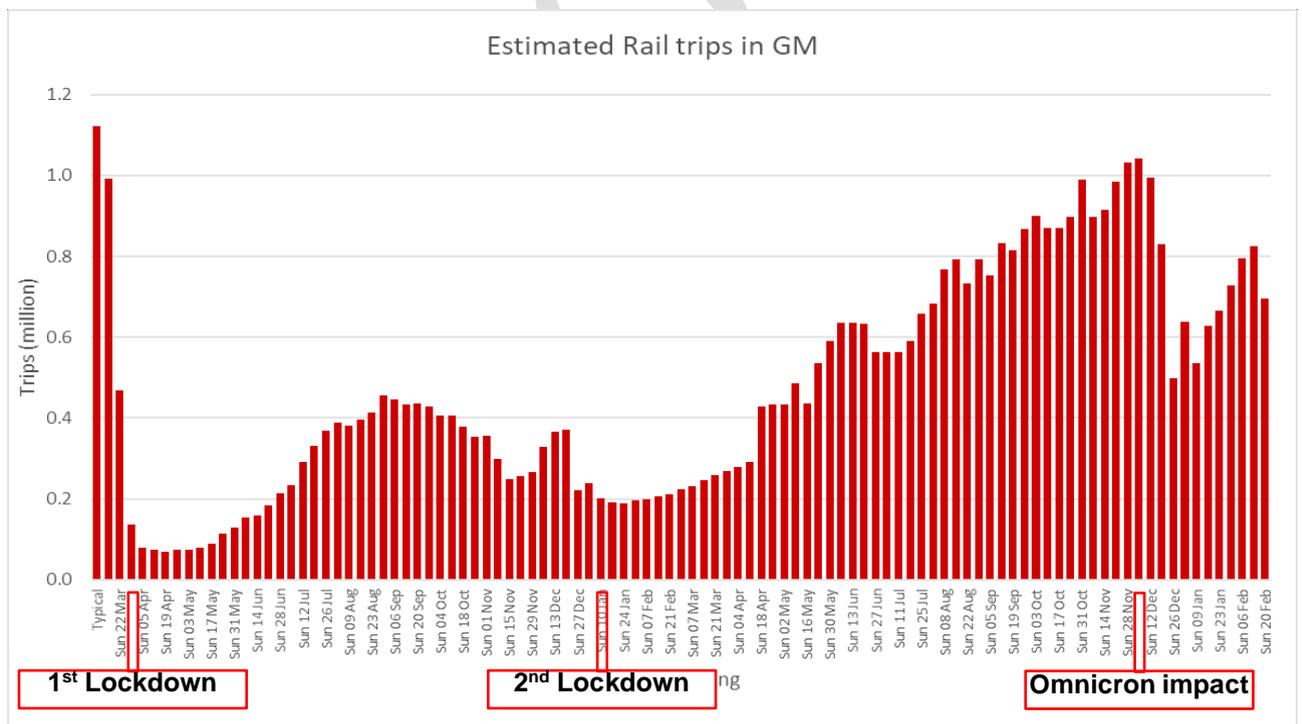
Source: TfGM

Figure B-4 Overview of travel behaviour – Bus



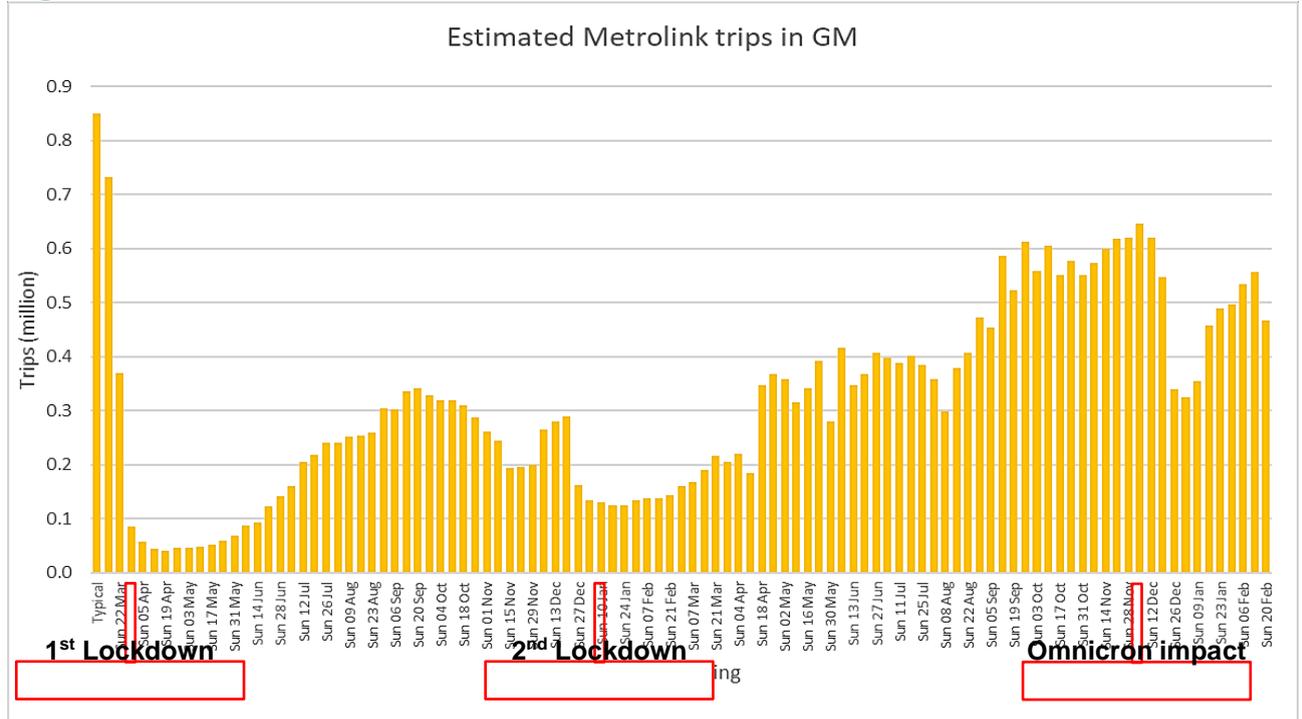
Source: TfGM

Figure B-5 Overview of travel behaviour – Rail



Source: TfGM

Figure B-6 Overview of travel behaviour – Metrolink



Source: TfGM

- B.17 These figures illustrate that the impact of the pandemic has been pronounced and the extent to which pre-pandemic travel volumes have returned varies by mode. In summary, at the aggregate level across GM:
- Highway trips are close to pre-pandemic levels (approximately 95% of 'typical'); and
 - Public transport trip levels are between 60% and 75% of pre-pandemic / typical levels with bus performing more strongly than rail / Metrolink.

Local Traffic Impacts

- B.18 Further analysis was undertaken regarding traffic flows on the local highway network, in order to understand the changing highway demand levels at various points through the pandemic. This has provided an insight into how the COVID-19 related travel guidance and changing behaviours because of the pandemic have impacted travel across GM.
- B.19 This analysis has considered changing travel levels at a range of locations across Greater Manchester, to understand how traffic flows have changed on the following:
- Roads near to the Regional Centre;
 - Key radial routes;
 - Roads adjacent to local centres within GM; and
 - Roads accessing centres of employment.
- B.20 The analysis has considered several points in time, comparing:
- September 2019 (before the pandemic);

- September 2020 (during the pandemic);
- November 2021 (during pandemic – pre Omicron); and
- January 2022 (most recent, though impacted by Omicron variant).

B.21 Traffic flow data was extracted and analysed from TfGM's C2 Database⁴¹. These have been reviewed and presented for the 2-way hourly link volumes, by hour, at the following locations:

- Manchester Rd (A56) / 15m South of Ashlor St, Bury (ATC);
- Princess Rd (A5103) / 100m North of Bonsall St, Hulme, Manchester (ATC);
- Washway Rd (A56) / 40m North of Hunston Rd, Sale, Trafford (ATC);
- Bury New Rd (A56) / 90m North of Kingswood Rd, Prestwich, Bury (ATC); and
- Centenary Way (A576) / 160m North of Guinness Rd, Trafford Park, Trafford (ATC)

B.22 Using these specific locations around Greater Manchester the traffic behaviours at each location type can be assessed.

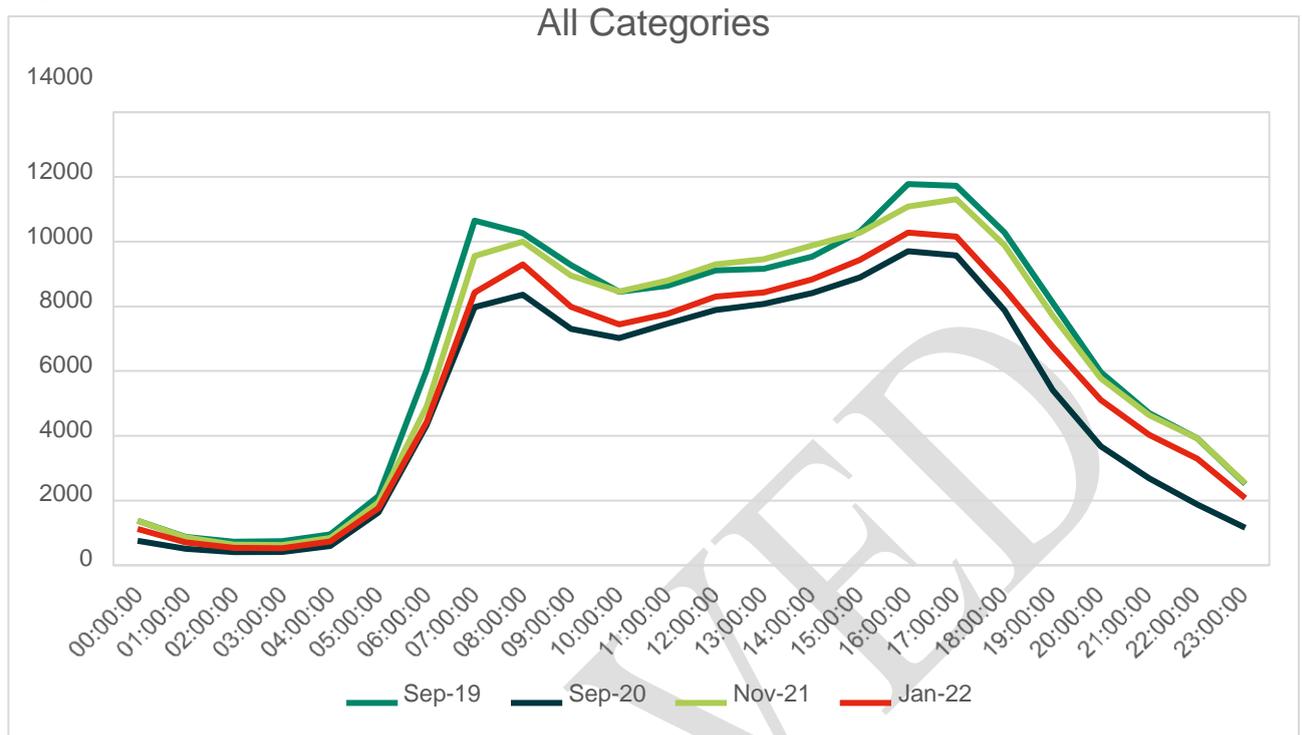
General Traffic Conditions

B.23 Averaging the sites identified above (see **Figure B-7**) suggests there has been a change in travel behaviour throughout the pandemic, noting the following key observations:

- The AM and PM peak periods have remained, although there is a dampening down effect on the peaks, with less variation between peak flows and interpeak flows, as the interpeak has continued to perform strongly.
- During late 2021, highway demand was almost back at pre-pandemic levels, there was then a noticeable drop again in demand as a result of the Omicron variant in December 2021.
- There has been some recovery during the peak periods, though they have not yet returned to pre pandemic levels.
- It is also noted that the earlier part of the AM peak is less strong than pre pandemic levels, with the AM peak now occurring 08:00 to 09:00, rather than 07:00 to 08:00 based on the sample of data sites.
- It also appears that the evening traffic (after 19:00) in 2022 is recovering at a slightly faster rate than the daytime traffic flows. This returned to pre-pandemic levels in November 2021 however, there has been a slight drop again in 2022, although it has been less impacted than other times of day. During the 2020 restrictions, the evening economy was significantly restricted by the COVID-19 restrictions in place at the time.

⁴¹ <https://tfgmc2.drakewell.com/multinodemap.asp>

Figure B-7 Change in traffic flow levels by time of day (all areas)

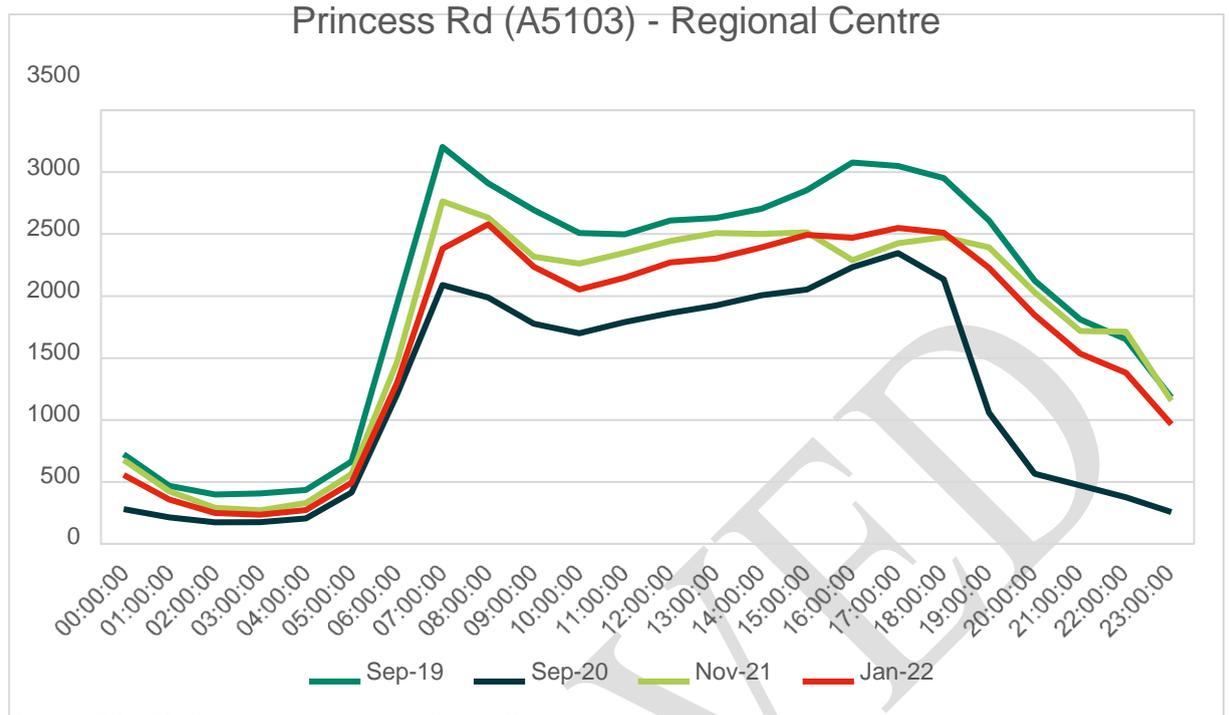


Roads adjacent to the Regional Centre

B.24 Traffic flows adjacent to the Regional Centre have been significantly impacted throughout the pandemic (see **Figure B-8**). The following key trends have been identified:

- From the data assessed, the pandemic (and associated restrictions) appears to have had the greatest impact on regional centre flows, with the largest decrease in 2020 and the slowest recovery;
- The recovery of traffic flows in the peaks is still subdued, though traffic flows during the Omicron variant have been higher than in Autumn 2020, unlike what is seen at local centres;
- In 2020, COVID-19 restrictions had a considerable impact on demand for travel relating to the Regional Centre, with heavy restrictions placed on sectors such as leisure, tourism, and the night time economy. By November 2021, the easing of COVID restrictions resulted in a return of travel demand to the Regional Centre, showing considerable recovery at particular times of day, reaching close to 2019 levels. The 2022 travel demand to Mar-22 also showed a strong return of traffic during the evening periods, though the Omicron variant is likely to be keeping these slightly below pre-pandemic levels at present.
- The early part of the AM peak is now much weaker than prior to the pandemic, and the PM peak is less pronounced. In November 2021, traffic flows were slightly reduced from pre pandemic levels, with the PM peak most strongly impacted. In January 2022, the PM peak appears to be starting to recover, with a slightly later AM peak.

Figure B-8 Change in traffic flow levels by time of day (Regional Centre)

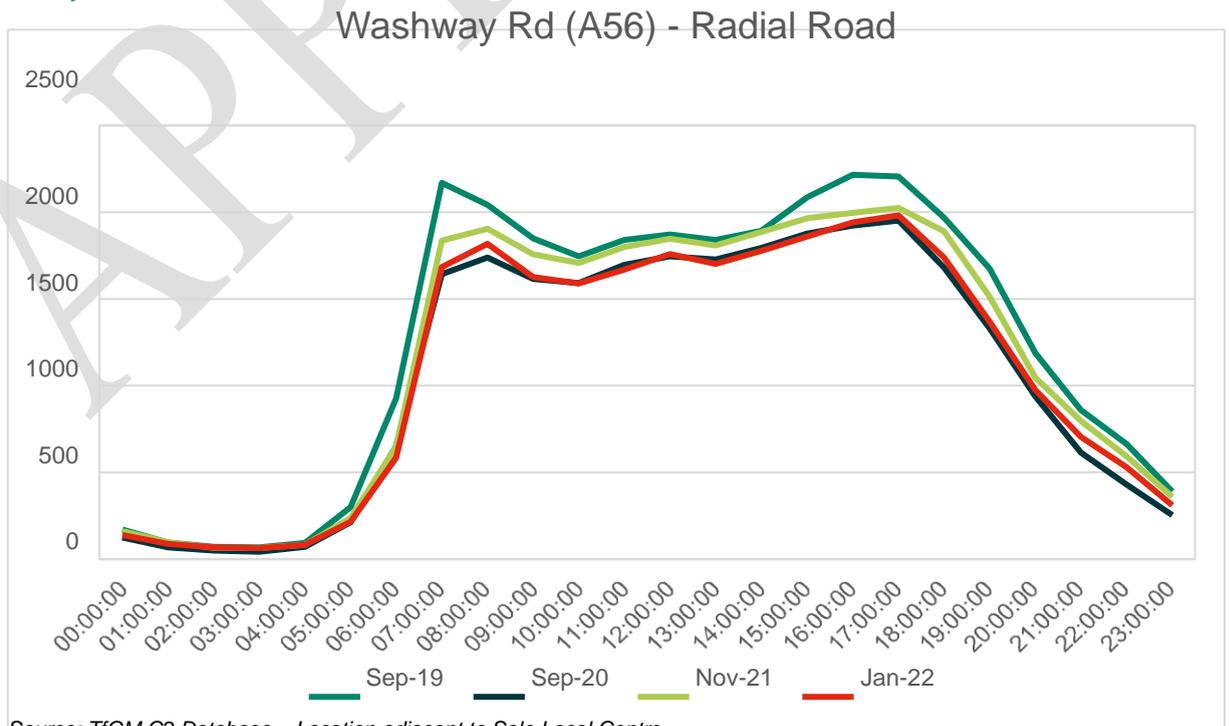


Source: TFGM C2 Database – Location N of Bonsall St, Hulme

Radial Roads

B.25 On Washway Road in Sale (see **Figure B-9**), its proximity close to the M60, and as a key radial route, has resulted in a high level of traffic demand at various points throughout the pandemic. The site is also close to the Local Centre of Sale. Demand has remained strong at the various points assessed although, as with most other locations, the peak periods are showing slightly lower demand in 2022.

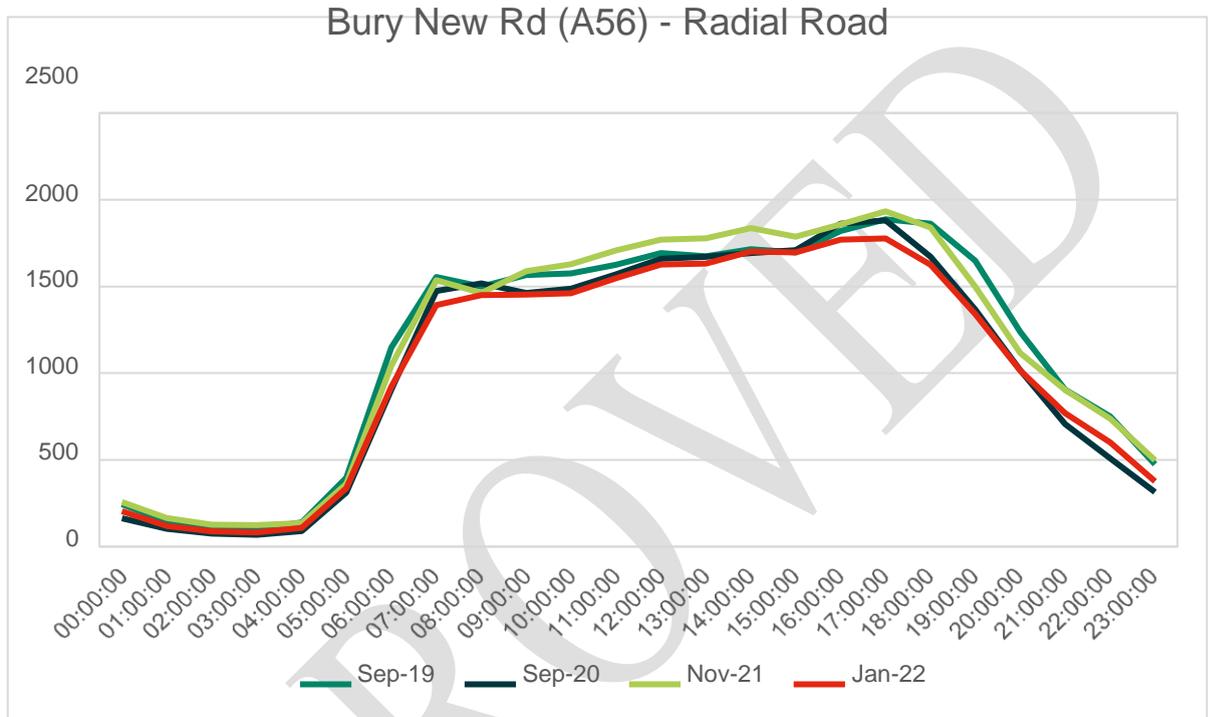
Figure B-9 Change in traffic flow levels by time of day (Radial Roads Outside M60)



Source: TFGM C2 Database – Location adjacent to Sale Local Centre

B.26 Another key radial route north of the Regional Centre is Bury New Road (see **Figure B-10**). This site is also a key radial, though also serves local centres, such as at Prestwich. This location has shown a strong recovery of travel behaviour with travel at certain times of day exceeding pre-pandemic levels, especially during the interpeak, both in autumn 2020, autumn 2021 and currently in 2022. The evening period has, however, shown a slower recovery.

Figure B-10 Change in traffic flow levels by time of day (Radial Roads Inside M60)



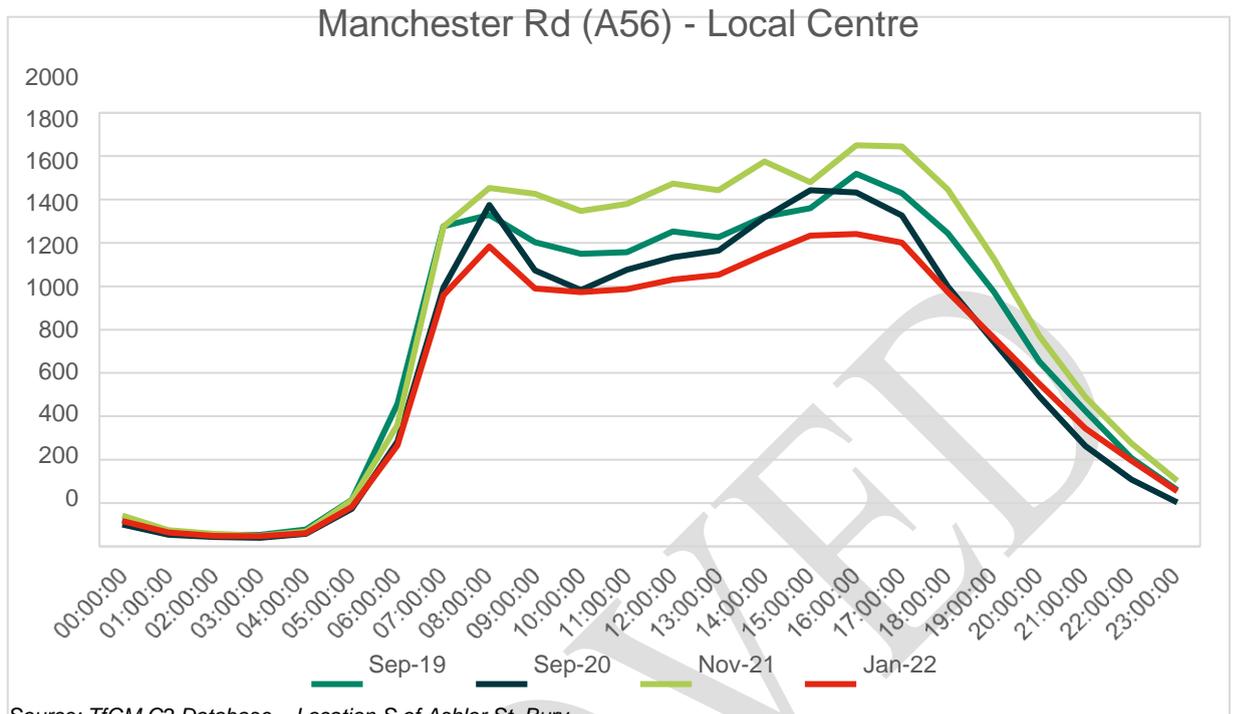
Source: TFGM C2 Database – Location N of Kingswood Rd, Prestwich (Near to M60 J17)

Local Centres

B.27 Throughout the pandemic, as the UK Government eased travel guidance, travel demand in the vicinity of local centres, have bounced back strongly. **Figure B-11**, shows the A56 Manchester Road near Bury, which experienced a strong bounce back effect in Autumn 2020, when travel restrictions were eased. **Figure B-11** shows the later part of the AM peak and the early part of the PM peak exceeding pre pandemic levels, plus a strong interpeak and was likely an impact of more localised travel.

B.28 By the end of 2021, demand had exceeded 2019 pre-pandemic levels by a clear margin, however this demand fell significantly in January 2022. The recent 2022 data shows the impacts of restrictions associated with the Omicron variant which has suppressed traffic flows once again.

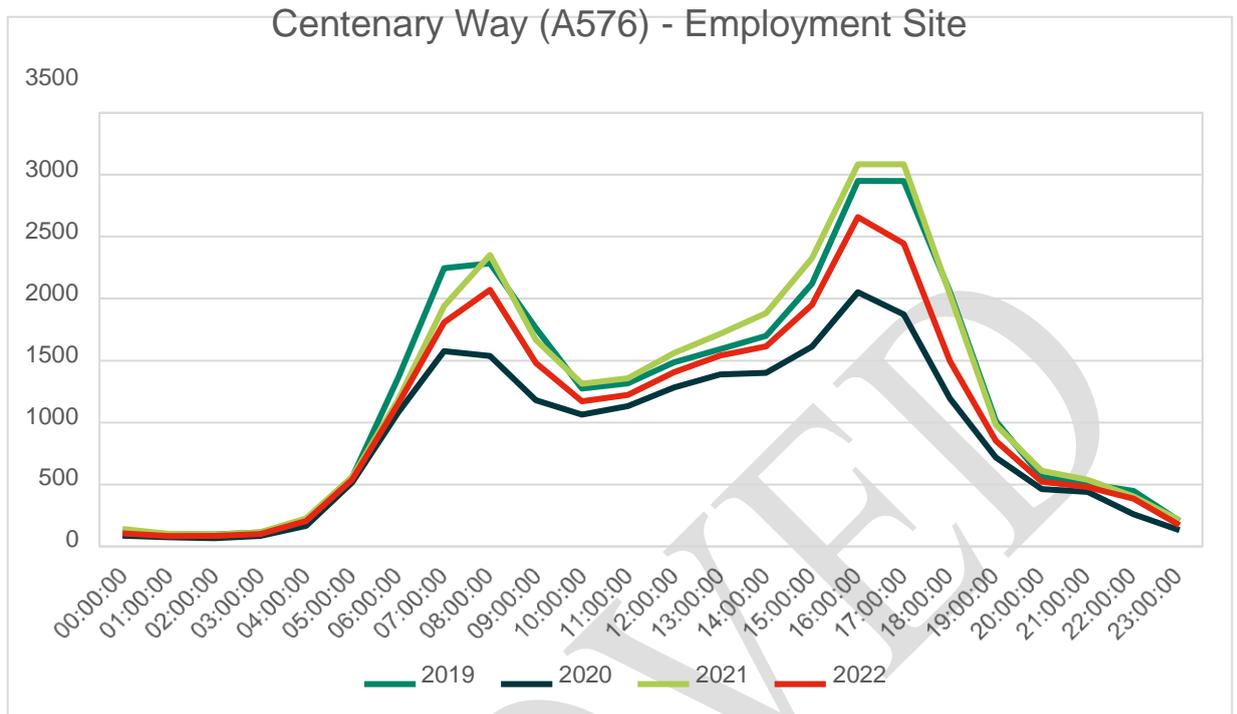
Figure B-11 Change in traffic flow levels by time of day (adjacent to Local Centres)



Centres of Employment (Trafford Park)

- B.29 Trafford Park is a major site of employment within Greater Manchester, with traffic flows accessing this employment area changing significantly during the pandemic.
- B.30 During the limited easing of travel restrictions in Autumn 2020, traffic flows to/from Trafford Park remained low, with limited return of higher peak time travel flows. This was possibly due to the higher levels of working from home at the time. The more recent data from November 2021 shows flows higher than pre-pandemic levels. January 2022, though impacted by the Omicron variant, shows a recovery of peak hour travel demand, close to pre pandemic levels, although the early part of the AM peak and the later part of the PM peak show a slightly weaker recovery. Interpeak travel is also similar to pre pandemic levels (See **Figure B-12**).

Figure B-12 Change in traffic flow levels by time of day (Centres of Employment)



Source: TfGM C2 Database – Location Trafford Park, Trafford

Summary

- B.31 The review of local traffic flows at various locations across GM has shown considerable variations in changing travel behaviour by location, when compared to pre-pandemic levels. This is likely to be impacted by changing travel habits, although the recent Omicron variant is likely to be impacting some travel behaviour in the 2022 data, as shown in **Figure B7**, general traffic levels in Autumn 2021 showed overall recovery in traffic flows above pre-pandemic levels.
- B.32 The change in travel behaviour by location since September 2019 is summarised in **Table B-1**.
- B.33 Considering the position in November 2021, when travel patterns were least affected, it is notable that Local Centre traffic flows were higher than previously whilst the Regional Centre flows were still much reduced. For radial routes and employment centres, overall (daily) levels were back to pre-pandemic but with some variation during the day; the morning peak being less pronounced but the interpeak higher.

Table B-1 Traffic flow changes by location type from September 2019 to January 2022

Location Type	Period	Change relative to Sep-19 (Index=100)			
		Sep-19	Sep-20	Nov-21	Jan-22
Regional Centre	AM	100	67	88	81
	IP	100	73	95	88
	PM	100	41	92	85
	Eve	100	26	95	85
	Daily	100	61	88	83
Radial inside M60	AM	100	98	98	93
	IP	100	98	105	96
	PM	100	101	102	96
	Eve	100	80	94	83
	Daily	100	92	101	91
Local Centres	AM	100	103	108	90
	IP	100	96	115	88
	PM	100	94	113	86
	Eve	100	74	110	87
	Daily	100	90	111	86
Employment Centre	AM	100	69	95	86
	IP	100	83	108	94
	PM	100	61	102	79
	Eve	100	74	99	91
	Daily	100	74	102	88

Source: TfGM C2 Database

Economic Related Impacts

Introduction

- B.34 Changes in the economic situation are also likely to have had an influence on travel behaviour. The section below presents the trends for a range of factors impacting the economy, several of which are likely to impact the way people travel and businesses operate.

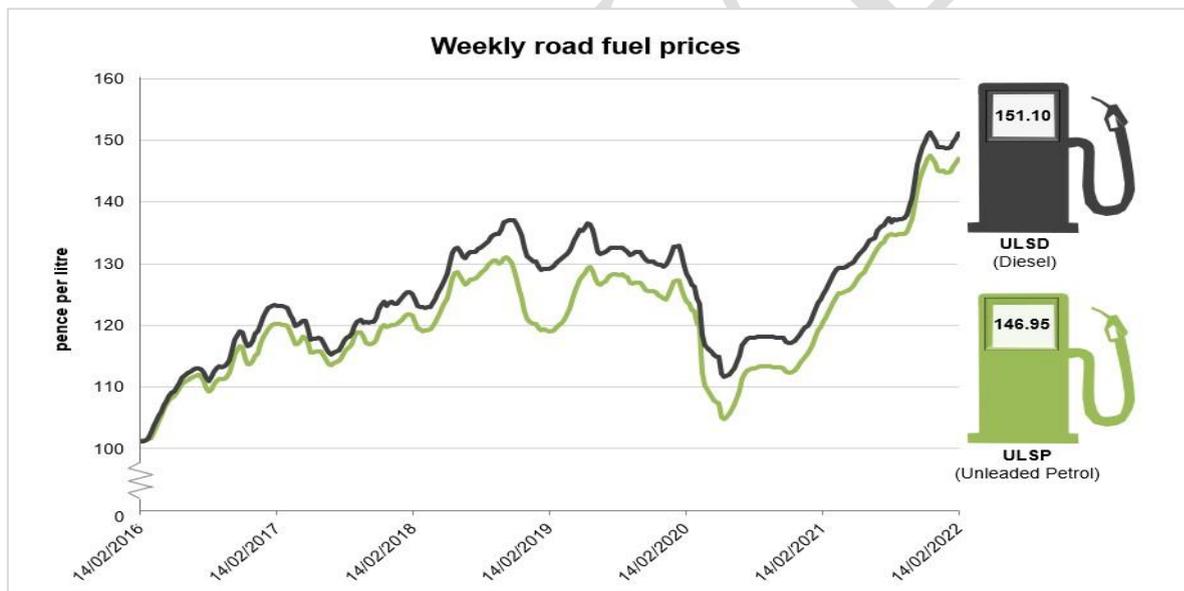
Fuel Prices

- B.35 There are six companies (four oil companies and two supermarkets) that feed into the weekly fuel price survey prepared by the government. These companies cover around 65% of the market. The change in fuel price is displayed in **Figure B-13**.

B.36 The price of road fuel is volatile over shorter time periods, with prices regularly rising and falling. The key trends from during the pandemic are:

- At the start of 2020 prices appear to have been on the decline. There was then a significant fall in both Diesel and Unleaded Petrol in early 2020, corresponding with the first national lockdown.
- During the second part of 2020, prices appear to be stable, with prices beginning to rise steadily throughout 2021 in line with global oil market prices.
- There is a steep rise in prices towards the end of 2021, reaching record highs. This corresponds with a sudden rise in post-pandemic energy demand. This has triggered a tax freeze on petrol and diesel for the twelfth year in a row⁴².
- In September 2021 long queues and forecourt closures were witnessed, caused by panic buying throughout the country, sparking a fuel shortage in Britain.

Figure B-13 Weekly Road Fuel Prices



Source: gov.uk

B.37 It was already likely that the price of fuel would remain unsteady for some time as a consequence of the impact of the pandemic and recent events in Ukraine have brought additional uncertainty to that market.

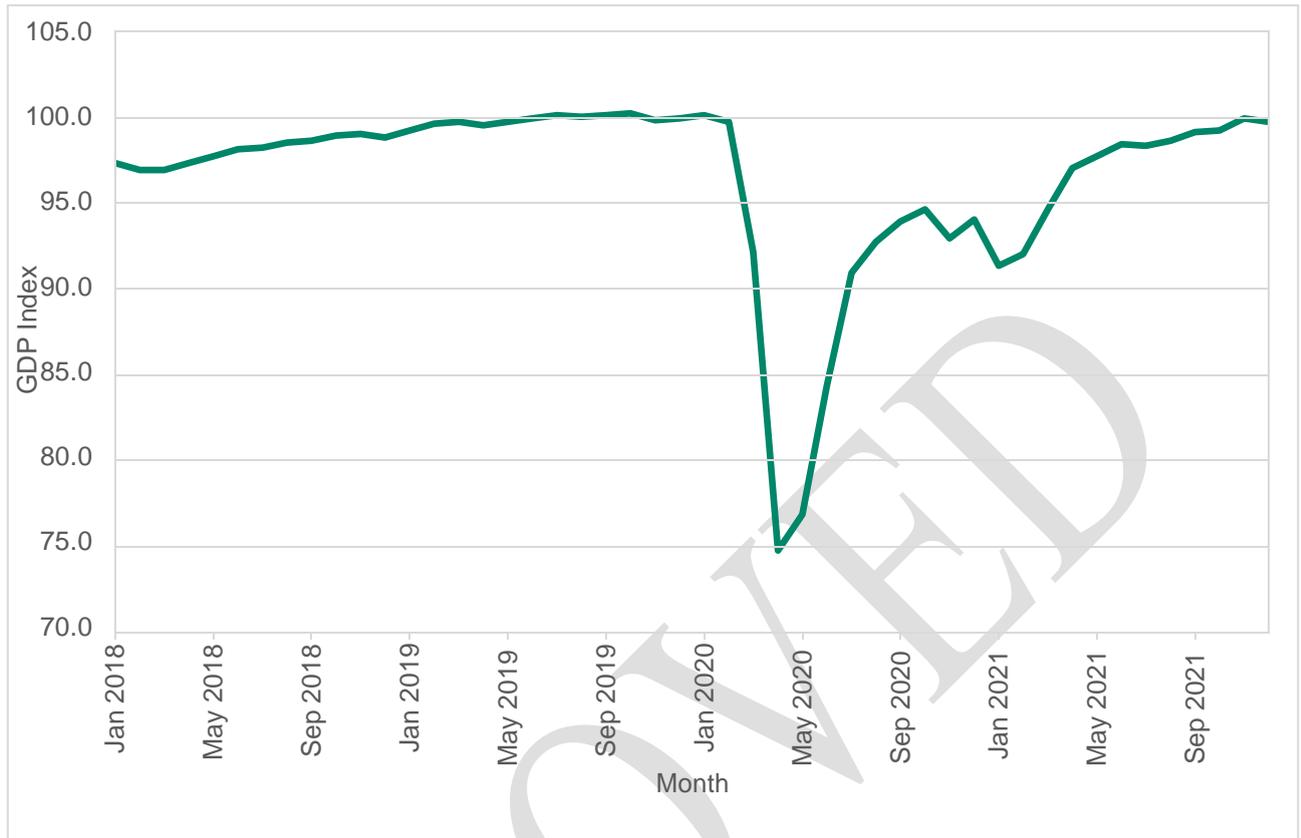
GDP

B.38 From bulletins on the ONS data website⁴³ the end of 2021 saw a drop in GDP by 0.2%, to equal the pre pandemic level of February 2020. In December 2021 services and construction are both above pre-pandemic levels, while production remained below. Consumer facing services fell within December, driven by a fall in retail, 8.4% below pre-coronavirus levels, contributing to the GDP fall in December 2021 (see **Figure B-14**).

⁴² <https://www.standard.co.uk/news/politics/budget-2021-fuel-duty-rise-axed-petrol-prices-record-highs-b962832.html>

⁴³ <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/december2021>

Figure B-14 GDP in the UK (Index, 2019 = 100)



Source: ons.gov.uk/economy⁴⁴

- B.39 Growth in average total pay (including bonuses) of 4.3% and growth in regular pay (excluding bonuses) of 3.7% among employees was seen in October to December 2021⁴⁵. In real terms (adjusted for inflation), total and regular pay fell for the year by 0.1% and 0.8% respectively.

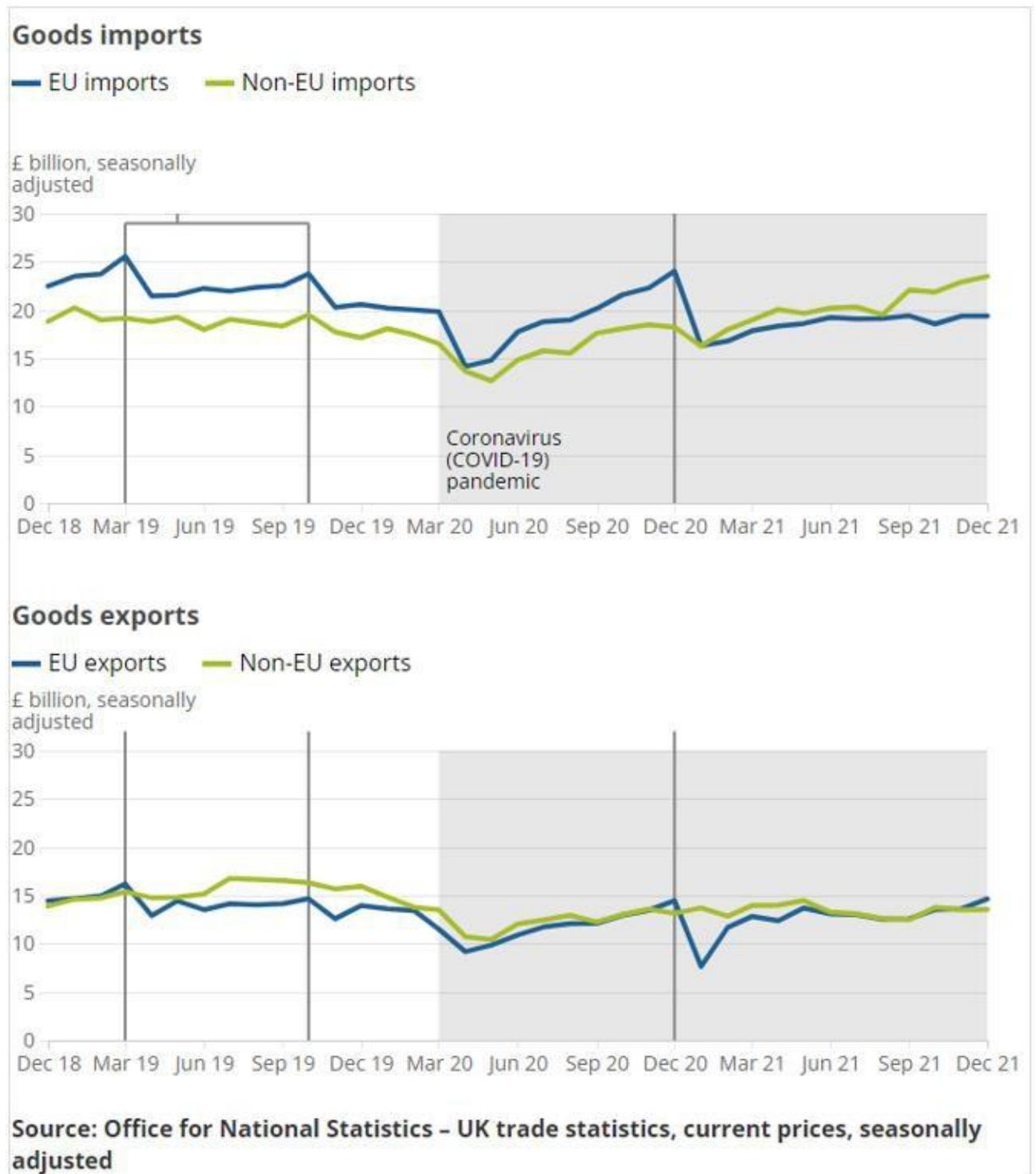
Imports and Exports

- B.40 **Figure B-15** shows the trends in UK goods imports and exports throughout 2019, 2020, and 2021. After an initial decrease in imports at the beginning of the pandemic, this appears to have recovered. There was another significant decrease at the end of 2020, however imported goods are on the increase back to pre-pandemic levels. There was less impact on exports, with these remaining steady throughout.

⁴⁴ <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/december2021>

⁴⁵ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsinreatbritain/february2022>

Figure B-15 Import and Exports



Source: ons.gov.uk/economy⁴⁶

Centre for Cities – Cities Outlook

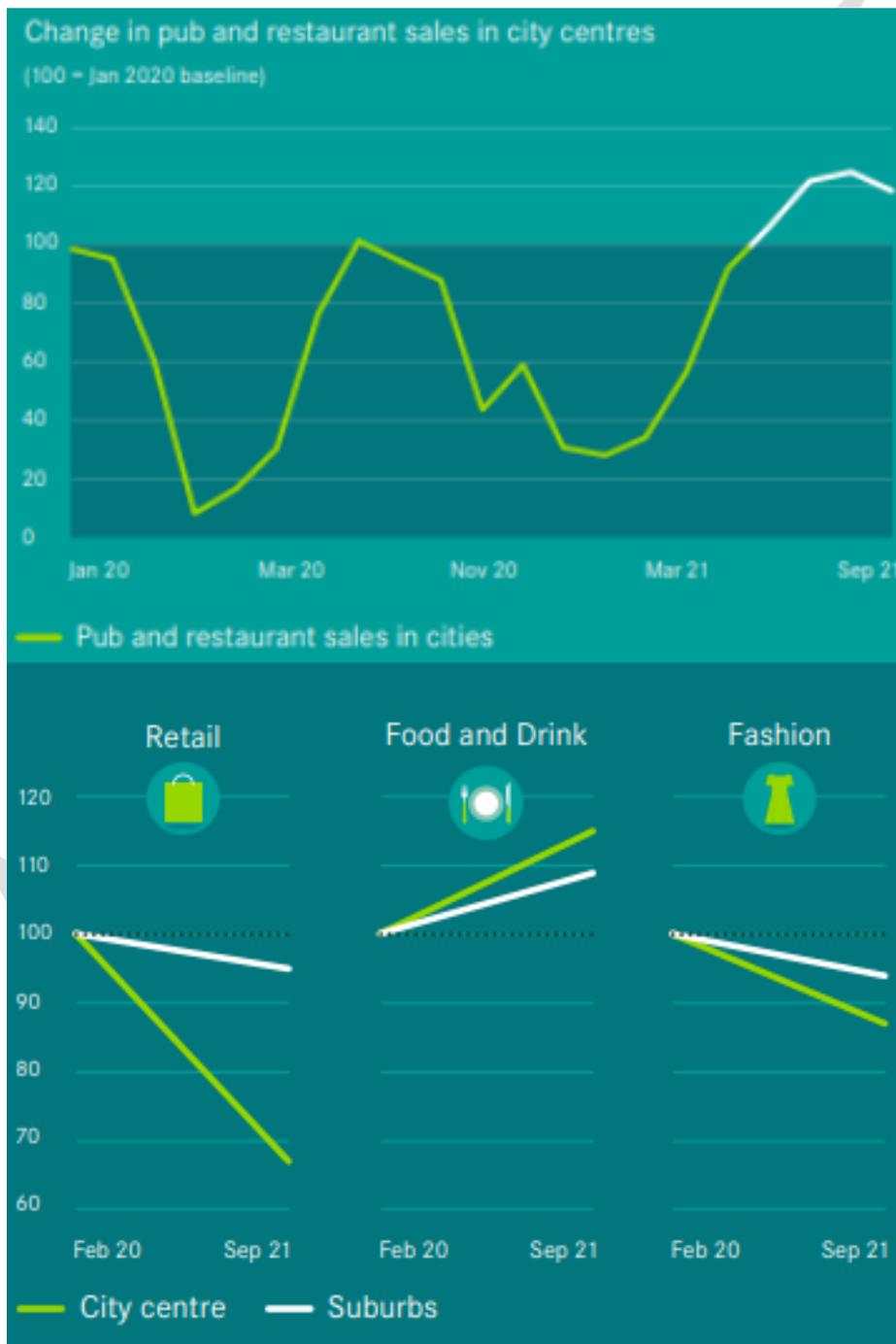
- B.41 Centre for Cities produced the Cities Outlook 2022 report looking in-depth at the state of UK high streets, to get a sense of the short-term impact of the pandemic on Britain's town and city centres, and the long-term consequences and implications this has for the Government's levelling up agenda. This report showed that there was a quick and considerable shift away from high streets to online

⁴⁶ <https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/ukeconomylatest/2021-01-25#output>

shopping during the pandemic. However, in most cities the shift stalled, or slightly fell again once shops reopened.

B.42 The Cities Outlook report also studies the impacts on pubs and restaurants, stating that the fashion sector was hit harder than pubs and restaurants. **Figure B-16** shows the trend in sales throughout 2020 and 2021. There are clear decreases in sales corresponding to the national lockdowns but in all instances, these soon recover when the sector reopens. This is also reflected in the suburbs, with retail and fashion experiencing a slight decline from Feb 2020 to September 2021 but food and drink on a steady incline.

Figure B-16 Change in pub and restaurant sales in City Centres and Suburbs

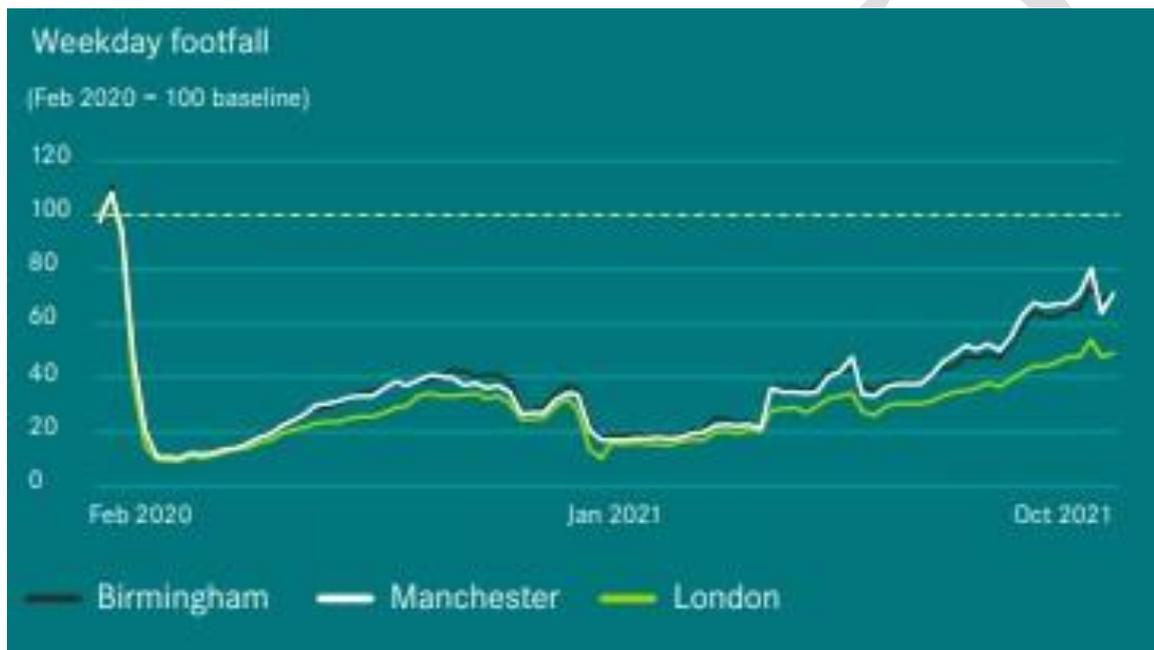


Source: ons.gov.uk/economy⁴⁷

⁴⁷ <https://www.centreforcities.org/>

- B.43 Due to the work from home regulations and, for many, working from home becoming a regular part of the working week, it is feared the reduced footfall in cities will have a lasting effect on retail, hospitality, and transport sectors. **Figure B-17** show the weekday footfall in London, Manchester and Birmingham. Although not yet back to pre-pandemic levels, there is a steady climb in footfall in the major cities with Manchester appearing to recover more quickly than Birmingham, and London taking considerably longer.
- B.44 The more significant impact on London may be related to the impact of COVID-19 on international tourism.

Figure B-17 Weekday footfall



Source: ons.gov.uk/economy