

Report to:	EXECUTIVE CABINET
Date:	27 January 2021
Executive Member:	Councillor Warren Bray, Executive Member Transport and Connectivity
Reporting Officer:	Jayne Traverse, Director of Growth
Subject:	DOING BUSES DIFFERENTLY: CONSULTATION ON THE IMPACT OF COVID-19 ON THE PROPOSED BUS FRANCHISING SCHEME
Report Summary:	The report considers the Greater Manchester Combined Authority consultation for the proposal to introduce bus franchising in Greater Manchester taking account of the possible effects of Covid-19.
Recommendations:	That Executive Cabinet be recommended to: <ul style="list-style-type: none"> (i) Consider and note the contents of the report in relation to the ongoing bus franchising consultation taking account of the possible effects of Covid-19 (ii) To consider and approve the attached formal response to the 12 questions contained in the consultation questionnaire attached at Appendix 1.
Corporate Plan:	The schemes set out in this report support the objectives of the Corporate Plan
Policy Implications:	Bus Franchising will help connectivity across the Tameside and Greater Manchester Region thereby supporting economic regeneration and support those most at risk within the borough
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	Section 3 of the report provides details of the related financial issues for the proposed franchising scheme. A non-recurrent contribution from GM local authorities is referenced in section 3.2. Members are reminded of a non-recurrent £ 3.02m rebate received by the Council from GM relating to waste and transport levies in 2019/20. The related details were reported in the 2019/20 period 6 integrated financial monitoring revenue report presented to the Executive Cabinet on 27 November 2019. A sum of £ 1.45m has been allocated via this rebated sum in 2020/21 to finance the cost of the Council's contribution to the proposed franchising scheme. This non-recurrent sum will need carrying forward to subsequent financial years once the outcome of the consultation is known together with any revisions to the required costs. The related details will be reported to Members at a later date.
Legal Implications: (Authorised by the Borough Solicitor)	This report should be considered in conjunction with the Executive Cabinet Report on the 18 December 2019 which detailed the Bus Franchising initiative for Greater Manchester and commenced the consultation which is being expanded upon but the additional questions appended. These additional questions are intended to capture views relating the impact of covid and to ensure that the information gleaned from the consultation provides decision makers with as much relevant information as possible in order to make informed decisions and ensure a robust decision making process.

It should be noted that the Council's constitution states under Part 3b - Cabinet Positions - Portfolios that:

Each Executive Member is responsible for:.....

Para 23 To submit to the Executive Cabinet:-

- All responses to consultation papers, relating to these Terms of Reference, issued by the Government and outside organisations.

Risk Management:

This is a Greater Manchester led initiative and as such any risk is borne by the Greater Manchester Combined Authority

Background Information:

The background papers relating to this report can be inspected by contacting Nigel Gilmore, Strategic Lead Transportation & Infrastructure



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1. INTRODUCTION

- 1.1 Greater Manchester has an ambition for a truly integrated public transport system, “Our Network”, to enable moving around the city-region easy, accessible and affordable. Buses will be central to this network and are a vital part of Greater Manchester’s transport system, with 75% of public transport journeys – both before and during the pandemic – made by bus. For many, especially in our poorer and most vulnerable communities, they are a critical link to jobs and essential services.
- 1.2 In June 2017 GMCA decided to consider using powers contained in the Transport Act 2000 to improve bus services in Greater Manchester by reforming the current bus market. The options available included franchising, the system used in London and other cities globally, and various forms of partnership working with the bus operators.
- 1.3 GMCA instructed TfGM to produce an assessment of a proposed bus franchising scheme for Greater Manchester. Between 14 October 2019 and 8 January 2020, GMCA held a consultation on a Proposed Franchising Scheme for the city-region’s buses, which asked questions about the Scheme and the Assessment.
- 1.4 Within Tameside, the original consultation exercise was the subject of an Executive Cabinet Report on the 18 December 2019, which provide a summary of the Bus Franchising initiative for Greater Manchester and recommended that the Executive Cabinet:
 - Consider and give approval to the attached draft Tameside MBC letter from the Leader of the Council in response to the Mayor of GMCA “Doing Buses Differently: Proposed Franchising Scheme for Greater Manchester”
 - Delegate to the Director of Growth in consultation with the Executive Member for Transport and Connectivity making the formal response to all 64 questions contained in the long consultation questionnaire attached, before the close of the formal consultation at midnight Wednesday 8 January 2020 in support of the proposed bus franchising initiative.
- 1.5 More than 8,500 responses to the consultation were received. An independent research agency, Ipsos MORI, reviewed, analysed and summarised all the responses to the consultation in a report. Of the 5,905 respondents who answered the question on whether they supported or opposed the Proposed Franchising Scheme, 83% said they supported the Scheme.
- 1.6 Several Greater Manchester bus operators submitted alternative partnership proposals during the consultation period.
- 1.7 The outcome of the consultation was due to be considered by GMCA in spring 2020 but was deferred due to Covid-19. In June 2020, GMCA noted the results of the consultation and asked TfGM to prepare a further report that would consider the potential impact and effects of Covid-19 on the bus market in Greater Manchester and make recommendations about appropriate next steps, before making a final decision.

2. THE COVID-19 IMPACT ON BUS FRANCHISING REPORT

- 2.1 This further report considers the potential impact and effects of Covid-19 on the bus market in Greater Manchester, how it may affect the key conclusions of the Assessment and GMCA’s proposals for franchising. Due to the uncertainty about the long-term impact of Covid-19, the Report uses four different scenarios to consider how bus services and the city-region’s transport plans and priorities could be affected.
- 2.2 The four scenarios are:

- Scenario 1 – Back to Normality - pre-pandemic economic activity would return but with a lower likelihood of travel by public transport and cycling and walking. This means that TfGM expect that:
 - Travel demand would return as Government restrictions are lifted, with some reduced travel to work but more people travelling for leisure
 - Car travel would increase slowly to reach new highs after five years.
- Scenario 2 – New Travel Demand - pre-pandemic economic activity would return, accompanied by a growth in the number of people travelling by public transport and cycling and walking. This means that TfGM expect that:
 - There would be a reduction in the overall number of people travelling because more people would work from home
 - Public transport usage would grow beyond pre-Covid-19 levels.
- Scenario 3 – Car Travel Dominant - pre-pandemic economic activity would not return, at least for some time, and with fewer people travelling by public transport or cycling and walking. This means that TfGM expect that:
 - The decline in public transport travel would continue alongside lower economic activity
 - Private car travel would increase as a proportion of total travel and exceed pre-Covid-19 levels after five years.
- Scenario 4 – Poorer and More Local - pre-pandemic economic activity would not return, at least for some time, but there would be a growth in the proportion of travel by public transport or cycling and walking. This means that TfGM expect that:
 - Public transport travel would remain lower than pre-pandemic, replaced by more home-working and a greater take up of cycling and walking
 - Car-use would also remain lower than pre-pandemic, reduced by a weak economy.

- 2.3 Having compared the options under these four Scenarios, the report found that the Proposed Franchising Scheme is still the best option to deliver GMCA's objectives for the bus network and achieve Greater Manchester's long-term ambition for a fully integrated public transport system. This is compared to leaving buses organised as they are now (a 'Do Minimum' option) or a partnership with bus operators.
- 2.4 Under all scenarios, the report noted that franchising is still the best option to achieve Greater Manchester's long-term ambition for a fully integrated public transport system.
- 2.5 Under franchising, GMCA would be responsible for the bus network and that means it would have more of the financial responsibility and the risks. Depending on the impacts of Covid-19, GMCA might have to make difficult choices about the bus network in the future to manage these risks - such as providing further funding or making reductions to the network.
- 2.6 But even under the other options available, such as entering into a partnership with bus operators or making no change to the bus market, there would still be difficult choices as GMCA would need to pay to fill more of the gaps in the commercial bus network. But GMCA would have to do this with no overall coordination and none of the other benefits of franchising.
- 2.7 Despite the additional financial risks, the net benefits of franchising for Greater Manchester are still likely to be higher and more deliverable than other option such as a partnership with bus operators and so will provide value for money.
- 2.8 GMCA is consulting on the proposed franchising scheme in the light of the findings of the Covid-19 Impact Report.

3. FINANCIAL ISSUES

- 3.1 In respect of finance and funding, the Report concludes that the Proposed Franchising Scheme remains affordable. It confirms that the sources of funding which were included in GMCA's preferred funding strategy for transition period, which total £134.5m, remain available for the Mayor, GMCA and local authorities to prioritise bus reform over a transition period to 2025/26 if they wish to do so.
- 3.2 As a refresh to Members these sources of funds are:
- An allocation of 'earn back' funding provided from Greater Manchester's devolution agreement with central government
 - A one-off contribution from the Local Authorities of Greater Manchester
 - A requirement from the mayoral precept.
- 3.3 These resources are intended to cover the transition to a fully franchised bus network across the whole of Greater Manchester and include acquisition of assets such as depots and ticketing systems, as well as provide an allowance to manage risks. The Report identifies that there is now greater uncertainty as a result of Covid-19 than there was at the time of preparing the Assessment. This uncertainty could impact future bus demand and therefore the money that GMCA would receive from fares.
- 3.4 If franchising is introduced, it would mean more of the financial responsibility for, and the financial risks associated with the provision of bus services would belong to GMCA and the public sector.

4. TAKING PART IN THE CONSULTATION

- 4.1 The impact and effect of Covid-19 remains uncertain. Delaying a decision on franchising reduces the uncertainty about the impacts of Covid-19 and what partnerships operators may offer as time goes by.
- 4.2 But there are reasons why a decision about how buses should be run should be made sooner rather than later, as the challenges facing the bus market have not disappeared. Even before Covid-19, bus use was falling and the public sector was providing significant subsidy to operators through payments for subsidised services and concessionary fares. During the pandemic, operators have also received emergency funding from government.
- 4.3 If bus usage remains low in the future and central government stops or reduces its emergency funding, bus operators may reduce services or increase ticket prices. This may mean the public sector having to provide additional funding to keep essential services running, especially for key workers and the poor and vulnerable who depend on the bus network. Fewer bus routes or more expensive tickets could also mean more people driving, increasing congestion and pollution.
- 4.4 The majority of the questions within the consultation are linked to the individual sections within the main consultation document "*Doing Buses Differently Have Your Say On The Impact Of Covid-19 On Our Proposals For The Future Of Your Buses*" available [here](#). The questions also seek whether respondents previously took part in the consultation earlier in the year.
- 4.5 Executive Cabinet will be asked to consider and approve the attached formal response to the 12 questions contained in the questionnaire attached at **Appendix 1**.

5. CONCLUSION

- 5.1 The GMCA has fully endorsed the move to explore the options of future bus franchising across the Greater Manchester Conurbation. Services continue to be provided by commercial companies with little regard to the issues of integrated services either between bus providers themselves or with other sustainable modes such as rail and the Metrolink.
- 5.2 Tameside has many operators running services in the borough with a small number of big providers traditionally splitting the area into distinct geographical zones with little competition or overlap of services.
- 5.3 Tameside has always shown its full support in the franchising of bus operations across Greater Manchester and continues to do so despite the impact Covid-19 is having on current bus operations.

6. RECOMMENDATIONS

- 6.1 As set out at the front of the report.

Consultation Questions

Doing Buses Differently: The impact of Covid-19 on our proposals for the future of your buses

Have your say on the impact of Covid-19 on GMCA's proposals for the future of your buses

This consultation concerns the proposal to introduce bus franchising in Greater Manchester made by the Greater Manchester Combined Authority (GMCA). Between October 2019 and January 2020, Greater Manchester Combined Authority (GMCA) held a consultation on a proposed franchising scheme for the city-region's buses. In June 2020, GMCA received the results of the consultation but decided, before a final decision could be made, that the longer-term impact that the Covid-19 pandemic may have on the bus market and the proposed scheme should be considered.

The consultation document (referenced throughout the questionnaire) explains why GMCA consider that bus franchising remains the right way to reform the bus market having considered the possible effects of Covid-19. The purpose of this consultation is to allow you to provide your views on proposals to reform Greater Manchester's buses in light of the impact of Covid-19. Please read the consultation document before answering the questions.

Q1: In looking at the effects of the Covid-19 pandemic on the decision about whether or not to implement the Proposed Franchising Scheme, TfGM has used a number of scenarios which illustrate a wide range of potential longer-term outcomes for travel demand in Greater Manchester. Do you have any comments on this scenario-based approach?

For more information see paragraph 2.16 – 2.22 of the Consultation Document.

This scenario-based approach undertaken by TfGM in order to help make a decision about whether or not to implement the Proposed Franchising Scheme provides the most sensible way to help forecast the effects of COVID-19 on future bus usage.

Q2: Do you have any comments on the conclusion that the Proposed Franchising Scheme is likely to perform better than the partnership option in achieving GMCA's objectives, notwithstanding Covid-19?

For more information see paragraph 2.24 – 2.40 of the Consultation Document.

Fully agree with the conclusion that, notwithstanding covid-19, the proposed Franchising Scheme to perform better than the partnership option in achieving GMCA's objectives.

Q3: Do you have any comments on the consideration of the impact of Covid-19 on the value for money of the Proposed Franchising Scheme and partnership option?

For more information see paragraph 2.41 – 2.52 of the Consultation Document.

The report appears to have fully taken into consideration the potential impact of Covid-19 on the value for money of the Proposed Franchising Scheme and partnership options.

Q4: Do you have any comments on the conclusion that the commercial arrangements described in the Assessment for franchising and the partnership option remain appropriate, notwithstanding Covid-19?

For more information see paragraph 2.53 – 2.66 of the Consultation Document.

Agree with the conclusion that, notwithstanding Covid-19, the commercial arrangements described in the Assessment for franchising and the partnership option remain appropriate.

Q5: Do you have any comments on the affordability to GMCA of the Proposed Franchising Scheme and partnership option in the light of Covid-19?

For more information see paragraph 2.67 – 2.91 of the Consultation Document.

Agree with the conclusions set out in the report on the affordability to GMCA of the Proposed Franchising Scheme and partnership option in the light of Covid-19.

Q6: Do you have any comments on the approach to the transition and implementation of the Proposed Franchising Scheme, including the proposed approach to managing the risks associated with Covid-19 (as set out in the Management Case of the Covid-19 Impact on Bus Franchising Report) and whether TfGM would be able to manage and implement a partnership on behalf of GMCA, notwithstanding Covid-19?

For more information see paragraph 2.92 – 2.101 of the Consultation Document.

Agree with the approach to the transition and implementation of the Proposed Franchising Scheme, including the proposed approach to managing the risks associated with Covid-19, as set out in the Report, and agree that, notwithstanding Covid-19, TfGM would be able to manage and implement a partnership on behalf of GMCA.

Q7: Do you have any comments on the conclusions of the Covid-19 Impact on Bus Franchising Report about how Covid-19 is likely to affect the impacts of the Proposed Franchising Scheme, partnership and Do Minimum options on (a) passengers, (b) operators, (c) GMCA and (d) wider society?

For more information see paragraph 2.102 – 2.114 of the Consultation Document.

Agree with the conclusions of the Report on how Covid-19 is likely to affect the impacts of the Proposed Franchising Scheme, partnership and Do minimum options on the four groups identified.

Q8: Do you consider that the Proposed Franchising Scheme (attached at Appendix 3 of the Consultation Document) would not require any further modification beyond those already contemplated and included in the draft scheme?

For more information see paragraph 2.115 – 2.127 of the Consultation Document.

The Proposed Franchising Scheme does not require any further modification beyond those already contemplated and included in the draft scheme

Q9A; Did you respond to the previous consultation?

Please select one option only

Yes

No

Don't know

Q9B: If you did respond to the previous consultation, please explain in what ways, if at all, your views about the introduction of the Proposed Franchising Scheme have changed as a

result of the impact of the Covid-19 pandemic. If your views have not changed then there is no need to provide any additional information.

Q10: Taking everything into account, do you have any comments on the conclusion that this is the right time to make a decision about whether or not to proceed with the Proposed Franchising Scheme?

For more information see paragraph 2.146 – 2.151 of the Consultation Document.

Q11A: To what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

Please select one option only

Strongly support

Tend to support

Neither support nor oppose

Tend to oppose

Strongly oppose

Don't know

Q11B: Why do you say this?

Q12: Finally, do you have any other comments you want to make?

We must consider how different people will be affected by our strategies and policies, and we also want to make sure we hear from people from all of Greater Manchester's diverse backgrounds. Therefore the last few questions are about you, to help us ensure we hear from a range of voices, and to help identify any possible discrimination or barriers for particular groups of people. The personal information you give us will remain strictly confidential and we will not use it in a way that could identify you.

If there are questions you would prefer not to answer please choose the 'prefer not to say' option.

Are you responding on your own behalf or on behalf of an organisation or group?

Please select one option only

I am providing my own response

I am providing a response on behalf of an organisation or group

What is your name, role and name and address of organisation/group on whose behalf you are submitting this response? These details of your organisation or group may appear in the final report.

Your name (optional):

Your role (optional):

Name of organisation or group (optional):

Tameside Metropolitan Borough Council

Postcode of organisation or group:

**Tameside Metropolitan Borough Council
Tameside One
PO BOX 317,
Ashton under Lyne,
OL6 0GS**

What category of organisation or group are you representing?

Please select all the options that apply

Academic (includes universities and other academic institutions)

Action group

Elected representative (includes MPs, MEPs, and local councillors)

Environment, heritage, amenity or community group (includes environmental groups, schools, church groups, residents' associations, recreation groups and other community interest organisations)

Local Government (includes county councils, district councils, parish and town councils and local partnerships)

Other representative group (includes chambers of commerce, trade unions, political parties and professional bodies)

Other transport group (includes passenger representative groups, for example)

Statutory agency

Transport, infrastructure or utility organisation (includes transport bodies, transport providers, infrastructure providers and utility companies)

Professional body

Bus operator

Charity / voluntary sector group

Other (PLEASE WRITE IN BELOW)

Please write in the total number of employees/members in the organisation or group that you are representing. Please include yourself in the total, if applicable.

2500 excluding schools

Please tell us who the organisation or group represents, and where applicable, how views of members were assembled.

Tameside Council is governed by acts within powers delegated to it by legislation or directives of the higher level of government

How did you hear about this consultation?

Please select all the options that apply

Email

Twitter

Facebook

Instagram

LinkedIn

Posters

Newsletter

Events

Search engine advert

Radio

Local newspaper

gmconsult.org website

Website (not gmconsult.org)

Word of mouth

Other (PLEASE WRITE IN BELOW)

At regular GM District level meetings with TfGM discussing transport issues