

OVERVIEW AND SCRUTINY TASK GROUP - SUSTAINABLE PUBLIC TRANSPORT

THURSDAY, 7TH JANUARY 2021, 6.00 PM

THE LANCASTRIAN, TOWN HALL, CHORLEY, AND MICROSOFT TEAMS

AGENDA

APOLOGIES

- 1 MINUTES OF MEETING THURSDAY, 3 DECEMBER 2020 OF OVERVIEW AND SCRUTINY TASK GROUP - SUSTAINABLE PUBLIC TRANSPORT**

(Pages 3 - 10)

- 2 DECLARATION OF INTERESTS**

Members are reminded of their responsibility to declare any pecuniary interest in respect of matters contained in this agenda.

If you have a pecuniary interest you must withdraw from the meeting. Normally you should leave the room before the business starts to be discussed. You do, however, have the same right to speak as a member of the public and may remain in the room to enable you to exercise that right and then leave immediately. In either case you must not seek to improperly influence a decision on the matter.

- 3 VERBAL PRESENTATION BY DIAL-A-RIDE**

Tracy Keating, Manager at Central Lancs Dial-a-Ride to provide a verbal presentation.

- 4 VERBAL PRESENTATION BY NORTHERN TRAINS**

Owain Roberts, Regional Stakeholder Manager at Northern Trains Limited, to provide a verbal presentation.

- 5 GREATER MANCHESTER COMBINED AUTHORITY (GMCA) CONSULTATION - DOING BUSES DIFFERENTLY: THE IMPACT OF COVID 19**

(Pages 11 - 18)

Alison Marland, Principal Planning Officer to present the report.

- 6 DATE OF NEXT MEETING**

To be decided

GARY HALL
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Overview and Scrutiny Task Group - Sustainable Public Transport Councillor Kim Snape (Chair), and Councillors Julia Berry, Martin Boardman, Val Counce, Mark Clifford, Gordon France, Tom Gray, Yvonne Hargreaves, Laura Lennox and June Molyneaux.

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MINUTES OF OVERVIEW AND SCRUTINY TASK GROUP - SUSTAINABLE PUBLIC TRANSPORT

MEETING DATE Thursday, 3 December 2020

MEMBERS PRESENT: Councillor Kim Snape (Chair), and Councillors Julia Berry, Val Counce, Mark Clifford, Gordon France, Tom Gray, Yvonne Hargreaves, Laura Lennox and June Molyneaux

OFFICERS: Alison Marland (Principal Planning Officer), Matthew Pawlyszyn (Democratic and Member Services Officer) and Ruth Rimmington (Democratic and Member Services Team Leader)

OTHER MEMBERS: Matt Davies (Managing Director, Stagecoach), James Mellor (Commercial Director, Stage Coach), and Nick Small (Head of Strategic and Built Environment, Stagecoach)

20.OS11 Minutes of meeting Thursday, 5 November 2020 of Overview and Scrutiny Task Group - Sustainable Public Transport

Decision: The minutes were approved as a correct record.

20.OS12 Declaration of any interests

There were no declarations of interest.

20.OS13 Verbal Update on Green Agenda in relation to Sustainable Public Transport

Zoe Whiteside Service Lead - Spatial Planning Early Intervention and Support provided a verbal update on the progress of the Green Agenda in relation to sustainable transport.

Chorley Council declared a Climate Emergency November 2019 and made a commitment to reach carbon zero by 2030. To achieve this ambitious goal, an Overview and Scrutiny Task Group made a series of recommendations, and the Council committed to 20 actions across all sectors and areas.

A Programme Officer is to be recruited into the post at the start of 2021, the candidate is to have expertise and experience of management, the ability to handle and manage projects for delivery and the capability to drive the Council to achieving the commitments made. Their key role would be in driving the agenda, delivering the Action Plan and to maximise best practice within the Council. The Officer would also

be responsible for coordinating and applying for funding and grants to further the Green Agenda.

On 10 December 2020, a meeting of a new Working Group will discuss the way forward with the Leader of the Council, Deputy Leader, Portfolio holder. With decisions made about its structure, the Chair, terms of reference, frequency. The date of the first meeting is expected early 2021. At every meeting, the Climate Change Programme officer will report progress of the committed targets.

The Council intends to explore renewable energy sources and the options to develop and adopt a clean air strategy.

The Council currently licensed 10 hybrid Hackney Carriages, and only vehicles with Euro 5 Emissions were granted licenses. Further work is being completed to ensure there are enough charging points in the area for electric vehicles.

Within the Action Plan, the Council is to establish dialogue with Lancashire County Council for Sustainable Transport schemes. Issues are to be raised with transport planners, and within the Greater Lancashire Plan, including net carbon neutrality. It was understood that progress would take cooperation of all boroughs and authorities.

There will be a scoping paper highlighting active travel, this includes walking, cycling in addition to public transport.

Members asked if the Council was looking at alternative fuels for buses, e.g. HVO, hydrogen or electric.

Zoe Whiteside clarified that nothing had been ruled out, but there had not been any option or appraisals completed and the Council would look to the County Council, exploring the economy of scale and ensure best practice. It was too early to favour one fuel source over another.

Zoe added that the Council intended to work closely with the County Council's highway authority and intended to seek timescales and answers related to the Masterplan.

Decision: The report was noted

20.OS14 Verbal Presentation by Stagecoach Regional Managing Director Matt Davies and Regional Commercial Director James Mellor

The Chair welcomed Matt Davies, Managing Director, James Mellor, Commercial Director and Nick Small, Head of Strategic and Built Environment.

The Task Group heard that due to the pandemic, the economics of bus operations have been reset and new challenges have emerged. In March 2020, Stagecoach had 10% of expected passenger numbers. The figures since March varied and peaked at 60%, it was hoped that the figure would remain between 60 and 80%. Other factors that have affected bus use includes a lack of bus priority, the decline of the high street, the rise of internet shopping and the increase in employees working from home. The

increase in car ownership has correlated with the decreased demand for buses. Each year, the bus industry declined 2 – 3% while car ownership continued to rise. A significant issue recently had been the policy to freeze fuel duty at the pumps and that fuel at present was 13% lower than it would be without the freeze.

If just 1% of motorists used the bus, that would see 10% rise in bus use.

Chorley Area Operations.

The main depot was in Preston, but a smaller depot is located in Chorley that housed 25 buses and employs 70, including drivers, cleaning staff and engineers.

The busiest route in the area was the 125, that was recently extended to the Royal Preston Hospital.

There were services operated on behalf of Lancashire County Council.

Customer Satisfaction

Pre-pandemic there was high level of operation with 99.9% of scheduled mileage operated. 92.9% of all journeys started on time.

There was a wide range of tickets available to customers depending on their needs.

Due to Covid-19, there had been an accelerated increase in customers paying contactless or through the app. 60% of all transactions were now contactless.

The dedicated app provided the user up to the minute information about the buses, track times, and enables customers to plan their journeys more efficiently.

Deregulation

The Act allowed Stagecoach to exist. With deregulation, the market decides which of the services are commercially sustainable. The revenues collected covers the operating costs with aspiration for profit. 95% of Stagecoach's operations are commercial. Where there were gaps in the network, or routes deemed to be socially necessary but not commercially viable, the County Council can contract and tend the routes. The routes were awarded to the lowest bidder and can lead to a service operated by one company in the day and another in the evening and weekends.

Franchising was a potential option for Mayoral Combined Authorities to request. It is currently in place in London, but it does not solve all issues and requires a significant level of financial input.

In the deregulated market, the timetables, routes, and fares are not created in isolation. Consultation and cooperation occurred with the County Council, customers, and stakeholders.

Process behind creating, maintaining, or discontinuing a bus route

The majority of the bus network was long standing. Some routes have grown and expanded, such as the 125, whereas others have declined, and services reduced. Primarily, routes are focused on car routes that link key places. Any change to a route

is given 70 days' notice, and consultation occurred with customers and the Local Authority.

It was a common misconception that a smaller bus was cheaper to run, although they are cheaper in initial cost, and there was a small saving in fuel, the wage of the driver was the same, and the parts and labor to maintain the bus was similar. The salary of the driver is 16% of running a bus, and a smaller bus can carry fewer fares, limiting its financial potential.

To establish a new route was difficult and there are few examples from around the county of a new route being established successfully. Usually, a route is extended after thorough market assessments and research. Each bus required £100,000 a year revenue to break even. Prior to the pandemic, Stagecoach made 6.5 million a year in profit. New routes that were likely to be created would be with assistance from Section 106 funding.

Councillor Molyneaux asked about adapting the 125 routes in Adlington, she explained that the existing route did not meet the needs of the community. Prior, during works electrifying the rail line, the 125 was detoured and went down Railway Road, and the bus was well used, but since the end of the detour, there were bus stops but no buses. A re-routed bus would solve a considerable amount of issues including social isolation.

Matt Davies explained that bus routes work the best when they are simplest. If a route was to be split, with a single bus or two per hour detoured, it would cause an imbalance in the frequency of the bus route, it would increase the journey time, and it would be difficult to prove the increased time and change to the schedule would meet the required revenue and patronage. He added that if there was a commercial interest in making changes to the routes, it would have been done.

Councillors said that buses were still bunched at the bus stops. Councillor Molyneaux felt that a slight alteration to the route would add little time to the route and would increase passenger use and decrease social isolation within the village, and enable residents to get to the GP surgery, library, and pensioner groups.

Councillor Hargreaves praised the 125 service as it was close to the train station for her use but enquired if there were family tickets to assist those families in low income areas. James Mellor explained that there was a family ticket for two adults and three children costing £11.50 a day. The ticket covered Preston, South Ribble, Chorley and Bolton. It was added that they were aware that they needed to better promote and advertise all their tickets.

Councillor Lennox asked about the 70-day notice, as she represents Astley Village and Buckshaw Village, and the bus that was running through Astley Village was removed without any notice to passengers. She added that a significant issue preventing people from using the buses is that the buses go to places that people don't want to go, and there was an unequal distribution between one side of Chorley against the other. She felt that Chorley lost a good service when the Chorley Circular ended years prior.

Matt explained that the policy of the 70-day notice was introduced relatively recently, and it would be the reason for the lack of notice for that service. Consultation would occur for major change to routes and frequency. Stagecoach do not reduce services or withdraw them if they are viable. It is not in their interest to do this. James added

that the 109 was originally every 15 minutes, and that was paid for by the Section 106, which was funded for five years. The service proved to not be sustainable for that level of frequency and it was decreased to every 30 minutes. At present it was difficult for the two an hour to be commercially viable, any further decrease would be an unattractive service and use would fall.

At present, there had been various trials with on demand transport, but it had proved to not be viable and required external funding support. Instead, a focus had been made on ensuring greater information was available about services and routes, to enable passengers to track the bus and pay contactless.

Councillor Clifford asked about the fuel mixture used for the fleet and how soon were Stagecoach intending on becoming zero net emission.

Matt said that the newest buses in the fleet used basic diesel, but was Euro 6, and was cleaner than a Euro 6 car, and one bus can get 75 cars off the road. He believed that the myth that diesel buses were dirty, and more polluting needed to be dispelled. Prior to Covid-19, Stagecoach pledged that after 2024, they will not purchase any new emission producing vehicles. It was hoped that the pledge could be maintained. A bus is expected to last 15 years, a single deck bus costs £180,000, and a double £250,000. An electric single deck bus cost between £380,000 and £400,000, and hydrogen cost £550,000. In addition to the cost of the bus, there were also infrastructure expenditure required. A new substation would be needed at every depot with electric buses. Hydrogen buses would require substantially modified workshops.

The cost of zero emission buses was decreasing, but without government financial support, it was hard to make a commercial case for the vehicles.

It was acknowledged that the pandemic will bring about a different course for the company. Executives have had their pay frozen, there were to be no new buses ordered in 2021.

Funding Opportunities

There were limited opportunities for funding, the profit made was reinvested, and dividends paid to shareholders, although suspended this year.

Section 106 can provide funding, but with the funding of a service, it needed to prove to be financially sustainable, and it often does not happen.

Funding is offered through De Minimis, Transforming Cities, CBTF, Electric Bus Town and Metro Bus Networks and there are other avenues of funding available to extend services. The process to procure funding was competitive and often frustrating.

How can the council influence bus services and how they are run?

By continuing to engage in an open manner, all the needs raised will not be able to be met, but there are other options such as talking to the MP, Central Government, Department for Transport, and Lancashire County Council.

A National Bus Strategy was needed as the bus is the widest used service of public transport but does not get the levels of funding that rail gets from Central Government.

Through good planning decisions, good access, Section 106 support, cooperation with the County Council and Direct Funding will all ensure a good bus service

Initiatives developed for Sustainable Public Transport

Stagecoach have three initiatives for Sustainable Public Transport, bus priority, integrated ticketing, and digital information.

- Bus priority

During the Lockdown's when there were fewer cars on the road, the bus service was faster and more reliable. Prior to March 2020, 92% of buses were on time, and 95-96% of buses were running reliably.

Dedicated bus lanes in town and city centres improve bus journey times, and thus increases the attractiveness of the bus as an option for transportation. It was understood that reallocating road space was a tough political decision that affected motorists.

- Integrated Ticketing

Tickets can be purchased that were valid on all buses. These tickets aimed towards younger users and can be paid contactless, or through the app.

- Digital Information

The app can show where all the buses are, and journeys can be planned more efficiently.

Social Isolation

The importance of the issue was understood, but it was one that was hard to solve independently. The buses are the key to tackling social isolation. The bus allowed those to gain access to health care, education, and employment. But buses need to be sustainable, the costs of operating needed to be covered.

Stagecoach currently operate a 'Back On-Board' scheme, which includes half price tickets to job seekers.

Driver and customer assistants have undergone training to help people with disabilities, and to understand their needs and provide the right service.

What is being done to improve the bus service

Digital and live bus tracking available via the app, luxury seats and Wi-Fi were implemented on board, but Wi-Fi was currently suspended as a budget saving measure and deemed obsolete with the widespread use of 4G. The cleanliness of the buses has been a focal point, particularly during the Covid-19 pandemic.

Councillor Lennox and Councillor Molyneaux left 19:24

Telematics measure and ensure good driving standards. There have been marketing and advertising campaigns which have been suspended due to Covid. Currently the company was paying 100% of the operating cost with 50% of the revenue.

People need a reason to travel and it is essential that town centers remain vibrant, yet policies were needed to encourage public transport and restrict car use. Towns such as Oxford and Cambridge have implemented car parking policies that increase the cost to use of the personal car, and measures were in place meaning that the bus was a quicker and cheaper method of transportation.

Councillor Tommy Gray asked if there was still the intention of trams being introduced in Preston. Matt Davies did not know but did not believe that it would be likely due to the cost involved. One tram cost £2 million, which was the price of 20 new buses. For that price, it would be wiser to establish bus lanes or bus only roads to give a good service. Trams were expensive, and not viable without significant subsidy and infrastructure investment.

The Chair asked if Stagecoach still offered a discounted youth ticket to the Youth Zone, and it was confirmed that they did.

Councillor Hargreaves left at 19:32

Central Lancashire Local Plan

Nick Small explained his role to members,

It was highlighted that as a District Council, Chorley Council had ultimate control over the Local Plan, and was urged to start on the difficult journey of restructuring the built environment not only for the bus, but for other sustainable modes of transportation. The aim should be to focus on the long term, looking 15 to 20 years ahead. The planning history of Chorley reflected the basic shape of decisions that were made in 1973, designs were made to accommodate the growing use of the car.

The current situation made it impossible to create relevant and efficient bus routes to and from Astley Village, it would be quicker to drive, walk or cycle into Chorley than to get the bus.

For the last 20 years, there have been a priority on previously developed land, new developments with curving and looping roads which were difficult for bus routes to be incorporated.

A new service required revenue and mass housing to justify an extra bus on the network. For a bus to be added to the network, 1500-1600 houses with a clear route was needed. New developments should ideally be placed near or on high frequency corridors and allow people to take advantage of an in-place bus route from day one.

The suggestion is to plan houses according to bus routes, and not expect routes to be made according to houses.

Changes can be made, a case study example was Crawley in West Sussex, a dying town network 5 years prior, but due to the implementation of a comprehensive bus

priority policy, the network has been able to thrive and the use of buses had increased by three times.

It was warned that new settlements in the middle of nowhere although less likely to meet resistance during planning and development will have greater difficulty obtaining a bus service that was sustainable.

Buckshaw Village had 1219 dwellings, there needed to be 1500 to justify a single bus, but as it was all previously developed land, it was difficult to make a bus work, and it was unlikely that the area would see any service other than a County supported route.

Designing streets

The ideal street would feature dense development with wide streets. Trees, verges, with sustainable urban drainage. No on street parking with enough room for bus stops and passenger embarkment and disembarkment.

Challenges and opportunities

The current bus network was commercial but there needed to be cooperation to seek more funding. Stagecoach believed that partnership was the way forward and that the bus needed to be more attractive post Covid-19 which will be a significant challenge.

Matt Davies told the Members that he and James Mellor were happy to have a session with members at any time to answer specific questions.

The Presentation was noted

20.OS15 Date of Next Meeting

Thursday 7 January 2021 at 18:00

Chair

Date



Report of	Meeting	Date
Deputy Chief Executive	Overview and Scrutiny Task Group - Sustainable Public Transport	7 January 2021

GREATER MANCHESTER COMBINED AUTHORITY (GMCA) CONSULTATION - DOING BUSES DIFFERENTLY: THE IMPACT OF COVID 19

PURPOSE OF REPORT

- To inform the Task Group of the GMCA consultation on buses and the Council’s response.

RECOMMENDATION(S)

- To note the content of the report on the GMCA consultation on “Doing Buses Differently: The Impact of Covid” and the Council’s response

EXECUTIVE SUMMARY OF REPORT

- GMCA is consulting on their proposed franchising scheme for buses in light of the findings of a Covid-19 Impact Report. Consultation responses will be considered as part of the final decision on whether to implement a franchising scheme.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	x	A strong local economy	x
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	x

BACKGROUND

- GMCA is consulting until Friday 29 January 2021 on their proposed franchising scheme in light of the findings of a Covid-19 Impact Report. Responses will help inform a future decision on how Greater Manchester’s buses should be run. Consultation responses will be considered as part of the final decision on whether to implement a franchising scheme.
- Greater Manchester held a consultation on a proposed bus franchising scheme in January 2020. The Council made a consultation response. In June, GMCA noted the results of the consultation and that, before a final decision was made, Transport for Greater Manchester

(TfGM) would produce a Covid-19 Impact Report considering how the pandemic had affected the bus reform process.

7. This report and the Council's response was considered at Leader Briefing on 15 December 2020

The GMCA Consultation

8. Greater Manchester's ambition for an integrated public transport system "Our Network" launched in June 2019 and aligned to the Greater Manchester Transport Strategy 2040 is their vision for public transport in 2029. To keep Greater Manchester moving, the integrated public transport system needs to be easy, accessible and affordable. This means having the right connections in the right places, simple ticketing that works across different modes of transport and the necessary powers to ensure the transport network works together for the benefit of Greater Manchester's people and businesses. 75% of public transport journeys made in Greater Manchester before and during the pandemic are by bus. For many, especially in poorer and most vulnerable communities, they are a critical link to jobs and essential services.
9. **How buses are run now:** Since 1986 bus services in Greater Manchester have been deregulated. This means the buses are run by commercial bus companies who decide the routes, timetables, fares and standards. The bus companies receive the revenue from fares and retain the profits. Where bus companies decide not to run services and where necessary, the public sector pays to fill in the gaps.
10. Greater Manchester's current bus services:
 - Fares and ticketing are complex. There are more than 150 types of ticket.
 - There is no single brand or source of travel information.
 - Bus companies decide which routes to run based on commercial reasons meaning some routes are well served and others less so.
 - Customer standards vary.
 - Difficult to plan a network that meets the future needs of the city region.

Reforming the Bus Market – Franchising

11. Franchising means bus services would be brought under local control. Greater Manchester Combined Authority (GMCA) would coordinate and invest in the bus network, while the bus operators would be contracted to run the services.
12. Franchising would give GMCA the opportunity to support the whole bus service and to gain the advantages of integrated network planning, simplified and integrated fares and improved customer service through a single point of contact and unified information
13. The Proposed Franchising Scheme sets out:
 - It would cover all of Greater Manchester
 - The local bus services to be franchised would reflect the local services being run in Greater Manchester through a description of the route served. The services to be franchised does not include dedicated school services.
 - Franchising would be introduced in three phases (by reference to three sub-areas).
 - It would be appropriate for GMCA to provide depots for the purposes of operating large franchises from

Reform and Covid-19

14. Covid-19 has caused a lot of uncertainty over how people will travel in future. So, Transport for Greater Manchester (TFGM) has used four scenarios in a report which looks at potential future travel demand in Greater Manchester and what it could mean for GMCA’s proposals to change how buses are run.
15. The 4 Scenarios are characterised by different social and economic circumstances and which are likely to have different outcomes in terms of bus patronage. Under all scenarios, franchising is still the best option to achieve Greater Manchester’s long-term ambition for a fully integrated public transport system and GMCA still has funding available to pay for the transition to franchising.

<p>Scenario 1: Back towards normality</p> <ul style="list-style-type: none"> • Travel demand returns as government restrictions are lifted, but subsidy insufficient for full recovery on PT • Car travel increases slowly to reach new highs after five years, with growth focused on off-peak • Some reduced travel to work offset by increased leisure travel – mostly by car • Cycling surge during crisis proves mostly temporary • Pre-Covid-19 transport policy challenges remain relevant: no change in government transport capex plans 	<p>Scenario 2: New travel demand</p> <ul style="list-style-type: none"> • Reduced overall travel volumes despite recovery • Increase in use of technology (especially remote working) meaning some demand permanently lost • Covid-19-induced changes in social attitudes – especially in relation to clean air – cause pressure to reallocate highway space away from cars: e.g. some growth in cycling • PT demand exceeds pre-crisis after five years stimulated by regulatory/spending measures at central/local level • Shift in government transport capex to active travel and PT, especially bus
<p>Scenario 3: Car travel dominant</p> <ul style="list-style-type: none"> • Continued slump in PT travel due to weak economy • Government subsidy phased-out before restrictions lifted / reluctance to use PT remain causing patronage decline • Private car travel increases as a proportion of total travel, and exceeds pre-COVID-19 levels after five years – less congestion in immediate post-crisis period/low fuel prices; no ‘green’ measures taken • Carbon crisis overtaken by economic crisis • Traffic congestion worse after five years • Fiscal stimulus – if affordable – focused on road building 	<p>Scenario 4: Poorer and more local</p> <ul style="list-style-type: none"> • Continued slump in PT travel from more home-working, weak economy, and Covid-19 induced preference for active travel • Car-use remains induced by weak economy and changes in lifestyle • Covid-19-induced changes in social attitudes – especially in relation to clean air – cause pressure to reallocate highway space from cars, rapid growth in cycling • Fiscal stimulus – if affordable – focused on active travel and shoring-up bus

16. Although Covid-19 has been harmful to both Manchester’s health and economy, it has brought some benefits. Neighbourhoods, communities and towns across Greater Manchester have experienced lower traffic, cleaner air, and some workers have been able to embrace flexible working. GMCA wants its transport plans to sustain these benefits and, over the next five years, these plans will focus on supporting recovery from the Covid-19 pandemic at the same as tackling climate change, improving air quality, tackling social exclusion and helping to deliver expected housing and employment growth.
17. **GMCA’s vision for Bus** is:
 - Network integration
 - A simplified and integrated fares system
 - A consistent customer experience
 - Value for money

18. Whilst the number of people using buses reduced to around 27% of pre-Covid-19 levels between the start of the pandemic and June 2020, by the end of October 2020 it had risen again to around 60% of pre-Covid-19 levels. This demonstrates how important buses are for Greater Manchester, for example in how key workers have relied upon bus services to get to work and to support the response to and recovery from Covid-19.
19. The report shows that the effect of Covid-19 on the patronage and revenue of bus services in Greater Manchester has been severe. Whilst services are likely to continue to recover as the economy recovers, and social distancing and travel restrictions reduce, the timing and extent of this recovery is not yet clear.
20. However, the pandemic has also shown that the bus network is vitally important for many people in Greater Manchester, enabling them to access employment, education and essential services. This is recognised by the significant central and local government support provided to keep buses running. If bus patronage continues to be low either in general or in certain parts of Greater Manchester, there will be threats to individual services as they become less commercially viable, and there is a likelihood that the bus network will reduce further. If the bus network did reduce further, it would leave people without travel options, or only more expensive travel options, particularly the third of households in Greater Manchester without a car.
21. Under franchising, GMCA would be responsible for the bus network and that means it would have more of the financial responsibility and the risks to the public sector. Therefore, depending on the impacts of Covid-19, GMCA might have to make difficult choices about the bus network in the future to manage these financial risks - such as by providing further funding or by making reductions to the network.
22. The sources of funding which were included in GMCA's preferred funding strategy for the transition period, which total £134.5m, remain available for the Mayor, GMCA and local authorities to prioritise to bus reform over a transition period to 2025/26 if they wish to do so. 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.
23. In the event that bus revenues and net revenues were lower than forecast in the Assessment, GMCA would need to consider further mitigations and/or funding sources in order for the Proposed Franchising Scheme to remain affordable. These mitigation options build upon the Assessment, but the scale of any or all of the options may need to change. These mitigations could include:
 - Paying concessionary reimbursement based on actual usage as opposed to pre-Covid-19 levels
 - Reducing transition costs
 - Using other sources of funding available to GMCA, and
 - Making reductions to the network.
24. 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.
25. Despite the additional financial risks, the net benefits of franchising for Greater Manchester are still likely to be higher and more deliverable than other options, such as a partnership with bus operators and so will provide value for money.

Why proceed now?

26. A decision about how buses should be run needs to 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.
27. Public subsidy of the GM bus market
 - £33.5m in emergency funding provided by central government (Mar to end of Sept 2020)
 - £86m funding per year for subsidised services and concessionary fares
 - £16m fuel duty funding per year
28. 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.

Implications for Chorley

29. There are bus services that cross the Greater Manchester boundary which the Proposed Franchising Scheme would impact upon. Several of these services run to/from/through Chorley Borough including the following:
 - Stagecoach 125 service – between Bolton and Preston via Chorley
 - Arriva 362 service – between Chorley and Wigan
 - Stagecoach 8A service – between Chorley and Blackrod
 - Stagecoach 113 service – between Preston and Wigan via Eccleston
30. These services are important as they enable residents of Chorley to reach destinations within Greater Manchester.
31. It is proposed that those cross-boundary services that are run from within Greater Manchester and only have a relatively short running beyond the boundary would be part of the Proposed Franchising Scheme and the portion outside Greater Manchester could be run with the co-operation of the neighbouring authority. All other services (except school services) would be required to apply for a service permit. To be granted a permit the service would need to pass the following two statutory tests:
 - a) The proposed service would benefit those making journeys on local services in the franchised area.
 - b) The proposed service would not have an adverse effect on any local service that is provided under a franchise contract in the franchised area.
32. Some aspects of the cross-boundary services might need to change in order to comply with these tests such as changes to the route or boarding/alighting points.
33. GMCA would seek to maintain these cross-boundary services working as appropriate with neighbouring authorities. Under the Proposed Franchising Scheme GMCA would also work with neighbouring authorities and cross-boundary operators to put in place new ticketing arrangements to encourage cross-boundary travel.
34. The Proposed Franchising Scheme would benefit the residents of Chorley, provided the existing services are able to operate, as the new ticketing arrangements and more efficient connecting services in Greater Manchester may encourage more people travelling into Greater Manchester to travel by bus.

Consultation Response

35. The consultation covers 12 questions and the Council’s response is at Appendix 1.

IMPLICATIONS OF REPORT

36. This report has implications in the following areas and the relevant Directors’ comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

37. There are no financial implications for Chorley Council from this consultation

COMMENTS OF THE MONITORING OFFICER

38. No comments.

CHRIS SINNOTT
DEPUTY CHIEF EXECUTIVE

Report Author	Ext	Date
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Appendix 1: Consultation Questions and Chorley Council Response

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?

No

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?

No

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?

No

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?

No

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?

No

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?

No

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?

It is important to encourage the use of sustainable modes of transport including buses in order to have a positive impact on reducing the impacts of climate change. Improving the bus network will encourage more people to travel by bus rather than by car and help to achieve this.

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?

No comment

Q9A: Did you respond to the previous consultation?

Yes

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.

No change to views

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?

As stated previously it is agreed that the Proposed Franchising Scheme is the best option to improve the bus market provided that there is no negative impact on existing cross boundary bus services running to/from Chorley

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

There is support for the Proposed Franchising Scheme.

Q11B: Why do you say this?

See response to Question 7

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

No further comments to make.