



Steady State Manchester

steadystatemanchester.net

37 Chandos Road South
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M21 0TH
2 January, 2020

To Whom It May Concern,

*This is a comprehensive response from Steady State Manchester.
We have not answered every question.*

Q2. Do you have any comments on the proposal that the Proposed Franchising Scheme should apply to the entirety of Greater Manchester

We agree that the scheme should cover the entirety of Greater Manchester. We note that it is a matter of concern that the powers for establishing planned bus services are fragmented in England, with only Mayor-led metropolitan authorities able to take the franchising option. This will inevitably make it very difficult to plan effectively for routes into and out of the conurbation.

Q3. Do you have any comments on the local services that are proposed to be franchised?

It makes sense that there is not unnecessary competition on routes. The proposal appears to remove this “over-bussing” on popular routes.

Q4. Do you have any comments on the proposal that the Proposed Franchising Scheme would be split into three sub-areas and on the other arrangements proposed for the purposes of transition?

We think the timetable is too slow. It will not be until late 2023, four years from now, that the franchise arrangements will operate in Area C. We cannot wait that long for a properly planned service. We urge GMCA to bring in the changes with a common date, and recognise that this will require more up front expenditure, though the benefits will also be realised earlier.

Q7. Do you have any comments on the dates by which it is proposed that franchise contracts may first be entered into?

See our answer to Q 4.

Q8. Do you have any comments on the nine month period it is proposed will expire between entering into a franchise contract and the start of a service under such a contract?

We are a little puzzled as to why an additional 3 months is required. We suggest that 6 months preparation would be sufficient after the franchise is agreed.

Q9. Do you have any comments on the proposals for how GMCA would consult on how well the Proposed Franchising Scheme is working?

Consultation with passengers should not wait until after the first transitional franchises have expired. Early and ongoing monitoring of performance is going to be vital and this needs a strong passenger and citizen voice.

Q10. Do you have any comments on GMCA's plans for allowing small and medium sized operators the opportunity to be involved in the Proposed Franchising Scheme?

We support these proposals and indeed anything that will break up the oligopoly of the large provider companies.

Q12. The Strategic Case sets out the challenges facing the local bus market and says that it is not performing as well as it could. Do you have any comments on this?

As a public utility, buses should not be provided via a market system. We experience the anarchy and chaos that this means in Greater Manchester. The bus market, even in its own terms, is not working well for residents of Greater Manchester. Having lost 8 million miles of bus services since 2010, 11% of the service, we have a patchy system of bus services, where the interest of shareholders trumps that of passengers.

We have heard many personal stories that confirm the appalling state of the bus system. Examples include gaps in the network, so people have to walk miles to get to a bus stop, particularly outside peak times, when some routes are not running or are very infrequent. Buses are particularly difficult for disabled people, who have to put up with crowded buses, infrequent and unreliable services, inadequate shelters (themselves a conduit for revenue leakage to a French multinational), poorly trained drivers (particularly on some newer entrants' services), services withdrawn willy-nilly and a lack of real time information.

We strongly support the proposed franchising scheme because this will allow public control of our buses. We take the same view as 69% of residents who think local councils should be the main decision-makers on bus services, according to a poll commissioned by the LGA this year (<http://bit.ly/31fmK2E>).

A better bus network would help everyone to take part in society: to get to work, the hospital, shops, public services, recreation and to visit loved ones. For vulnerable groups it will reduce the risk of isolation.

A comprehensive, reliable and affordable system of bus services will be needed if we are to make the rapid, massive shift from reliance on the private car to greener and more energy-efficient ways of getting around.

We find the forecast of bus usage, even with reform (see the graph on page 53), overly pessimistic and indeed tantamount to a *laissez faire* attitude to the crisis of car infestation in our city which requires multiple and firm interventions going far beyond reform of the bus market.

Q13a The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. To what extent do you agree or disagree with this?

Strongly agree

Q13b. Why do you say this?

The free market in bus services has failed us. We need buses that are clean and green, reliable and accessible. Bus companies have not delivered on any of these fronts.

Taking back control of the bus network will give local authorities control over bus routes, fares, and ticketing, so that the network as a whole can join up to make an integrated bus network with contractors more accountable to our community. Currently, this system favours bus company shareholders. Based on the experience of the regulated system in London, in comparison with the rest of the country, Greater Manchester's decline in bus usage could be reversed facilitating (and preferably exceeding) the Greater Manchester councils' aim of increasing walking, cycling and public transport journeys by 1 million per day by 2040 (see <https://www.centreforcities.org/wp-content/uploads/2019/11/Improving-urban-bus-services-2.pdf> p. 10). Without a strong intervention of this sort, passengers would continue to drift away, reinforcing the vicious circle.

We support region-wide standards of pay, conditions and pensions for drivers to be negotiated with Unions representing drivers, which represent over 8,000 workers in the region, so that drivers are respected for their hard work. As the franchising proposal notes, "Deregulation in Britain resulted in a 'race to the bottom'" (see <https://bit.ly/33Tb0VR> Exec Summary, p5).

The bus companies have belatedly suggested a voluntary partnership to improve services. This would leave power in their hands. They have had decades to make improvements. We have no confidence that, if left to their good will, things will improve. We do note, however, that some smaller companies, and potential entrants, do support the franchising arrangements which take the revenue risk away from them, albeit meaning some constraining of profits as a quid pro quo.

Q14. Do you have any comments on GMCA's objectives for the future provision of bus services as set out in the Strategic Case?

They are good so far as they go but in the context of the real challenges facing the city they are **unambitious**. There is nothing on achieving a major modal shift from private motors to collective forms of transport (including buses) and active travel.

Q15. Do you have any comments on how the Proposed Franchising Scheme might contribute to GMCA's objectives for bus services as set out in the Strategic Case?

The franchising scheme is the best that can be delivered under the current irrational and pro-private capital legislation. **We urge the GMCA to campaign for a municipal bus company option, bringing buses into public ownership and thereby reserving all operating profits for the GMCA and its transport system.** This is essentially the view of the Parliamentary All Party transport Committee.

Q16. Do you have any comments on how a partnership option might contribute to GMCA's objectives as set out in the Strategic Case?

The partnership option, which leaves power with the bus companies, and the option of them walking away, will not meet the GMCA's objectives for bus services as set out in the Strategic Case.

Q17. The Economic Case concludes that the Proposed Franchising Scheme provides the best value for money compared to the partnership options because it would:

- **offer a 'high' ratio of benefits to the cost to GMCA, one which is broadly comparable with the partnership options;**
- **provide the most economic value (Net Present Value); and**
- **create the best platform from which further economic value could be delivered.**

Do you have any comments on this?

Currently, public money makes up 40% of bus companies' revenue, yet there is no democratic control over fares, nor over the vast majority of routes and timetables. 10% of that public money leaches away as dividends.

Under the franchising scheme, fare revenue goes to the public authority which then uses it to fund agreed contracts for service. TfGM would take on the risk but by paying a fixed contract fee. This would prevent profiteering, the leakage of excess profits, while still allowing operators to make a fair return, as they do in London. Public control also means that profits from busy routes can be used to pay for socially necessary routes. Research from bus company Abellio showed that 95% of people in GM supported the idea of subsidising bus routes which are unprofitable but necessary for the public good.

(<https://www.abellio.com/news/people-manchester-we-want-better-bus-service>)

The franchising arrangements give the opportunity for proper strategic planning of the network as part of the wider public transport system that includes Metrolink and regional rail, as well, as possible future options, such as collective taxis in less dense areas, filling in the gaps in coverage. This will prevent duplication while ensuring that gaps in coverage can be addressed.

The bias towards the larger and more costly bus operators that is inherent even in the Enhanced Partnership model, will be prevented (see <https://bit.ly/378IL8N> pp. 26-7).

While critical of standard economic cost-benefit analysis, we accept that benefits beyond the purely monetary ones will be made possible by the adoption of the franchising model. Greater Manchester faces enormous challenges as a result of the worsening ecological crisis, the coming economic crunch as the costs of energy and materials extraction rise, and geopolitical shocks impact on supply chains. All of these imply a radical shift to a mode of living that is more collective, less energy and resource intensive, and less polluting. A huge, and rapid, modal shift away from private motorised transport is a part of this and it is difficult to see how that could be achieved under anarchic, free market conditions.

18. Do you have any comments on the packaging strategy for franchising contracts under the Proposed Franchising Scheme as set out in the Commercial Case?

We suggest that the design (“packaging”) of the franchises should be consistent with the most straightforward future route to bringing bus service provision back in-house. That is not necessarily the direction of travel that will be taken but the presence of that as a strong possibility will help discipline franchise operators.

Q19. Do you have any comments on the length of franchise contracts under the Proposed Franchising Scheme as set out in the Commercial Case?

It is argued that for smaller contracts: *“Shorter terms of three to five years are proposed for small franchise contracts and school contracts, providing greater flexibility and reducing potential risk to both small and medium-sized operators and TfGM compared to a longer contract length.”* We suggest that that argument also applies to larger contracts and suggest that these should be of the same length of 3-5 years. We do not favour positive discrimination in favour of large franchises.

Q20. Do you have any comments on the proposed allocation of risk between GMCA and bus operators under the Proposed Franchising Scheme as set out in the Commercial Case?

We are supportive of this pattern of risk sharing.

Q21. Do you have any comments on the potential impact of the Proposed Franchising Scheme on the employees of operators as set out in the Commercial Case?

Broadly yes. We would encourage the improvement of worker terms and conditions, especially for those employed by those “rogue operators” that have entered the market free-for-all, to the extent that this is consistent with making radical improvements to the bus services in the region.

Q23. Do you have any comments on the approach to fleet under the Proposed Franchising Scheme as set out in the Commercial Case?

We support these arrangements. Should trolleybuses be considered as a low emission and energy efficient addition to GM’s transport infrastructure at some point in the future, then these proposals would need updating.

Q24. Do you have any comments on the approach to Intelligent Transport Systems under the Proposed Franchising Scheme as set out in the Commercial Case?

These proposals seem sound.

Q25. Do you have any comments on GMCA’s approach to procuring franchise contracts under the Proposed Franchising Scheme as set out in the Commercial Case?

No comments. It would have been helpful to spell out the pros and cons of this approach and any alternatives.

Q26. Do you have any comments on the impacts of the options on the achievement of the objectives of neighbouring transport authorities as set out in the Commercial Case?

This is a difficult area which reveals the folly of the government’s piecemeal approach to delegated powers (“devolution”), leading to different regimes in different areas. The proposed approach seems reasonable in this context.

Q27. Do you have any comments on the Commercial Case conclusion that GMCA would be able to secure the operation of services under franchise contracts?

We agree with the points made in the franchising document.

Q28. Do you have any comments on the assessment of the commercial implications of the partnership options as set out in the Commercial Case?

It seems clear from the information given that both partnership options would deliver less of the needed systemic change than the franchising option. Moreover, the partnership options are based on incumbent operators and could, paradoxically, be anti-competitive in that they could act as a barrier for new entrants.

Q29. Do you have any comments on the potential impact of the partnership options on the employees of operators as set out in the Commercial Case?

The partnership options would mean no improvement for employees who are caught in the race to the bottom of the free market.

Q30. The Financial Case concludes that GMCA could afford to introduce and operate the Proposed Franchising Scheme. After completing the Assessment and in

advance of this consultation, GMCA has proposed how it would fund the introduction of a fully franchised system. Do you have any comments on these matters?

In our view, and on the basis of the detailed assessment, the outlined costs, with the majority coming from local authorities, and a total of £14 council tax increase for the average household spread over 6 years to 2025, are a price worth paying. We also note that central government has indicated that it could be willing to pay these costs.

This investment will mean we can get a better bus network, run for the public, with much better value for the public money we currently give to buses.

Q35. Do you have any comments on the impacts of the Proposed Franchising Scheme on passengers, as set out in the sub-section Impacts of the different options?

We agree that the franchising scheme would be highly likely to produce overall benefits for passengers in terms of average fare reductions, increases in range that can be travelled for the same money and additional services. We accept the possibility of some short term disruption, due for example, to operator exit. If anything we think the benefits are underplayed in the document.

Q36. Do you have any comments on the impacts of the partnership options on passengers as set out in the sub-section Impacts of the different options?

The impacts would be minimal, not conveying any significant benefit, although the transition risk is lower. The durability of the incumbent-led partnership is not guaranteed.

Q40. Do you have any comments on the impacts of the different options on GMCA, as set out in the sub-section Impacts of the different options?

The impacts are acceptable and already modelled in London's successful franchising scheme.

Q41. Do you have any comments on the impacts of the different options on wider society, as set out in the sub-section Impacts of the different options?

We reject any argument based on increased "economic growth", which is not feasible on a finite planet. On the contrary, the bus franchising proposals are consistent with the need for the material contraction of the economy, which is both necessary to mitigate climate change and inevitable given the increasing costs of materials and energy. A publicly controlled public transport system will reduce the impacts of the decay of the current growth model of the economy, while ensuring that people can still meet a variety of mobility needs.

We agree that bus travel has the potential to make a large contribution to the GMCA's "target of a 50% share for non-car modes by 2040" but we strongly assert that this is a far too timid objective if we are serious about forestalling the climate emergency and making this one of the greenest city regions. As one element in a strategy for greening our region, bus regulation and the franchising model has a key part to play.

Q42. Taking everything into account, the Assessment concludes that the Proposed Franchising Scheme is the best way to achieve GMCA's objectives to improve bus services. Do you have any comments on this?

We broadly agree with the Assessment's conclusions, as follows:

Network: The scale of the potential is greater under the Proposed Franchising Scheme than under either of the partnership options (only one of which, the incumbent-led voluntary partnership, appears to be on the table anyway). Franchising Scheme has the

long-term potential to develop the network, under GMCA leadership, as part of an efficient, integrated transport system.

Simplified and Integrated Fares: The Proposed Franchising Scheme would enable simpler and integrated fares and ticketing for passengers than either of the partnership options. It would allow through ticketing across the entire network and on the trams and regional rail. A cap on daily and weekly fares, as in London, would be possible.

Passenger Experience: The Proposed Franchising Scheme would enable GMCA to set consistent standards. This has the potential to go well beyond the consistent branding offered by the incumbents' partnership offer.

Environment: The Proposed franchising Scheme offers the potential to help facilitate a massive modal shift away from cars to collective public transport and active travel. It also offers some fairly quick wins on tailpipe emissions. It would incentivise councils to establish complementary measures, including road pricing and car parking levies, since the revenue could be directed to further improvements in public transport. The incumbent-led partnership idea would not do this.

Value for Money: The Proposed Franchising Scheme delivers more benefits than either of the partnership options, even under the rather cautious cost-benefit modelling carried out.

We think that GMCA taking on the revenue risk and a somewhat higher transitional cost, are reasonable trade-offs for such desirable benefits.

Q44. GMCA's draft Equality Impact Assessment identifies the potential of the Proposed Franchising Scheme on persons with protected impact characteristics. Do you have any comments on it?

The Equality Impact Assessment carried out as part of the proposals for the franchising scheme makes it clear that older and/or disabled people, many of whom also have physical and/or sensory impairments, will benefit from bringing the buses back into public control through franchising, and we agree with this. Public control of the buses should mean that there is better access to hospitals and other health facilities such as GP surgeries: at the moment, many older and/or disabled people have to travel to these facilities via private taxi firms, at great expense. Furthermore, the fragmented nature of the bus network means that it is difficult for many older and/or disabled people to visit friends, go shopping, get to work or attend cultural events, leading to a situation where they can become isolated in their homes, lonely and with deteriorating physical and psychological well-being. **Franchise arrangements could reliably improve the network of bus routes, their frequency, and safety for older and disabled travellers with consequent improvement in well-being.**

Q45. To what extent do you support or oppose the introduction of the Proposed Franchising Scheme?

Strongly support

Why do you say this?

1. The alternative that is on the table, the bus companies' preferred Voluntary Partnership, leaves all the power in their hands. Changes will only be made to the extent that they deem it in their interests. We need a system that puts the interests of GM's people first.
2. Franchising is the only option that allows cross subsidy from popular/profitable routes to less busy/unprofitable routes.

3. The additional transitional expenditure over that for the Voluntary Partnership is not large: £25M (£122M vs £97M) over the 5 year implementation period. That's just £5M per year, or £500k per council area, or **£4.34 per household per year**. (source: TfGM Franchising paper, executive summary, page 23). As noted above, it is possible that even this small sum will be met by central government.

The economic assessment indicates a better return from franchising in terms of economic, social and environmental benefit than from either partnership model.

We urge the mayor and TfGM to establish effective bus user and worker councils, or similar governance arrangements to maximise direct democratic governance.

Thank you for this opportunity to contribute to this important consultation. Buses are a vital part of the fabric of Greater Manchester and must be allowed to take on a more strategically central role in urgently making the massive modal shift we need from the infestation of private motorised transport that blights our atmosphere, our neighbourhoods and our climate.