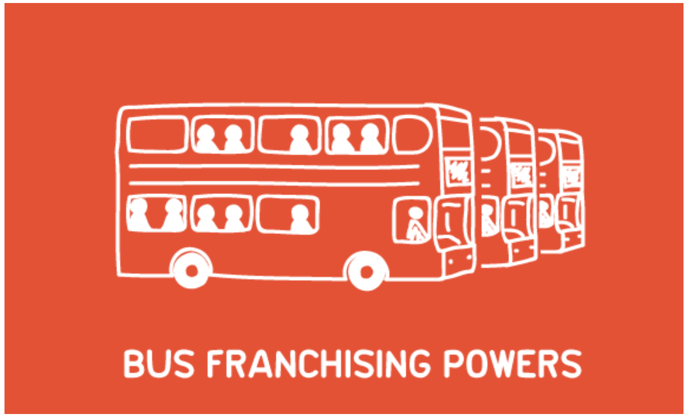
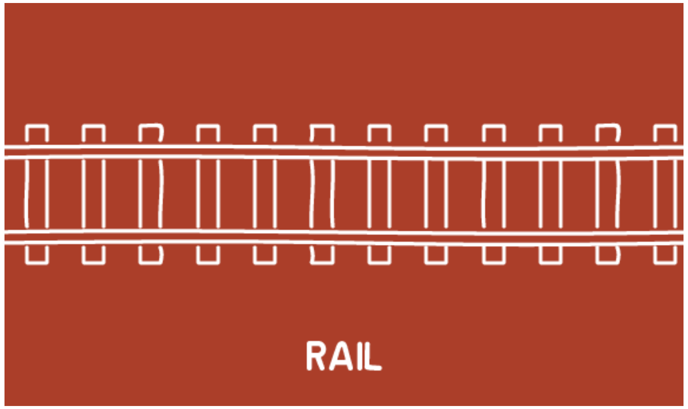
Transport for Greater Manchester

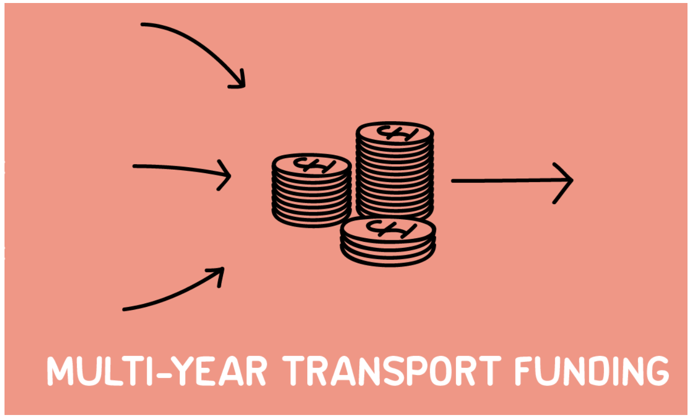
Transport for Greater Manchester Bus Policy & Devolution Overview

Transport for
Greater Manchester

Greater Manchester Agreement







Focus on integrated transport powers and funding to ensure conditions for sustainable growth in GM

Context

- Buses are a vital component of an integrated transport network both economically and socially
- Bus travel the single most used mode of public transport in GM - around 210 million bus journeys take place each year across the city region
- However, bus patronage is flat lining, despite significant public investment and subsidy, in contrast to growing population and growth in other travel markets

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The current bus market

Deregulated model outside London and Northern Ireland:

•Market policies established under 1985 Transport Act for competition between bus services

•Any market entrant can start a bus company subject to basic checks.

•Services can be changed or withdrawn at short notice

•Competition law prevents operators from coordinating on fares and network design

•Resultant system is not planned or marketed in an integrated manner, with focus on competition between services (bus and other public transport) rather than with car

The current bus market

Subsidies:

•Three key forms of public subsidy/revenue support - Concessionary Travel, BSOG and tendered services – account for over 40% of bus revenues

•GM bus market = 80% commercial and 20% tendered services (based on mileage), which are socially necessary but not viewed as commercially attractive/viable by bus companies

•TfGM tendering process aimed at vfm but limitations to this due to the piecemeal and reactive nature of the requirement

•Further public sector capital investment in supporting infrastructure – £300 million since 2000.

The Buses Bill

- Announced in Queen's Speech in May 2015
- The Bill will provide the option for combined authority areas with directly-elected mayors to be responsible for the running of their local bus services – a franchised model
- The government says the move will allow cities to promote an integrated transport system
- There has been no further update on Buses Bill since its announcement - timescales for progression through Parliament are being monitored closely

The case for change

- An effective GM growth strategy needs certainty and integration across local transport offer to widen labour markets and maximise labour market participation
- Bus travel needs to attract greater patronage and play a key role at the heart of a fully integrated, efficient and effective wider transport system
- A single coherent identity for transport in GM would ensure simplicity for commuters and improve the visitor experience
- A model is needed to achieve these outcomes, combining the best of the public and private sectors, in-keeping with the GM growth and reform agenda

What could franchising mean for Greater Manchester?

Next Steps

- Buses Bill expected in Parliament before Christmas
- Full Draft 2040 Strategy (LTP4) for consultation in early 2016, setting out high-level policy position
- Final 2040 Strategy (LTP4) ready by mid 2016 as policy base for future decisions
- Further work to late 2016 to explore full case for potential franchising and model options
- Formal decision likely in 2017 to fit with future Buses Act provisions