

Date: 23 March 2021

Subject: Bus Reform: Bus Back Better

Report of: Eamonn Boylan, Chief Executive Officer, GMCA & TfGM

PURPOSE OF REPORT:

This report considers the Department for Transport's National Bus Strategy for England, titled 'Bus Back Better', which was released on 15 March 2021 (the NBS) and its implications for GMCA's bus reform process.

RECOMMENDATIONS:

The GMCA is requested to:

1. Note the contents of the National Bus Strategy and the matters considered in this report.
2. Amend the recommendations in the Bus Reform: Consultation and the GMCA Response Report on this agenda to note that members have considered the contents of the National Bus Strategy and the matters considered in the Report 'Bus Reform: Bus Back Better'.

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Number of attachments to the report:

1. The Department for Transport's National Bus Strategy for England, titled 'Bus Back Better', dated 15 March 2021.

BACKGROUND PAPERS:

Report of the GMCA titled Bus Services Act 2017, dated 30 June 2017
Report of the GMCA titled Bus Reform Objectives Update, dated 25 May 2018
Report of the GMCA titled Bus Reform, dated 27 July 2018
Report of the GMCA titled Transport Revenue Budget 2019/20, dated 15 February 2019
Part A Report of the GMCA titled Bus Reform Update, dated 28 June 2019
Report of GMCA titled Audit and Consultation, dated 7 October 2019
Report of GMCA titled Bus Reform: Consultation Update, dated 26 June 2020
Report of GMCA titled Covid-19 Impact on Bus Franchising Report and Consultation, dated 27 November 2020
Report of the Housing Planning and Environment Overview and Scrutiny Committee titled GM Bus Reform consultation dated 11 June 2020.
Report of GMCA titled Bus Reform: Consultation and the GMCA response dated, 23 March 2020.

1 INTRODUCTION

- 1.1 As members will be aware, in June 2017 the GMCA decided to use the powers set out in the Transport Act 2000 (as amended by the Bus Services Act 2017) (*the Act*) to prepare an assessment of a proposed bus franchising scheme for Greater Manchester. A separate report on this agenda titled “*Bus Reform: Consultation and the GMCA Response*” has been prepared for members. That report, amongst other things, considers the outcome of the consultations undertaken by GMCA and recommends that the Mayor makes the proposed franchising scheme.
- 1.2 On 15 March 2021, the Department for Transport (*DfT*) published its National Bus Strategy for England, titled ‘Bus Back Better’ (*the NBS*).
- 1.3 The goal of the NBS is to get bus use back to what it was before the pandemic; to increase patronage and buses’ mode share and to ensure that buses are an attractive alternative to the car for far more people. This includes improving bus frequency; coverage; ticketing and fares options; information and fleet fuel technology.
- 1.4 This report summaries the main aspects of the NBS and considers its implications for GMCA’s bus reform process.

2 SUMMARY OF THE NATIONAL BUS STRATEGY

- 2.1 The NBS sets out how buses are the easiest, cheapest and quickest way to improve transport. It states that “Building a new railway or road takes years, if not decades. Better bus services can be delivered in months. Experience shows that relatively small sums of money, by the standards of transport spending, can deliver significant benefits”.
- 2.2 The NBS also sets out how Covid-19 has impacted the bus market. It sets out that patronage fell significantly during the first lockdown (and subsequent lockdowns). It states that “the lasting impact on bus use remains unknown, with passenger numbers expected to fall from pre-Covid-19 levels – at least initially”; and that there “are likely to be several years of recovery”. Despite this, there is the opportunity now to “build back better” and ensure that bus plays an important role in the economic recovery that also meets the ambitions set out in the NBS for zero emission bus services.
- 2.3 The NBS sets out some of the current barriers to improving bus services and these include:
 - Limited cooperation between operators
 - Rival bus networks that do not acknowledge other’s existence
 - Overcapacity at certain times of the day on busiest routes

- Multi-operator ticket that are expensive and hard to find out about
- Lack of evening services
- Complex ticketing
- Poor integration
- Car ownership has increased since bus deregulation
- Covid-19 has had a huge impact on bus use in 2020

2.4 In terms of funding, the NBS sets out initial spending plans for the £3bn for buses in England outside London that was announced by the Prime Minister in February 2020. It will initially be invested in:

- Supporting new and increased services – **with at least £300m of funding to support the sector recover from the pandemic in 2021/22.**
- Giving LTAs the skills and people they need to deliver this strategy – **with £25m of the £300m allocated in 2021/22.**
- Bus priority schemes to speed up journeys – with the first schemes delivered in 2021/22.
- Accelerating the delivery of zero emission buses with £120m in 2021/22.

2.5 It is not clear over what time period the £3bn will be spent. It is anticipated that, as the NBS sets out, much of this will be available to support further measures to support bus services that should form part of LTA plans.

2.6 The goal of the NBS is to get bus use back to what it was before the pandemic, and then also to increase patronage beyond that point and buses' mode share to reap the social and economic benefits that buses can bring. To achieve this and make buses an attractive alternative to the car for more people, means making buses greener, more accessible, better to ride in and easier to use; more frequent, faster and more reliable, in a more comprehensive network, which is better integrated with other modes and each other, and which is easier to understand; and seen as safe.

2.7 The NBS notes that the Government has provided “an unprecedented amount of support for the bus sector during the pandemic” through the Covid-19 Bus Services Support Grant (*CBSSG*) and the Bus Service Operators Grant (*BSOG*), and that support will continue to be required as the economy gets back on track and as social distancing measures are removed. That support will, however, only be provided in accordance with the NBS.

2.8 The NBS provides that:

- **By the end of June 2021**, all local authorities (other than Mayoral Combined Authorities which have started the statutory process of franchising) will need to commit to establishing an Enhanced Partnership (*EP*) across their entire area and all operators are expected to cooperate with that process. The NBS says that authorities who may now want to pursue franchising should also commit to implementing an EP in the meantime. That does not apply, however, to the

GMCA: “Since franchising can take several years, we expect those LTAs who want to start down that road to commit to establishing an Enhanced Partnership in the meantime, unless they have begun the process of implementing franchising already (as in Greater Manchester, for instance)”.

- **From July 2021**, only those LTAs and operators who meet these requirements will continue to receive CBSSG or any new sources of funding from the Government’s £3bn budget.
- **By the end of October 2021** each local authority will need to publish a local Bus Service Improvement Plan (*BSIP*). Each plan will need to be updated annually and reflected in the authority’s Local Transport Plan and in other relevant local plans such as Local Cycling and Walking Infrastructure Plans.
- **From April 2022**, the new discretionary forms of bus funding will only be available to services operated, or measures taken, under an EP or where a franchising scheme has been made and only those services operated under these statutory agreements will be eligible for the reformed BSOG subject to consultation.

2.9 There are other elements of the NBS which should also be noted and considered by Members. They include, however,

- **Comprehensive networks and integration** – planning as a ‘whole system network’; consistency of service patterns across the working week and all times of the day; focus on radial corridors; reminder of obligations on socially necessary services; better integration across bus services regardless of operator including coordinated timetabling, route numbering.
- **Integration with other transport modes** – e.g. using rail stations as key transport hubs, enabling bike carriage etc. (also see ticketing).
- **Fares and ticketing** – simpler and lower, including focus on multi operator products with minimal or no price differential; simplified ticketing such as flat or capped fares; smart price capping as the norm; integration between modes.
- **Infrastructure** – significant focus on implementation of bus lanes where possible; technology to prioritise buses (e.g. at traffic lights); investments in BRT schemes; investment in Demand Responsive Transport.
- **Zero Emission** – focus on scaling up (but technology neutral) to see step change in technology.
- **Accessibility** – the introduction of the Accessible Information Regulations by summer 2022, which will require operators to provide audible and visible information on buses and reviewing other key regulations to improve accessibility.
- **Modernising BSOG** (which subsidises operators based on fuel used) – a plan to consult on the modernising of BSOG to better reflect move to alternative fuel technologies.

- **Guidance** – publishing detailed guidance on preparing a BSIP, as well as updating the existing guidance under the Act for an EPS and franchising.
- **Key route networks** – proposing to consult on giving Mayoral Combined Authorities greater powers over key route networks.

3 HOW DOES THE NATIONAL BUS STRATEGY LINK WITH GMCA'S OBJECTIVES

- 3.1 The NBS explains that deregulation brought with it a set of problems that means services are run in a sub-optimal manner, particularly with reference to network planning, fares co-ordination and the provision of information. For instance, DfT notes the fact that deregulated services can be concentrated on profitable routes and therefore not serve whole areas well. It also emphasises challenges that do not stem from the structure of the market, such as congestion. In terms of the challenges facing the bus market, there is generally a strong alignment between the NBS and the analysis in the Strategic Case of the Assessment.
- 3.2 The Assessment considered the need for reform and elaborated the GMCA's objectives for the bus service across four pillars – network, fares, customer service and value for money - based on the 'Vision for Bus' in the Transport Strategy 2040. The NBS sets out a "Vision for the future of bus services". It aims to make buses greener, more accessible, better to ride in and easier to use; more frequent, faster and more reliable, in a more comprehensive network, which is better integrated with other modes and each other, and which is easier to understand; and seen as safe. The set of objectives that DfT sets out that each LTA should look to achieve is similar to those elaborated in the Assessment. For instance:
- On green fleet ambitions, where GMCA have the objectives of improving the environmental performance of the fleet, DfT set out that there will be money available for fleet transformation starting this year and on an ongoing basis. As well as some funding for 2021/2, DfT intend to Launch the Zero Emission Bus Regional Area (ZEBRA) scheme, bringing together LTAs, bus operators, energy companies and other stakeholder to develop financial and commercial models of delivering zero emission buses at scale.
 - As with GMCA's objectives, DfT want to see improvements in the information available to passengers and a whole network approach including information, "local branding that reflects the community and not the operator" and all operators on the same route accepting the same tickets.
- 3.3 Very few challenges were received concerning the objectives identified in the Assessment, and the TfGM's March 2021 Consultation Report confirmed that they remain right in the context of Covid-19. The NBS does not alter that conclusion.
- 3.4 The NBS points (p21-22) to the level of public money going into bus services (and in particular the £1bn that has been spend since Covid-19 supporting services)

and the fact that “urgent action” is necessary to solve the problems that they identify such as limited co-operation, lack of evening services, complex ticketing and poor integration.

- 3.5 The NBS recognises that “there can simply be no return to the situation, seen in too many parts of England, when services were planned on a purely commercial basis with little or no engagement with, or support from, LTAs” (p22). It is notable that the only two future bus markets envisaged in the NBS are those with an EP or franchising.

4 DELIVERING BUS IMPROVEMENTS AHEAD OF ANY FRANCHISED SERVICES BEING PROVIDED

- 4.1 The NBS sets out that, as the country recovers from Covid-19, there is a need to deliver “radical improvements” to local public transport in a short timeframe. It highlights that improvements to bus services “are the quickest, easiest and cheapest way to do that”.
- 4.2 The work that TfGM has done in preparing the Assessment and the “Greater Manchester Transport Strategy 2040 Delivery Plan” means that it is well placed, working with operators, community transport bodies and local businesses, to develop a comprehensive Bus Service Improvement Plan in accordance with the NBS by the end of October 2021. In particular the delivery plan sets out the shorter-term measures, schemes and development work that are needed to achieve Greater Manchester’s “Our Network” vision and given the existing alignment between that vision and the objectives in the NBS, this would provide a strong foundation for the initial Bus Service Improvement Plan.
- 4.3 TfGM’s March 2021 Consultation Report set out that TfGM wishes to work with operators to ensure that Greater Manchester is able to start delivering improvements to the bus network as early as possible and has already started to engage with operators on this. It recognised that “interim arrangements are required to help the local bus network in Greater Manchester to transition from the current arrangements based on CBSSG-R.” It also noted that “any such ‘recovery partnership’ would not be an alternative to a long-term arrangement such as the Proposed Franchising Scheme and would instead aid the short- to medium-term recovery of the market.” It is not clear from the NBS for what period the DfT envisages that any enhanced partnership plan or schemes should be made.
- 4.4 TfGM has recognised, therefore, the need to stabilise the market (and hence the bus system as it recovers from Covid-19) but also start to deliver improvements to the bus network, whilst it is implementing the franchising scheme. This would ensure that improvements and their associated benefits can start to be delivered in the transitional period ahead of franchise operations commencing in each of the three franchising sub-areas. It would also provide a platform for further improvements when the full benefits of franchising can be realised once

operational. TfGM would therefore expect to engage with operators to consider what measures could be appropriately implemented in that period using funding available from the DfT.

- 4.5 As noted above, the NBS does not require an authority that has already started the statutory process of franchising bus services, such as the GMCA, to commit to establishing an EPS and that continued funding support would be available to such an authority without such a partnership. It would be possible to make an enhanced partnership plan (in addition to the BSIP) and enhanced partnership schemes covering the transitional period. But this may not provide the optimum flexibility to react to changes in the bus market as it recovers from Covid-19. Such a plan and associated schemes have to be made and varied following a statutory process that would be less flexible, more open to objection and more time consuming than may be required in the case of a voluntary partnership which may be the most effective way to manage partnership during this transition. Such a partnership would be capable of implementation more quickly, allow agreements with different operators to reflect the requirements of transition and how it impacts them, and generally allow funding to be appropriately focused to underpin the commitments during this period and to maximise its benefits.
- 4.6 To the extent that an enhanced partnership scheme requires the making of traffic regulation orders (which is likely as the BSIP will be required to include reference to how traffic management and investment are used to prioritise buses and will cover the whole of GMCA's area) any enhanced partnership scheme will need to be made jointly with the districts concerned, which may cause some added delay before agreement can be reached.
- 4.7 Approaching the transition using voluntary agreements, however, would not necessarily preclude the use of an EP if that is what discussions with operators indicated.

5 IS NOW THE APPROPRIATE TIME TO MAKE A DECISION ON FRANCHISING

- 5.1 Section 15 of the Bus Reform Report on this agenda and Section 17 of TfGM's March 2021 Consultation Report considered the responses to the second consultation undertaken by GMCA and whether now is an appropriate time to make a decision on franchising. The question is whether the conclusions reached are still appropriate in the light of the NBS.

The risks of franchising

- 5.2 TfGM's March 2021 Consultation Report considered challenges from operators to the contention in the Covid-19 Impact Report that Scenario 3, showing a steep decline in patronage, was less likely than others. The level and duration of

government financial support for bus was one of the key elements of the TfGM Scenarios used within the Covid-19 Impact Report. The most pessimistic scenario (Scenario 3) made an assumption that “Government subsidy phased-out before restrictions lifted”, although even in November 2020, the report noted that Government was continuing to “support public transport ... irrespective of market structure”. The NBS sets out commitments to recovery funding through to March 2022, but also notes that the “bulk of the £3bn transformation funding will be paid after the transformational changes begin in April 2022”. These statements tend to confirm the statement made in the Covid-19 Impact Report that “something like Scenario 3, where a more severe economic downturn is combined with a withdrawal of support for public transport, is probably less likely to occur than other potential outcomes”.

- 5.3 In respect of affordability, commitments in the NBS to continuing to provide financial support through recovery and to help support “transformation” are welcomed and could be seen as reducing the likelihood of revenues falling to the levels considered in the worst scenario. Locally prioritised funding and mitigation options were also set out in the Covid-19 Impact report which was considered by the GMCA in November 2020. Members are being asked to confirm those proposed funding arrangements and mitigations for the Proposed Franchising Scheme in the GMCA Bus Reform and Consultation Response Report on this agenda. The conclusion in the Covid-19 Impact Report, therefore, that the “Proposed Franchising Scheme has the level of flexibility required to adapt to changes in demand and reductions in patronage and mileage – and so maintain its affordability despite the challenges that the recovery from Covid-19 may bring” still stands.

An improved enhanced partnership?

- 5.4 A further consideration is whether, if a decision was further delayed, a stronger longer-term partnership option would be put forward using an EP and whether that possibility would justify deferring a decision on franchising.
- 5.5 The Assessment considered the options to deliver the GMCA local bus strategy objectives, including two partnership options. One option, the Operator Proposed Partnership, using a voluntary partnership agreement, was based upon the proposals made by local bus operators in discussions with TfGM in which operators had rejected the use of an enhanced partnership as the means of delivering their partnership proposals. The other option, the Ambitious Partnership, explored what might be achieved if the partnership was more ambitious. The key features of the Operator Proposed Partnership were the proposal to freeze System One fares for two years and proposals to improve the quality of services via driver training and the acceleration of WiFi on services. The Ambitious Partnership looked at a potential proposal that built on the Operator Proposed Partnership to include:
- Interoperability of tickets within corridors where there is currently sufficient competition between operators to offer value to passengers; and

- A degree of network rationalisation and hence simplification to reduce network inefficiencies (i.e. over-bussing) and to divert resources elsewhere in the network where they could deliver passenger benefits.

To deliver the Ambitious Partnership, the Assessment concluded that an EP would be required as an EP would allow for (i) a greater level of bus market changes and hence integration and (ii) greater levels of interoperability of tickets through the introduction of Qualifying Agreements. The Ambitious Partnership considered in the Assessment was considered on the basis that it might be delivered in conjunction with other complementary partnership structures such as voluntary partnership agreements in order to maximise the benefits of the scheme.

5.6 The Assessment concluded that the Proposed Franchising Scheme was preferred over the partnership options, including the Ambitious Partnership, in terms of delivering the GMCA's local bus strategy objectives in relation to:

- **Strategic fit:** While partnership options do, in principle, allow for improvements in the bus network, for simplification of fares and for improvements in customer service, the constraints of the voluntary nature of the arrangements and the requirement for on-road competition, mean that scale and potential realisation of the benefits are significantly less than those offered by the Proposed Franchising Scheme.
- **Overall value for money:** The analysis in the Assessment, that indicated that the Proposed Franchising Scheme offers better value for money than partnership options in terms of net economic benefit, would not be altered by using an EPS. The Ambitious Partnership delivered slightly higher economic benefit (£103m) than the Operator Proposed Partnership (£80m) due to the higher passenger benefits, but lower benefits than the net economic benefits of the Proposed Franchising Scheme (£234m).
- **Commercial:** It was not clear how arrangements for setting routes and frequencies through the Ambitious Partnership would work in practice or how they would fit with the need for continuing to allow for competition between operators. Small and medium sized operators may be disadvantaged in an EP as they may not be able to meet the scheme specific standards on quality of vehicles and they may find it difficult for them to participate in any process to agree routes and frequencies.
- **Duration:** The Assessment notes that the longevity of a new partnership arrangement would be less certain than a franchising scheme, which is designed as a long-term intervention in the market. Agreements are often for periods of five years (such as that proposed by operators in Greater Manchester during the first consultation) as there is no sufficient clarity of what may happen after that. An enhanced partnership plan must specify a period to which it relates and any enhanced partnership scheme must specify a period for which it is to remain in operation. It is expected that similar considerations for operators would apply when seeking to agree any period for an EP, as a

voluntary partnership agreement, including the need for continued availability of funding to support the standards implemented by the scheme.

- 5.7 The overall conclusion of the Assessment, therefore, was that despite extensive engagement, the level of ambition from operators for a partnership was low, and the Proposed Franchising Scheme was preferred as:
- It better aligned to the objectives set in the GMCA's local bus strategy;
 - It offered better overall value for money; and
 - It offered greater certainty over long-term delivery and hence the realisation of the benefits.
- 5.8 Under franchising a greater range of 'phase 2' interventions would also be possible (for instance it would be easier to spend money directly to reduce fares), and such measures would provide greater value for money against the scheme objectives under franchising than under a partnership as returns would flow directly to the authority and could be reinvested in the service.
- 5.9 The Covid-19 Impact Report used a scenario analysis approach to review these findings and to consider the overall recommendation in light of the uncertainty induced by the pandemic. The report did not explicitly reconsider the Ambitious Partnership because, while operators had put forward alternatives for discussion during the first consultation, these proposals were less ambitious than the Ambitious Partnership option in the Assessment and their own proposals were withdrawn due to Covid-19.
- 5.10 The NBS does not create any new legal options that GMCA needs to consider, as the options presented are those provided for in the existing legislation. The NBS links the continuance of funding via CBSSG, BSOG and "any new sources of bus funding from the Government's £3bn budget" to the progression of either franchising or enhanced partnership proposals. This alters the incentives for operators. There is also a requirement for Local Transport Authorities to publish a local Bus Service Improvement Plan, detailing how LTAs "propose to use their powers to improve services". The linking of government funding to the establishment of enhanced partnerships (or franchising) may create a greater incentive for operators to participate in an EP and might also, arguably, be seen as an incentive to bring more commitments to the table in order to bolster such a partnership (in order to avoid franchising to which they may be opposed).
- 5.11 However:
- Establishing in negotiation with operators what enhanced partnership plans and schemes to which they would be prepared to bind themselves (if any) will delay the time at which a decision comparing the relative benefits of those measures once ascertained (if any) and franchising can be made and the time when the benefits of franchising can be realised if that is the better option.
 - Operators have already had the opportunity, which they declined, to offer to enter an EP with the GMCA. Providing a further opportunity does not mean that the content of any partnership eventually agreed would necessarily be any

better than operators have previously indicated they would be prepared to agree (for example in Partnership Plus). Operators have indicated that they were unable to make partnership commitments given the uncertainty in the market and would rather wait for an unspecified period of time before doing so. The scope of any EP would still largely be determined by voluntary agreement (as larger operators or groups of operators would be able to object successfully if any proposals were not acceptable to them) and hence there will always be limits to the scope of such an arrangement by reference to what is acceptable to the wider market. Operators have previously indicated, for example, that they would not want a partnership to set levels of fares or to define the network that they run. Any such requirements would in any event need to satisfy the competition test that applies to an enhanced partnership scheme. Such schemes offer some protection from competition law – for instance in setting of multi-operator fares – but this does not mean that it can go so far as franchising toward the objectives for the bus network (whether those of the GMCA or the NBS).

- The analysis in the Assessment that an EP, such as the Ambitious Partnership, is unlikely to deliver all the objectives GMCA have set for bus, particularly in respect of integrated fares and network rationalisation, still stands. In terms of strategic fit, the Proposed Franchising Scheme still offers a greater chance of achieving GMCA’s objectives for the bus network under the different scenarios that could occur.
- The value for money of the Proposed Franchising Scheme is still likely to be robust to the uncertainty created by Covid-19 in all reasonably likely scenarios. The NBS could be seen as reducing the likelihood of “downside scenarios”, such as Scenario 3, in which the partnership options performed better overall in the What If tests.
- As set out in the Assessment, under franchising there would be a greater range of interventions possible (for instance it would be easier to spend money directly to reduce fares), and such measures would provide greater value for money under franchising as returns would flow directly to the authority and could be reinvested in the service. These differences between a deregulated market and franchising are not removed by an EP. Given the value for money of spending on further measures would be enhanced through franchising, the NBS could be seen as strengthening the value for money argument for implementing the Proposed Franchising Scheme.
- Legislation also requires that a period is set for which any enhanced partnership plan or scheme may last. For how long operators would be prepared to bind themselves in current circumstances is uncertain. But in any event franchising offers greater certainty over long-term delivery and hence the realisation of benefits over time.

5.12 It is not considered that the possibility that an EP might now be offered by operators, having previously been refused by them, itself warrants further delay in making a decision on the Proposed Franchising Scheme.

Further guidance

- 5.13 TfGM's March 2021 Consultation Report considered whether it would be appropriate to wait for further DfT guidance on uncertainty to be published, and concluded this was not necessary and that it would not necessarily provide materially better information about whether it is in the public interest to make a franchising scheme, given the wide range of outcomes against which the conclusions in the Assessment can be tested using the Scenarios.
- 5.14 DfT state in the NBS that it intends to strengthen the guidance on enhanced partnerships and franchising in order to make it easier for operators and LTAs to focus what they want to achieve. The DfT also intend to update guidance on the meaning of socially necessary services, to include services which are economically necessary, given the role buses serve in transport to employment. They will also provide some guidance on journey planning in a 'Mobility as a service code of practice'. The guidance contemplated has not yet been published, and there is no timescale provided for its provision. It could be argued that GMCA should wait for all or some of this guidance to be issued.
- 5.15 GMCA has already considered in detail which option would best achieve its objectives (and by extension which option would also meet DfT's objectives as set out in the NBS when they overlap), and, while further guidance on enhanced partnerships and franchising may be helpful, it is not likely to change the factors which go into that choice.
- 5.16 The NBS further states that "Partnership guidance will also clarify how unexpected circumstances, such as the Covid-19 pandemic, should be handled – to minimise the additional work that LTAs need to take to reach a franchising decision." (p.44). That additional work has already been undertaken by TfGM in the Covid-19 Impact Report and has been the subject of consultation. It may well be that, like the promised further DfT guidance on uncertainty in transport appraisals, such guidance may indicate a different approach to that used in that Report. However, such guidance would not necessarily provide materially better information about, or indicate a materially better approach to addressing the question, or whether it is in the public interest to make a franchising scheme, given the wide range of outcomes against which the conclusions in the Assessment can be tested using the Scenarios.

Conclusion

- 5.17 The NBS reduces the likelihood of "downside scenarios" materialising when considering the value for money and affordability of the proposed franchising scheme.
- 5.18 Although the NBS may be said to increase the incentives for operators to agree to an EP that they had previously rejected and to indicate that further relevant guidance may be provided, further delay would postpone the structural reform of the bus market in accordance with the GMCA's strategic policies which is required to best meet the challenges it faces in any event and it would reduce the GMCA's

ability to plan for the long term future of the bus market and the fullest recovery from the Covid-19 pandemic.

- 5.19 It is still considered, therefore, that the disadvantages of further delay outweigh its possible advantages in terms of gaining new information, whether in terms of further DfT guidance or from an offer of a new, longer-term partnership.

RECOMMENDATIONS

6.1 The GMCA is requested to:

1. Note the contents of the National Bus Strategy and the matters considered in this report.
2. Amend the recommendations in the Bus Reform: Consultation and the GMCA Response Report on this agenda to note that members have considered the contents of the National Bus Strategy and the matters considered in the Report 'Bus Reform: Bus Back Better'.

Eamonn Boylan

Chief Executive Officer, GMCA & TfGM