

Date: 29 April 2022

Subject: Bus Reform: The Greater Manchester Franchising Scheme for Buses 2021 -
Postponement of Local Service Contracts

Report of: Eamonn Boylan, Chief Executive Officer, GMCA

Purpose of Report

This report considers the responses to the consultation conducted under section 123I of the Transport Act 2000 ('the Act') in relation to the proposed postponement of local service contracts in the Greater Manchester Franchising Scheme for Buses 2021 and makes recommendations for the Mayor's consideration.

Recommendations:

The Mayor is requested to:

1. Note the contents of the report.
2. Agree to postpone the date on which a local service contract may first be entered into in Sub-Area A specified in the Greater Manchester Franchising Scheme for Buses 2021 until 16th December 2022.
3. Agree to specify the date on which a local service may first be provided under a local service contract in Sub-Area A specified in the Greater Manchester Franchising Scheme for Buses 2021 to be 17th September 2023.
4. Update the Greater Manchester Franchising Scheme for Buses 2021 accordingly in the form annexed to this report.

Contact Officers

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Risk Management

Risks associated with this scheme are being captured and managed as part of the Bus Franchising programme.

Legal Considerations

The legal implications are set out in this report.

Financial Consequences – Revenue

The financial consequences (revenue) relating to this report are included in the background papers set out below.

Financial Consequences – Capital

There are no specific financial consequences (capital) relating to this report.

Number of attachments to the report: 1

Comments/recommendations from Overview & Scrutiny Committee

n/a

Background Papers

Report to GMCA titled Bus Reform: Consultation and the GMCA Response dated 23 March 2021

Decision of the Mayor 25th March 2021

Report to GMCA titled Bus Reform: The Greater Manchester Franchising Scheme for Buses 2021 - Implementation and Operation dated 28 May 2021

Public Service Vehicles (Registration of Local Services) (Franchising Schemes Transitional Provisions and Amendments) (England) Regulations 2018

[The Public Service Vehicles \(Registration of Local Services\) \(Franchising Schemes Transitional Provisions and Amendments\) \(England\) Regulations 2018 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

Not exempt from call-in.

GM Transport Committee

n/a

Overview and Scrutiny Committee

n/a

1. Introduction/Background

- 1.1 The Mayor made the decision to introduce the Greater Manchester Franchising Scheme for Buses on 25th March 2021 (the Scheme).
- 1.2 The Scheme itself was made on 30th March. In accordance with section 123H (3) of the Transport Act 2000 (the Act) and regulation 3 of the Public Service Vehicles (Registration of Local Services) (Franchising Schemes Transitional Provisions and Amendments) (England) Regulations 2018 (the regulations), it specified:
 - a) the areas within the area to which the scheme relates ("scheme sub-areas"),
 - b) for each scheme sub-area, the date on which a local service contract to provide a local service in that scheme sub-area may first be entered into,
 - c) for each scheme sub-area, the minimum period that is to expire between the making of a local service contract to provide such a service and the provision of such a service under the contract (in that regard, a scheme may not specify a period of less than six months), and
 - d) for each scheme sub-area, the date on which a local service may first be provided under a local service contract in it.
- 1.3 For Sub-Area A the date specified in the Scheme under b) above was 30 April 2022; the time period specified under c) above was 9 months; and the date on which a local service may first be provided under a local service contract under d) above in Sub-Area A was 29th January 2023. This date was likely to constitute in

effect the effective time for the purpose of s123J(7) of the Act for that sub-area on which the change in regime effected by s123J(1),(3) and (4) of the Act takes place.

- 1.4 As the Mayor will be aware, the procurement process for the implementation of the Scheme in Sub-Area A has been delayed as a result of two claims for judicial review of the decision to make the Scheme. Whilst those claims were dismissed by the High Court on March 9th, 2022 there is an outstanding application to the Court of Appeal by one of the Claimants for permission to appeal against that decision.
- 1.5 In light of the above delay, consideration has been given to certain dates currently specified in the Scheme and whether it is appropriate for them to be postponed. In that regard, a consultation exercise has been undertaken (in accordance with section 123I (2) of the Act) in relation to a proposed postponement of the date on which a local service contract may first be entered into in Sub-Area A in the Scheme from 30th April 2022 to 16th December 2022 (which is considered to be the earliest practicable date).

2. Consultation

- 2.1 GMCA wrote to parties on 14th April 2022 who might be affected by any such decision including all incumbent operators in Sub-Area A, all operators who had successfully expressed an interest in the Tranche 1 franchise tenders (covering Sub-Area A); and a number of other parties including the CMA, Bolton and Wigan Councils, Unite and Unison and the Traffic Commissioner, requesting their views on the proposed date changes. Additionally notices were posted on the same date across all bus stations in Greater Manchester with services running in or into Sub-Area A, as well as on the TfGM website, setting out the proposed date changes and requesting any comments.
- 2.2 A small number of responses were received by the deadline of 27th April 2022, all of which confirmed that they had no comments on the proposed date changes.

3. Conclusion

- 3.1 In light of the above delay and the responses to the consultation, it is considered appropriate that the date on which a local service contract may first be entered into in Sub-Area A should now be postponed until 16th December 2022.
- 3.2 A postponement of the date on which a contract may first be let under section 123I of the Act gives rise to an obligation under the regulations to update the date on which a service may first be provided under such a contract in the Scheme. Accordingly, should the Mayor agree recommendation referred to above, the date upon which a local service may first be provided under a local service contract in Sub-Area A should also be updated to specify 17th September 2023 in place of 29th January 2023.

4 Recommendations

- 4.1 The Mayor is requested to:
1. Note the contents of the report.
 2. Agree to postpone the date on which a local service contract may first be entered into in Sub-Area A specified in the Greater Manchester Franchising Scheme for Buses 2021 until 16th December 2022.
 3. Agree to specify the date on which a local service may first be provided under a local service contract in Sub-Area A specified in the Greater Manchester Franchising Scheme for Buses 2021 to be 17th September 2023.
 4. Update the Greater Manchester Franchising Scheme for Buses 2021 accordingly in the form annexed to this report