

The Greater Manchester Franchising Scheme for Buses 2021

Service Permit Policy Statement

The Franchising Schemes (Service Permits) (England) Regulations 2018

Regulation 3 (2) (d)

1.1 Introduction

Following the making of the Greater Manchester Franchising Scheme for Buses 2021 (the Scheme), Transport for Greater Manchester (TfGM) on behalf of Greater Manchester Combined Authority (GMCA) will become responsible for the arrangement and operation of local bus services in Greater Manchester through the phased introduction of bus franchising between September 2023 and January 2025.

‘Local services’ that are not provided as part of the franchised network, not excepted from the franchised network or are not an interim service (as defined in s.123O of the Transport Act 2000) will require a Service Permit to operate within areas of Greater Manchester once the Scheme becomes effective in those areas.

A **‘local service’** has the meaning given to it by Section 2(1) of the Transport Act 1985 and is **where a public service vehicle is used to carry passengers by road at separate fares**. The route can be of any overall length if a passenger can alight within 15 miles of where they boarded (and there is not a point on the road between those places which is more than 15 miles away from either of them).

School, college, works or other special services may be local services and require a permit, even if they are free services, in accordance with the definition of separate fares given by the Public Passenger Vehicles Act 1981. However, free services where there is no payment of separate fares on behalf of users e.g., supermarket services, are not local services, and do not require a permit. Services are not a local service and do not require a service permit if all the following conditions apply:

- someone other than the operator or their agent is responsible for arranging the journey and for bringing the passengers together;
- the journey is not advertised beforehand to the public;
- all passengers travel to or from the same place (e.g., to a school or factory) or in the case of a tour, all passengers must be carried for the greater part of the journey; and
- passengers pay the same fare no matter how far they travel.

Services to schools within Greater Manchester that are not available to the public, often referred to as a “closed” services, are exempt from the franchising scheme and do not require a service permit. Services operated under a permit granted under either section 19 or 22 of the Transport Act 1985 also do not require a service permit.

Rail and Metrolink replacement services can be local services and whilst they do not currently require registration with the Traffic Commissioner will require a service permit if they are a local service. A streamlined application process will however apply for rail and Metrolink replacement services.

If applicants are unsure whether they require a Service Permit, they should contact the TfGM Bus Services team for advice. If it appears to TfGM that in operating that local service, the person is failing or has failed to take all reasonable precautions and to exercise all due diligence to avoid contravening s 123J(3) of the Transport Act 2000 TfGM must inform a traffic commissioner.

1.2 The Statutory Test

The criteria that must be satisfied if a franchising authority is to grant a service permit is set out in section 123Q of the Transport Act 2000:

The franchising authority must grant the service permit applied for if it is satisfied that—

(a) the proposed service will benefit persons making journeys on local services in the area to which the scheme relates, and

(b) the proposed service will not have an adverse effect on any local service that is provided under a local service contract in the area to which the scheme relates.

The franchising authority may not grant the service permit applied for if it is not satisfied as to the matters in (a) and (b) above.

Service Permit Application Procedure

1.3 Before you Apply

Applicants are advised to check that the proposed route and timetable for a bus service is achievable at all the times of day it is intended to run. It remains the responsibility of applicants to ensure that sufficient resources will be available to provide the service and to consider the overall feasibility and viability and safety of the service before applying for a Service Permit, including the ability to operate the proposed vehicles along the route. Applicants should also ensure an appropriate level of service is proposed to fully fulfil its purpose, including the operating hours and days of operation.

Applicants are strongly encouraged to speak to TfGM's Bus Services team, in confidence, at least 21 days before submitting an application to discuss their proposals, particularly where the application includes operation along roads not currently served by buses. This is to ensure that any infrastructure issues can be considered and taken into account by TfGM in determining whether the statutory requirements are met, as this may require TfGM to apply additional conditions, or engage with the operator to ensure that they are proposing to provide a service on an appropriate route.

It is through this pre-application engagement process that TfGM and operators will discuss (amongst other matters) the details of the proposed service, such as the route, stopping points and frequency, working together to address any issues which may give TfGM cause to refuse the permit on application.

1.4 When to Apply for a Service Permit

An application for a new permit should be submitted at least 98 days (14 weeks) before the proposed '**effective time**'. The '**effective time**' means the beginning of the day on which a local service may first be provided under the service permit.ⁱ

If there is a specific need for a service or change to begin sooner than this, a permit may be granted at fewer than 98 days at TfGM's sole discretion.

In particular where the Traffic Commissioner would be entitled to exercise their discretion to allow for a short notice registration under regulation 7 Public Service Vehicles (Registration of Local Services) Regulations 1986, then TfGM would also be able to determine that the period for application of the service permit could be reduced to enable that short notice application to be made. Applicants should note that TfGM will retain discretion as to whether to shorten such time periods and applicants should therefore ensure that they provide details to TfGM as to why one or more of the reasons specified in Regulation 7(2) of the Public Service Vehicles (Registration of Local Services) Regulations 1986 apply to the permit service.

By reflecting the short notice provisions that apply to a registration with the Traffic Commissioner TfGM seeks to ensure that the permit process will not adversely affect any required short notice registrations where these apply on a cross boundary route, provided that such services continue to meet the requirements for a service permit and satisfy any conditions attached to the service permit.

In the case of services which enter Greater Manchester from neighbouring areas, the sections of services outside Greater Manchester must be registered with the appropriate Traffic Commissioner as appropriate. It is recommended that a service permit is obtained before registering sections of services outside of Greater Manchester. The 98 day notice period allows for the service permit application to be completed prior to such registration whilst continuing to comply with the standard periods for registration with the Office of the Traffic Commissioner. TfGM will liaise with the neighbouring Transport Authorities and the Office of the Traffic Commissioner, where appropriate, to ensure proposed start dates meet the requirements of all parties as far as possible.

1.5 How to Apply for a Service Permit

Applicants must complete an application form which can be obtained from www.tfgm.com/service-permits. Applications should be made to the TfGM Bus Services team via a dedicated TfGM Service Permit application email address provided on the application form, with an online payment system for the accompanying fee (see 1.7 below). Should you require an alternative method of applying for a service permit, please contact the TfGM Bus Services team to discuss.

1.6 Information to be submitted with an application for a Service Permit

In addition to the information required in the application form, applicants must also submit the following information with their application:

- a. A list and map of the route that the proposed service will serve
- b. A full list of the proposed stops, stands, and terminal points
- c. The proposed service number
- d. The proposed start date for the service
- e. A full working timetable, including days of operation, or a relevant TransXchange file that supplies this information
- f. If applicable, confirmation that any proposed bus station site access and departure slots at a TfGM bus station or City Centre stop have been reserved with the relevant bus station beforehand
- g. The commercial fares that will be charged and any operator or other tickets that would be valid or available on the service
- h. Details of the vehicle(s) type(s) to be used on the service, including their age, accessibility, seating and total capacity, and emission standards

The above information is to ensure that TfGM has sufficient information to apply the statutory tests and consider what, if any, conditions should be attached to the permit. The permit will relate to the service as described in the application form and accompanying information, so care should be taken to ensure that this information is correct, to ensure that the permit allows operation of the service by the operator once a permit has been granted. Whilst TfGM may specify the description of the service in the permit to allow for minor deviations without the need to apply for a new permit, the scope of such deviations, if any, will be at TfGM's discretion, due to the need to ensure that any permitted service meets the statutory tests.

In the case of rail replacement and tram replacement services, much of the above information will not be relevant and the operator responsible for providing and/or co-ordinating rail replacement services will only need to provide the following details with their application:

- a. A list and map of the proposed stations / tram-stops and rail / tram routes which may be replaced with any replacement bus services
- b. A list of the proposed stops, stands, and terminal points
- c. The proposed start date

Any omissions or inaccuracies in the application information may delay TfGM's ability to consider a permit application, or result in the application being refused. It is particularly important that application includes full details of the route and ALL of the proposed stops, stands, and terminal points. This will require engagement with TfGM prior to the application being submitted if the application include roads not currently served by buses (see 1.3 above).

1.7 Application Fee

Applications for new permits, or renewals of permits, should be accompanied by a non-refundable fee of £160.

Applications that relate to the variation of an existing permitted service are accompanied by a non-refundable fee of £65. Any failure to pay the application fee may delay TfGM's ability to consider a permit application.

There will be no charge for cancellations of a local service.

TfGM will review the service permit fees on at least an annual basis.

Details of the online payment system for payment of the application fee can found at www.tfgm.com/service-permits.

1.8 The Period of Validity of Service Permits

A Service Permit will normally be issued for a specified period of up to five years where it is considered that the statutory test set out in 1.2 above will be met for that period of time. Service Permits will be non-transferable.

TfGM may issue a Service Permit for a shorter specified period of validity where it considers that the requirements referred to above may only be met for that shorter period, and such permits may be 1, 2, 3 or 4 years in length, as is deemed appropriate, to minimise the need to revoke permits.

Where a service is being provided under contract to a Local Transport Authority, the permit length may be aligned with the expiry date of the contract to provide the service (a specified period of up to eight years).

A Service Permit will no longer be valid once the specified period of validity has expired and a new application will be required should an operator wish to continue to operate the local service in the franchised area.

1.9 The Period of Time within which a decision will be made on an application for a Service Permit

The decision whether to grant or refuse the application will be taken by TfGM, which must grant a Service Permit if it is satisfied that the criteria set out in section 123Q of the Transport Act 2000 are met (see 1.2 above).

The period within which a decision will be made on an application will be 28 days, starting with the date on which the application is received.

To inform the decision-making process TfGM will discuss the application for any cross-boundary service with the relevant neighbouring Transport Authorities. TfGM may also discuss the application with, and request information from, one or more of the following stakeholders:

1. Highway Authorities
2. Greater Manchester Police, in relation to new routes or infrastructure
3. The Office of the Traffic Commissioner
4. Any other person or body considered relevant

Applicants will also normally be notified of the outcome within a period of 28 days beginning on the date the application is received. This notification may also include TfGM's written reasons for the decision (if required) but if not, such reasons will be provided in accordance with the statutory timescales set out below:

- a. If TfGM grants a service permit with conditions, it must give notice of its reasons for doing so to the applicant within a period of 14 days beginning with the date on which it grants the service permit with conditions
- b. If TfGM attaches conditions to a service permit after it has been granted, it must give notice of its reasons for doing so to the holder of the service permit within a period of 14 days beginning with the day on which it attaches those conditions
- c. If TfGM does not grant a service permit it must give notice of its reasons to the applicant within a period of 10 days beginning with the date on which it decides not to grant the service permit

Applicants should identify any information in their application which is commercially sensitive so that in seeking the information referred to above TfGM can, if necessary, seek appropriate confidentiality undertakings from such stakeholders.

1.10 The period of time between the date on which a service permit is granted and the 'effective time'

The 'effective time' of a permit means the beginning of the day on which a local service may first be provided under that service permit.

The period of time between the date on which the service permit is granted and the effective time shall generally be 70 days. This period is consistent with the requirement that applications should be submitted at least 98 days (14 weeks) before the proposed 'effective time'.

However, where the Traffic Commissioner would be entitled to exercise their discretion to allow for a short notice registration under regulation 7 Public Service Vehicles (Registration of Local Services) Regulations 1986, then it is intended to reserve the right to determine that the period for application of the service permit should also be reduced to enable that short notice application to be made. Applicants should note that TfGM shall retain discretion as to whether to shorten such time periods and applicants will therefore need to ensure that they provide details to TfGM as to why one or more of the reasons specified in Regulation 7(2) of the Public Service Vehicles (Registration of Local Services) Regulations 1986 should apply to shorten the period of time from when the service permit is granted to the effective time.

1.11 Publication

Where TfGM grants a Service Permit it will provide notice of that decision in writing and shall also include:

- a. Any conditions attached to the Service Permit.
- b. The date on which the Service Permit is granted.
- c. The effective time and
- d. The period of validity and expiry date of the permit.

TfGM shall send the above information to the applicant and to the Office of the Traffic Commissioner. The appropriate neighbouring transport authority (or authorities) will also be notified in cases of cross-boundary services.

Where TfGM does not grant a service permit it will give notice of its reasons to the applicant within a period of 10 days beginning with the date on which it decides not to grant the service permit

Details of permits granted may be published online no earlier than 42 days before the effective time.

1.12 Making changes to, or withdrawing a local service

Operators may vary or withdraw a local service which is subject to a service permit, subject to providing at least 56 days' (8 weeks') notice to TfGM before the changes proposed can take effect. Where a variation requires updates to the service permit, this will require a further permit application to TfGM, which will be subject to the 98 day application period set out in 1.4 above. Permit holders are strongly encouraged to speak to TfGM's Bus Services team beforehand to confirm whether a variation to a local service will require a further permit application.

As noted at 1.10 above, TfGM has discretion to shorten the period of time for such changes to take effect in circumstances where the Traffic Commissioner would be entitled to exercise discretion to shorten the notice period for registration.

However, these circumstances and the decision as to whether short notice may be applied remains at the discretion of TfGM.

1.13 Revocation and Suspension of Service Permits

The Transport Act 2000 and the Regulations allow for service permits to be revoked or suspended and set out the grounds for doing so, and the procedure to be followed as set out below.

A permit may be revoked or suspended by TfGM in the following cases:

- a) If the service no longer complies with the requirements of section 123Q(5) of the Transport Act 2000, which provides that an authority must be satisfied that:
 - The proposed service will benefit persons making journeys on local services in the area to which the scheme relates
 - The proposed service will not have an adverse effect on any local service that is provided under a local service contract in the area to which the scheme relates
- b) If the holder of the Service Permit has failed to comply with a condition attached to the Service Permit; and
- c) If the public would be endangered if the service continued to operate (in which case the Service Permit may be revoked or suspended with immediate effect)

Where TfGM decides to revoke or suspend a Service Permit, it must give written notice of its decision to the holder of the Service Permit. That notice will include:

- The grounds on which the Service Permit is being revoked or suspended
- The date on which the revocation or suspension of the Service Permit is to take effect; and
- The effect of the suspension or revocation

Where the Service Permit is suspended, the notice must also include:

- The measures the holder of the Service Permit must take to have the suspension lifted
- The date on which the suspension will cease to have effect if the holder of the service permit takes the measures referred to above; and
- Any arrangements for the suspension to be reviewed

Where a Service Permit is revoked or suspended, the date on which the revocation or suspension is to take effect will be 56 days after the date on which the notice is given. If the Service Permit is being revoked or suspended on the basis that the public would be endangered if the service continued to operate however, TfGM may revoke or suspend the Service Permit with immediate effect (in which case the Service Permit will no longer be valid from the date notice is given by TfGM).

1.14 Right of Appeal

Before considering whether to refuse an application for a service permit or attach conditions to a service permit, TfGM will take reasonable steps to discuss with the operator and affected authorities to try and resolve any conflicting issues.

A person may appeal against a refusal to grant a service permit or against the attaching of any conditions to a service permit. A person may also appeal against the revocation or suspension of a service permit. Such appeals are to be made to the Traffic Commissioner.

A person, or TfGM, may appeal to the Upper Tribunal against a decision of a Traffic Commissioner.

1.15 Further Information

For further information, please contact:

TfGM Bus Service team

2 Piccadilly Place

Manchester

M1 3BG

Telephone: 0161 244 1000

Email: service.permits@tfgm.com

Website: www.tfgm.com/service-permits

ⁱ As defined in [The Franchising Schemes \(Service Permits\) \(England\) Regulations 2018 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2018/1211/contents/make)