

Date: 28 June 2019

Subject: Our Pass Update

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport and Eamonn Boylan, Chief Executive, TfGM / GMCA

## PURPOSE OF REPORT

This report provides an update to the GMCA on the development of the Opportunity Pass that will provide free bus travel and a range of complementary opportunities to eligible 16-18 year olds in Greater Manchester.

## RECOMMENDATIONS:

Members are recommended to:

- (i) note the contents of the update, including, in particular, the key milestones for delivery and development of Opportunities to date;
- (ii) note the name and design of the scheme that have been selected by the Greater Manchester Youth Combined Authority after a period of consultation with a range of stakeholder groups;
- (iii) note the ongoing engagement with bus operators to agree the details of reimbursement under the discretionary concessionary scheme that will provide free bus travel to eligible 16-18 year olds in Greater Manchester;
- (iv) note that, subject to the ongoing engagement with bus operators TfGM is seeking to publish a draft of an updated Local Concessionary Scheme for 'formal' consultation by the end of June 2019;
- (v) note the ongoing work to identify and secure new funding to offset the cost of the scheme to the public sector, including commercial sponsorship of the opportunity pass;
- (vi) note the primary and secondary objectives of the scheme and development of a supporting monitoring and evaluation framework which will reported on as part of the 2020/21 and 2021/22 budget setting process; and
- (vii) note and agree the budget of £1million, required to deliver and operate the two year Opportunity Pass Pilot, that will be funded from Reserves held in the Mayoral General Budget, as noted in Section 6.

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## RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

Risk Management – N/A

Legal Considerations – N/A

Financial Consequences – Revenue – Section 6

Financial Consequences – Capital - N/A

### BACKGROUND PAPERS:

- The Mayor's 'Future of Greater Manchester' full speech transcript;
- Reports to Greater Manchester Combined Authority, 15 February 2019:
  - 7a – Mayoral General Budget Overview;
  - 7b – Mayoral General Budget and Precept;
  - 7c – GMCA Transport Revenue Budget; and
- Report to Greater Manchester Combined Authority, 29 March 2019:
  - Opportunity Pass including 16-18 Free Bus Travel.

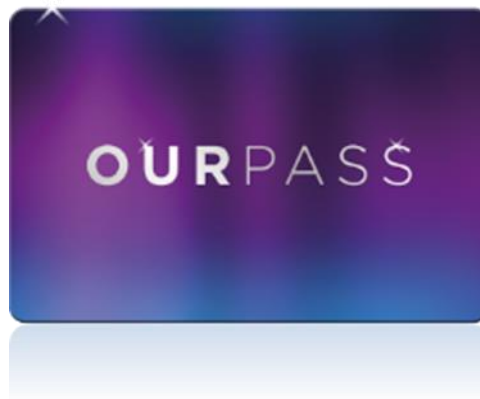
<b>TRACKING/PROCESS</b>	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:	Yes
<b>EXEMPTION FROM CALL IN</b>	
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?	No

## **1. INTRODUCTION**

- 1.1 This report provides an update to the GMCA on the development of the Opportunity Pass pilot, including, in particular, the work that is ongoing to develop the range of complementary benefits and opportunities that will be available to young people as part of the scheme.
- 1.2 The report also recommends that members note and agree the budget to deliver and operate the pilot, in addition to the costs of providing free bus travel. These costs will be partly offset by commercial sponsorship and the outcome of discussions regarding pooled funding opportunities with FE Colleges and Sixth Forms.
- 1.3 As noted in the report to the GMCA in March, there is strategic rationale for introducing the scheme, investing in our young people and our bus market, but there is a limited amount of data to baseline bus travel for this age cohort. The two year pilot will allow more information to be captured and monitored, and this will be used to measure its success.
- 1.4 A number of primary and secondary objectives have been defined, as set out in Section 5. These objectives will be subject to a monitoring and evaluation framework and regular reporting.

## **2. UPDATE ON THE DEVELOPMENT OF THE OPPORTUNITY PASS**

- 2.1 Following approval of the Opportunity Pass pilot by the GMCA in March, the Greater Manchester Youth Combined Authority (GMYCA) has been engaged in developing the scope and brand of the Pass.
- 2.2 The GMYCA have worked with experts from the city-region's creative and design industries to develop the identity of the scheme. A diverse group of young people from across Greater Manchester have been engaged in the development of a name and design for the Pass. The glossy purple card, shown below, will be called 'Our Pass'.



- 2.3 The Our Pass brand and design was launched to the public on Thursday 9 May. The soft launch, supported by a branded landing page ([www.ourpass.co.uk](http://www.ourpass.co.uk)) and promotion on social media channels, included a survey asking young people what they want from the pass. The survey was live until June 23, and the results will be used to inform the type of opportunities that are made available.
- 2.4 As well as allowing eligible 16-18 year olds to travel for free on buses across Greater Manchester, Our Pass will provide access to a range of opportunities provided by companies, charities and other organisations in Greater Manchester. It is anticipated that these opportunities will include:
- free or discounted access to venues (e.g. theatre or sporting events);
  - free 'experience days', with a focus on providing exposure to different career paths; and
  - free or discounted products and / or rewards.
- 2.5 The soft launch activity was followed by the first of several stakeholder events on Friday 10 May. The event, held at Leigh Sports Village, brought together sports and leisure organisations from across Greater Manchester and gave them the chance to learn more about the Our Pass pilot and discuss how they can participate in the pilot and support young people in Greater Manchester.
- 2.6 Further stakeholder events have been held / are planned to engage with a wide range of companies, charities and other organisations in Greater Manchester, while also raising awareness of the Our Pass pilot. These events are being held in partnership with a number of organisations who have volunteered to host them. A full list of the stakeholder events are listed below:
- Sports and Leisure Event, Leigh Sports Village, 10 May 2019
  - Business and Leisure Event, The Lowry Theatre, 3 June 2019
  - Cultural Sector Event, Oldham Coliseum, 21 June 2019
  - Schools and Colleges Event, Manchester Airport, 3 July 2019

- 2.7 The application process for Our Pass cards will be opened as part of the official launch on 1 July 2019.
- 2.8 Eligible 16-18 year olds will be able to begin using their cards to travel for free on buses and to access opportunities through [www.ourpass.co.uk](http://www.ourpass.co.uk) from 1 September 2019.

### **3. UPDATE ON CONCESSIONARY TRAVEL SCHEME / DISCUSSIONS WITH BUS OPERATORS**

- 3.1 TfGM has an established process of engaging with bus operators on a formal and informal basis through administering its existing mandatory and discretionary schemes.
- 3.2 The concessionary scheme that will be delivered as part of the Our Pass pilot will follow existing scheme principles, designed to leave operators 'no better no worse' off as a result of the scheme.
- 3.3 TfGM has been engaging directly with a number of bus operators to discuss the implications for reimbursement and this process is ongoing.
- 3.4 A draft of the updated Local Concessionary Scheme has been shared with operators prior to the formal publication of the scheme that is scheduled for early August. Operators would then have 56 days post-publication to 'appeal' its contents. The ongoing discussions with operators, and the publication of and discussions on a draft of the scheme are designed to mitigate that risk.
- 3.5 The scheme will set out the basis for reimbursement which contains two key elements:
- Revenue foregone: Compensation for the revenue that the operators are receiving from current 16-18 bus users, which will cease under the pilot. This will be reimbursed on the basis of a calculation reflecting the fare structures in place for each operator, including any discounts currently available to this age group, and a 'reimbursement factor' which calculates how many 16-18 journeys will be 'generated' as a result of the scheme; and
  - Additional costs: This relates to the costs of carrying the additional journeys 'generated' by the scheme, including any additional vehicle capacity required to meet that demand. The published scheme will include a 'flat rate' reimbursement basis, consistent with TfGM's currently published concessionary scheme, however TfGM will consider additional data or claims from operators who consider this as not being appropriate to their circumstances, hence the discussions referred to below.

## 4. UPDATE ON FUNDING DISCUSSIONS

### **Sponsorship and Value in Kind**

- 4.1 As noted in the report to the GMCA in March, Rose Marley, CEO of Sharp Futures has been appointed by the Mayor as 'Opportunities Lead' to lead the development of the Opportunity Pass and "to work with brands and businesses to empower young people across Greater Manchester with a rich variety of opportunity."
- 4.2 Working with Greater Manchester-based businesses, the Opportunities Lead has secured a number of services to support the development and delivery of Our Pass on a reduced rate or pro bono basis. This has allowed TfGM and the GMCA to benefit from specific expertise and advice that will help to ensure that the scheme is designed particularly for young people.
- 4.3 As part of this collaborative approach, the social media agency Social Chain has provided TfGM and the GMCA with audience insight on a pro bono basis. This analysis has been used to identify relevant Greater Manchester based brands to approach regarding potential sponsorship.
- 4.4 Any sponsorship raised will be used to reduce the cost to the public sector of delivering and operating the Our Pass pilot. The decision to proceed with any sponsorship arrangements will be undertaken in accordance with GMCA's decision making arrangements.

### **Discussions with Further Education (FE) Colleges, Sixth Form Colleges and Schools with Sixth Forms**

- 4.5 Following discussions last year, FE colleges took a paper to their respective boards proposing the use of 16-19 Bursary funding to support the introduction of the Our Pass pilot. College boards were supportive in principle of the proposal outlined in the paper, subject to further detail being provided.
- 4.6 TfGM is currently working with the Education & Skills Funding Agency (ESFA) and FE colleges to ensure that the proposal meets all necessary audit requirements. TfGM will continue to work with the FE colleges to ensure that supporting systems are in place prior to any agreement being reached.
- 4.7 An initial meeting has been held between the Mayor and representatives from Sixth Form Colleges and Schools with Sixth Forms in Greater Manchester. Subsequently, a small working group has been established to work through the principle of using bursary funds that are currently used to subsidise the cost of bus travel to support the Our Pass pilot.

4.8 An update will be provided on these discussions as part of the GMCA Transport Revenue budget setting process, for the 2020/21 financial year, in autumn 2019.

## **5. UPDATE ON OUR PASS AIMS & OBJECTIVES**

5.1 As noted in the introduction, a number of primary and secondary objectives have been defined for the pilot. These objectives were selected based on a review of desired pilot outcomes and will be subject to a monitoring and evaluation framework and regular reporting. A full monitoring and evaluation plan has been drawn up by TfGM and the GMCA, setting out how the objectives will be measured and used to evaluate the pilot scheme.

5.2 It is important to note that whilst the Our Pass pilot will launch in September 2019, it is likely that some of the benefits of the pilot may not be fully realised until its second year of operation. This is partly due to the timing of decisions made in respect of the academic or work-based training courses that 16-18 year olds choose to attend and partly due to the time required for a sustained change in travel behaviour to occur (i.e. the shift of journeys currently made on other modes to bus).

5.3 Discussions are underway with universities in Greater Manchester to assess the social impact of the pilot. This will allow a more in depth academic analysis than will be provided by the reporting metrics and cost information captured and analysed by GMCA and TfGM.

### **Primary and Secondary Objectives**

5.4 The primary objectives for the pilot are:

- Increased bus usage amongst the 16-18 cohort, as well as a greater number of overall trips on the bus network; and
- More young people travelling by bus to access their educational courses or apprenticeship of choice without travel costs being a barrier or factor into those decisions.

5.5 A number of secondary, more strategic objectives were also identified during the short-listing process. These objectives will be more difficult to measure but are nonetheless important indicators of the success of the Our Pass pilot. They include:

- Increased aspiration and hope amongst young people in the target group;
- Equal access to 'opportunities' across the city region for 16-18 year olds; and



- Contributions made towards the GMCA's wider strategic transport objectives, including reduced congestion, improved air quality and supporting young people to choose public transport over cars in the future.
- 5.6 The decision as to whether to extend the pilot will be informed by an evaluation of the scheme against these objectives and an assessment of the costs and value for money. A full suite of evaluation metrics will be produced as part of the budget setting process for GMCA. Any decision will be required by December 2020, so that it aligns with the finalisation of budgets for the 2021/22 financial year.

## **6. BUDGET UPDATE**

- 6.1 In March 2019, GMCA delegated decisions required to develop the budget and identify funding to delivery and operate the Opportunity Pass pilot to the Chief Executive and Treasurer, in consultation with the Mayor. Since then, significant work has been undertaken on scheme design for both the free bus and Opportunities elements of the pilot; and the model has evolved considerably for launch on 1 July. Work has also been ongoing to develop the budget required to deliver and operate the Our Pass pilot.
- 6.2 The project team has been working with partners to deliver and operate the pilot at the lowest possible cost to the public sector, and to identify additional sources of funding for the pilot, including commercial sponsorship.
- 6.3 The total cost of delivering free bus travel for the two year pilot, including the estimated pro rata cost of £9.3 million for the 2019/20 financial year, was approved by the GMCA on 15 February 2019.
- 6.4 The estimated cost of delivering and operating the Our Pass pilot (including particularly the Opportunities elements of the pilot) includes c£400,000 to deliver the pilot by 1 September 2019 and an annual cost of c£300,000 to operate the pilot.
- 6.5 The budget, of c£1 million in total, required to deliver and operate the pilot includes the costs of: developing and maintaining the website ([www.ourpass.co.uk](http://www.ourpass.co.uk)) that will be used to promote opportunities; securing the opportunities that will be promoted as part of the pilot; incremental resources to manage the pilot; additional capacity within TfGM's customer contact centre to manage customer contact generated by the pilot; marketing and stakeholder communications; and the costs of managing the pilot.
- 6.6 It is proposed that the costs of delivering and operating the pilot are funded from Reserves held in the Mayoral General Budget. The Reserves have accumulated as a result of an under-spend of £1.6 million against the Bus Services Operators Grant (BSOG) received from the Department for Transport

in 2018/19 (£13 million). BSOG is paid by the GMCA to operators of eligible bus services and community transport organisations to help them recover some fuel costs. The under-spend has arisen as the BSOG received by the GMCA is fixed while the amounts paid to operators are based on annual mileage.

## **7. RECOMMENDATIONS**

7.1 Recommendations are set out at the front of this report.

**Eamonn Boylan**

**Chief Executive, TfGM / GMCA**