



Economy Scrutiny Committee

Date: Wednesday, 10 October 2018
Time: 2.00 pm
Venue: Council Chamber, Level 2, Town Hall Extension, M60
2LA

This is a **supplementary agenda** containing additional information about the business of the meeting that was not available when the agenda was published

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Membership of the Economy Scrutiny Committee

Councillors - H Priest (Chair), Connolly, Davies, Douglas, Green, Hacking, Johns, Newman, Noor, C Paul, Raikes, Razaq, Shilton-Godwin, A Simcock and K Simcock

Supplementary Agenda

6. **Gap analysis of the City's Bus network service** 3 - 16
Report Strategic Director, Development and Deputy Chief Executive

This report provides a brief overview of the operation of the current bus service network including gaps and issues relating to these services. The report also provides a summary of the powers brought about by the recent introduction of the Bus Services Act (The Act).

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Friday, 5 October 2018** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 10 October 2018

Subject: Manchester’s Bus Network – Gaps, Issues and Opportunities

Report of: Strategic Director, Development and Deputy Chief Executive

Summary

This report provides a brief overview of the operation of the current bus service network and gaps and issues relating to these services. The report also provides a summary of the powers brought about by the recent introduction of the Bus Services Act (The Act).

Recommendations

The Committee is recommended to:

- Note the options that the Bus Services Act present to combined authorities with an elected mayor; and
 - Comment on the report, and any issues related to bus operations within Manchester, in particular any gaps in service provision.
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Wards Affected: All

Alignment to the Our Manchester Strategy Outcomes (if applicable)

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Flexible bus services will assist in providing sustainable and inclusive access to an expanding and changing employment market.
A highly skilled city: world class and home grown talent sustaining the city’s economic success	Improved bus services would provide greater accessibility to both work and educational opportunities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Greater accessibility to bus services will help to provide greater equity in access to employment, educational and leisure activities for all.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment and improvements in public transport will improve the efficiency of the transport network and critically in reducing carbon emissions.

A connected city: world class infrastructure and connectivity to drive growth	A comprehensive and well used bus network is vital for local connectivity to drive growth and to ensure Manchester's residents can access the opportunities that come from growth.
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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Bus Services Act 2017
 Greater Manchester Transport Strategy 2040
 State of the City Report 2018

1. Introduction

1.1 Buses are the most used form of public transport in the UK, accounting for over 60% of all public transport trips and with over 4.5 billion passenger journeys nationally every year. Even with our extensive Metrolink network, buses are also by far the most used form of public transport in both Manchester and Greater Manchester where 76% of all public transport trips being by bus.

1.2 The Greater Manchester Transport Strategy 2040 (GM2040) sets out the vision for a more robust, better integrated transport system across Greater Manchester that is aligned with social and economic priorities, particularly:

- A thriving and productive economy;
- World-class connectivity; and
- A green city-region and a high quality culture and leisure offer for all.

1.3 To support Mayoral led Combined Authorities to develop their transport networks, the Bus Services Act came into force in June 2017, which amended the provisions of the Transport Act 2000. The Act enables the introduction of bus reform and new delivery models for bus services. It includes four main provisions relating to enhanced partnerships; franchising; ticketing and, the availability of information.

1.4 In light of the new provisions contained within the Bus Services Act, TfGM has written to the Chief Executive of Manchester City Council and the other nine Greater Manchester districts and have indicated that they wish to:

“undertake an exercise, engaging each of the Greater Manchester districts, to seek feedback on how the current bus network warrants improvement, identifying particularly where gaps in terms of network coverage exist. These obviously take several forms both in terms of the routes and service frequency, at different times of day and days of week. The aim of this exercise is to gain a high level consensus on the scale and nature of improvement that is needed to the bus network across Greater Manchester.”

1.5 Members have previously expressed concerns about key gaps in current service provision and there is currently an opportunity for the City Council to feed into the Greater Manchester wide exercise to highlight particular gaps that it would like to draw to Transport for Greater Manchester’s attention. Members’ views are therefore sought on any key gaps or other deficiencies in the current network that they would like to see addressed and any other suggestions as to what measures would encourage more residents to use the bus. There is a detailed formal process that Transport for Greater Manchester needs to undertake as a consequence of the Act and this current exercise is one input to an overall assessment of the current bus network across Greater Manchester that is being undertaken.

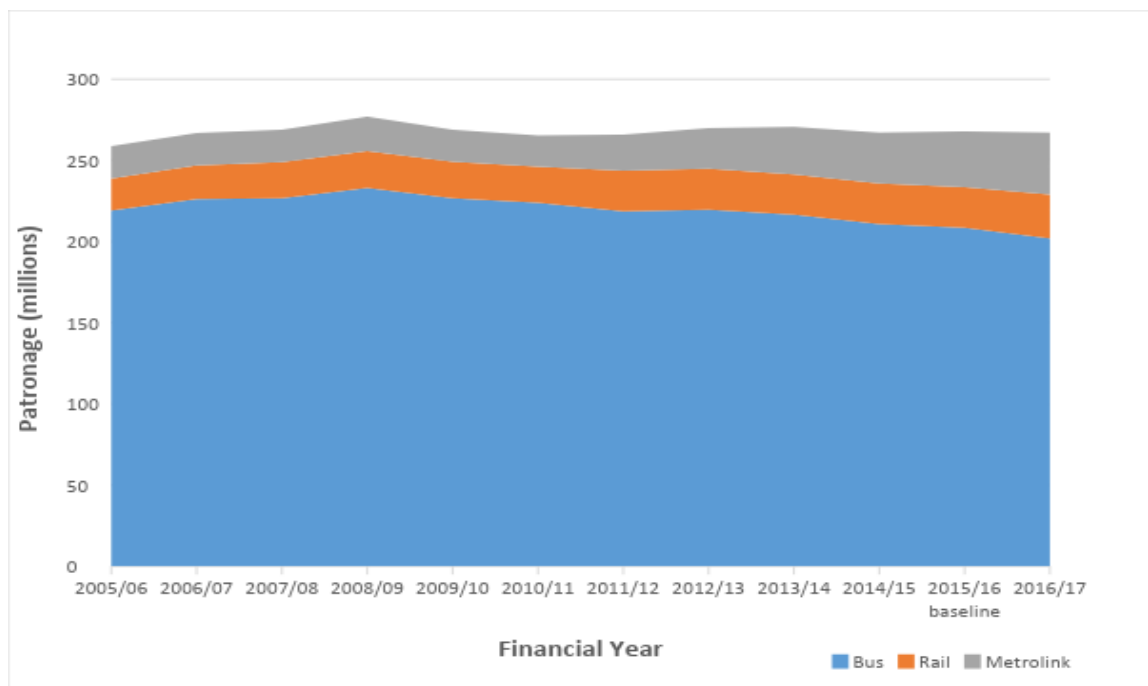
1.6 This report provides an overview of how buses currently operate within Manchester, it identifies some opportunities that the Bus Services Act provides

for enhancing our transport system and finally suggests some areas for consideration where bus services could be strengthened on which members' views are invited.

2. The Role of Buses in Manchester

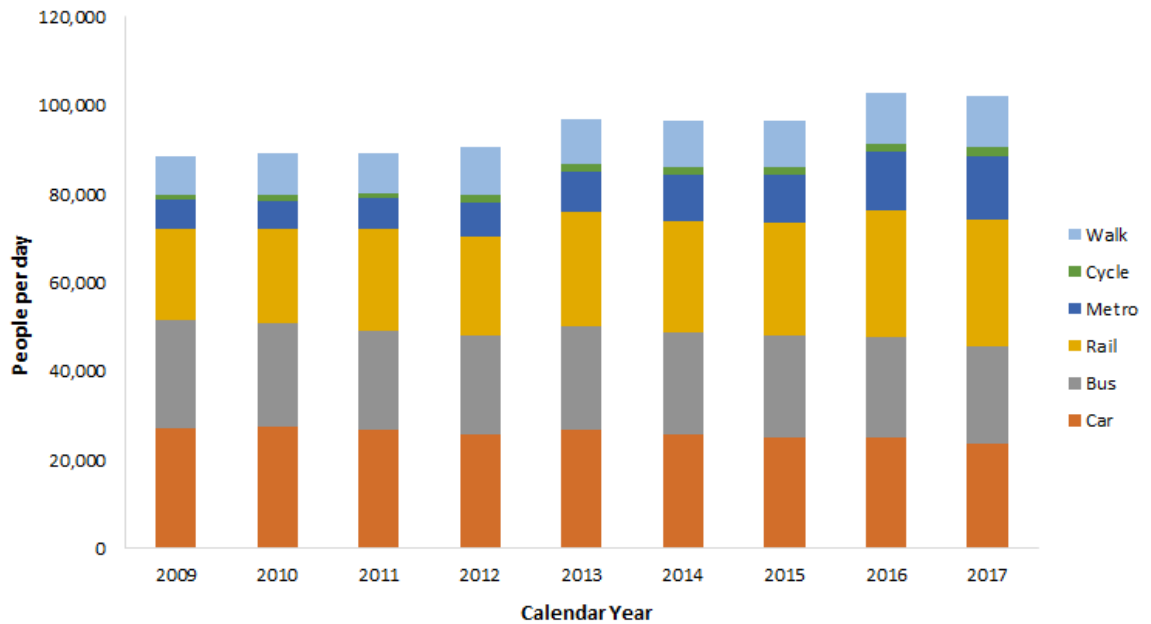
- 2.1 Although most journeys in Greater Manchester are still by car, of the trips taken by public transport by far the largest proportion of these are undertaken by bus (Figure 2.1). In the financial year 2016/17 just over 200 million trips were taken by bus, this constituted 76% of all public transport trips.

Figure 2.1 Public transport journeys across Greater Manchester



- 2.2 The bus network plays a key role in transporting Manchester residents to work but also to other key facilities such as hospitals; schools, colleges and universities; shops; and leisure and entertainment facilities. The bus network therefore has a key role to play in creating an inclusive and more sustainable city and in underpinning its economic success.
- 2.3 Over 47,000 Manchester residents travelled to work by bus in 2011. Over 30,000 or 27.6% of those residents who both live and work in the city travelled to work by bus. Employment opportunities that need to be serviced by bus are located across the city with a particular focus on the city centre, the airport and parts of East Manchester, particularly in and close to the Etihad Campus. These same areas are forecast to see the greatest levels of employment growth in the future.
- 2.4 Detailed statistics on bus usage for different purposes across the city at the Manchester level are not available but data does exist on trips for work to the city centre. In 2017 21% of all those travelling into the City Centre in the morning peak travelled by bus.

Figure 2.2 How people travel into the City Centre (Morning Peak)



- 2.5 However at 21,700, the number of bus trips in the morning peak into the City Centre has fallen by 13% since 2006. This is partly a reflection of the growth of the Metrolink network during this period as well strong growth in train use and a the growing proportion of people living close to their places of employment and choosing to walk to work. As a proportion of all people travelling into the City Centre those travelling by bus has fallen from 28% to 21% during the same period. Current bus passenger satisfaction levels run at 87%, and although this is encouraging, there is still room for improvements to be made.
- 2.6 The greatest concentrations of bus services use the arterial routes running into and out of the City Centre, such as Oxford Road, Rochdale Road and Stockport Road. Most arterial bus routes are high frequency routes with buses typically running every 6 to 10 minutes during peak times. The extent of the bus network in the morning peak period is illustrated in Appendix 1; the width of the lines in the network plan is proportionate to the number of buses that operate along that route. Services in the off peak, in the evenings, at weekends and away from the main radial routes are less frequent.
- 2.7 There are approximately 150,000 cars owned by Manchester residents. With a population of about 545,000 living in 223,000 households, Manchester has about half the number of cars per head of population than the rest of the UK, with just over one car per four residents. As a major conurbation with relatively good provision in terms of public transport this is not that unexpected, however it does highlight how important and reliant many residents are on our public transport network in general and bus services in particular.

3. How Bus Services are Currently Delivered in Manchester

- 3.1 There has been a de-regulated bus market within Greater Manchester since October 1986. Currently, the vast majority of buses (approximately 81% of the 2017 mileage) are operated on a commercial basis and the proportion within the city is higher than this. As a result, bus operators are able to register bus services at their discretion. There is no requirement to consider how new services complement the existing bus network and / or other modes of transport.
- 3.2 Bus operators are free to run services by giving 70 days' notice to the Traffic Commissioners (the Government Civil Servants responsible for the licensing and regulation of those who operate heavy goods vehicles, buses and coaches, and for the registration of local bus services) subject to minimum safety, resource and competency standards. Operators can determine their own routes, fares, and vehicle type. They can cancel, change or increase services, again with just 70 days' notice. There are a number of recent examples where operators have de-registered a service because they consider the route or individual journeys to be no longer commercially viable. In certain instances subsidies have been provided by TfGM in order to keep a service operating. In a market where bus patronage is declining there is an increasing risk that services may not be commercially viable and are either deregistered or require additional subsidy.
- 3.3 Transport for Greater Manchester (TfGM) subsidise some routes or individual journeys where there is a social need but which are not met through a commercial market. These services account for approximately 19% of bus mileage across Greater Manchester as a whole. In 2017 the subsidised network comprised 263 ordinary bus services, approximately 349 school services, Metroshuttle buses and 93 Yellow School Buses along with the provision of flexible transport including Demand Responsive (Ring and Ride) and Community Transport for more bespoke journeys.
- 3.4 As bus subsidies are funded from the Council Tax Transport levy, and as this has come under increasing pressure, the level of subsidies available to run services that are not commercially viable has diminished. Since 2014 the level of bus subsidy available has reduced by 20%. This has impacted upon the number of services that TfGM can support and the scope that TfGM has to financially support services that cease to be deliverable on a commercial basis.
- 3.5 Bus travel is also supported by the Council and TfGM through investment in Bus Priority infrastructure on key corridors into the city centre, including Rochdale Road and Oxford Road and through Quality Bus Partnerships with bus operators which offer bus users improved quality of service, reliability and buses with higher vehicle standards. Bus operators within Manchester city centre are also signatories of CityPlan. This document is a voluntary partnership agreement between the operators, the Council and TfGM, and aims to manage city centre bus operations in order to deliver attractive local bus services to passengers, while enhancing safety for all road users and minimising bus-related congestion, noise and air pollution.

- 3.6 Smart ticketing, which permits travel between modes is seen as essential to developing an integrated transport system. Bus operators have made a degree of progress in terms of ticketing, for instance a number of operators have introduced contactless payment, which has the potential to reduce journey times and improve customers' payment options.
- 3.7 TfGM has worked with bus companies to try and tackle some of the ongoing issues with the bus market through mechanisms such as Quality Bus Partnerships. However, the ability to achieve Greater Manchester's transport objectives, outlined in the 2040 Transport Strategy, through these voluntary arrangements remains restricted. The Bus Services Act 2017 therefore provides Greater Manchester with new powers to reform the bus market and these powers include new types of partnership and the option to franchise services.

4. The Provisions of the Bus Services Act (2017) and Bus Reform

- 4.1 The Bus Services Act came into force in June 2017 and enables the introduction of bus reform and new delivery models for bus services within mayoral led Combined Authorities (CAs) such as Greater Manchester. The stated objectives of the Act are:
- grow passenger numbers;
 - tackle air quality;
 - improve bus services for passengers;
 - enable a thriving and innovative bus sector; and
 - help cities and regions unlock opportunity and grow their economy.
- 4.2 The aim of the Act is to improve bus services for passengers by providing local authorities and bus operators with a new toolkit to enable improvements to be made to bus services in their areas. Specifically the Act has:
- allowed for stronger arrangements for partnership working between bus operators and local authorities through amendments to existing Quality Partnerships and the introduction of Enhanced Partnership Schemes
 - introduced bus franchising powers
 - modernised ticketing legislation
 - provided powers to make necessary changes in information availability through audio and visual on-board information
- 4.3 The aim of the Act is that these changes will help both bus operators and local authorities improve local bus services leading to better journeys and better value for both passengers and taxpayers. It will be determined locally by local authorities working with local bus operators which are the most appropriate measures for their areas.

4.4 Advanced Quality Partnerships

- Under bus partnerships commercial operators will continue to operate local bus services but under Advanced Quality Partnerships (AQPs) standards will be set out which some, or all, of the bus operators in the area will be required to meet. Bus partnerships can only succeed where there is a good working relationship between the bus operators and the local authority as there needs to be consensus on what needs to be done along with a degree of trust that everyone will deliver the service as they have agreed.
- An AQP is made by the local authority who commits to taking steps to supporting local bus services and in exchange the bus operators are required to meet specific local standards such as service frequency, maximum fares or the use of low emissions buses. Any operator who doesn't meet the required standards are unable to use infrastructure provided by the local authority and specified in the scheme.
- As part of the agreement local authorities can provide improved related infrastructure such as bus shelters, or agree to take measures to improve patronage. Some of the possible outcomes of AQPs are listed below:
 - **better journeys** – better buses, minimum service frequency, improved passenger information, branding and/or marketing, smart cards and contactless payments
 - **better places** – better connections, low emissions buses
 - **better value** – maximum fares for specific routes/services

4.5 Enhanced Partnerships

- The act has allowed for the introduction of Enhanced Partnership (EP) which is a voluntary agreement between a local transport authority (LTA) and the majority of their local bus operators to work together to improve local bus services. The Act allows partnerships to tailor their approach to meet local needs and sets out the legal obligations and requirements relating to each party. An EP should not be viewed as 'franchising-lite' but discussions should be approached in good faith as a partnership.
- EPs can be used to address issues with specific bus services or for wider improvements across the entire administrative area, and the range of outcomes is wider than those that can be achieved through an AQP such as:
 - **better journeys** – better buses, service frequency, branding and/or marketing, smart cards and contactless payments
 - **better places** – links to employment, better connections, environmental standards and vehicle specifications, better routes in communities (eg serving health and education facilities)
 - **better value** – multi-operator tickets (including price setting), common ticket rules and price zones, uniform discounts for apprentices and other groups

- However it should be noted that such partnership arrangements cannot specify ticket prices or compel operators to provide particular services.
- Before formal processes are commenced the authority should hold informal discussions on whether an EP is viable in the area or whether a voluntary agreement would be more appropriate to deliver change more quickly. Bus operators should be included in any discussions in the development of the EP which will not be able to proceed unless formal agreement from a defined proportion of the operators is obtained. Although EPs are legally binding there is no legislative provision to ensure that the trust and consensus required to reach the aims of the EP are achieved, although they can set a framework to give the best possible opportunity to do so. Flexibility and compromise will be required to achieving agreement. However, as part of the process bus operators have the opportunity to formally object to the plan or scheme. The role of the authority is to ensure that an appropriate balance is struck between the provision of tangible improvements to passengers and imposing necessary restrictions on the deregulated bus market.

4.6 **Bus Franchising**

- One of the key provisions of the Act is the opportunities it provides for bus franchising and reregulation to mayoral CAs, subject to complying with the statutory process set out in the Act. Bus franchising allows Local Transport Authorities (LTAs) greater control over the bus network with bus operators delivering the network under contracts gained through a competitive tendering process. No other local services can operate within the franchising area, unless the services are provided under a service permit or are an interim service. Within Greater Manchester TfGM would be the franchising authority on behalf of the Greater Manchester Combined Authority (GMCA) and operators would work under contract to them.
- Franchising authorities have considerable scope as to how services are provided. Some of the possible outcomes are listed below:
 - **better journeys** – determine where and when services will run, the type of ticketing and payment methods available, and type of customer information available
 - **better places** – joining together in one place local roads and bus services and determining which buses should be used in terms of emissions
 - **better value** – setting of fares, provision of central funding currently provided to operators, taking a more strategic view on service provision, creating effective competition in areas with little current on-road competition, joining up transport services across modes and types of provision, allowing commercial bidders to innovate
- It is noted that franchising represents a significant change to the current market and therefore the powers are only available automatically to Mayoral CAs. As such, the Act makes it clear that any decision by a Mayoral CA to introduce a franchising scheme should be taken by the Mayor and be subject to having

complied with the statutory process set out in the Act. For example, an authority cannot implement a franchising scheme until they have prepared an assessment on a prescribed basis, until that assessment has been audited by an independent auditor and until a public consultation has been carried out and reported on.

4.7 **Advanced Ticketing Scheme and Information Availability**

- The Act introduces new ticketing powers, known as ‘Advanced Ticketing Schemes’, which allow for the establishment of multi-operator and multi-modal ticketing systems. Under these systems the LTA will be able to specify the technology used. The powers do not allow local authorities to set the price of such tickets, which need to be agreed with the relevant operators.
- The Act requires bus operators to make information about local services available in both audio and visual displays whilst on board buses. This could be through the use of electronic signage and audio announcements of upcoming stops, such as is used on Metrolink to improve accessibility.
- Information should be made easily accessible in terms of routes, timetables, frequency and fares and this is also a requirement of the Act. This is to facilitate opportunities for tech companies and app developers to bring innovative products to market.

4.8 At its July meeting the Combined Authority agreed to instruct Transport for Greater Manchester to undertake the next steps in the legal processes necessary under the terms of the Act to move forward with the reform process. Members will be kept updated on future timescales when they become available.

5. **Key Issues and Opportunities for Manchester’s Bus Services**

5.1 TfGM is preparing to undertake a GM-wide review of bus services, identifying key gaps in the overall provision of services that should be addressed through any form of bus service reform. Districts have been asked to consider the key issues and gaps they have identified in local services, and this review will provide the foundation for the wider TfGM analysis.

5.2 As mentioned earlier in this report, buses are the most important form of public transport for many of Manchester’s residents, particularly those not served by rail or the Metrolink network. In order that all the city’s residents are able to access employment opportunities and important services, an effective and comprehensive bus network is essential. It is recognised that there are significant issues with the current bus network and the way it is operated. This report identifies some overarching issues, but a full assessment of issues facing bus users (including potential bus users) in Manchester would benefit from the views of local members. The committee is therefore asked to consider which are the key gaps in Manchester’s bus network, and advise on the process for ensuring that all members are effectively engaged in this exercise.

- Annex 1 provides an outline plan of bus services across the city. The Manchester bus network is focused principally on radial routes to and from the City Centre. However, the quality and quantity of provision varies greatly. The Oxford Road and Stockport Road Corridors have an extremely extensive level of service, whereas services in the north of the city are less comprehensive, particularly off peak and in the evenings and at weekends.
- There has also historically been a difference in fares and the ticketing offers that are available in the north and south of the city. As many tickets are only valid on one operators services changing between operators can result in a financial penalty.
- There is an emphasis on radial travel, services connecting neighbourhoods not on these main routes are not so well provided for. This can affect access to important services, including hospitals (North Manchester General, for example), doctors' surgeries, shops and employment opportunities beyond the city centre.
- City residents often need to access facilities in neighbouring parts of Greater Manchester and the current bus network does not always provide the connections required.
- There are particular areas of the city and some key radial routes where the pattern of services is currently particularly sparse and increasing the frequency or the density of services would bring benefits in terms of connecting residents to the facilities they need to reach. The overall pattern of accessibility offered by the bus network therefore varies across the city and this presents particular difficulties for residents living away from main bus routes who sometimes find the journey to the main route difficult.
- The council is currently beginning work on its Local Industrial Strategy, which will emphasise the importance of connecting people to the opportunities created by Greater Manchester's economic growth. Although the City Centre and the Airport are the primary locations for economic growth, investment is also expected in other key GM locations, and connections to these jobs should be a priority for a bus network in a sustainable and inclusive city.
- There are issues with ticketing, including the lack of clarity over pricing and the limited availability of tickets that permit multimodal travel.
- At present there are significant barriers to developing an integrated transport network, including ticketing and the coordination of timetables and routes.

5.3 The bus network is vitally important to Manchester offering a flexible and efficient way of moving large numbers of people, enabling residents to access employment, education and other services. With the right network, buses and operating model, buses have the potential to make a significant contribution to meeting some of the greatest challenges Manchester faces

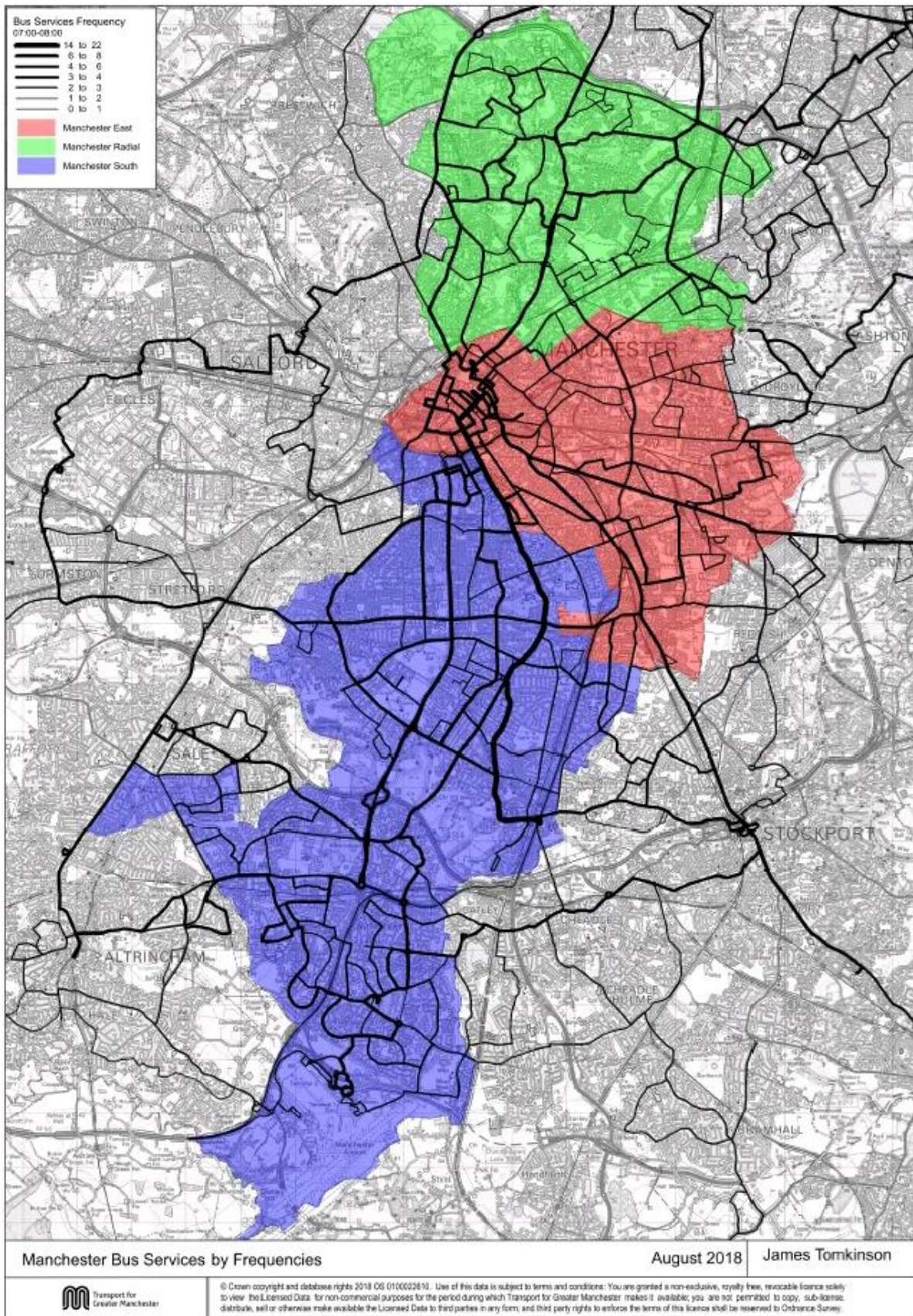
including air quality, congestion and carbon emissions as well as ensuring everyone can access the opportunities available in Manchester.

6. Conclusions and Recommendations

- 6.1 The current consultation by TfGM provides an opportunity for the City Council to set out some key principles that it would wish to see applied to any review of the bus network. It also provides an opportunity for ward members to input concerns from their local areas.
- 6.2 A comprehensive, effective, affordable and reliable bus network can play a major part in supporting the Council's objectives of creating an inclusive and sustainable city. While parts of the city's bus network offer residents a good standard of service there are significant variations in quality at present.
- 6.3 The processes that TfGM are putting in place to implement the provisions of the Bus Services Act offers a major opportunity to review our bus network and how it operates and TfGM is undertaking an assessment of a proposed franchising scheme, which also requires consideration of other options for reform, on behalf of GMCA. The opportunity exists to ensure that Members' views are fed into this review in order to inform engagement with TfGM.
- 6.4 MCC officers would therefore welcome Members' views as to how patronage could be increased and how the bus network could be improved for the benefit of all.

ANNEX 1

Manchester's Bus Network Plan – Frequency of Services (07:00-08:00)



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