

## ***Smoke and Mirrors on the Mersey***

Liverpool City Region Combined Authority's flawed Bus Franchising Assessment



***'Like a cheese sandwich without the cheese !'***

On the day when the Public Consultation closes on the Mayor of Liverpool City Region's **good intentions to revolutionise buses in Merseyside**, these are **the only words to describe the Formal Assessment at the heart of his Franchising 'Plan'!**

The Formal Assessment **should be a compelling business case for how buses will work in the city for the next 40 years + under public control** and, despite running to 558 pages, **it completely misses the mark!**

There are **two commonly accepted delivery models for urban bus services** around the World – **Public Sector Franchising** and **Public/Private Sector Partnerships**. They each have their Pros and Cons and UK legislation requires any Mayoral Authority switching to Public Sector Franchising to conduct a **robust Assessment of all the options with a clear plan for how its Franchising Proposal will work and deliver in the form of a Business Plan.**

The Liverpool Plan is **bold on rhetoric and makes a passable 'Case for Change'** even though it understates the momentum built up by the '*Bus Alliance*' in the City stemming the long term patronage loss before the pandemic hit.

However, **once you get past the 'Case for Change', it falls completely flat.**

**Where there should be a well thought out, well designed, costed and funded plan to deliver brilliant bus services under public sector control, we just get more rhetoric.**

**Zero emission buses, more buses and lower fares**, it promises, and that is simply underpinned by .... *erm, a Mayor saying 'Trust me, I'm a politician.'*

There is **absolutely no detail about anything beyond where the zero emission buses will come from** and, even then, there is **only £252.5m provided for a new fleet which will cost around £650m.**

***'Don't worry, though, the Government will give us the rest – trust me !'***

If the Government funds the Liverpool zero emission conversion, they will be walking into a commitment of up to **£13bn to do the same for the rest of the country!**

With **40 years experience of big city bus operations**, operated under different models **in private, government and local authority sectors**, I have identified **19 fundamental errors in the LCRCA Franchising Assessment.**

Most fundamentally, there is **no detail whatsoever on where the more buses will run, how many additional buses and staff will be required, what they will cost and how they will be funded.**

There is **no detail of how the development costs of those services will be met.**

**Magically, lower fares won't actually cost anything .... really ?**

In amongst all the rhetoric, **the cost of more services, revenue risk, financial sensitivity, uncertainty, smart ticketing, fares simplification, journey speed and reliability risk, demand trends and pension costs are unquantified and unfunded.**

**The cost of zero emission fleet, marketing, depot provision and management are seriously underestimated.**

**Of all 14 of those issues, none of them are fully funded, only 4 of them are partially funded and one of them is completely unexplained.**

It is crystal clear that the **Assessment is simply 'not fit for purpose' and any decision based upon it to proceed would be reckless rather than rational.** It is simply **not financially sustainable without the ongoing injection of**

**substantial, and more fundamentally, unquantified amounts of public subsidy.**

If **the Mayor** truly believes that franchising is the best way forward for the Region's bus network, he **needs to level with the electorate on what the bill will be and what they will get for their money.**

**Where is the cheese ?**

***In that context, it is also debatable whether the Assessment complies fully with the statutory elements of the DfT Franchising Scheme Guidance, in particular, Paras 1.22, 1.24, 1.30, 1.35, 1.40, 1.59, 1.60 and 1.62***

For me, the jury might as well go home and come back when the job has been done properly. Who knows, **franchising might very well prove to be the best option but I'd kind of like to see what it actually looks like, what it will cost and where the money's coming from.**

Otherwise, in 10 years time, the **Liverpool bus network could look like the NHS – brilliant service when you get to the front of the queue but it could be a long wait to get there !**

The fully detailed Report can be found here –

#### **About the Author**

**Robert Montgomery** has held senior management positions in the UK and Irish bus industry since 1983, **directly operating urban bus networks in Sheffield, Manchester, Glasgow and Dublin** and heavily involved with many more during 20 years on the UK Bus Executives of, firstly First Bus for 4 years and, subsequently, Stagecoach for 15 years culminating in the role of Managing Director of Stagecoach Group's UK and European Bus and Coach Division in 2017. He has also been **involved in government consultations on the 1985 Transport Act, the Buses (Scotland) 2000 Act and the 2017 Bus Services Act and in the Review of the failed NEXUS Proposal to franchise bus operation in Newcastle and Sunderland in 2015.**

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