



## Built Environment Committee

### Corrected oral evidence: Public transport in towns and cities

Monday 6 June 2022

9 am

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Members present: Baroness Neville-Rolfe (The Chair); Lord Berkeley; Lord Best; Lord Carrington of Fulham; Baroness Cohen of Pimlico; Lord Grocott; Lord Haselhurst; Lord Moylan; Lord Stunell; Baroness Thornhill.

Evidence Session No. 10

Virtual Meeting

Questions 114 - 123

#### Witness

[I](#): Andy Burnham, Mayor, Greater Manchester.

## Examination of witness

Andy Burnham.

Q114 **The Chair:** Welcome to the House of Lords Built Environment Committee's public evidence session in our inquiry into public transport in towns and cities. Our inquiry is considering existing provision and future trends in public transport use and innovation. We are interested in the extent to which local authorities are well equipped to deliver high-quality public transport services. We will be making recommendations to the Government later in the year.

Our witness today is Andy Burnham, Mayor of Greater Manchester. Our session is being broadcast on parliamentlive.tv. A full transcript is being taken and will be made available to you to make any corrections shortly after the session. Please can Members and you, Andy, keep questions and responses brief, because we have a lot to cover in not much time.

I will kick off with a substantive question on buses, as they are such a pivotal part of the public transport system, making up 75% of trips in Greater Manchester before Covid. I am interested to know why Manchester has decided to bring bus services under a franchise scheme and, indeed, to understand the course of the history of buses in Manchester, which were a bit in decline before Covid. Clearly, you are taking a lot of steps to try to do something about that, so would you like to talk a bit about your plans?

**Andy Burnham:** Thank you very much indeed, Chair. Can I start by saying how much I welcome this inquiry and the opportunity to give evidence to it? It is the right issue to be looking at at the right time.

There are two principal reasons why I took the decision to bring buses back under public control after 36 years of a deregulated system. The first is the plentiful evidence that bus services in Greater Manchester went into decline in that period. We had a position in the mid-1980s of around 400 million bus journeys a year, which has now come down to about 200 million. We have seen the coverage of the network shrink, and many places would now say that they do not have an adequate service.

Of course, in the deregulated environment, you see oversupply on the more lucrative routes: in our case, Oxford Road. Some members of the committee will be familiar with the Oxford Road corridor, where there is one bus after another. There is not an even network. Fares have increased over that time to the point where it is not affordable for some people to catch a bus, certainly for a single journey. It can be more than £4 for a single bus journey in Greater Manchester, which does not compare favourably with London, at £1.65.

The main reason is the evidence of decline of the bus system and its failure to provide an adequate service to the public. As I said, there is a second reason why the franchising route was the right route for Greater Manchester, and that is the imperative, in my view, in a city like ours to integrate buses with the rest of the public transport system and to have a

single vision for how the system operates as a whole, and control of the farebox, which facilitates that.

When the mayor was elected in London in the early 2000s, London went on the journey of bringing the system together. I lived in London in the 1990s and I remember it being much more fragmented in that period. London transport improved as the system was integrated. We are on exactly the same journey 20 years later. By taking control of the bus farebox, we can integrate it with the tram farebox and move to a situation where we can implement a daily cap across the system so that people can take multiple bus and tram journeys and pay only up to a certain level, which does not happen at the moment; people find skipping between modes very expensive in Greater Manchester.

That is a very big reason. Another is the ability to shape the network and have buses working in a complementary fashion with trams, rather than a competitive situation, which is what we have at the moment. Perhaps you could envisage a situation where a reformed bus system in Greater Manchester provides more orbital links across the city region, delivering people to the tram and allowing them to take journeys that are tap in, tap out single ticketing, going across the mode. It allows a different way of moving around our city region than people are able to do at present. Those are the two principal reasons why the decision was taken to bring buses back under public control.

**The Chair:** It sounds an exciting vision. Do you have any fears? Are there downside risks?

**Andy Burnham:** There are downside risks, and the big one is the recovery of public transport from the Covid pandemic. That is the biggest risk to what we are doing. The vision is compelling; it is a vision for what we call the Bee Network: a single-livery yellow and black public transport system that takes the very successful tram system as its basis. But there is a risk, which is the slow return of people to public transport following the pandemic. There are multiple reasons for that, the main one being that there are still people working from home, as many of us are this morning. There was a tendency during the pandemic for people to go to the car, perhaps as a safer way of travelling, so there is some evidence of a car-led recovery around the country. The committee could look at that, because it is a genuine worry that we have.

That leads to a financial shortfall in the system. In passenger volumes on buses at the moment, around 80% of pre-pandemic numbers have returned. On trams, it is slightly less favourable at about 70%. Of course, that leaves a financial gap in the system. Having said that, it strengthens the case for franchising, because large subsidies are being paid at the moment to various operators in the deregulated model, which in my view delivers very limited returns for the public. As we move forward, we need to work with the Government to agree a pathway whereby we can mitigate the risks to the farebox but move decisively towards that integrated system.

**The Chair:** Okay, thank you.

Q115 **Lord Best:** If you were in central government at the moment, what differences would you make to the national bus strategy—the Bus Back Better policies? It sounds as though you have been able to do more or less as you wanted to do; you have chosen your franchising system. What changes would you make nationally if you had a chance?

**Andy Burnham:** The first point I want to get over in answer to that is how the framework that we are using to franchise could be improved, in my view. We are the first to use this framework, which was laid out in the Bus Services Act 2017 and was Greater Manchester’s main demand when negotiating a devolution deal with the previous Chancellor but two, George Osborne. George Osborne was insisting that Greater Manchester had an elected mayor; Greater Manchester’s 10 leaders insisted that they had the power to reregulate buses, and it was there that the deal was done. The 10 leaders regularly remind me that my only role in life is to regulate the buses. Times have moved on a little, but that is basically how important this was to the city region.

Having used it, I would say that the legislation that was created was imperfect, and the truth of the matter as I sit here today is that, having already seen off a big legal challenge, there is still a residual legal challenge to the process we have run. We have run a very robust process, following the law to the letter.

When Covid came, although according to the law we did not have to, we continued to reassess our plans in the light of the pandemic, as we felt that that was the right thing to do. It is on that basis that we are still being challenged by one of our bus operators at the moment. In my view, the Act allows too much scope for challenge, because this is a very difficult process. We recently successfully defended ourselves against a judicial review of the process, and we are now being challenged on very minor technical grounds about the audit of our Covid assessment, which is frustrating given the enormity of what we are undertaking.

That is one thing I would look at; there are too many hurdles in the legislation. Another would be the ruling out of a public option for franchising. The existence of a potential public operator in a franchising process could secure better value for money for the public, rather than asking only the commercial sector to bid. That is an area where it can be improved.

The last thing, of course, is funding. I was in agreement with 80% or 90% of the strategy put forward by the Government; I do not have a problem with that. In my view, it should have pushed people more towards franchising, because it works in London and I am confident that it will work in Greater Manchester. When we saw the bus service improvement plan funding come through, it did not meet the levels that we had been led to believe we would receive. It was quite haphazard. We did well, to a degree; we did not get everything we wanted, but about half to two-thirds. Sheffield City Region got nothing from it; Liverpool got

£12 million. It was quite unclear how the Government had allocated that funding. I personally believe that all parts of England should receive sufficient funding to allow a public transport system that operates at London-level fares. If levelling up is to mean something tangible to the public, that is a reasonable request that we can make. It is in those areas where I would want to see some change.

**Lord Best:** Thank you very much. Can I extend just an inch further and bring in the metro and trams? If you were placed in central government, what kind of emphasis would you give to the perhaps rather expensive and slightly inflexible option of switching to trams, as opposed to resourcing bus services adequately? You have more experience of this in Manchester than anywhere else. In terms of other city leaders making their bids, and trying to make the most of the available resources, how much emphasis would go on a tram service for the future?

**Andy Burnham:** I can speak only to our experience of the tram system, and I strongly recommend it because it is by some distance the best performing part of our transport system. It is the most accessible, from a disability point of view; it is of a very high standard with regard to accessibility. It is convenient to use, with street-level access to the system, which is different from the Underground. It is quite affordable with regard to the pricing that we make available; and an option solely looking at road transport in a city the size of ours, would, and does, lead to congestion. We believe that if we integrate the same principles that we have on our tram system into the bus system and, ultimately, the rail system, because rail is part of our thinking as well, we will make the whole situation much more coherent.

The tram is accountable to the public of Greater Manchester in a way that the buses and trains are not, and that is another very important part of the system. It operates at street level and there is conflict with road traffic from time to time, but as our tram has become established, people are used to it now and it is successful. It also has a wider economic benefit: there is very clear evidence on the lines that we have developed over the years on economic activity and house prices. There has been a huge boost in the areas that are served by the tram.

**The Chair:** Thank you. I call Lord Stunell, another local politician in your area, Andy.

**Andy Burnham:** Good morning, Andrew.

Q116 **Lord Stunell:** Good morning, Andy. As I am one of the people who is expected to pay for it in due course, can you tell us something about the overall cost of franchising in the short, medium and long term, and perhaps the timetable for it, because it is not in place yet?

**Andy Burnham:** Yes. The transitional cost from the period we are in now to a fully franchised system is £134.5 million. We could give the committee a full breakdown, but that is the cost of changing the system. There is the need to buy some fixed assets, such as depots, and there is

a huge amount of work that underpins the journey we are on. When you then get to the steady state of the franchised system, there is a decision for leaders and the public to make: how much subsidy do we want to put into the system to get the fares to a level where they should be? As I said to Lord Best, we need to see the Government providing revenue support of the kind that London has had over the years to build the system that London currently has. That level of revenue support has never been available to cities outside London, but it should be.

The £134 million is a cost that Greater Manchester has borne by putting away the required resources over the years to fulfil the goal of franchising the system. We are confident that we can do it within that envelope.

**Lord Stunell:** Can I take it a bit further? Other things are happening in Greater Manchester in economic development, with HS2 and so on. How forward-looking is the franchising plan in accommodating that, and what impact do you expect some of those things to have?

**Andy Burnham:** The plan is still in development. We have a clear end point, which is the integrated system I described to the Chair. But I am conscious that we are the first city outside London to do this, and consequently I took the view that I needed London expertise to help us on the journey. So in the last couple of months I appointed a new transport commissioner, Vernon Everitt, who has been involved at Transport for London for many years and is extremely highly regarded, and is already helping us to think through our plans.

Perhaps I could put it in two phases for you, which I hope will help. In the first phase, between now and the middle of the decade, the emphasis is on integrating bus, tram and bike hire. Those three elements will come together by the middle of this decade in a single, integrated London-style system, by which I mean tap in, tap out, and a cap on what people can spend.

There is a second phase to the journey, which is bringing commuter rail into the system, and Vernon has advised me that we must not leave that as an afterthought. When the overground services came to TfL, they made a huge difference in bringing new passengers and growth into the London system, and the same would be true for us. In the second part of this decade, we propose to bring in GM commuter rail, as distinct from TransPennine or the services that are sweeping across the north, as you know. I am talking about services that originate in or just outside Greater Manchester. We are looking at tram-train, and Transport for Greater Manchester is looking at turning some of the railway lines yellow, making them operate more like a Metrolink service.

Lord Best asked me earlier about the benefits of Metrolink, and I can give a good example that shows how the Metrolink-style service changes things. You will remember, Andrew, when we turned the Oldham and Rochdale railway lines into Metrolink—turned them yellow—10 or 15 years ago. The number of passengers carried on those lines is now six times higher than when they were railway lines. That says something

about the convenience, ease and accessibility of the tram, stopping in more places. Of course, that can cause a longer journey, but it means that many more people can access public transport much more easily.

We see a future where the defined commuter network around Greater Manchester is taken over increasingly by the city region and operates as one system, so that the tram rails become integrated with the commuter rail system and there is a mix of tram-train and tram operating on the network. The vision is there, but we are conscious that there will be a need to adapt as we move towards it. I am about to enter a discussion with the Government, notwithstanding today's events—I hope it will not change and we will still have a negotiation—about deepening the devolution powers for Greater Manchester. We and the West Midlands have been offered a trailblazer negotiation. More control of rail will be very much on my list and, if I may say so, may be worth the committee thinking about.

Even thinking about control of train stations would be a big step forward, because the rail stations do not offer the same environment or accessibility as our tram stations. They have been underinvested in over many years, which is true everywhere, in London and the south-east as well. The rail infrastructure lags behind the city region's infrastructure, and we believe that if we took more control of the train stations, we would develop them with their regeneration potential—many of them have great regeneration potential—which would then release funding to improve them as transport facilities.

All of this is part of the journey; it is in two phases. The first phase is much clearer than the second, but Vernon is very much taking our attention towards the second phase as well.

**Q117 Lord Moylan:** Thank you very much, Andy. I used to be deputy chairman of Transport for London, and you have made a very good appointment in Vernon Everitt.

If I may, I will start with a very small correction. Prior to the Mayor of London being established, bus services in London were already integrated. They were never private sector competitive bus routes. The Mayor of London, Ken Livingstone, ramped up the provision of buses to a level that stayed constant under Boris Johnson and was cut somewhat under Sadiq Khan, prior to the pandemic, by about 3% in terms of bus mileage—roughly the same throughout. Over that period, the subsidy to the buses, which is the difference between income and expenditure, rose to about £650 million per annum under Ken and fell under Boris Johnson because the fares rose, not because the mileage was cut. Then before the pandemic it had risen to, I think, about £700 million per annum under Sadiq.

Obviously, London is bigger, there is more bus mileage and there are more buses, but these are huge sums that you will have to bear on a regular basis unless you have a really strong fares policy, with relatively high fares and relatively few voluntary, discretionary concessions. Are

you up for that, or will you just fall into a long-term financial pit that is not sustainable?

**Andy Burnham:** First, I am relieved that you recommend Vernon, Lord Moylan. All I can say is that from early experience it is fantastic to be working with him. He is making sure that our eyes are fully open to everything you have just said. Of course, there are real challenges when it comes to the farebox, but we have shown with Metrolink, the tram, that we can run a system. Bear in mind that that runs without subsidy, and it is some achievement, is it not—

**Lord Moylan:** It is, absolutely.

**Andy Burnham:** —that we have developed a tram system of that size, without central government subsidy. We have to finance the debt that we have taken to build the tram. There is some confidence in our system, and that is the bedrock on which we are building. We have taken some difficult decisions already to put revenue support into the bus system. For instance, I have financed a free bus pass for 16 to 18 year-olds. Implicit in your question was a warning against moves of that sort.

**Lord Moylan:** Absolutely.

**Andy Burnham:** But there is another way of looking at it. If those young people become very used to using public transport, you will keep them as public transport users later down the line. I am told by Transport for Greater Manchester that, unlike London, there is huge potential for growth in public transport usage within our city region.

I mentioned the number of people taking bus journeys in the mid-1980s compared with now, but we have become a city region where the car is king, and our roads are heavily congested for that reason. That is because our public transport offer is not particularly affordable at the moment, and it is not particularly attractive either, as it does not integrate. Ours is a simpler system. A street-level, integrated system between bus and tram will require significantly less subsidy, but we are conscious of what you are saying. I have decided to have a £2 capped adult fare on buses; £1 for under-16s. That is higher than London, so already I have acknowledged that we cannot go that low at this moment in time, but I believe that if we give the Greater Manchester public a simple offer of that kind, people will start to use the system.

That is where we are now. We are making a paradigm shift from what we have at the moment, which is an overpriced, unreliable, fragmented system, to what I hope will be a much better travelling experience for people. That is an opportunity to persuade people to move differently around our city region, which they have not been doing for 30 or more years, and the car has dominated. It is in that growth scenario that we believe we can manage the risks.

**Lord Moylan:** This is not a question, just a comment. I think you are taking the right approach. It is an experiment worth trying, and it has a

good chance of success if you get all those things right, but bear in mind that pre-pandemic about 40% of the people travelling on London buses were not paying a fare. That is a situation that you want to avoid, to be honest.

**Andy Burnham:** Thank you. I am pleased there is some recognition that the vision is coherent. Of course, for a city region like ours a transport system of the kind I am describing this morning is the foundation for a more productive economy. There are wider benefits to be had in a system that gets people to employment and to opportunity. At the moment, people do not find it easy to travel to the airport or to MediaCity. That creates barriers to people's employment, so there are wider benefits to be had.

I mentioned fare levels. I will give you two other quick examples. At the moment I will maintain the free bus pass for young people in the system, if our leaders agree with me, but it cannot necessarily go to the tram, unlike the London system where the offer is broader. When it comes to older people, I am regularly pressed to introduce free travel for older people at 60. Liverpool has the same as London with free travel at 60. I cannot give into that pressure because I simply would not be able to run the system. It is not that I am just promising everything to everybody. There are things that I cannot do and will not do. I do not think it is wise now to offer free travel at 60, given that people are likely to be in work at that age. What you should do is give them affordable travel at that age, and that is what we are working on.

**The Chair:** Thank you. Lord Haselhurst has the next question.

**Andy Burnham:** Mr Deputy Speaker, as I will always think of you. It is lovely to see you, by the way.

Q118 **Lord Haselhurst:** Good morning, Andy. I am a bit disturbed by what you said seconds ago about benefiting people who are old at 60. I would like to think that that is moving down a bit now.

In view of the extent of the metro system that you have in Greater Manchester, and in view of your very supportive remarks earlier, I am slightly surprised that you are not shifting all the routes available to you into building on the Metro system as opposed to the buses. I understand why one has a bus network at the moment.

Will all the buses be of a clean nature? How much money do you have to allocate to ensuring that, while there is still a bus service that makes a huge contribution? Should you be finding ways of accelerating the extension of what I think is a fantastic metro system?

There is one other thing. We visited the West Midlands and were introduced to the very light rail system being pioneered in Coventry with the University of Warwick. Although they are not at the end of their experimental work on that, it really excited us all. It is a very advanced system. I wondered if you had taken note of that as having any kind of part to play in your plans for Greater Manchester.

**Andy Burnham:** Thank you very much, Alan. Your first question is exactly where my thinking is. The way I look at what we are doing is that I am about to expand the tram system, but it is just by bringing in electric buses. The tram system is about to quadruple in size, but it is because we can bring in electric vehicles that will be of a similar standard to our trams. We can direct them to fill out the coverage of the city region in a way that we simply could not build out the rails. We would not have the funding to do that.

Lord Stunell will be pleased to know that we are progressing plans for Metrolink to Stockport, which is one of our thriving towns in the city region at the moment. We are building a new transport interchange there. We are serious about taking the tram north to Middleton and Heywood via one of our major employment sites. It would be a success, even in the best-case scenario, if we achieved both of those ambitions in the next decade, but that still obviously would not give you anything like full coverage across the city region.

The vision of the Bee Network is, in effect, to bring the system to all 10 boroughs by means of electric or hydrogen buses. Yes, the plan is very much focused on the renewal of the fleet in that way. We have received funding from the Government to that end. I wish to put on record that we are grateful for the funding that we have received.

In Stockport, working with the operator Stagecoach, we were successful in receiving ZEBRA funding—zero-emission bus funding—of around £170 million. We are rebuilding the depot in Stockport as part of a mayoral development corporation that we have, chaired by Lord Kerslake. That will be a new depot that will be fully electrified and will come in by the middle of this decade. It is quite exciting to be able to make that type of transformation that quickly.

Through city region sustainable transport system funding—what the Government call CRSTS funding—we have a plan to bring in electric vehicles as we franchise the system. Wigan and Bolton will be the first areas to be franchised. The start date is 17 September next year. I have said to the team that we want at least 50 new electric buses in service on that day. In effect, that brings tram-style services to Wigan and Bolton, which do not currently have them. In any scenario, they could not really get the tram in an early timeframe.

One great success story of our transport system is that Metrolink already runs on fully renewable energy. It has been a green, zero emission at street level transport system for a number of years. We believe that, by doing what we are doing and completing the plan that I have just outlined, we could have the country's first zero-carbon public transport system integrated within a decade. I think that is a reasonable timeframe. It would probably be no quicker than that.

I will certainly look at the Coventry system. We have looked at Tram Train in Sheffield, which is impressive. We are consciously looking around and about for any vision that we can tap into.

I do not know whether the committee has the capacity to look at this, but I was very impressed with Belfast, as Lord Moylan will have been, no doubt. I went over there recently to visit its public transport system. Like London, it has always been regulated. It was never deregulated in the way other systems were. In Belfast, they have now started to introduce quite significant numbers of electric and hydrogen buses. I was there in the week when some of those buses entered service. They were pointing to the fact that the electric buses cost £16 to charge. I do not know whether that is still the figure, given the pressure on energy costs, but they were saying that it compared extremely favourably with a tank of diesel, which, to fill a bus, would have been over £200. They were saying that they believed they would make operating cost savings as a result of going to both. Electric is cheaper at the moment. Hydrogen is not there yet, because it will need a delivery system to the depot, which is not in place.

It is interesting that by moving to cleaner forms of transport we may be able to deal with some of the financial pressures that Lord Moylan rightly identified. If we can get there, that is a very exciting place indeed.

**The Chair:** We want to move on to funding, but first I will bring in Lord Grocott.

Q119 **Lord Grocott:** Hello Andy. You have reassured me on a number of points in answer to Alan about the importance of metro as you see it, and its continued expansion. From a brief reading of some of the papers, it seemed to me that buses are the focus of your plans, perhaps slightly more so than metro, although you have spelt out very clearly what seemed to me to be a very strong case for the huge environmental advantages of trams. In the paperwork we have, your evidence is that trams fetched people out of their cars as the system developed, which is obviously another huge advantage. I cannot help reflecting on the irony of it. We smashed up the tram system in most cities in the 1950s and much of the railway system under Beeching in the 1960s, so planners do not always get it right.

Given the clear success of your metro system and its popularity—but we all recognise the costs—how relevant do you think your experience of trams and their applicability is to cities, not as big as Manchester, admittedly, that do not have a network at all at present? I know that you will be cautious in answering this question, because it is about somewhere else. Although trams are often accused of being inflexible in comparison with buses, I bet there is not a single tramline that you have invested in and opened that you regret opening. This is a question about relevance or lessons to be learned for other cities.

**Andy Burnham:** It is such an important question, Bruce. I do not see how, in other cities, you can have purely a bus option. I think Leeds is the biggest city without a mass transit system, be it tram or a rail equivalent such as Merseyrail. The feeling there is that they very much want to move towards a mix, partly because of the sheer numbers you

can accommodate on a tram, for instance. We run double trams. The volumes you can move on a tram are a huge part of its appeal.

I hope that the Government fulfil their commitment to look at a mass transit system in Leeds. In Birmingham, in the West Midlands, it is building out. I think it is successful there. Sheffield was the original tram city, with Supertram in the 1980s and early 1990s. It has worked there but I think they probably need some support to develop and modernise it now. Liverpool has Merseyrail. Mayor Rotherham in Liverpool has some very exciting plans for hydrogen trains there. The tram system allows for zero-carbon options. I do not know how you would make London Underground zero carbon, but I imagine it is a much bigger challenge than it is with a tram system.

**Q120 Baroness Cohen of Pimlico:** Andy, what we have been talking about a lot is money and subsidy—government subsidy. We have remarked before that the whole process of applying for government money appears to be extremely cumbersome and demanding. I know it is all channelled through the Department for Transport. Do you have a view on how the whole system might be improved?

**Andy Burnham:** Thank you, Lady Cohen. The bidding culture is frustrating. It is not just the case with transport, actually; it is true across all Whitehall funding. It is what led the National Infrastructure Commission to recommend flexible, devolved capital for city region transport. The CRSTS funding that I mentioned earlier came from that.

However, I feel that the Government have already moved back to more central control of that funding. It was originally called transforming cities funding under the previous Prime Minister. I think it has got more bureaucratic again. Cities should be trusted to manage flexible, multiyear, devolved capital, and they need revenue support. We should not be in a constant bidding situation or have officials poring over every element of our plans. Transport for Greater Manchester, as I said before, has a track record of running trams without subsidy. That should give confidence to the centre that we can do this. Time is wasted by all the hoops placed in front of us for us to go through.

Perhaps I could make a broader point, Chair, about finance, which I can see is very much a preoccupation for the committee, and rightly so. I urge the committee to think about investment in transport as more than what it delivers from a transport perspective. If you look around the world, you see countries and cities within them moving to much lower-cost public transport. Germany, for instance, has brought in public transport pricing on the railways that is way below what we have here. I think that Luxembourg has made the whole system free.

There are societal and economic benefits from having a public transport system at a much lower cost than the one that we have, in economic activity and, as I say, connecting people to jobs, opportunity and employment. There are also huge environmental benefits, and social

benefits when we look at the levels of isolation, particularly in rural communities.

We need to look at what is going on around the world, with the moves to subsidise public transport and unlock the multiple benefits that come from that. In Greater Manchester, it can cost more for three people to get a bus together than it can to catch an Uber. It is very much the case at the moment that it is often cheaper to fly than to go by rail. When train tickets are more expensive than plane tickets, you are in the wrong place when it comes to facing up to future challenges. We need to think about public transport pricing in that context.

**Q121 Baroness Thornhill:** That is fascinating, Andy. I have really enjoyed everything you have said today. It is quite challenging.

Deducing from what you have said, Andy, that you do not think that currently local authorities have the funding and the powers necessary to deliver high-quality public transport as per our official question, I would like you to do a quick dip into the powers and politics of what you have there.

You mentioned earlier a potential pilot with government on deepening devolution powers. Perhaps you could expand on that a little or point us to any information on that. I am particularly interested that you mentioned several times your 10 leaders, who I imagine as a power around you and not necessarily always as positive as you might like. I see that you have a committee of 33 councillors that you have to hold together. How does the governance actually work in reality? Is it as complex and complicated as it seems?

**Andy Burnham:** That is a good question for a Monday morning. Thank you. It is a more positive story than perhaps you might think. I imagine that the Mayor of London can probably move more quickly than I can, given the way in which his role and the GLA is set up, but—there is a but—can London be moved more quickly in that model, given that the councils in London are not the GLA? There is a layer on top.

Our system, the GMCA, is the 10 council leaders. There is clearly the issue that we might lose in speed of decision-making and the need to build consensus. To be honest, we are now a three-party state in Greater Manchester, as I am sure Andrew would want to remind me. We were a one-party state when I first came in as mayor, then a two-party state, and now we are a three-party state. I work well with the Conservative leader of Bolton. I know the new Liberal Democrat leader of Stockport, because we were in Parliament together for a long time.

What I am getting to is that the strength of the Greater Manchester system is that, when we have an agreed vision and plan, we can move, all of us, as one. There is no gap between the councils and the GMCA. That brings a certain power to our system. That degree of alignment means that the system can move quickly. You have to build consensus, but when you have it, the actual process of change can be quicker. I think that is the case with public transport and the Bee Network vision.

There is a high degree of buy-in for what we are doing across the different political parties now. Hopefully, that will help.

On politics and extra powers, I think we are doing something genuinely important, which is the biggest reform of public transport outside London since the mid-1980s. This is huge in significance. I think we are potentially building a template for others to follow. The key ingredient, as I hope Lord Moylan would agree, is the ability to have a single policy for the system so that all modes can pull together in a single vision. It requires the Government to buy into the notion of the devolution of control over the commuter rail system and the stations. That would be a key ask.

It is also about powers over the highway network and something as simple, Baroness Thornhill, as enforcing yellow box junctions. In London, it is a civil offence if you go into a yellow box and your car is stuck there. You will get a ticket. It is a police-enforced offence outside London. Therefore, the observance of yellow boxes is not the same in cities outside London. Stuff like that feels quite minor, but actually at times it makes the whole not function.

To take a different issue—taxis—we have a similar situation with regard to deregulation, whereby taxis can be registered anywhere in England and operate in Greater Manchester. That leads to a race to the bottom scenario, where people go to the lowest-cost licensing authority, which often has the lowest standards. Then you have a jumble of taxis on your roads that cannot cohere into a single system. For instance, we would be looking to the Government to have a requirement that Greater Manchester registered taxis should be working in Greater Manchester, so that we can manage the standards. Then you can raise standards across all parts of the transport system, which is difficult in the current scenario.

**Baroness Thornhill:** Thank you. Andy, if you have a paper that has been written somewhere about that, it might help us a bit, particularly on the deeper powers.

**Andy Burnham:** Absolutely. Will do.

Q122 **Lord Carrington of Fulham:** Most of what I wanted to explore has been discussed. One of the things I would like you to comment on is this. You will require quite a large amount of subsidy to run the transport system in Manchester, particularly if you bring fares down to the sort of levels that you are talking about, let alone levels comparable to those in Germany and so on.

Equally, I suspect you need more power to control your future development of the transport system in Manchester. How do you get the balance between what is a natural tendency of central government, if it is going to provide money, to demand to have control, and your need to provide a good service for the people of Manchester? How do you balance that power divide between central government and the mayoral authority?

**Andy Burnham:** Thank you, Lord Carrington. I am conscious that we need to do this in partnership with the Government, and I have worked on that basis with the Transport Secretary. We had a good settlement from what was called the BSIP funding and the CRSTS funding—sorry to use those acronyms—and I think that reflects the degree of buy-in from the Government for what we are trying to do. It has to be done in partnership. That is just a reflection of the place where devolution to the English regions is. We are not in a position to raise all the funding that we need to do everything we want to do.

It is really important to see us as London was 20 or so years ago. Subsidy was given at that point to London Transport. If levelling up is to mean something, it is about us having the same, and the same ability to develop a public transport system in this period, so that it could become more self-sustaining in the longer run. It is about recognising where we are on the journey, and central and local government working together to create something that I think will be valuable everywhere else in England. If we can manage to pull off this vision of integrated, street-level, zero-carbon and affordable transport, obviously we will cut congestion and pollution, but we could raise levels of employment across our city region. We could improve access to opportunity for young people. We could tackle some social isolation issues. It is what I was trying to say before: the benefits would go beyond transport if we can achieve what we are trying to achieve.

If I may, Chair, I would like to make one point on funding, particularly capital funding. It is relevant to what Lord Carrington asked. The rail system in Greater Manchester is currently letting us down very seriously. Many of you have been to these stations. Manchester Victoria, Salford Central, Deansgate, Oxford Road and Piccadilly are the five stations that serve city centre Manchester. They are like outliers in our city now, so poor is the fabric of those stations and the passenger facilities. Their tracks are officially designated congested infrastructure.

We have a rail system that is lagging way behind our tram system and even the buses. There has to be recognition here that we have underinvested in public transport in large parts of the country. The original George Osborne vision of a northern powerhouse was right and must not be lost, even though people do not talk about it any more. He was talking about east-west connectivity, north-south connectivity and improved trans-Pennine infrastructure back then, and all of it needing to improve.

We seem to have lost that in the current debate about rail investment. There has to be recognition that the north of England is some way behind not just London and the south-east, but other parts of the country. There has to be investment in the system to be able to grow it in the long run. I feel that that has slipped off the agenda. Levelling up has overtaken the northern powerhouse. It feels like everywhere is equal when it comes to accessing funding under the levelling-up banner, whereas I do not believe

that can be the case if you look at the state of the rail infrastructure in central Manchester.

**Lord Carrington of Fulham:** Co-operation is clearly required. You obviously get a lot of co-operation from the Department for Transport. The real problem is the Treasury, is it not? That is why the northern powerhouse has collapsed. The emphasis in the Treasury on funding it has shifted to other priorities, understandably. We could go through what those are, but that is the difficulty. The problem is the Treasury control. Would you agree with that?

**Andy Burnham:** I think I would. What is positive about transport policy is that it feels less politically divided than it once was. I think there is growing political consensus that integrating transport on the London model is the way to go, and that is positive. That is certainly the case when I speak to the Transport Secretary. It feels that we are agreed about where we need to get to, and that is good.

It has not always been that way. When Greater Manchester asked for the powers to reregulate buses, it was not an easy debate at the time, but it has moved on a lot. You are right: the issue is less the Department for Transport and more the funding to support the vision. I keep coming back to this central point: surely, if we want to address productivity, which has been an issue for the country for a long time, the poor quality of transport outside London is a big factor in productivity in the English regions.

I think the Treasury needs to take a broader view. If we go back to the 1980s and 1990s, there was a view that if you deregulated or privatised, the Treasury would not have a call any more because it would all be done and solved by the market. I do not believe experience has borne that out—for example, when an issue such as Covid lands. The operators charge large fares when there is no Covid and then get huge subsidies when it lands. If you look at the rail system particularly, you would be hard-pressed to say that the passenger/taxpayer has had good value for money from our current rail system.

Treasury orthodoxy on transport really needs to change. In my view, it has taken the wrong approach to this. It was true of the Government I was in, too, by the way. I am not saying that it is just an issue for the current Government or just Conservative Governments. There is the idea that you can solve transport outside London by magically letting the market solve it all. I am afraid that we have 30 years of experience now to say that that does not happen. It means that the Treasury needs to do some serious rethinking of its approach on transport.

**Lord Carrington of Fulham:** Thank you very much.

Q123 **The Chair:** I have one question that follows on from the beginning when we were talking about buses and why you were very clearly moving to franchising. Obviously, you have rejected partnerships and enhanced partnerships. The outstanding question for us is: why is that, and how do

you bring in the private sector as part of your vision and success in the Manchester area?

**Andy Burnham:** We looked extremely carefully at the partnership option. In my early days as mayor, I asked the industry to work with us. I will give you an example: the free bus pass for 16 to 18-year olds. I made the argument to the operators that if they helped us with that it would build the market for bus travel, and surely they would have an interest in that. I will be honest and say that there was no real appetite, it seemed to me. They just wanted a fee per journey-type model, and that was that.

There was the experience of talking to them about partnership and not really seeing it. We had a very substantial partnership offer from the bus companies, which, I am afraid, was not taken completely off the table but was very much reduced when Covid landed. What they were offering to put into the system demonstrated how it could not be permanent because of the changing climate.

The clinching point really was the ability to control the farebox across the system. In the end, that answers Lord Moylan's question. If you have the ability to look at things in the round, you are better able to manage the risks and make the whole work together. In partnership, in my judgment, you would not have that stability at the heart of the system because at any moment somebody could give notice to say that they were walking away. You would not have the stability in the system that I think is needed if you are to build a very different approach to public transport, as we suggest.

It seems to us that London has worked. I understand the financial pressures that Lord Moylan described. They are obviously matters for London and there is ongoing debate about that, but you are talking about a very different system when you are looking at Greater Manchester. Having a single approach across the whole, which is on a permanent footing, will in the end allow us to have the stability in the system to grow the numbers using public transport and make transport work much better in a city region like ours.

**The Chair:** That probably brings this session to an end. Apologies to our listeners for some slight noise on the line. Thank you for an excellent session, and good luck with your plans.