

Transport Committee

Oral evidence: [Strategic transport objectives](#), HC 84

Wednesday 31 January 2024

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[Watch the meeting](#)

Members present: Iain Stewart (Chair); Jack Brereton; Sara Britcliffe; Fabian Hamilton; Paul Howell; Karl McCartney; Grahame Morris; Mick Whitley.

Questions 111–141

Witnesses

[II](#): Rt Hon Andy Burnham, Mayor, Greater Manchester; and Martin Tugwell, Director, Transport for the North.

Written evidence from witnesses:

- [Transport for the North](#)
- [Transport for Greater Manchester](#)

Examination of witnesses

Witnesses: Andy Burnham and Martin Tugwell.

Q111 **Chair:** Welcome to the second panel today in our strategic transport objectives inquiry. Before we get going, I invite you to state your name and position for the purposes of our records.

Andy Burnham: Thank you, Chair. Good morning, everyone. I am Andy Burnham, Mayor of Greater Manchester.

Martin Tugwell: Good morning, everybody. I am Martin Tugwell, chief executive of Transport for the North.

Q112 **Chair:** Thank you both for giving us your time this morning. Today, as part of our strategic objectives inquiry, we are looking at the appropriate balance of powers between what is set at a strategic national level, what is devolved—covering a variety of positions, including devolved nations and combined authorities like yours—and what is at the individual city, town or borough level. I will start with a very general first question. How easy is it to reconcile what needs to be set nationally with what is devolved and local?

Andy Burnham: Thank you, Chair. That is a good question and, in some ways, quite a difficult one to answer. The transport landscape, as the Committee knows, is very confusing because of the way things have evolved over the years. What you have is a very separated world. Even internally within the railway industry, the way it works is separate, from the Network Rail point of view to the operator point of view. It is hard to integrate the rail industry as itself, and that presents real challenges from our point of view.

If you think about infrastructure, we have the Ordsall Chord in city centre Manchester, but the other connecting improvements were never made so, consequently, we don't get joined-up thinking even within one part of the transport world. When you look at deregulated buses in large parts of England, how you join it all together into a coherent transport system at local level is challenging, when nowhere has the full set of powers to integrate that London has.

It is challenging, but English devolution, as it builds, is beginning to provide the answer. We are bodies that can integrate the different, disparate, strands at local level. I put forward the vision of the Bee Network in Greater Manchester, which is an integrated system. We are on course to deliver phase 1 by January next year. By this time next year we will have a tap-in, tap-out system over bus and tram across the whole of the city region. It has been hard work to get there, let me be honest with you. The next phase will be integrating rail in that system between 2025 and 2030. That presents a whole new load of challenges.



HOUSE OF COMMONS

How easy is it to get your hands on the system and make it work? Well, it's not easy at all. It is very difficult. That points to substantial policy change at national level.

Q113 **Chair:** Thank you. I will pick up on a couple of those points in a minute. Martin?

Martin Tugwell: I will come at it from a slightly different perspective, building on the session that you had prior to this one. Fundamentally, we all accept that delivery happens in a place, which is combined authorities like GM and the local authorities. It is in place that it happens.

Where I then think you get advantage about looking at things at a pan-regional level—as at Transport for the North—are issues that cross boundaries, issues that are common to the majority of the authorities, so we are doing it once rather than doing it 20 times, and issues where you need a voice of the region feeding into and being amplified in decisions that are being made at national level.

In the first session, you touched briefly on the challenges of making sure that, for example, the north-east gets a clear voice in some of its priorities. We had a recent example where, through Transport for the North, the challenges of the changes to the east coast main line timetable were raised by the north-east, amplified by all of the northern leaders and then fed into the decisions at national level. You had proper account being given of the importance of links from Newcastle to Manchester, for example, rather than just about the links down to London.

If you take delivery in a place, led by local authorities and city region authorities, it comes together at a regional level on issues of pan-regional significance. Remember that our work, as Transport for the North, is underpinned by some of the most comprehensive evidence in terms of the economy, and the social and the environmental. You can actually feed into and shape the role of national decision making, which is bound by the constitution that set up Transport for the North in the first instance.

Q114 **Chair:** Building on that, Transport for the North covers a number of city regions. You cover some quite rural areas, and towns that are not part of a broader urban conurbation. Every one of those will have its own individual interest. As a body, how well can you reconcile those? I don't want to restart the War of the Roses between the different sides of the Pennines, but talk me through how you can do that.

Martin Tugwell: Picking up again on some of the themes from your previous session, I think the key is having evidence. Councillor Gittins referred to the work that we have done on transport-related social exclusion. We know from the work we have done across the north that, today, over 20% of the population—over 3 million people today—are living in areas of high risk of being excluded from society, because they do not have transport, because they do not have the ability to pay for transport or there just isn't the choice available to them.



HOUSE OF COMMONS

That evidence, which goes down to a fine level of detail—in the vernacular local super output areas, which are areas of about 1,000 or 1,500 people—is available to our partners. When we have developed the evidence base, whether it is around social exclusion or environmental aspects, it is an evidence base that combines and gives a picture of both the challenge and, in terms of the economy, the opportunities within which northern leaders set their ambition. Northern leaders come together to actually make that case, which is evidence-based but ambition-led in terms of the potential of the future. I don't know, Mayor Burnham, whether you want to build on that at all.

Andy Burnham: Having been a member of Transport for the North for six years, I would say that we spoke with one voice through the chaos that we saw in May 2018 when the timetable collapsed. I think that brought some clarity to the whole situation. We made the case around the removal of the franchise from both Northern and TransPennine Express. That was cross-party and unanimous. Again, we spoke with one voice.

Transport for the North has brought clarity to what can be a very confused and, at times, fairly unaccountable landscape. We have spoken clearly to them across all geographies and all parties. The north has had a clear position on ticket offices and keeping guards on trains. In all of these issues we have been able to come to a unanimous view, which has then made the job of Martin and his colleagues easier. It is not as difficult as it might seem.

Q115 **Chair:** From your perspective, what policy objectives should be set centrally, both from the DFT and increasingly the Treasury, but also the national arm's length bodies such as Network Rail, National Highways and the like? What should they do, and what should be the steps down to the very local level?

Andy Burnham: The main policy that needs to be baked into the mindset of transport at every level is devolution by default. You start with devolution. Transport is something that should be built from the bottom up. Trying to run it all top down, as we have done, has not worked. Devolution means having basic control over the system.

Frankly, it is wrong, in my view, that in large swathes of England people cannot control something as basic as buses. What we are doing in Greater Manchester should be available to everybody, not just mayoral combined authorities. You cannot even begin to integrate your transport system until you have a basic level of control over your buses. Then, I think you need to apply the same to the rail industry.

What is the best performing rail operator in the country? It is Merseyrail. I think that is linked to the fact that it is more locally accountable. There is somebody to complain to if the service is not performing every day. There is somebody who is democratically accountable to people. I think the industry needs to work on devolution as a default position. You have



to get control down. Where you then lift it up to the regional or northern level, because we all need to collaborate to look at something like TransPennine, that is where TfN comes in. We have failed as a country to allow that basic control.

The communities that Martin was just describing don't have a bus service. They cannot get one because they simply do not have the means to do it. We have to accept that the deregulation of buses was a major mistake. It has left transport degraded in many of our communities. I can report to the Committee today that, four months in, we are the first area to re-regulate. The Bee Network is already better than what it replaced. It is outperforming both the non-franchised services in Greater Manchester and the ones it replaced in the west of our city region. Why shouldn't it be available to everyone?

Martin Tugwell: I think we touched on this a little bit in our submission to the Committee. In terms of what I would expect from Government and at the national level, in my view only Government can provide leadership on things like decarbonisation. You do not want to have areas being disadvantaged because they are going at a particular pace. You need to have leadership at national level. You need to have leadership on things like the regulations around motor vehicles. Only Government can make that regulation, to which the market then responds. We also need to recognise that Government set taxation and therefore set the funding envelope, which is where the National Infrastructure Commission does advice in its own right.

It is clear where only things that can be done at a national level need to be done. Again, it touches on some of the themes you were exploring earlier. Let me share this with you. Work done by Northern has demonstrated that for every pound investment in running our rail services, we get £4.50 back in terms of the economic, social and environmental benefits: £1 gives £4.50.

There are two challenges in that. First, you may well be aware that the Rail Minister has made the point about costs and revenues on the rail side currently being separated. One is controlled by the Department for Transport and one by the Treasury. It is broader than that. If you invest in rail services to connect communities, the benefits are going to be social and environmental. You are actually asking a Transport Department in the Government to invest and to deliver benefits that will be ascribed to other Departments, to other parts of the Government. That is where we need to look for Government to do the joining up at that level, because only they can. When it comes to identifying what the outcomes are—the ambition for the north—you have a mechanism in Transport for the North, working with its constituent authorities, to be able to put the colour on to that.

Q116 **Chair:** Thank you. This is not a hypothetical example, but it will be something that needs to be done. Let's take the upgrades to the west



coast main line north of Preston. This is not an HS2 question. We may come on to that later. North of Preston, there is a lot you could do with re-signalling, extra passing loops and so on. Primarily, that is a strategic national objective because you want capacity right across the UK, but it will have regional benefits because you can have extra commuter trains and freight capacity and so on. How should we look at balancing those strategic national objectives with your perspective from a regional basis?

Andy Burnham: That is a really important question, Chair, and it does actually start to touch on HS2 to a degree.

Q117 **Chair:** I will come on to the southern bit—

Andy Burnham: Keeping it general, what lessons do we draw in terms of how infrastructure is managed, or not so well managed, in this country? What I would say from the railway perspective is that it has to adopt more of a place-based approach to the railway. In the way the DFT is set up, it is just told to build infrastructure. It almost has a very large blind spot about everything else around that infrastructure in what it is enabling, such as the benefit to places and the regeneration that might come from it.

I think that is a big part of the problem. The minute you start to come at it from a broader perspective, from a place-based position, you start to see how, if you did it one way or another, you can then link it to housing or regeneration if you design it in a particular way, whereas if the railway does it without even thinking about that, you lose the economic benefits of what transport is meant to enable.

As Martin was saying, nationally we should say, "Okay, this stretch of the west coast main line, Preston to Carlisle, is a priority." I would absolutely say at that point, let local leaders design exactly how the money should be spent, through a body like Transport for the North, to unlock the full benefit to those places. I think that is a real flaw, if I am honest. There is a lack of place-based thinking in the delivery of rail infrastructure. I am sure we will come on to HS2, but that really demonstrates the failure to think outside the transport silo.

Martin Tugwell: Chair, these structures exist. On the Transport for the North board the constituent authorities are members of the board, but they have chosen to invite National Highways and Network Rail to be members of that board. That is exactly the relationship we need. We need their input to the debates at the board. We then, as the board's executive, work with Network Rail and National Highways.

If you go back to the order that was laid to establish Transport for the North, which was about devolving powers to the north, it explicitly states that our duty is to be the Secretary of State's partner and to be the partner that advises the Secretary of State on strategic investment priorities for both rail and road. That exists already.

Q118 **Jack Brereton:** First, Mayor Burnham, I want to ask you about what you



said about the challenges, particularly with organisations like Network Rail where they are not focusing on the place. In my own area of Stoke-on-Trent, a third of the city—mainly my bit—is in one Network Rail region. The other two thirds of the city are in a different Network Rail region. We have to deal with multiple different teams of people. Why is it that Network Rail, and organisations like that, are not focused on the actual economic geographies of those areas, which is what most of us and the rest of the world are working on?

Andy Burnham: It is a very good question. I would like to see substantial reform of Network Rail along precisely the lines that you describe. I think they should be focused on the functional economies of the country and that would mean organising themselves very differently. I think it is a very unwieldy organisation, to be honest, that is hard to deal with and doesn't think in a place-based way.

To take the rail stations across pretty much all of the country, but particularly in the north, they do not see the potential of those stations for wider use or regeneration. In city centre Manchester, the rail stations are like outliers in a modern city. They are all decaying. They are in a poor condition, whereas the rest of the city is thriving around them. It is slow decision making and a failure to embrace different ways of regenerating those station assets.

Q119 **Jack Brereton:** Is it just an organisational thing, or are there cultural issues within the organisation as well?

Andy Burnham: I think there is a bit of both. There is an old railway culture that thinks the railway is more important than anything else. If there is some land near a station, their default approach would be, "Well, we might need that in 50 years so you can't release it for housing. There might be a railway use at some point in the future." It is really frustrating.

I will take another issue. I am chair of the Rail North Committee now. I have said that station accessibility should become a first-order issue for the railway. Half the stations across the north of England do not have step-free access. That cannot be the last item on the agenda. When some of your and everyone's constituents cannot access the railway, that should be the first thing that the railway industry is worrying about, not the thing it never gets round to. It never gets round to that issue. I keep saying to them, "Devolve the stations. We will come up with innovative ways of regenerating the stations, and then putting the money into dealing with the accessibility issues, and everybody will benefit." You really struggle. You cannot prise their hands off because stations are local fabric. The stations are more the world of local places. If you go through the ticket barrier, that is the railway. The infrastructure, track and signalling is their responsibility, but the station is local fabric. We have long argued for the devolution of stations, to be able to start to use them and to regenerate them. We struggle to make progress.



Martin Tugwell: If I might help a bit with this, alongside being a sub-national transport body, you heard earlier that we are jointly responsible with the Department for delivery of the TPE and Northern contracts. As part of the Rail North agreement, Staffordshire, Nottinghamshire and places in Lincolnshire are actually part of the Rail North Committee because there was a recognition that those routes go across boundaries, like sub-national transport bodies. Building on Mayor Burnham's point, I think it is partly cultural and historical. Across the north we have two predominant routes: the west coast and the east coast, but for the north it is connecting the east coast and the west coast.

Q120 **Jack Brereton:** As you know, in another life when I was cabinet member for transport at Stoke-on-Trent, I attended some of those meetings. In terms of the points that we were raising in the previous panel, I want to ask you a little bit about what we heard about the fact that a lot of this is competitive bidding. Organisations like yours and local authorities do not have lots of resources. You have small teams of people working on those things. Does having that competitive side of the bidding process present unreasonable challenges to deliver on some of the improvements needed?

Martin Tugwell: I was reflecting about the progress being made with the city regional sustainable transport funding. Local integrated transport settlements are being talked about. I have obviously been around far too long because, if I go back 20 years, we used to have things called transport planning and policies. We used to have packages. A local authority could say, "Here's a community. Here's a package of investment we want to invest in." They had a package of funding from the Government to be able to deliver a programme for people in place. We seem to be re-establishing some of the things that we had in the past.

As you have touched on, every time you have a competitive funding process, quite often what happens within local authority areas is that they look to join up three or four of the funding pots to deliver in place. You only have to miss out on one of those and your package has fallen apart. Don't forget that each of those packages or each of those funding streams will probably have their own set of criteria, their own set of evaluations and their own set of monitoring and reporting. You are automatically adding inertia and bureaucracy to the system.

Where you have leadership at a city region or local authority level and have funding that gives you five years' firm funding and five years' indicative, you can start doing a bit of planning, so you can start to deliver on outcomes that are place-based. That takes inertia out of the system. It takes pressure off resources. It is interesting that one of the things that we have been encouraged to develop by the Department is what we call the TfN offer. It is a recognition that some of our smaller authorities may not have the resources to be able to develop business cases. If I tell you that we have had over 30 requests of interest from our



HOUSE OF COMMONS

partners saying, "Can you help on this, can you help on that," that is the added value about the evidence-based—

Q121 **Jack Brereton:** What sort of thing?

Martin Tugwell: It may be about EV charging infrastructure data. It may be about transport-related social exclusion. In some instances we are doing business case work.

Q122 **Jack Brereton:** Are you going to be supporting all 30 of them?

Martin Tugwell: It is subject to resources. Clearly, we have finite resources ourselves, but where we are able to support, we will do that. It is indeed something that the board has been very keen to support.

Q123 **Jack Brereton:** What alternative do you think should be put forward instead of the competitive funding process? Do you have any thoughts about what might be an alternative mechanism?

Martin Tugwell: From my perspective going back, as we have heard from both Mayor Burnham and the previous panel, you get into five-year firm funding, with an indicative five years. You have seen how it works for National Highways. They have a pipeline of development beyond the first five years, so you can invest in the supply chain and you can invest in skills.

Andy Burnham: To be fair to the Government, the city region sustainable transport settlement that Martin just referred to is a really good reform. Because of the way they have started to handle it, we have visibility now almost into the early 2030s as to what roughly we will be funded at. That allows you to develop a proper approach to the planning of infrastructure over a longer period. That is a devolved settlement.

In our case, there were just a small number of schemes that the Department wanted us to go back to them on before they would let them go forward. One is the rail station in Golborne, which Mr Grundy is very assiduously pursuing, rightly so, and another is the Bury interchange. Beyond that, we have £1 billion or so, over which we largely have devolved control. That approach could be localised further to local authorities that do not have a mayoral combined authority area, or to partnerships formed at a local level so that you can do it on a more strategic basis.

If we are honest, that approach is working and the Government deserve credit for that, but it is on the capital side. What regions outside England need is a similar approach to revenue security over the same sort of timeline. Then you can really plan for the future.

Q124 **Jack Brereton:** In terms of spending that money, we have had issues with getting Network Rail to give us permission to use money that we have secured. Have you had any of those sorts of issues, where you literally cannot get the authority to get on and deliver things?



Andy Burnham: Yes. I mentioned the MP for Leigh. He and I have had to work really hard to get the station to a point where it is now out for public consultation. As I said, the rail industry was coming up with all kinds of reasons, such as “HS2 might come back,” and so on. It is really hard, but we have a deadline and a pot of money to spend, so we have really had to drive it. You can do it if you put your mind to it.

If you look elsewhere, the infrastructure that we are building to support buses is going in. The active travel infrastructure, with Dame Sarah Storey, who is our active travel commissioner, is now moving really quickly. In Stockport, there is a massive new transport interchange going in with lots of new housing around it. We can do it, and we are doing it. As I said, credit to the Government, because they accepted the recommendations of the National Infrastructure Commission and all city regions have this now. That is definite progress, but the principles should apply more broadly to transport planning and infrastructure.

Q125 **Jack Brereton:** The final thing I want to ask you, which I asked the previous panel, is about where the Government are prioritising funding, and their appraisal mechanism. Martin, you agreed with a lot of what the previous panel said. As it has been historically, at the moment it is based very much on an economic case and value-for-money assessments. Obviously, we have had the Green Book reforms, but do you think more should be done to bring about change so that other more strategic priorities are considered more when it comes to allocating funding?

Martin Tugwell: Absolutely. To that extent, with the technical capability I have in my technical analysis team, which is not just about models—there is a whole range of skillsets—we have the technical capability to test that out on some projects. As part of our business plan for next year, I want us to develop what I am calling a northern playbook, so that we start to have a way of demonstrating how, if we throw the book at capturing social and environmental value alongside economic value, we get a rounded picture.

It is a very real problem. For example, we are working alongside the Department on the business case for Northern Powerhouse Rail. One of the things we are coming up against is the Treasury’s macroeconomic view of the jobs market in the country as a whole. Basically, at one level, the view is that the more jobs you have in the north, the fewer you have in the south. If you then start looking at it purely from an economic view, from the Treasury’s perspective, the economic value of a job in the north is less than in the south. As the previous panel said, you therefore reinforce differences between areas. That is why, when we updated the independent economic review, which we published last year, unfortunately the message after five years was that we had not really closed the gap in productivity between the north and the south.

Q126 **Jack Brereton:** As you say, there are in-built economic biases because of the fact that the south is already dominant in terms of the economy. Unless we can take account of the growth potential of other parts of the



HOUSE OF COMMONS

country, we will not properly assess the benefits of these schemes, will we?

Martin Tugwell: That is why, as I said, we are committing time and resources, and using the skills and knowledge we already have within TfN, to work with the board to develop the northern playbook so that we can put it on the table.

I will give another example of the bias. We should not be surprised that, when you put in the Borders railway or Okehampton reopening, you get massive underestimation of the number of people who are going to use them in reality. They have both been phenomenally successful projects and we shouldn't be surprised, but the bias in the system is that a lot of these models are calibrated against the London and south-east market, which is very saturated. It is very different from restoring the Leamside line or putting in connections elsewhere. We have been able to identify the biases because of our work as Transport for the North, and we will help to start addressing them, working with our partners to use the evidence base and technical capability to show how you can do things differently.

Jack Brereton: Thank you.

Chair: Karl, do you want to come in very quickly? Then we will go to Sara.

Q127 **Karl McCartney:** Martin, thank you for mentioning Lincolnshire; don't forget Lincoln. Andy, you mentioned rail and buses in terms of social mobility. That is laudable and I completely get that, but you will know, and Martin certainly will, that 86% of journeys made in the morning in the north are made by commuters in cars.

How much time do you spend dealing with buses, integrating them with rail and whatever, and doing something other than steering around drivers? Drivers seem to be treated as cash cows, certainly by the London Mayor, and you were perhaps echoing that before things came off the rails a bit, to mix metaphors. What sort of time are you spending, and do you have any big plans for easing the traffic congestion around Manchester? A huge amount of money was spent on Queensferry and Connah's Quay, for example, because everybody travelled to Wales in the summer, and they can now get there a lot more easily and quickly. What are you doing around Manchester to sort that out for drivers and businesses?

Andy Burnham: The vision is that the Bee Network will make things better for everybody, because if we just get a bit of shift from car to public transport it will make the roads flow better for those who have to use their car. In Greater Manchester, people often talk about the half-term effect, which equates to a 7% drop in road traffic.

Q128 **Karl McCartney:** That's in any urban area, isn't it?



Andy Burnham: Yes, but it is a massive difference; the feeling is very different. We are working on the basis that, if we can achieve that level of behaviour change through a much more convenient, reliable and affordable public transport system, the roads will flow better for everyone.

However, I have to pick you up on the suggestion that we were pushing the idea of a charging clean air zone. The Government have put that legal direction on local authorities; they fund the policy. It is important that everyone is clear about where that is coming from. In the end, we said that it wasn't workable, for the same reasons that you are pointing to. In our part of the world, where people do not have a public transport system like they do down here, people cannot easily get around and they do not necessarily have the same amount of disposable income to upgrade a vehicle, a charging clean air zone just wasn't right.

Q129 **Karl McCartney:** I understand, and you've had your comeback on that, but can I ask you to go back to the crux of my original question? In your transport budget, what is the breakdown between bus, rail and roads—cars and other vehicles, if you like? Roughly, what are the percentages?

Andy Burnham: It is a complicated thing, because the 10 local authorities of Greater Manchester are responsible for the highways; they are the highways authorities. Transport for Greater Manchester is largely focused on public transport, although it works with our 10 districts to co-ordinate the management and operation of the highway networks. It is not my primary responsibility, but obviously I work with the councils.

I say to you honestly that our plan is to make the whole transport system better for everybody, motorists included. That is why, to go back to the Chair's original question, we believe that we should have all the same powers that London has to manage things day to day—for instance, yellow box junctions being enforced through civil penalties and lane rental charging. At the moment, we have a bid in with the Department for Transport to manage utilities doing roadworks. We cannot do that, but London can. Why can't we do that? We want to see changes in the way that taxis are regulated, because we currently have out-of-area working, where we can't control the standard of taxis in our system. We want that level of grip over all of it to make not just the rails but the roads work better for people. Hopefully, there is consensus on that.

Q130 **Karl McCartney:** Martin, do you have a breakdown of an overall figure of percentage spend on the three main areas?

Martin Tugwell: I don't have a figure but, to reinforce the point that Mayor Burnham made, the whole point is outcomes, and you do not deliver £180 billion extra to the economy by not investing in the road network. That is why, where we have priorities identified in the National Highways programme, such as the A66 and the Simister island, which is just about to come through, we will be there standing behind them and saying, "These are important parts of the overall plan."



HOUSE OF COMMONS

It is why our role as an STB working with partners to identify schemes for the major road network programme is important. We are currently in the first programme phase of that. Network North announced another £456 million in the north to help with that delivery, and it announced that there will be a major road network programme of about £1 billion, I believe. Those are examples of how we take this quite seriously. You cannot have a transport system without investing in maintaining the resilience of the road network and, indeed, expanding it in certain places to support growth, alongside the public transport network.

Andy Burnham: The best thing you could do for people using the M62 is to improve east-west rail connectivity, because more people would then use it and you would not get a heavily congested motorway, which is terrible for drivers.

Karl McCartney: I certainly agree with you. Thank you very much.

Q131 **Sara Britcliffe:** It is nice to meet you in person, Andy; we have previously engaged on Twitter.

Andy Burnham: Nice to meet you too.

Q132 **Sara Britcliffe:** From my point of view, as a Lancashire Member of Parliament, it is the practical approach to this that is important. For example, with the Bee Network you now have, you will know that Lancashire shares bus routes: I share the X41 with Manchester. Can you touch on the practicalities of how it works between the county and Greater Manchester?

Andy Burnham: We are very conscious that we have areas all around us that often have commuter routes into Manchester. The way it works is that, as we move to a fully franchised system, areas outside will have to apply for permits to have cross-border services, so that those services can be consistent with Bee Network standards. An out-of-area permit system has been put in place.

Q133 **Sara Britcliffe:** Will this come at any cost to the counties, if they are applying for these permits?

Andy Burnham: It would be to the operators seeking to run those services. It is a minimal cost; it is not a particularly costly exercise. We are very conscious that we are making a big change that could have an impact on people on our doorstep, so we are very concerned to hear the views of people outside.

To use the rail example, it is our ambition in Greater Manchester to have a Bee Network overground, or TfGM overground, like the TfL Overground you have here in London. That would involve commuter rail services that may originate outside our boundaries, but then our commuter line serves city centre Manchester. The Buxton and Glossop lines are examples, as is Southport, which gets closer to your area. We are in discussions with the Department for Transport about those coming under the Bee Network



HOUSE OF COMMONS

umbrella. For instance, if you were in Southport, when you tapped in you would be tapping into the Bee Network system, so you would be able to use trams and buses in Manchester under that capped system.

We know that, if that is to happen, we have to have a partnership with the local authorities where it is being done, and we would have to do it with their consent. Maybe TfN would have a role there; if there were any disputes, Martin and his colleagues could help oversee them.

The answer, Sara, is yes. We are conscious of all those issues, but we want to make it work for you as well.

- Q134 **Sara Britcliffe:** From our perspective, we have things such as the bus service improvement plan, where we got £34 million from the Government. From the perspective of a local MP, it is knowing what the joined-up approach is, but it comes down to the accountability of the single funding settlement that you have, because whatever you do in Greater Manchester will have an effect on people in Lancashire and the surrounding areas. What are your current thoughts about the accountability of the single funding settlement? How are you looking at structures that might be put in place for that?

Andy Burnham: I would argue that, internally, within Greater Manchester, the fact that there is a mayor has made the whole thing more accountable to the public. In the past, who would they complain to if a bus, train or tram service was not right? It was all very confusing, whereas now there is strong and clear accountability as a result of that.

Obviously, as you said, we are moving towards a single settlement with the Government, where we get more of our funding in a block, not just for transport but all our funding, and arrangements are being put in place for enhanced scrutiny and accountability via Members of Parliament. Greater Manchester Members of Parliament have been consulted about that and we are looking at dedicated accountability or scrutiny sessions to make sure that there is the right level of scrutiny.

I like to think that the mayoral model in itself is more accountable, because people have one person to challenge and complain to. It brings a level of accountability that often is not there in the transport system.

- Q135 **Sara Britcliffe:** The previous discussion was about moving from a competitive bidding system to looking at the single settlement. We know for a fact that the Government go by the Green Book for some projects, to make sure that they are not wasting taxpayers' money. That is the reality of things, so how would it work if this was to be trialled across the country and rolled out? How would we make sure that the funding coming from the Government is being spent properly? What you are doing could then feed into the process, if there was the potential to move away from a bidding system for transport projects. How will the devolution deal that you have been given make sure that you can deliver better transport in Greater Manchester?



HOUSE OF COMMONS

Andy Burnham: I like to think that we are. The city region sustainable transport settlement that I mentioned earlier is a largely devolved fund. If you remember, the announcement was that we got £1 billion or so in the last big allocation, and we are in the middle of that period now. There were only a few schemes the Department wanted us to go back to them on; we largely had flexibility over the rest. But we are held to account. We have to get the money out of the door and spend it, but at the same time we then have to demonstrate the improvement that we have made.

The Department for Transport holds us very much to account for using the money well and properly, and that is all transparently dealt with at our combined authority meetings, so that, in public, people can see the schemes that we are prioritising and the progress those schemes are making. It is highly transparent and quite accountable down to a local level, where the councils can hold me accountable as well. Don't forget that in our system individual councillors get the opportunity to challenge us at overview and scrutiny, and make sure that the money is being spent properly.

Martin Tugwell: May I just build on that a little? I know, Mayor Burnham, that you have been very clear with the members of the TfN board that you are willing to share the experience in GM to help roll out these ideas and increase knowledge across the north as a whole. That is why, at the next TfN board meeting on 20 March, we have a special session dealing explicitly with buses, looking at what is happening, what the added value is and what issues need to be addressed collectively. Going back to my three original tests about the added value at a regional and pan-regional level, if something is of interest and affects all the partners, the members raise it through the board, as they did with buses, and it then becomes a question of how you work together, learn from the best practice of leaders and roll it out, making it clear to everybody.

Andy Burnham: I have one more quick thought. I don't know where your views are on Lancashire devolution, which I know is a slightly hot topic in your part of the world and I will not tempt you there today, but I will just put a perspective into it, if I may. Let's imagine a north-west of England where all the sub-regions of Greater Manchester, the Liverpool City Region, Cheshire and Warrington combined, and Lancashire all have a city region sustainable transport settlement, with a five-year and a soft 10-year horizon, like we have. If we had that, with substantial devolution over it, I think that between us we would all start to talk more; for example, I know that in Rossendale people in Rawtenstall want a quicker link to Manchester. We would collaborate and spend our money more collaboratively, and we wouldn't have to bid or go down to London; we would do it ourselves.

Q136 **Sara Britcliffe:** To throw a curveball into that, from a county perspective, if that was to happen, do you think the fear would be that Manchester and the big cities would soak up all the funding again because the projects are much greater?



HOUSE OF COMMONS

Andy Burnham: The bigger risk for you is it staying as it is. Liverpool and Manchester are really making moves now. Steve Rotherham has made major changes to Merseyrail, which has a new fleet, and he has taken the decision to re-regulate buses. We are both moving quite fast now towards a highly integrated transport system and talking to each other about how we integrate more across east Lancs or the M62 at our end. The risk for Lancashire and Cheshire is that they are not able to be part of that and the funding then keeps getting drawn into the integrated systems and does not reach your part of the world in the way that it should. Devolution is the way to go when it comes to transport. I personally would like to see Lancashire have a devolved arrangement because we could all start collaborating more.

Q137 **Sara Britcliffe:** I could go on about the devolution deal, but to go back to the point about the deal that you have received, what do you think is missing from it? You mentioned taxi licensing.

Andy Burnham: Rail is the substantial part of the transport system that now really needs to come into the Bee Network vision. To be fair, the Trailblazer devolution deal we signed with the Government last year points the way to greater rail devolution and, as I said before, more commuter rail services under the Bee Network, but it has not fully landed. That is the single biggest thing we need: more local control of commuter rail so that we can integrate it with tram, bus and bikes within Greater Manchester. I could reel off a long list of other secondary powers, but that is the big one.

To be fair, I believe the Rail Minister will announce later this week the first pay-as-you-go pilots on rail—a contactless pilot—which is an enabling step for the Bee Network cap. We are having a pathfinder pilot, and I think West Midlands are getting a number, so we are encouraged by the way the Government are going, but rail needs to move more quickly.

Rail is in danger of being left behind more broadly. The management of the railway industry as a whole is in a very poor state. It is not playing its part in the life of the country at the moment; it is letting people down in a very significant way. It needs to embrace a very new and different way of working. It seems to be struggling with that, but it shouldn't; it should get on board with devolution. If it did, the rail industry would be dragged into the 21st century.

Sara Britcliffe: Thank you. You have answered my question about the difficulties.

Chair: Mick, do you still have a quick supplementary?

Q138 **Mick Whitley:** Yes, I have a couple of quick questions. What challenges have you faced in introducing bus franchising?

Andy Burnham: I faced legal challenges—judicial review—from bus operators, but they have been dealt with, so we are now in the delivery



HOUSE OF COMMONS

phase, Mick. We have re-regulated in the west of Greater Manchester, and are about to introduce franchise-regulated services in Rochdale, Oldham, the rest of Bury and north Manchester on 24 March. By 24 March, just over 50% of Greater Manchester will be franchised. Simultaneously, we are just about to award the contracts for the south of Greater Manchester. That will complete the process by the early part of 2025.

We are not fully through that process, but the challenges to the scheme overall were dealt with a couple of years ago. The legislation is overly cumbersome, and we would really welcome the Committee looking at the Bus Services Act to streamline it, and make it easier for those coming after us and, as I said before, extend it to all areas of England, not just those with mayoral combined authorities.

Q139 Mick Whitley: You have answered my second question so I will go on to my third. The Bus Services Act 2017 allowed combined authorities to franchise bus services but explicitly prohibits them from establishing municipal bus companies. In your view, would there be any merit in reforming legislation to allow for the creation of new municipal bus companies, or are you happy with franchising?

Andy Burnham: I'm glad you asked the question. I think it would be wise for a whole host of reasons but let's just talk about value for money. If there is always a public sector option, that is a strong position from which to consider operating via private contractors, because they would obviously have less ability to hold you to ransom in that situation. There is always a good reason to have a public sector operator as an option. We have absolutely seen that in the rail industry; it has been more than necessary to have the operator of last resort, and we need the same for the bus industry.

The positive thing, so far, is that the process we have been going through and are going through has been very vibrant with lots of players in it, so we have not had that issue. But I can foresee that, in a certain part of England that was less built up than Greater Manchester, where you wouldn't get the same interest from operators, if you did not have the public sector option, you could end up with a very poor value for money outcome.

Q140 Mick Whitley: Martin?

Martin Tugwell: I have seen what is happening not far from Greater Manchester, in Warrington, where a municipal company is still running the services. Having seen how the local authority there has been able to use that as a way of moving forward on electrifying the bus fleet, refurbishing and doing things around fares and innovation, I think that is definitely one of the options that needs to be available to political leaders locally.

Mick Whitley: Thank you.



Q141 **Chair:** I am conscious of time and that you have other appointments. We are now in the last few minutes. There have been a number of big changes in rail policy, with HS2, Network North and the like, and there has been quite a bit of press speculation that you are working with the West Midlands Mayor, looking at some private sector-funded alternative. Network North itself, from what the Government said, gives you some options as to what you do with the capital money. Can you give us an update on where you are with all those different issues, or would it be easier to write to us afterwards?

Andy Burnham: I could do both, if that helps. I can provide a quick update, Chair.

Chair: Please.

Andy Burnham: Before coming here this morning I had a meeting on that very issue with the West Midlands Mayor and the Transport Secretary. As you know, as two mayors we have together commissioned a group of private sector partners to look at options. It is not about returning to HS2, because that decision has been made; it is about the chunk of railway where the phase 1 infrastructure, which ends at Handsacre, then comes up to where HS2 would have been in Greater Manchester, at High Legh.

Obviously, the Government have said that they have left the money in for a Liverpool to Manchester Northern Powerhouse Rail option. The Mayor of Liverpool and I have said to the Government that we are happy to go with the alignment that was there already for HS2, to speed up the delivery of a new Liverpool-Manchester line. Phase 1 of that infrastructure is going in, which just leaves that chunk, and that is what the private sector partners are looking at for us.

We are really grateful to Sir David Higgins, who has been chairing that group for us. Arup has been a lead player in it, along with EY, Arcadis and Mace. We have had some serious buy-in to what we are doing, and we have had a constructive discussion with the Secretary of State about the work. It is good that the Government are at least listening to what we are saying. The outputs of the work that the group is doing will become more known in February and March.

I hope that this Committee will amplify this point for us: if we do nothing about improving connectivity between the country's second and third cities—I leave the Committee to decide which is which in this context—we will have a major transport headache. You could argue that we have that now anyway, but when 2030 and 2040 come round, there is no way on God's earth that the M6 and the west coast main line will be capable of servicing the growth that we are seeing in Greater Manchester and the west midlands.

There has to be another option for rail connectivity between the two cities. We are looking at the possibilities—a more modest upgrade to the



HOUSE OF COMMONS

west coast main line or something more substantial—and how private finance might play a role in that. I don't know whether the Committee knows that the TGV in France has been extended using privately financed approaches, so there is something to draw on there. We have had a productive meeting; it is early days, but I am pleased that the Government are at least listening to what we are saying.

Chair: Thank you, that is a very helpful update. We keep a watching brief on these matters, and another aspect of this strategic inquiry will look at the long-term funding options for capital investment in a strategic network, but that is probably for another day. For now, I thank you both very much for your time this morning.