

**GREATER MANCHESTER INTEGRATED TRANSPORT AUTHORITY**

**REPORT FOR RESOLUTION / INFORMATION**

**COMMITTEE:** AUTHORITY  
**DATE:** 28 AUGUST 2009  
**SUBJECT:** DEPARTMENT FOR TRANSPORT CONSULTATIONS  
**REPORT OF:** CLERK OF THE AUTHORITY AND INTERIM CHIEF  
EXECUTIVE OF THE GMPTE

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**PURPOSE OF REPORT**

To advise members of the Authority of three consultations being undertaken by the Department for Transport, namely; a consultation on draft regulations and guidance relating to Quality Contracts schemes, a consultation on extending Passenger Focus' remit to bus and coach issues and on the requirement to display information, and a Review of Designated Bodies for Section 19 Permits.

**RECOMMENDATIONS**

Members are recommended to:

1. Note and comment on the report, and
2. Delegate authority for agreeing all three final responses to the Clerk of the Authority and the Interim Chief Executive of GMPTE in consultation with the Chair and Vice Chair of the Authority and the Leader of the Opposition.

**BACKGROUND DOCUMENTS**

Background documents relating to Quality Contracts and the Local Transport Act 2008 can be found on file in Room 308.

**CONTACT OFFICERS**

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## **1. Introduction**

- 1.1 The Department for Transport (DfT) are currently seeking views on three distinct areas of public transport policy relevant to the work of the Authority and the GMPTE.
- 1.2 The DfT consultations are inviting views on:
  - draft regulations and guidance relating to Quality Contracts schemes
  - extending Passenger Focus' remit to bus and coach issues and on the requirement to display information, and
  - a Review of Designated Bodies for Section 19 Permits.
- 1.3 The closing dates for the consultations are 7, 8 and 14 October respectively.

## **2. Quality Contract regulations and guidance**

- 2.1 The Quality Contract guidance and regulations are the last remaining parts of the legislative change brought about by the Local Transport Act 2008. The DfT are now consulting on draft versions of guidance and regulation, and expect to publish final forms for implementation by the end of this year.
- 2.2 The effect of a Quality Contract Scheme would to suspend the deregulated environment within which bus services currently operate and allow the GMITA to determine what local bus services should be provided in the area to which the Scheme relates. Once in operation, a Scheme would probably comprise one or more individual quality contracts. Each quality contract is a contractual agreement between the Authority and an operator under which the operator is to provide specified services, and may include provision for payment of a subsidy by the Authority to the operator (or possibly of a premium to the Authority by the operator, in relation to highly profitable routes). A quality contract may normally be entered into only after a competitive tendering process, and the usual requirement that the Authority will select the tenderer(s) offering best value for money applies.
- 2.3 The previous Quality Contract legislation within the Transport Act 2000 and its accompanying guidance was widely recognised to be virtually impracticable, thus rendering pointless any attempt to suspend the deregulated market and allow the Authority to regulate bus services. However, the Local Transport Act 2008 makes the process of securing a Quality Contracts Scheme more straightforward, although not without its own challenges (see Annex A). And central to the practicability of this revised legislation, is the guidance, which elaborates the Quality Contract Scheme application and transition process in detail, as well as

five sets of regulations, which define and amend in secondary legislation various related provisions.

2.4 The Authority has contributed heavily throughout the entire legislative process that saw the Local Transport Act enacted at the end of 2008; from responding comprehensively to every related consultation, to working collaboratively with the LGA and PTEG, to marshalling support from Greater Manchester Lords and MPs during the parliamentary process. Officers have also contributed and commented on earlier versions of Quality Contract guidance and regulations that accompanied the draft legislation.

2.4 One consequence of our close engagement is that the guidance and regulations has already been heavily shaped by our lobbying position, but this consultation does provide one last useful opportunity to finesse the way the legislation will be interpreted. Officers will be working closely with PTEG to ensure our final responses are complementary.

### **3. Passenger Focus remit and bus operator requirement to display information**

3.1 Following the close of the consultation "Options for Strengthening Bus Passenger Representation" in April 2008, the DfT announced that the remit of Passenger Focus would be widened to enable it to become the bus and coach passenger champion. The current consultation seeks further, more detailed views on extending Passenger Focus' remit to bus and coach issues. It also seeks views on whether Passenger Focus should also represent tram passengers. This would affect the following tram systems:

- Blackpool Tramway
- Manchester Metrolink
- Midland Metro
- Nottingham Express Transit
- Stagecoach Supertram (Sheffield)
- Tyne and Wear Metro

3.2 Given that Passenger Focus is likely to be faced with unprecedented demands, given that it has been tasked with representing bus passengers from April 2010, the extent to which it will be able to also effectively represent tram passengers is uncertain. In reality, it is likely that Passenger Focus will be expected to deal just with appeals from tram passengers who remain unsatisfied to responses to their complaints.

3.3 Within the Local Transport Act 2008 were provisions enabling secondary legislation to be made requiring certain persons to display certain information relating to public transport, with Traffic Commissioners able to take enforcement action against operators of public service vehicles who do not comply. During the passage of the

Bill, Ministers indicated their intention to use these powers to require bus and coach operators as well as providers of bus related infrastructure such as bus stops, etc (eg GMPTE) to display information on their vehicles or signage about who passengers could make a complaint to. Again, this consultation is seeking more detailed views on these regulations, for example the type of information that operators will be required to display and whether providers of bus stops and stations should be required to display such information.

- 3.4 In line with the draft PTEG response, it is suggested that we recommend that the information to be displayed in a prominent position inside all buses operating in Greater Manchester should include details of the GMPTE's Public Transport Comments Service. The likely effect of this would be to increase the total amount of comments and complaints channelled through the GMPTE's systems, and would therefore provide a more comprehensive picture for GMITA members and other public agencies (such as Passenger Focus) of the travelling public's views of bus services in the conurbation.

#### **4. Review of Designated Bodies for Section 19 Permits.**

- 4.1 Any person or group wishing to carry passengers by road for hire or reward, other than as a licensed taxi or private hire operator, must normally hold a public service vehicle (PSV) operator's licence. PSV operator licences are issued by the traffic commissioners and applicants must meet certain criteria. However, certain operators providing non-profit making services can apply for a permit, issued under section 19 or 22 of the Transport Act 1985, which allows them, subject to certain conditions, to operate PSVs without the need for a PSV operator's licence.
- 4.2 The permit system provides community transport operators with a means of operating a vehicle for the carriage of passengers for hire or reward, but at reduced cost and administrative burden in recognition of their 'not for profit' status, which is consistent with the Government's wider policy to support the development of the 'third sector'.
- 4.3 Section 19 and 22 permits are issued by VOSA on behalf of the traffic commissioners. Section 19 permits for vehicles adapted to carry no more than 16 passengers can also be issued by 'designated bodies'. These are listed in secondary legislation and include local authorities, PTEs along with individual not-for-profit organisations such as Age Concern, etc.
- 4.4 The designated bodies system has been in existence for many years, so the purpose of this consultation is to invite views on the proposed approach to carrying out the designated bodies review. The consultation responses will inform the manner in which the review is subsequently taken forward.

## **5. Recommendations**

- 5.1 A full set of recommendations can be found on the front page of this report.

## ANNEX A – SUMMARY OF PROCESS FOR IMPLEMENTING A QUALITY CONTRACTS SCHEME

