

Bus Franchising in Greater Manchester Assessment September 2019

Management Case
Supporting Paper
– Partnerships

Management Case Supporting Paper - Partnerships

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1 Document Overview

1.1 Document Purpose

1.1.1 The material included below underpins the analysis made in the Partnership Section of Assessment Management Case. Due to the level of supporting detail, this material has been included as a supporting document rather than kept in the body of the Assessment document. The material is intended to act as a reference point to support the assertions made in the Management Case of the Assessment.

1.1.2 Two options have considered in the assessment

- i. An Operator proposal for a partnership
- ii. An Ambitious proposal for a partnership

1.1.3 The options differ significantly and therefore some of the costs vary with the Operator Proposal requiring less operating and transition costs.

1.2 Document Structure

1.2.1 This document consists of 6 sections as follows:

- Section 1 Document overview – this section sets out the purpose of the document, detailed structure and content overview;
- Section 2 Operator Proposed Partnership – this section provides a breakdown of the costs involved in managing the Operator Proposed Partnership. This supports sections 51.4 and 51.5 of the Assessment
- Section 3 Ambitious Partnership– this section provides a breakdown of the involved in Managing the Ambitious Partnership. This supports sections 51.4 and 51.5 of the Assessment;
- Section 4 System Costs in Transition – this section provides a breakdown of costs associated with the system transfer. This supports sections 52.3 and 52.4 of the Assessment.
- Section 5 Headcount and advisory costs for transition - Operator Proposed Partnership – This section provides a breakdown of the headcount requirements for the transition. This supports section 52.4 of the Assessment.
- Section 6 Headcount and advisory costs for transition - Ambitious Partnership – This section provides a breakdown of the headcount requirements for the transition. This supports section 52.4 of the Assessment.

2 Operator Proposed Partnership – TfGM Roles

FUNCTIONAL AREA	INCR. HEADCOUNT	SALARY COST £K P.A.	HEADCOUNT NOTES	ONGOING OPEX COSTS £K P.A.	ONGOING IT SYSTEMS SUPPORT COSTS £K P.A.
Partnership Management	3	195	1 <i>Partnership Manager</i> 2 <i>Analysts/Officers</i>	665 (includes £500k driver training and £150k partnership review every 3 years)	3
Network Planning	3	132	1 <i>'Network Planning Manager'</i> 2 <i>'Network Planners'</i>		63
Total	6	327		665	66

3 Ambitious Partnership -TfGM Roles

FUNCTIONAL AREA	INCR. HEADCOUNT	SALARY COST £K P.A.	HEADCOUNT NOTES	ONGOING OPEX COSTS £K P.A.	ONGOING IT SYSTEMS SUPPORT COSTS £K P.A.
Partnership Management	5	279	1 <i>Partnership Manager</i> 1 <i>Senior Analyst/Manager</i> 2 <i>Analysts/Officers</i> 1 <i>Network Marketing Manager</i>	670 (incudes £500K driver training and £150k partnership review every 3 years)	3
Network Planning	3	132	1 <i>'Network Planning Manager'</i> 2 <i>'Network Planners'</i>		63
Total	8	411		670	66

4 System Cost in Transition

4.1.1 The systems requirements are the same for both the operator proposed and ambitious partnerships except for the head count related IT cost which £10k higher in the ambitious option.

FUNCTIONAL AREA	SYSTEM REQUIREMENTS – CORE ACTIVITIES	CAPITAL
Commercial Development and Network Planning	Operational planning tools to develop timetables	412
Business Intelligence	Business intelligence tools to mine data to support commercial decision making	245
IS Hardware (PC, Licences, phones etc)	Due to additional staff	35
Systems Development and Implementation		349
Total		1041

5 Headcount, Advisory and Internal Costs for transition the Operator Proposed Partnership

ACTIVITY	ROLE	TOTAL HEAD COUNT COST £K	PEAK HEAD COUNT	19/20 £K	20/21 £K	21/22 £K	22/23 £K	HEADCOUNT NOTES
Advisory/Assurance		300	1	100	200			<i>Various specialist advisors to support in specification and procurement</i>
Programme Management Office	To manage the Partnership transition programme ensuring that it is run on time, to budget, and in line with governance requirements.	216	2	24	96	96		<i>1 Programme Manager 1 Project Co-ordinator</i>
Modelling	To develop the Network Model in advance of the permanent resource being in place	125	2		75	50		<i>2 modellers</i>
Stakeholder Management	Stakeholder management during consultation and transition.	155	2	22	89	44		<i>1 Stakeholder Team Lead 1 Stakeholder Officer</i>
Legal Advisors	TfGM legal compliance with the legislation	250		50	250			External Legal Advisor
Other Transition Costs	Internal TfGM Support	456	5	93	305	58		Mixture of full time and ad hoc TfGM support
Operating Model	To scope, develop, design and manage the implementation of the future operating model in terms of people, process, systems, policies and data.	381	2	43	272	66		<i>1 Business Change Manager 1 Business Analysts Includes £150k business</i>
Development and Implementation	The systems costs (section 4 above) includes 3 IS project resources.		3					
Total		1883	17	331	1236	265		

6 Headcount, Advisory and Internal Costs for transition - Ambitious Partnership

ACTIVITY	ROLE	Transition COST £K	PEAK HEAD COUNT	19/20 £K	20/21 £K	21/22 £K	22/23 £K	HEADCOUNT NOTES
Advisory/Assurance		511	2	170	341			
Programme Management Office	To manage the Partnership transition programme ensuring that it is run on time, to budget, and in line with governance requirements.	216	2	24	96	96		<i>1 Programme Manager 1 Project Co-ordinator</i>
Modelling	To develop the Network Model in advance of the permanent resource being in place	200	2	75	125			<i>2 modellers</i>
Stakeholder Management	Stakeholder management during consultation and transition.	199	2	22	88	88		<i>1 Stakeholder Team Lead 1 Stakeholder Officers</i>
Legal Advisors	TfGM legal compliance with the legislation	250		50	200			
Other Transition Costs	Internal TfGM Support		5	93	305	80	27	Mixture of full time and ad hoc TfGM support
Operating Model	To scope, develop, design and manage the implementation of the future operating model in terms of people, process, systems, policies and data.	405	2	93	272	41		<i>1 Business Change Manager 1 Business Analysts Include £175k Business Change</i>
Development and Implementation	The systems costs (section 4 above) includes 3 IS project resources.		3					
Total		2286	18	527	1426	306	27	

