



Report to Leader (Transport portfolio)

Decision Date:	16 May 2022
Reference number:	TR17.22
Title:	Pilot Demand Responsive Transport Schemes
Cabinet Member(s):	Steven Broadbent, Cabinet Member for Transport
Contact officer:	Andy Clarke, Head of Public Transport
Ward(s) affected:	Abbey, Aston Clinton and Bierton; Aylesbury East; Aylesbury North; Aylesbury North West; Aylesbury South East; Aylesbury South West; Aylesbury West; Booker, Cressex & Castlefield; Downley, Ryemead & Micklefield; Stone and Waddesdon; Terriers and Amersham Hill; The Wooburns, Bourne End and Hedsor; Tylers Green and Loudwater; Wendover, Halton and Stoke Mandeville; West Wycombe; Wing (link to find your councillor)
Recommendations:	That Buckinghamshire Council proceeds to award contracts for two Demand Responsive Transport schemes, one for the Aylesbury area and one for the High Wycombe area, based on the business cases developed and submitted to Department for Transport in 2020/21, and as per the confidential award of tender report in Appendix 2. These services will commence operation in the summer of 2022 and run for a minimum of three years and up to five years.
Reason for decision:	The Council has received grants from Department for Transport to deliver two pilot schemes for Demand Responsive Transport. These will provide the opportunity to test out a new, technology based flexible transport service for residents in Aylesbury and High Wycombe and assess the long-term potential of this type of public transport.

1. Executive summary

1.1 Buckinghamshire Council has been successful in securing funding for two new pilot schemes to provide a new transport service to residents in areas of Aylesbury and Wycombe.

1.2 The key benefits are:

- Opportunity to test out a modern, flexible form of public transport in Buckinghamshire.
- Offers direct links to destinations that would normally require a change of buses.
- It enables passengers to get picked up and dropped off at a wide variety of locations beyond traditional bus stops.
- Can serve areas where demand can't sustain a traditional bus route.
- Can be booked through an app giving passengers real time information on journey times before they choose to travel.

2. Content of report

2.1 Demand Responsive Transport (DRT) is an alternative type of bus service which, rather than following a fixed and regular timetable pattern, is flexibly routed and scheduled based on bookings made by passengers in a defined area. The key benefits of DRT are:

- It can serve areas where there is insufficient public demand to sustain a traditional bus route.
- It offers direct links to destinations that would normally require a change of buses
- It enables passengers to get picked up and dropped off at a wide variety of locations beyond traditional bus stops.
- You can order the service through an app and get real time information on journey time before choosing to travel.

2.2 Intending passengers are required to book on to the service via a dedicated app, through the internet or by phone. Vehicles are scheduled and despatched to their location within an agreed time window. Users can pay for their trip via the app or choose to pay with cash or card on the bus. A key element of a DRT service is a back-office IT system which not only handles these bookings but also handles route and schedule planning of each of the buses in an automated way that achieves maximum vehicle efficiency and reduces passenger wait times.

- 2.3 The solution combines the benefits of being demand driven like a taxi service with shared vehicles like a bus service and, in doing so, ensures that normal bus service fares and concessions apply. DRT services are required to be registered with the Traffic Commissioner in much the same way as fixed route services as prescribed in Section 6 of the Transport Act 1985. This therefore requires a bidder to either hold a Public Service Vehicle Operator Licence or Community Transport Permit under Section 22 of the Transport Act 1985.
- 2.4 In early 2020, the Government invited expressions of interest to bid to the Rural Mobility Fund for funding toward new DRT schemes. Buckinghamshire Council submitted two expressions of interest in May 2020 to the Department for Transport to commence new DRT services in the villages and suburbs around Aylesbury and High Wycombe, respectively.
- 2.5 Buckinghamshire Council was then invited to submit a business case to the Department of Transport in February 2021, which included any proposed match funding from Section 106 agreements.
- 2.6 Following the successful award of funding, two contracts were put out to tender in November 2021 for the respective schemes in the Aylesbury and Wycombe areas.
- 2.7 The Aylesbury pilot DRT scheme covers villages surrounding Aylesbury, focussing on Aston Clinton, Weston Turville, Halton, Hartwell, Stoke Mandeville and Weedon. It will operate daily between the hours of 0600 and 2200. The tender allowed for an operation of up to five vehicles. The intention is that this service provides a service to areas which do not, presently, enjoy a regular bus service. The service will drop off passengers anywhere within the operational area, which includes Stoke Mandeville Hospital, Aylesbury town centre and the railway stations at Aylesbury, Aylesbury Vale Parkway and Stoke Mandeville.
- 2.8 The Wycombe pilot DRT scheme will expand existing provision for several communities, including Booker, Daws Hill, Wooburn Green, Wycombe Marsh, Loudwater and Downley. It will cover parts of the town where topography renders service by traditional bus more difficult to achieve. The intention is that the service runs alongside other public transport to provide a more complete and accessible service. It will run Mondays to Fridays between the hours of 0600 and 1900 and up to eight vehicles can be deployed. The service will drop off passengers anywhere within the operational area, which includes Wycombe General Hospital, High Wycombe town centre, High Wycombe Coachway and the railway stations at High Wycombe and Bourne End. Maps of the respective operating areas are given as Appendix 1.

- 2.9 Vehicles will all be fully accessible, able to carry wheelchairs and push chairs, so will enhance access for those with mobility needs. Vehicles will be to the EURO VI emissions standard for diesel vehicles. It was felt that the technology and costs to support hybrid or electric vehicles would not be within the cost envelope of a successful bid, particularly for a pilot scheme.
- 2.10 The bidders are also required to staff a direct dial telephone number for telephone bookings to ensure that those with limited internet access or poor IT literacy are treated equally to those who use a technology-based booking solution.
- 2.11 **Procurement Process:**
- 2.12 A tender was developed through a project team which included representation from Public Transport, Transport Strategy, Finance and Procurement. This tender was issued in November 2021, with a closing date in January 2022. An additional week was granted to bidders in order to address clarification questions that were submitted and to account for the Christmas period occurring in the middle of this process.
- 2.13 The tender scoring was set with a weighting on 60% on price and 40% on quality. The scored quality elements included:
- Service delivery such as details of the service will operate, IT provision customer service standard and how customers will use the service
 - Mobilisation and implementation, including a project plan
 - Risk Management, particularly in the run up to launch
 - Staffing and training
 - Service quality after launch, including monitoring and reporting
 - Social value, including benefits to and recruitment from the wider local community
- 2.14 Buckinghamshire Council received bids to provide the DRT services in January 2022 for Lot 1 (Aylesbury) and for Lot 2 (Wycombe). Evaluation, moderation and presentations took place in January and February 2022. As a result of the evaluation, moderation and presentation stages of this procurement process, Buckinghamshire Council has identified a preferred bidder for each lot.
- 2.15 At this stage the identity of the bidders, including the preferred bidder, is confidential in line with the procurement process, until standstill letters can be

issued. Further details on the procurement process, including the evaluation, moderation, and financial aspects to it, are included in the confidential procurement report.

Financial assessment:

- 2.16 The contracts to be let are on a gross cost (minimum cost) basis. This means that the Council pays the operator a daily fee and all on-bus takings are credited to the Council. In that way, the revenue risk sits with the Council, but operating costs are fixed for the Council. Vehicles will be provided by the operator who will also employ all staff involved. The initial term of the contract is three years, up to a maximum of five years. The number of vehicles deployed in service on each Lot is variable. Accordingly, the Council has sufficient control and scope to vary or terminate the contract in order to manage the available funds and the revenue risk upon them.
- 2.17 Contract provisions are in place to vary the level of service and give the ability to terminate the pilot before the end of the three-year initial term. This gives mitigation against the possibility of there being costs to the Council in the event that performance is below expectations.
- 2.18 The tender process included an assessment of financial standing and also included commercial approach questions which contributed towards the price scores.
- 2.19 The likely level of usage was modelled by industry experts during the business case stage. The results of these simulations suggested up to 420 passengers may use the High Wycombe (Lot 2) service each day and up to 240 passengers may use the Aylesbury (Lot 1) service each day. It should be noted that usage levels on public transport, in general, remain suppressed and this service is a new product.
- 2.20 There is much that is unknown about how these services will perform. This is partly the purpose for the funding from the Department for Transport, who are providing it to Local Transport Authorities to run pilot schemes. There are extensive metrics on performance that we are required to report on regularly and the DfT are keen to learn from our scheme along with the others that they are funding.
- 2.21 Buckinghamshire Council has built the ability to vary the number of vehicles being operated and the length of the operational day into the contracts. This allows us to be reactive and adaptable to changing priorities or to under / over performance. The initial term is for three years, but this can be extended to five years. Mutual termination clauses allow for earlier termination.
- 2.22 The Council will also look to draw on the experience of the appointed operator and technology partners in developing the service both before and after launch.

- 2.23 A Financial Evaluation Report, which contains commercially confidential information, has been produced as part of the tender evaluation and includes details on funding and spend profiles.

Measurement of success and other impacts on the network

- 2.24 At launch the services are intended to run in parallel to the existing bus network. Ticketing will be integrated and connections with onward services will be encouraged through marketing. The IT booking system will offer passengers a traditional fixed-route service if one is available to meet their journey requirements, therefore actively seeking not to undermine existing services.
- 2.25 It is identified that the DRT offer can provide a more complete service to parts of the operational area where the level of service is otherwise less frequent or doesn't connect with key destinations, such as hospital or transport hubs. In High Wycombe, there is the additional benefit of being able to get closer to homes in the hilly terrain than a traditional bus service might.
- 2.26 These are pilot projects and success will be judged on several metrics. The service must be demonstrated to run reliably, hitting targets for pick up times and fulfilling journeys. It must show growth and development, working towards the modelled passenger numbers given in 2.21.
- 2.27 The service must achieve good customer satisfaction, which will be actively monitored by the successful operator. This will include the ability for passengers to give star ratings and feedback immediately after each journey.
- 2.28 The service will also be deemed a success if it can be extended beyond the initial period of three years within the funding package available, up to a maximum of five years.
- 2.29 This service is being delivered as a pilot project with funding from the Department for Transport along with funding from Section 106 developments. It is essential that it is understood by residents that these are pilot projects with funding for a limited period of time and the service may be withdrawn at the end of that period. The Council will work in partnership with operators on an extensive marketing and information campaign to ensure the service is understood and that residents are aware that it is there for their use.

3. Other options considered

- 3.1 Buckinghamshire Council does not award one or both Lots. The Council would then be required to either re-run the process based on a different specification or return the funding and report back to the Department for Transport that it will not be able to deliver the project as bid for. This option is not recommended.

4. Legal and financial implications

- 4.1 These are pilot schemes funded by the Department for Transport and s106 contributions. A formal tender process has been used, following the Council's procurement rules and there are no other legal or financial implications on the Council.
- 4.2 Buckinghamshire Council was awarded £1.114m for Aylesbury and £0.736m for High Wycombe for the pilot schemes. As part of the business cases submitted to the Department for Transport during the bidding process, Section 106 funding was identified for each scheme.
- 4.3 With respect to the High Wycombe scheme £2.0m is allocated, with this funding expected to be drawn down for the RAF Daws Hill Section 106 contribution.
- 4.4 With respect to the Aylesbury scheme £0.420m. This is intended to be drawn down from Section 106 contributions towards public transport in Aston Clinton, Weston Turville and Stoke Mandeville.
- 4.5 In the Financial Assessment, starting at 2.16, the report covers the specifics of the contract term and the basis which on-bus income is collected. This explains how operating costs are fixed and how the contract has sufficient flexibility in order to manage the revenue risk against the Council.
- 4.6 The Confidential Appendix also provides a breakdown of figures. Any risk won't be a financial cost to the Council but could mean reducing either the level of provision in terms of service frequency or hours of operation, or the overall length the pilot schemes could run for.
- 4.7 The projected income was assessed during the development of the Business Case and this assessment was undertaken in conjunction industry experts ViaVan. The simulation generated that up to 240 daily trips would be made on the Aylesbury scheme and up to 430 daily trips would be made on the High Wycombe scheme, depending on the speed at which the service was grown from the starting number of buses to the full service. The income received from bus fares will contribute towards the total operating costs.
- 4.8 A comprehensive Marketing and Communication Plan will be in place to promote use of the DRT schemes and meet or exceed these income targets.
- 4.9 Based on these simulations a funding surplus has been calculated for each lot, details of which are contained within the confidential appendix.

5. Corporate implications

5.1 This section will need to include the relevant corporate plan priority relating to this report and make reference to any other implication that need to be taken into account such as:-

- a) Property n/a
- b) HR n/a
- c) Climate change: The DRT projects will contribute towards green travel through encouraging use of public transport.
- d) Sustainability: These are pilot schemes using funding from the Dept for Transport and s106 contributions.
- e) Equality: an EqIA has been completed and is appended to this report. These pilot schemes represent positive changes for the communities they serve by reducing isolation, improving accessibility to transport for older and disabled persons. We have been sure to include provisions for traditional communications methods alongside apps and web-based bookings.
- f) Data: A Data Protection Impact Assessment has been completed.
- g) Value for money: a full tender process has been undertaken with a 60% weighting towards costs to ensure value for money is achieved.

6. Local councillors & community boards consultation & views

6.1 The bidding process comprises of two stages. The initial expression of interest with submitted in June 2020 and the business cases submitted in February 2021. Updates on the scheme development have been provided through the Cabinet Member's update to full Council and to the Transport, Economy and Climate Change Select Committee.

6.2 All local members who have wards in the areas serviced by the pilots have been issued a briefing note in March 2022. Two briefing sessions were held and all local members invited during the week beginning 4th April 2022.

6.3 The comments that were raised by members across these two briefing sessions included:

- Whether the operating hours of both schemes be longer to support nightlife
- Details of how the service can be used and booked
- Whether vehicles used on the service would be electric

- How well the services would be promoted and how we would monitor uptake of them
 - To confirm the concessionary free bus passes could be used
- 6.4 Officers present at the briefings addressed these points, giving details of the how the service will be utilised and the plans for promoting and monitoring the service. It was also confirmed the concessionary free bus passes can be used. Details behind these points can be found in section 2 of this report and there is specific mentioned of the funding constraints that precluded the specifying of electric vehicles in 2.9.
- 6.5 The operating hours are constrained by the content of the original bid and the funding envelope available. Officers have noted the comments about additional operating hours and the flexibility within the contract allows this to be explored if the opportunity arises in future years.
- 6.6 Once the contract is awarded, intended to be by May 2022, further updates will be provided to all local members prior to the launch of the service in the summer 2022.

7. Communication, engagement & further consultation

- 7.1 A marketing budget is including as part of the business case submitted to the Department for Transport and bidders have also included marketing plans as part of their submissions.
- 7.2 The Council and successful bidder for each Lot will work jointly to promote the new service and educate potential users in the run up to launch. Further promotional events will take place at key times and on an ongoing basis after launch.
- 7.3 Some of the key initiatives are as follows:
- a) Pre-launch event with the vehicle in a public area to promote the service, suggested to take place in the week prior to launch
 - b) Leaflets, adverts and posters (including at bus stops), suggested to commence 3-4 weeks prior to launch
 - c) Merchandise and promotional items, suggested to be produced in co-ordination with the pre-launch public events
 - d) Liaison with businesses and direct mailouts, suggested to commence 3-4 weeks prior to launch but to become an ongoing promotional activity once the service has launched
 - e) Joint social media campaign with the bus company to commence 3-4 prior to launch with joint branding developed prior to this
 - f) Radio campaign, suggested in the week prior to launch

- g) Website updates, suggested 3-4 weeks or prior to launch
 - h) Photoshoot involving key personnel such as MD of operator and Cabinet Member, suggested to be in time to meet print deadlines for local media outlets in the week prior to launch
 - i) Launch PR, including press releases at the time of launch.
- 7.4 Education around how to use the service will need to form a key part of this marketing and promotional offering. This is partly linked to the technology elements of the service and encouraging as many passengers as possible to utilise digital means of booking services.

8. Next steps and review

- 8.1 Following the decision, the procurement process will be completed with standstill letters sent to unsuccessful suppliers followed by the award of each Lot to the successful supplier(s).
- 8.2 A period of mobilisation then follows with a start date in Summer 2022.
- 8.3 Service performance will be monitored on a monthly basis with formal annual reviews. We are also required to report performance data to the Department for Transport every 6 months.
- 8.4 The service is for a minimum term of three years with possible extensions up to maximum of five years.

9. Background papers

- 9.1 **Appendix 1: maps showing area of coverage for each scheme.**

Appendix 2: CONFIDENTIAL APPENDIX

Appendix 3: Equalities Impact Assessment

10. Your questions and views (for key decisions)

- 10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 383680 or email democracy@buckinghamshire.gov.uk