



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 7

Demand Responsive Transport

To: CA Overview & Scrutiny Committee

Meeting Date: 23 January 2023

Public report: Yes

From: Tim Bellamy, Interim Head of Transport

Recommendations: The Overview & Scrutiny Committee is recommended to:
a) Note and comment on this report

Voting arrangements: A simple majority of all Members

1 Purpose

- 1.1 The purpose of this report is to provide an update on the Combined Authority's use of Demand Responsive Transport (DRT) and the Ting trial in particular. At the November meeting of the Transport and Infrastructure Committee, the Ting service was discussed and there was collective support from all Transport and Infrastructure Committee Members for the continuation of the service.
- 1.2 In addition, the report outlines a breach of process in relation to the extension of the service. This breach specifically related to an absence of appropriate authorisation. This should not have happened and in light of this breach in process, the Chief Executive Officer for the Combined Authority instigated an internal investigation into this. This report summarises the key recommendations of the internal investigation. Improvement measures are being introduced, and a summary provided to members on progress against this findings and associated actions. The Transport and Infrastructure Committee and the Combined Authority Board were informed of the investigation.
- 1.3 Finally, the report provides further clarity around the "call in" at the November 2022 Combined Authority Board into the decision of the Transport and Infrastructure Committee decision and of the procurement process for the Ting service.

2 Background

Introduction: Demand Responsive Transport

- 2.1 DRT is a flexible service that provides shared transport to users who specify their desired location and time of pick-up and drop-off. It can complement our fixed route public transport services and improve mobility in low-density areas and at low-demand times of day.
- 2.2 While many DRT services are implemented primarily to improve social inclusivity and access to services, DRT can also contribute to decarbonisation by replacing private car journeys and facilitating multi-modal travel (for example, linking users to a train station or fixed route bus service). It is important that DRT services are integrated into the local transport network to be effective.
- 2.3 To reduce the carbon dioxide (CO₂) emissions emitted per passenger per kilometre from a DRT service, operators can optimise routes using the latest technology, select vehicles with lower or zero tailpipe emissions and increase passenger occupancy levels.
- 2.4 The overarching aim of DRT is to make a significant contribution of the creation of better, more integrated, local passenger transport networks that can meet more needs and be the first and best choice for making a journey.

Introduction: Ting

- 2.5 The Ting service commenced running across 360 square km of west Huntingdonshire in October 2021. This is a trial of technology and of operating principles and the service performs much better than anticipated. The service also meets the Authority's Vision for Bus by giving far more travel options to rural residents. This aligns closely too with the draft Bus Strategy (that is currently out for public consultation until mid-February 2023).
- 2.6 A report to the Combined Authority Board in March 2022 explained that patronage was well ahead of expectations and permission was granted to continue the trial. This decision was

based on a sound commercial basis.

- 2.7 Subsequently the operation rolled forward and continued to operate without formal sanction for payment from July to October (although the Bus Trials budget, which exists for such purposes was more than adequate for funding it). Retrospective sanction by Transport and Infrastructure Committee was requested and given at the November 2022 meeting.
- 2.8 In the summer, having considered the reduced cost of the service, the cost per passenger, and the improved customer offer, including the trial use of two zero emission electric vehicles, the Transport and Infrastructure Committee formally agreed to award a new contract to Vectare for Ting for a period of 1 + 1 + 1 years, at a price of £424,950 per annum.

Link to Policy and draft Bus Strategy

- 2.9 The aim of the DRT is to provide a flexible service that provides shared transport to users who specify their desired location and time of pick-up and drop-off. Therefore, the Ting service can complement fixed route public transport services and improve mobility in low-density areas and at low-demand times of day, through the provision of links between key locations such as market towns, hubs, and onward journeys via public transport (both rail and bus). In addition, DRT allows for isolated communities to connect with hospitals, employment, retail and leisure facilities and opportunities.
- 2.10 In addition, DRT such as Ting alongside other public transport services form key components of the Combined Authority's aim to truly introduce Mobility as a Service (MaaS). MaaS is the integration of various forms of transport services into a single mobility service accessible on demand.
- 2.11 MaaS aims to become the best value proposition for both private and business users, by helping them meet their mobility needs and solve the inconvenient parts of individual journeys, as well to improve the efficiency of the entire transport system.
- 2.12 The current Local Transport Plan, published in 2020 outlines the Combined Authority's support for DRT when it states that "the Combined Authority has already applied for funding – and been shortlisted to the second stage – for Future Mobility Zone funding from the Government to invest in harnessing the benefits of such technology. This includes proposals for an app-based Demand Responsive Service within Greater Cambridge, integrated into the wider transport network through Mobility-as-a-Service (MaaS)".
- 2.13 The emerging Local Transport and Connectivity Plan (LTCP) states that improvements will be tailored to the local needs but may include DRT "in rural areas feeding into our towns, which are connected by major routes to Cambridge and Peterborough".
- 2.14 In addition, there are a number of additional references within the draft LTCP that outlines the Combined Authority's support for DRT. Two examples of text within the draft LTCP are provided:
- The New Bus Services for East Cambridgeshire prospectus sets out a series of proposed bus service improvements, which are a combination of new scheduled services, improvements to existing services and demand responsive transport services (DRT). Following the DRT trial in West Huntingdonshire the success, efficiency, viability, and cost effectiveness of the scheme will be assessed ahead of extensive extended rollout of DRT across East Cambridgeshire; and

- To genuinely be able to compete with the private car, services in rural villages will have longer operating hours and higher frequencies. This may include a core, rural service, and a move towards demand responsive transport such as the TING service being trialled in west Huntingdonshire and will be better connected to railway stations and travel hubs to facilitate onward journeys. Towns and larger villages will have substantially improved services of higher frequency and longer operating hours, some of which would be express services, substantially improving journey times. In Cambridge this would mean more direct services between employment sites, residential areas and local shops and services, and more journeys to the key traffic generators including the hospitals operating as a turn up and ride service of less than ten-minute intervals. This revised network will be complemented by an extensive set of demand responsive transport services that will be focused to address the gaps in the public transport network.

- 2.15 A key component of the LTCP's suite of documents is the emerging Bus Strategy. This document articulates what the Combined Authority wants the bus network to look and feel like (vision for buses within Cambridgeshire and Peterborough) and public consultation on this document commenced on 11th January 2023 for six weeks. There is clear alignment between the Bus Strategy and the LTCP; the emerging priorities of the Combined Authority; the Climate Change Commission recommendations; and our Devolution Deal.
- 2.16 As outlined previously, implementing the Strategy will require some difficult choices to be made, both in terms of where investment is made and how the infrastructure is used. It will also require additional funding, from both central government and local partners to make the vision a reality. The Combined Authority will need to work closely with operators to make this happen.
- 2.17 Key principles of the vision are:
- Best-in-class: High quality bus services;
 - Sustainable growth: Bus services that support growth and environmental sustainability; and
 - Opportunity for all: Bus network provides convenient access to jobs, facilities, and services for all, irrespective of income, age, ability, location, or access to a car.
- 2.18 Following the six-week public consultation, the Bus Strategy will be considered by the March 2023 Combined Authority Board having been through the Transport and Infrastructure Committee. With the approval of the Bus Strategy, this will allow for the finalisation of the revised Bus Service Improvement Plan (BSIP) by May/June 2023.
- 2.19 However, it is important to clarify the note prepared for the Overview and Scrutiny Meeting in October 2022. The Combined Authority still await a formal written response to the BSIP from DfT; the DfT comments referred to within this update have not been formally recorded or provided to us in written form. We will continue to work with DfT as we prepare the refreshed BSIP for the Transport and Infrastructure Committee to consider later in the year. The note for October Overview and Scrutiny Meeting has been amended accordingly and will be recirculated within the minutes of this meeting.
- 2.20 In addition, further work is being undertaken to assess the use of DRT nationally and internationally. This will enable us to deepen our understanding of the lessons to be learned from a range of pilots. We are seeking to find out more about the opportunities of scale, a network of suppliers and integration with other transport modes, including the conventional bus service and active travel. This work will draw on the advice of industry experts and will report back in time to inform the Combined Authority's strategic review of the bus network that will be started in the next financial year.

Department for Transport's Position on DRT

- 2.21 The Department for Transport (DfT) have continued to express its support for DRT through ongoing engagement with officers from the Combined Authority and detailed on its website. The information on the website outlines that *“while many DRT services are implemented primarily to improve social inclusivity and access to services, DRT can also contribute to decarbonisation by replacing private car journeys and facilitating multi-modal travel (for example, linking users to a train station or fixed route bus service). It is important that DRT services are integrated into the local transport network to be effective”*.
- 2.22 DfT officials have promoted the inclusion of such schemes within Local Authority's transport strategies. DfT have are actively encouraging carbon dioxide emissions emitted per passenger per kilometre from a DRT service to be reduced by encouraging operators to optimise routes using the latest technology, select vehicles with lower or zero tailpipe emissions and increase passenger occupancy levels.

Ting performance: Quantitative

- 2.23 The decision to retender the Ting service was informed by an analysis of how the service has been performing since October 2021. The key points from that analysis are set out below:
- Number of passenger journeys was 29,600 in this first year October 2021 to October 2022, expected to rise to over 36,000 in Year Two (November 2022 to November 2023).
 - Fare income: £35,272 in Year One, expected to rise to £47,000 in Year Two.
 - Cost per passenger journey was £16.20 in Year One, (Oct 21 to Oct 22) expected to fall significantly in Year Two.
 - As of 1 October 2022, this figure placed Ting 30th out of CPCA's 46 Cambridgeshire bus services when ranked by cost per passenger.
 - Performance information – People booking immediate transport on the app are typically being picked up within 17 minutes. Every journey length will vary even when the passenger is on the bus and therefore is not measured.
 - Usage information – A survey of 296 Ting passengers was conducted in February 2022 and at the same time we conducted face to face interviews with 96 passengers on our conventional bus services in the Ting operating area, which are 150 Tilbrook to St Neots, and the 400/401 Huntingdon rural circulars. The results of this are provided later in the paper.
- 2.24 As outlined above, the current cost of TING is £16.20 per passenger/head. It is expected that this cost could be significantly reduced going forward, due to:
- A lower contract price for an established service than for a trial service;
 - Integration of TING with conventional bus services will allow a saving; and
 - A potential to utilise a proposal from a developer to spend their Section 106 monies in order to meet its requirements.
- 2.25 This cost per passenger journey compares relatively with other services across the network, especially when considering the longevity of the current contract and opportunities for efficiencies and economies of scale delivered through certainty of service.

In summer 2022, the Combined Authority provided funding for 54 bus services across Cambridgeshire and Peterborough (8 in Peterborough and 46 in Cambridgeshire) including Ting. Further information on the comparison between the Ting service and others are available in Appendix A. This appendix is confidential due to the commercial information

contained and has been updated to include the additional subsidised services.

2.26 Other key information on the Ting service is provided below:

- Total cost of the service – for the trial, the contract price was £479,500. It is expected that the cost of the service would reduce significantly with a longer contract in place, rather than a short-term contractual situation.
- Number of passenger journeys – the total number of journeys in the first year was 29,600. This is expected to increase to over 36,000 if the west Hunts network is integrated with Ting.
- Fare income – in Year One, the fare income equated to £35,272. This is expected to increase, with more information to be provided at the Transport and Infrastructure Committee in November 2022.
- Cost per passenger journey – £16.20 in Year One. As outlined previously this is likely to decrease for Year Two (see above). A new contract for up to 3 years would bring costs down and brings in new vehicles and refreshed marketing.
- Performance information - typical times to pick up, journey lengths etc – on average, people booking immediate transport on the app are typically being picked up within 17 minutes.

Ting performance: Qualitative

2.27 The market research shows a significant breakthrough into carrying teenagers and young adults on Ting, and that the service was carrying significantly more people to work and school.

2.28 The Market Research indicates clearly that Ting is opening a new demographic for public transport in line with the Authority's remit and our Vision for Bus, and is delivering modal shift, indicated by the number of 16–20-year-olds using Ting and the 121 passengers commuting to/from work. The numbers indicate that the Ting service is generating new traffic in significant volumes.

Market research outputs for Ting v Conventional buses (150, 400, 401)

Age Group, Ting	16-18	19-20	21-34	35-59	60+
Number of pass	39	21	61	117	57
% of total	13%	7%	21%	40%	19%
Age group, conventional	16-18	19-20	21-34	35-59	60+
Number pf passengers	3	0	13	18	59
% of total	3%	0%	14%	19%	63%

What is the purpose of your travel on Ting?

Commuting to / from work	Education	Health services	Daily errands	Childcare	Govt or social svcs	Leisure activities	Other
121	34	39	98	10	8	111	30
27%	8%	9%	22%	2%	2%	25%	7%
and on Conventional services							
8	6	2	55	2	3	17	0
9%	6%	2%	59%	2%	3%	18%	0%

Some respondents selected more than 1 option.

Given a choice, would you prefer EITHER a normal bus service OR Ting?			
View of Ting passengers			
Normal bus service	15	5%	
No answer	2	1%	
Ting	279	94%	
Total	296		
View of conventional passengers			
If only Ting was available, would you use Ting?			
Yes	74	80%	
No	19	20%	

Internal Investigation: Governance Issues

- 2.29 The service is carrying significant passenger numbers (nearly 30,000 per annum) and contributing to modal shift with excellent customer feedback (see information later within the report). Officers made the decision to retender the service from 16th October, rather than allow for its withdrawal. This was an error, as confirmation and approval should have been sought through the Transport and Infrastructure Committee in a timely manner. A management review of governance and decision making for the Ting project was commissioned in October 2022.
- 2.30 This report highlighted the various stages and actions completed in respect of extending the Ting service. As such it highlighted a breakdown in procedure in a number of areas; including the potential commitment of Combined Authorities resources without due appropriate financial authorisation.
- 2.31 The report concluded that there have been a number of instances where officers have failed to follow due process as regards the authorisation of expenditure associated with contract extensions and new contract awards. This led to Members rightly querying the actions of officers around authorisation and the inappropriate issuing of a press release. A number of improvement actions have been commenced in order to address the concerns highlighted within the report. These will be monitored, and progress reported to Members at the appropriate time.
- 2.32 Specifically in relation to the procurement of the Ting service, the procurement stages were as follows (based on an open regulated procurement process):
- Advertised: 1st of June
 - Submission deadline: 8th July
 - On time submissions: 3
 - Opt outs: 2
 - Standstill letters issued: 24th August
 - End of standstill and contract award: 8th September
- 2.33 Subsequently, Vectare were awarded the contract following a robust scoring and weighting matrix, based on 70% quality and 30% price.

Significant Implications

3 Financial Implications

- 3.1 The cost of the Ting service in year 1 was £479,500 which was funded out of the Bus Trial Services budget line. The annual cost of Ting on the new contract from 28th November 2022 will be £424,950, a saving of around £55,000 per annum. It is funded by the Bus Trial Services budget to end of this financial year.
- 3.2 In 2023/24 onwards the Ting service will be part of the Bus Service Support Budget within the MTFP. The funds to operate the service for the initial 12 months to November 2023 are confirmed to be available.
- 3.3 There is potential that with the release of £260,000 of Section 106 monies to operate Ting around St Neots. If this were to occur, then the cost-of-service provision over three years

would be reduced.

4 Legal Implications

- 4.1 A new contract with Vectare was entered into from 27th November 2022 for a period of up to 3 years to deliver the TING service.

5 Public Health Implications

- 5.1 There are no public health implications.

6 Environmental and Climate Change Implications

- 6.1 CPCA is considering the opportunity to agree to two of the new Ting fleet being small zero emission electric minibuses.

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8 Appendices

- 8.1 EXEMPT Appendix 1 – Bus Subsidy Comparison (Confidential)
- 8.2 [Transport and Infrastructure Committee Meeting \(November 2022\) – DRT Paper](#)
- 8.3 [Combined Authority Board Meeting \(November 2022\) – DRT Paper](#)