

Portfolio Holder Decision

DfT Rural Mobility Fund

18 June 2021

Portfolio Holder	Deputy Leader (Finance and Property)
Date of decision	18 June 2021
	Signed 

Decision taken

1. That the Deputy Leader (Portfolio Holder for Finance and Property) gives approval to add the Rural Mobility Fund - Demand Responsive Software Development and Operation onto the Capital Programme, at an approximate cost of £0.401million
2. That the Deputy Leader (Portfolio Holder for Finance and Property) authorises the Strategic Director for Communities to procure and enter into the contracts required for the establishment and operation of the pilot demand responsive transport service on terms and conditions acceptable to the Strategic Director for Resources.

1. Reasons for decisions

- 1.1 On 15 May 2018, the Council reconfirmed the delegated power to the Leader, or body nominated by them, to approve the addition to the Capital Programme of schemes costing less than £2.0million, which are funded from external grants, developer contributions or from revenue. The Portfolio Holder for Finance and Property is that nominated body.
- 1.2 The Deputy Leader of the County Council has the delegated power to approve the procurement and award of contracts up to the value of £3million.

2. Background information

- 2.1 In September 2019, the Government announced details regarding a £220million programme of commitments in 2020-21 towards transforming bus services in England, including a National Bus Strategy. Subsequently, in February 2020, the

Department for Transport (DfT) invited local authorities to submit Expressions of Interest (EOI) regarding a £20million Rural Mobility Fund to assess the benefits of on-demand services to improve existing bus provision in rural and suburban areas. The DfT expected much of the fund to be awarded in allocations of between £0.500 and £1.500million.

- 2.2 In June 2020, County Council officers submitted an expression of interest focused on a new demand responsive transport service serving residents in rural settlements situated to the west of the Warwick urban area and parts of Kenilworth. This represents a population below 10,000 residents aligned with the DfT eligibility criteria, including Beausale, Budbrooke, Haseley, Hatton and Leek Wootton. This area was selected to be the focus of our Rural Mobility Fund bid due to the following key considerations:
- Service 16 is operated under contract to the County Council and Section 106 developer contributions have been secured to fund provision of a new demand responsive transport service that will replace the service;
 - Patronage on the Service 16 has not met its full potential and the cost of providing the service in its current form does not provide good value; and
 - Transforming the bus service provision to a sophisticated demand responsive transport service should provide greater flexibility for residents, boost patronage and reduce bus subsidy costs.
- 2.3 Provision of the new demand responsive transport service includes the launch of a mobile phone app enabling residents to book their journeys, like Uber when booking taxi journeys, albeit, the service will pick up residents as close as possible to their desired meeting point. The service will also enhance the customer experience by alleviating the need for residents to wait at a bus stop in inclement weather conditions. Residents will also be able to book their journeys online and via telephone through use of an existing call centre service. The demand responsive transport service would provide residents with access to major employment and training sites, e.g. Warwick Technology Park, schools and other education sites, Warwick Hospital, Warwick and Kenilworth Town Centres, Warwick, Warwick Parkway and Kenilworth Rail Stations, medical centres, leisure amenities and other public transport interchanges such as Warwick Bus Station.
- 2.4 The DfT confirmed that after receiving a large volume of EOIs, the County Council submission was included in a list of successful bids selected to progress onto Phase 2, the submission of a formal bid application (business case) WCC submitted the bid in February 2021 including a Financial Case approved by the Section 151 Officer. Confirmation of the funding award from the DfT was given in April 2021.
- 2.5 The new demand responsive software steering the operation of the pilot service will produce meaningful data that will enable WCC officers to review the general level of customer satisfaction, punctuality of the service, growth or decline in patronage, identify cost efficiencies to improve operational / financial performance and monitor driver performance / standard of customer care being provided potentially aided by supplementary use of driver behaviour monitoring software such a Green Road and/or by fitting Dash Cams to the vehicles. The information collected will be used to improve performance, inform service design of the scheme throughout its lifespan, shape further demand responsive transport proposals in the future, and

make cost efficiencies on other existing, WCC funded demand responsive transport schemes in Rugby, Stratford-upon-Avon, Atherstone and Coleshill. The performance information will also be shared with the DfT to enable them to gain an understanding of the net impacts and relative cost effectiveness of the pilot scheme to shape future policy and funding opportunities.

3. Financial implications

- 3.1 The total cost of establishing and operating the pilot demand responsive transport service is £1.752million over a 5-year period up to 2025-26. The County Council has been awarded a £1.020million contribution from the DfT towards this cost and will contribute our own partnership funding to the sum of £0.732million over this period.
- 3.2 The £0.732million County Council funding contribution comprises a total sum of £0.374million in Section 106 developer contributions and £0.358million from the revenue support fund managed by the WCC Passenger Transport Team, including savings made from the withdrawal of the Service 16.
- 3.3 A sum of £0.401million from the £1.020million revenue grant received from the DfT needs to be added onto the Capital Programme to enable delivery of the Rural Mobility Fund - Demand Responsive Software Development and Operation. The remaining £1.351million budget will be spent on the subsidy cost for operating the service including staff costs and marketing during the 5-year funding period up to 2025-26. The new demand responsive transport service will be powered by a software platform that coordinates the scheduling and routing of vehicles to passengers and their destinations, which includes the development and launch of a specific mobile phone app enabling customers to book their journeys.
- 3.4 WCC Passenger Transport Team will manage the procurement process which will be split into two elements, i.e. demand responsive transport service and supporting software infrastructure. It is possible that a single tenderer will be awarded both elements. The total aggregated value of the contracts is £1.752million.
- 3.5 It is anticipated that the new service will commence in January 2022. After expiry of the 5-year funding period in 2025-26, WCC Passenger Transport Team will take a decision as to whether to continue with the demand responsive transport service in full, or alternatively, adapt the Scheme to suit the available funding at the time.
- 3.6 The addition of the Scheme to the Capital Programme will not affect the overall level of capital resources available to the County Council.

4. Environmental implications

- 4.1 The new demand responsive transport service will support economic growth in the area by enhancing access to employment sites, training, apprenticeships, education, retail centres and public transport interchanges.
- 4.2 The new service will promote social inclusion and encourage use of sustainable transport which would help improve the environment, including contributing towards

helping the County Council and Warwick District Council achieving the targets set for the Air Quality Management Areas in Warwick and Kenilworth town centres.

- 4.3 The new service will also contribute towards the County Council's aspirations of reducing transport emissions and promoting public health set in the Warwickshire Local Transport Plan, in addition to supporting Warwick District Council in achieving their sustainability and Climate Emergency target of ensuring total emissions in Warwick District as a whole are as close to zero as possible by 2030.

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Assistant Director	David Ayton-Hill Assistant Director for Communities
Lead Director	Mark Ryder Strategic Director for Communities
Lead Member	Cllr Wallace Redford Portfolio Holder for Transport and Planning

Urgent matter?	No
Confidential or exempt?	No
Is the decision contrary to the budget and policy framework?	No

List of background papers

NONE.

Members and officers consulted and informed

Portfolio Holder – Councillor Wallace Redford

Corporate Board – Mark Ryder

Legal – Ian Marriott

Finance – Virginia Rennie

Equality – Keira Rounsley

Democratic Services – Paul Williams

Councillors – Golby, Fradgley, Holland and Chilvers

Local Member(s):