

Report to the Cabinet

Report reference: C-072-2020/21

Date of meeting: 11 March 2021



**Epping Forest
District Council**

Portfolio: Environment and Technical Services – Cllr. N Avey

Subject: Covid 19 Development Projects - Travel Local Demand Responsive Transport (DRT) trial

Responsible Officer: Qasim (Kim) Durrani (01992 564055).
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Democratic Services: Adrian Hendry (01992 564470).

Recommendations/Decisions Required:

(1) To note good progress being made on the commencement of trial flexible Demand Responsive Transport (DaRT87) bus service which commenced on 2 January 2021 and the challenges posed by ongoing restrictions due to Covid-19;

(2) To agree to extend the trial for a full year from 1 April 2021 to enable the service to build on experiences in the lock down period and benefit from higher number of journeys and vehicle capacity once the lockdown eases;

(3) Subject to recommendation (2) above allocate £85,000 from the Sustainable Travel Projects for a full year trial of the Demand Responsive Transport (DaRT87) bus service to be operated by Epping Forest Community Transport (EFCT); to be offset by fare revenue returned by EFCT;

(4) A report be presented to Cabinet post election with the progress of the trial and opportunities to extend the DRT service to other parts of the District to improve connectivity; and

(5) To agree to set aside Procurement Rules to enable the extension of the Contract with EFCT.

Executive Summary:

On 3rd December 2020, cabinet approved a three-month trial of a 'hybrid' Demand Responsive Transport (DaRT87) service with Epping Forest Community Transport (EFCT), to replace Arriva's 87 service which ECC felt unable to subsidise further. The trial commenced on time on 2nd January. Given it is a new concept, set up with very little notice and run during a lockdown suppressing all but essential travel, it can be judged to have been a success, justifying strong consideration of extension further into 2021. By industry norms, a three month trial is also too short to prove and refine the marketing approach and to fully test and show the benefits of new technology such as the journey booking app which was still in beta trial in Q1.

Reasons for Proposed Decision:

To accept the positive trajectory of the initial trial (against the odds) as evidence of demand for a novel service such as DaRT87 which can grow a lot more as Covid restrictions relax and potentially expand to cover other areas of the District. This report outlines evidence and assumptions that show a higher passenger capacity later in 2021 would mean the service can be closer to self-sufficiency or even generate a surplus for reinvestment. There are also possibilities for financial support from DfT's Covid Bus Recovery Fund if the trial is extended and has proven demand. The trial supports the Council's Climate Change Declaration and our Local Plan's focus on sustainable transport protection and growth, as well as retaining a much-needed connection between SW Harlow, Epping Green, Epping, Theydon Bois and Loughton.

Other Options for Action:

All the evidence, both county and UK-wide is that public subsidy of bus services will be under severe pressure for years. Ceasing the DaRT87 trial at this stage would leave residents open to further inconvenient and/or reduced bus options via a financially stressed ECC. It could be speculated that ECC and Trustybus would combine the 542 (Loughton-Debden town circular) and 418 routes to a single service replicating parts of the old 87, **minus** any direct link to Harlow and also effectively cutting off Epping Green and Theydon Bois from all or much of their bus service.

Report:

1. Key wins, learning points and problems to date:

- We have commissioned the service at short notice in accordance with national guidelines and EFDC procurement rules
- EFCT have proven their worth as a trusted community partner with the required expertise and commitment to make the most of the trial in difficult conditions – in return EFDC funding has taken staff off furlough and kept vehicles in use
- Marketing progress:
 - ECC and Arriva's promotion of the ceasing of the 87 was close to non-existent
 - A set of initial EFDC comms/social media prompted registrations, backed up with EFCT posters and face to face activity to capture 'traditional' bus user interest
 - NHS/PAH and CCG staff comms team were engaged
 - Epping Upland Parish Council, St John's Epping School and Savills (for EF Shopping Park) helped promote the service
 - EFDC staff comms has started to feature DaRT87 as a sustainable commuting option as we plan for the post-Covid 'agile' workstyle for the Civic Centre
 - Expressions of interest slowed after the expiry of a 'free travel until 21 Jan' offer; this shows that a drip feed of marketing messages is essential
 - As lockdown has completely suppressed non-essential travel, we postponed a geographically targeted social media campaign but are testing the waters in mid-February with Facebook activity in SW Harlow, where most demand exists and whose residents are less likely to follow EFDC media

2. During January, 55 people pre-registered interest online, although only a minority actually used the service due to lockdown. Key groups: NHS staff (13), those seeking a tube link for essential London commutes (15), EFDC staff (8), college/6th formers (4).

3. Key geographical areas of the District that are beneficiaries of the DaRT87 are: SW Harlow; Epping Green (confirming 87's loss impacting a rural community) and Loughton. 186 single trips were taken during January (mon-sat), equivalent to approximately £750 in fare revenue that would have been returned to EFDC by EFCT. Anecdotal evidence is building of some regular

users and some runs being at or close to the Covid-allowed capacity of 7 passengers (out of 16 seats)

4. Whilst no local precedent exists, ECC's bus strategy team are impressed by this level of interest and usage, compared to their rural DRT launches in rural Essex pre-Covid and experience elsewhere in the UK. Due to compressed timescales, Christmas and Covid pressures on their works, Traffic Commissioners office (a mandatory process for bus services) did not approve this service until early February so **no fares** could be taken during January

5. Given the progress above, the groundwork has been done to exploit a phased return to 'normality' to include: return to schools/colleges; reopening of non-essential retail and hospitality; increase in commuting and leisure trips; relaxation of bus seat to passenger ratio (currently only 7 of 16 minibus seats can be occupied)

6. At just over one month into the first trial (at the time of writing) and because of lockdown suppressing demand, it is very hard to predict future fare income. Factoring in the signs of repeat essential travel users in January, some success in local marketing including in Harlow during February, some school age groups returning from mid March and early signs of 65+ year olds feeling more confident in travelling due to the vaccination programme, the following forecast is proposed for the initial trial:

	January	February	March	Total
Trips	186	250	450	886
Fares	£750 est	£1,000	£1,800	£3,550

7. For the one year trial extension now proposed from 1 April 2021 reasonable assumptions for an optimistic scenario include: full school and college return from May; resumption of non-essential shopping, hospitality, gyms, sports, relaxation of advisory and mandatory work from home for non-key workers. DfT relax seat to passenger ratios on buses from June to allow up to 16 passengers; return of some consumer discretionary spending and mass business reopening May/June; continued marketing throughout the period.

	April	May	June	July	August	September	October	November	December	Total
Trips (high uptake)	750	1250	2,000	2,500	2,000	2,750	2,750	2,750	2,500	19,250
Fares	£3,000	£4,000	£8,000	£10,000	£8,000	£11,000	£11,000	£11,000	£10,000	£76,000
Trips (low uptake)	560	950	1,500	1,875	1,500	2,050	2,050	2,050	1,875	14,410
Fares	£2,250	£3,000	£6,000	£7,500	£6,000	£8,250	£8,250	£8,250	£7,500	£57,000

8. In conclusion, an investment of £85,000 could return a viable sustainable and repeatable public transport model and generate over, £70,000 in best case and £50,000 in low uptake, returned fare revenues (excluding any possible central government support for the bus industry).

9. The initial appointment of EFCT to carry out a three month trial was within the Procurement Rules. However, the proposed extension will increase the costs and trigger the need for a competitive procurement exercise. Given that we do not have enough information as well as time to conduct a market testing exercise it is proposed that the Procurement Rules be waived to allow EFCT to carry out the one year trial. It is anticipated that during the year enough information and evidence will become available to allow a competitive market testing for any future DRT in the District. This will include the provision of attracting large DRT providers for example: Zeelo and Shottl etc.

Resource Implications:

Since January 2021, the Council has contributed £26,574 for the running of the DaRT87 three-month trial. It is recommended that further ongoing financial commitment of £85,000 be made to EFCT to extent the trial DRT service from 1st April to 31st March 2022.

All one-off setup costs from the first trial no longer apply.

Ongoing operating cost:

Operating cost per Driver/Bus route (2 driver' covering a 12hr shift)	£77,328 (£6,444 per month)
Marketing (including digital and social media)	£8,000
Total costs:	£85,328
Income from fares (mid range forecast):	£50,000
Net cost	£35,328

Fares as per the fare table below. Fares to remain as per historic Arriva 87 fares. Single fares are shown below, but return fares offer 25-35% discount on two singles (for example, Harlow to Epping Station return = £5.20 versus two £3.50 single fares). Concessionary passes/fares will be accepted under normal ECC T&Cs – this service does qualify for central government reimbursement of journeys made with passes, so they do generate some income.

Single Fares (Fare Stages shown – additional stops exist)

Bus Station, Harlow													
2.0	Northbrooks												
2.0	2.0	Sumners / Katherines											
2.0	2.0	2.0	Staple Tye (All Stops)										
2.5	2.5	2.5	2.0	Jacks Hatch									
3.0	3.0	3.0	3.0	2.5	Epping Green								
3.5	3.5	3.5	3.5	3.0	3.0	Epping / Maltings Ln / Church							
3.5	3.5	3.5	3.5	3.0	3.0	1.0	Railway Station, Epping						
3.5	3.5	3.5	3.5	3.0	3.0	1.0	1.0	Sunnyside Rd / Epping Woodland					
3.5	3.5	3.5	3.5	3.0	3.0	1.0	1.0	1.0	Ivy Chimneys / Spotted Dog				
4.5	4.5	4.5	4.0	4.0	4.0	3.0	3.0	3.0	3.0	Theydon Bois			
5.0	5.0	5.0	5.0	5.0	4.0	3.0	3.0	3.0	3.0	3.0	Debden		
5.0	5.0	5.0	5.0	5.0	4.0	3.0	3.0	3.0	3.0	3.0	1.5	Loughton	
5.0	5.0	5.0	5.0	5.0	4.0	3.0	3.0	3.0	3.0	3.0	1.5	1.5	Debden.

Legal and Governance Implications:

DaRT 87 has been approved by the Traffic Commissioner under a Section 22 license under the Transport Act 1985. These permits allow the holder to operate transport services for hire or reward without the need for a full public service vehicle operator's (PSV 'O') licence. Section 22 does allow ad hoc pickup of passengers at bus stops, but as Covid restrictions are likely for a long period, pre-registration of journeys by phone call or app is still required. Part of the DRT approach is to run services according to demand, so a fixed timetable may not exist (although an indicative one may) but journeys may run earlier, later, or not at all according to demand.

Bus Services Support Grant (CBSSG) funding is an England-wide, outside of London scheme from the DfT to help the bus industry survive and run a viable core service during Covid conditions. This is likely to be renewed soon and DaRT87 may well qualify for support as an established service. This avenue will be explored in full if the trial is extended.

With regard to creation of additional DRT routes, we would have to be mindful of commercial and contractual arrangements between ECC and commercial bus operators. Any 'abstraction' of revenue from commercial routes such as the 420 (Ongar - North Weald – Epping - eastern Harlow) or the 13 (Waltham Cross/Abbey to Epping) could be met with hostility from the operators and they may object to future applications to the Traffic Commissioner and/or the section 22 status of EFCT. On the other hand, with a successful trial, ECC may well see EFCT as a proven, cost-effective provider and offer them more tender opportunities for DRT type replacement of failing conventional bus services.

Safer, Cleaner and Greener Implications:

EFCT minibuses remain lower emission Euro 6 standard. There are no plans at this stage to replace them with or to trial ultra low emission vehicles. This is on cost and infrastructure grounds and current unsuitability for a DRT route that could involve daily mileage well in excess of an EV minibus range. This will remain under review as technology and funding opportunities are changing rapidly and the District's currently very poor public EV charging infrastructure will increase over the next 12-18 months.

Consultation Undertaken:

EFCT, ECC (Integrated Passenger Transport Unit),

Background Papers:

Covid 19 Development Projects Update

Risk Management:

If the usage of the service, as a result of continuing Covid-19 restrictions or lack of confidence among users does not increase, then the estimated income will not materialise.

There is a reputational risk for the Council if the service is unable to perform at the expected level of service. This will be mitigated by Officers liaising closely with EFCT, ECC and other stakeholders.