



**WATFORD
BOROUGH
COUNCIL**

CABINET

Supplementary Agenda – Item 6
Demand Responsive Transport Recommendation

9 September 2019

7.00 pm

Town Hall Watford

Contact

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Cabinet Membership

Mayor	P Taylor	(Chair)
Councillor	K Collett	(Deputy Mayor)
Councillors	S Johnson, I Sharpe, M Watkin and T Williams	

Agenda

Part A – Open to the Public

6. Demand Responsive Transport Recommendation (Pages 3 - 104)

Report of the Managing Director to ask Cabinet to award the contract and note when the scheme will commence.

There are Part B appendices to the report.

Part A

Report to: Cabinet

Date of meeting: 9 September 2019

Report author: Managing Director

Title: Demand Responsive Transport (DRT) Scheme

1.0 Summary

- 1.1 As part of Watford's ambitions to develop sustainable transport, one of the Elected Mayor's commitments embedded into the Council's Corporate Plan, is to create a Demand Responsive Transport (DRT) scheme. This will support the provision of sustainable transport, particularly in the light of additional growth for Watford, which is expected to be around 800 new dwellings per year.
- 1.2 The Council is delivering a number of sustainable transport initiatives and this fits within an overall programme of work. Cabinet agreed to the production of a business case for a DRT scheme and delegated to the Mayor sign off of the business case and approval of undertaking a procurement process. A project management budget was agreed for development of the business case and formal tender. It was also agreed that the Community Infrastructure Levy receipts that had previously been committed towards funding the Metropolitan Line Extension were made available to fund the scheme if necessary. Funding of the DRT scheme was subsequently secured during the growth bid process (Jan 2019) and is now provided for in the Council's Medium Term Financial Strategy (MTFS).
- 1.3. Following detailed officer research, the Mayor signed off the business case and initiation of a procurement process on 17 January 2019. The Council selected the 'competitive procedure with negotiation' tender process under the Public Procurement Regulations 2015 to find the appropriate commercial operator for Watford's needs and a preferred operator has been identified. This report sets out the tender recommendation so the contract can be awarded.
- 1.4 The award of contract will enable the preferred operator to progress the delivery of the DRT scheme so that it can be launched in March 2020.

2.0 Risks

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Low usage of DRT scheme	Unused and costly scheme, reputational impact on the council	<ul style="list-style-type: none"> • Clear objectives and KPIs set • Risk and rewards shared with operator • Lessons learned from existing schemes and market trends • Robust marketing and promotion • Sponsorship • Create an alternative mode of transport to compliment network • Engagement with the community • Manage demand e.g. real-time data • Work with HCC to use bus lanes • No fault termination clause in contract 	Treat and transfer	Unlikely (3) x High (3) = rating of 9
DRT competing with existing bus services	Existing bus services not being commercially viable and stopping or reducing the service on certain routes	<ul style="list-style-type: none"> • Not a fixed route service • Promote as a ride share service • Deal with as part of the contractual arrangements with the chosen operator 	Treat and transfer	Unlikely (3) x High (3) = rating of 9
Demand exceeding infrastructure requirements	Frustration of users and poor reputation	The scheme is expandable and the commercial operator has planned for this scenario in order to respond accordingly	Transfer	Unlikely (3) x High (3) = rating of 9

3.0 Recommendations

3.1 Cabinet is asked to:

- (i) Award the contract for the operation of a DRT scheme in Watford to **ArrivaClick (Arriva Kent Thameside Ltd)** for a period of 4 years with an option to extend the contract for an additional 2 years.
- (ii) Note that it is intended that the DRT scheme will commence operating from 30 March 2020.

Contact Officer:

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Report approved by: Manny Lewis – Managing Director

4.0 Detailed proposal

- 4.1 **Background** - A few DRT schemes have been introduced across towns and cities in the UK since 2017 and lessons have been learnt from these examples. Officers undertook detailed research into existing schemes, operators, vehicles, technology and customer experience to determine detailed requirements for a Watford scheme.
- 4.2 **Design** – The scheme is based on an App which utilises an algorithm to aggregate passenger ride requests on to the same bus journey. A customer requests a journey from A to B and the operator confirms the journey, the price, a pick-up point and ETA for pick-up. If the customer accepts the proposal then the bus picks them up from a nearby ‘virtual’ bus stop e.g. at the end of the customer’s road – this is known as a ‘corner to corner’ offering and differentiates it from fixed bus routes and taxis. There will be thousands of virtual bus stops modelled across the borough and built into the algorithm. If the passenger accepts the ride proposal then they are debited via a pre-registered debit/credit card. The App is run by the operator and its technology partner.
- 4.3 **Fleet** – The Council specified that it required an optimum number of small buses to cover an operational zone of the Watford borough boundary, plus Warner Bros Studios/Leavesden, Tolpits Lane and Croxley Park. This fully flexible bus service will

help support the modal shift to sustainable modes in line with the Council's vision. The operator submitted their proposal based on a fleet of 7 buses each with 15 passenger seats. The recommended operator's tender confirmed that all 7 buses will be available from day 1 of the scheme during peak operating hours, scaling down to 5 at times of less demand. Each bus will have comfortable seating, tables, free Wi-Fi, USB chargers and air conditioning ensuring a clean, comfortable and safe method of public transport.

- 4.4 **Accessibility** – DRT schemes are designed as a digital service with registration, booking, payment and wayfinding via an App – experience on other schemes shows that 99% of interactions are via the App. However, the operator will provide an online (web-based) and telephone service providing an equitable scheme in terms of accessibility. Each bus is fully accessible and DDA compliant, with front kerbside double door access and a fold-out wheelchair ramp. The wheelchair space comfortably fits medium to large electric wheelchairs and can also be used for pushchairs. Passengers can pre-register as a wheelchair user.

The App also has VoiceOver, Adaptive Font Size, Switch Control and TalkBack functionality.

- 4.5 **Hours of Operation** – the Council specified that it required a service that runs:-
- Monday to Thursday – 06:00 – 22:00
 - Friday & Saturday – 06:00 – 23:00
 - Sunday – 08:00 – 21:00

These hours can be flexed to adjust to demand e.g. extended hours on a Friday and Saturday, run up to Christmas.

- 4.6 **Pricing** – the tariff model proposed will appeal to multiple users, encourage frequent journeys and, in turn, drive modal shift by offering:-
- journeys currently being made by car, taxi and Uber and providing a significant cost saving vs these modes across all journey distances
 - journeys which are currently not available on the existing public transport network by positioning fares at a level which is deemed as an acceptable premium vs fixed bus routes.

The range of tariffs will include direct ride fares, weekly passes and credit bundles and is deliberately set higher than a fixed bus route fare and lower than a taxi fare:-

Direct ride pricing structure

	Off peak	Peak	Premium
1 miles	£1.00	£2.00	£2.50
2 miles	£2.50	£3.30	£3.80
3 miles	£3.50	£4.30	£4.80
4 miles	£4.50	£5.30	£5.80
5 miles	£5.50	£6.30	£6.80
6 miles	£6.50	£7.30	£7.80

- *Off peak – low demand times of day*
- *Peak – high demand times of day*
- *Premium – super high demand or low supply times of day (e.g. evenings)*

Credit bundle pricing structure

Credit	Cost	Discount
£11.00	£10.00	-9%
£23.00	£20.00	-13%
£60.00	£50.00	-17%
£125.00	£100.00	-20%

Credit bundle pricing structure

Credit	Cost	Discount
£11.00	£10.00	-9%
£23.00	£20.00	-13%
£60.00	£50.00	-17%
£125.00	£100.00	-20%

4.7 **Mobilisation & Launch** – the operator is confident of launching the scheme within the required timescales and appropriate clauses are included in the contract to this effect. Regular progress against the mobilisation plan will be monitored and mitigation put in place as necessary.

5.0 Procurement Exercise

5.1 Following the sign off of the Business Case by the Mayor a detailed specification was drawn up by officers setting out the detailed requirements for a scheme as described above. An OJEU Contract Notice was published on 12 March 2019. The Council chose to use the 'competitive procedure with negotiation' procedure in the public procurement regulations as this allows for negotiations with bidders to refine the proposition. Final tenders were submitted by 29 August 2019. The Council received good interest from the relatively small DRT operator pool available, answered a number of clarification questions and had a number of negotiation meetings with bidders during the tender period.

5.2 Initial bids were submitted by 15 April with a further bidding round of bids submitted by 17 June 2019 with three companies submitting bids at that stage.

5.3 The bids were assessed using the following criteria:-

Quality	
1. Experience of successful outcomes/operator suitability	25%
2. Method Statement	5%
3. Customer Care	20%
4. Opportunities and challenges	5%
5. Social value	10%
Financial	35%
Total	100%

- 5.4 The bids were initially evaluated by a small group of officers on 26 June 2019 and then moderated by members of the senior leadership team with the support of the Procurement Manager and Sustainable Transport Project Manager on 1 July 2019.
- 5.5 Interviews took place with all three prospective operators on 10 and 11 July 2019.
- 5.6 Following the interviews the moderation team revisited the initial evaluation observations, revised original operator scores against evaluation criteria, as necessary, and agreed to progress negotiations with two of the operators.
- 5.7 Extensive negotiations took place with the two operators between 23 July and 16 August 2019. This enabled a final tender to be published on 19 August 2019.
- 5.8 Final bids were evaluated by members of the senior leadership team (again with support from the Procurement Manager and Sustainable Transport Project Manager) on 2 September 2019. They revisited the formal tender evaluation observations and revised the moderated operator scores against evaluation criteria, as necessary.
- 5.9 Following this exercise the preferred bidder is ArrivaClick. Details of the scoring for the various bidders and the financial information relating to the preferred bidder is contained in the Part B report (Appendix 2) and which should be read by members in conjunction with this report.
- 5.10 References have been taken up and officers have conducted due diligence. Parent Company Guarantees are being progressed.
- 5.11 There were several positives assessed in selecting ArrivaClick including:
- Experienced in running DRT services
 - An enhanced customer experience for bus passengers
 - Sharing Watford's sustainable transport goals
 - Confident in their volumes and their ability to deliver
 - A 'realistic' and manageable Council subsidy required

- Absorbing a number of costs for the Watford scheme which would otherwise require higher Council subsidy
- Good added social value

5.12 ArrivaClick's tender also set out their expectations of ride growth starting with an estimated 130,614 total rides in year 1 (2020/21), rising to 269,347 in year 4 (2023/24). Should the scheme achieve higher performance, a revenue share mechanism will be set out in the contract.

6.0 Implications

6.1 Financial

6.1.1 The final scheme costs (revenue only), are confirmed in PART B report (Appendix 2).

6.1.2 The opportunity for sponsorship is being explored as a whole for a number of Sustainable Transport programme projects to ensure this potential is maximised.

6.1.3 The proposals are more than the MTFs allocated budget for DRT, however, the overall budget for sustainable transport schemes is sufficient to fund the sustainable transport programme including DRT.

6.2 Legal Issues

6.2.1 The Council has taken counsels advice in relation to the ability to offer a subsidy for operating a DRT scheme in order to ensure compliance with State Aid rules. The advice received was that, provided the Council undertook an open and transparent tender process to secure an operator, then the provision of subsidy would be State Aid compliant. As noted above the Council has followed the Competitive Procedure with Negotiation route in accordance with the Public Procurement Regulations 2015 to procure an operator. The Council also has the vires to provide the scheme using its general power of competence under s1(1) of the Localism Act 2011. The Council has instructed Trowers and Hamlins LLP to assist with the contract.

6.3 Equalities, Human Rights and Data Protection

6.3.1 An Equalities Impact Analysis (EIA) has been undertaken and is attached and a Data Protection Impact Analysis (DPIA) will be presented at Cabinet.

6.4 Staffing

6.4.1 Project resource was allocated to these proposals in September 2018 and will continue until launch. A contract manager will be appointed and be responsible for managing the relationship with the operator and their performance once the

scheme is live. This resource will also manage the bike share scheme and Transport App contracts.

6.5 Community Safety/Crime and Disorder

6.5.1 The scheme is via registration and digital/phone booking only and payment is made electronically when the passenger accepts the ride. The DRT bus is a completely 'cashless' environment and can only be accessed by making a booking. On booking a ride, passengers will know the driver's first name and the driver will greet them by their name on boarding. All vehicles have on-board CCTV.

6.6 Sustainability

6.6.1 This proposal forms part of a wider sustainable transport programme and will support our sustainable objectives and vision. Modal shift to ride sharing will also help support our climate crisis pledge.

6.7 Social Value

6.7.1 The scheme will provide employment for local people, including 18 drivers.

6.7.2 The pricing structure is designed to be accessible to low-income users and those who may not be able to afford a private vehicle or taxi.

6.7.3 The buses will provide an accessible and reliable service to a range of physical abilities.

6.8 Technology

6.8.1 The operator's App will be able to interact seamlessly with the over-arching Watford Transport App, whilst protecting data in line with GDPR requirements. A full programme of testing will be undertaken throughout the mobilisation period.

7.0 Reporting to Cabinet

7.1 Regular reporting to Cabinet will track the effectiveness of modal shift and level of total ridership

8.0 Ownership of Arriva

8.1 Arriva is currently up for sale by its parent company Deutsche Bahn. However, ArrivaClick has confirmed this should not impact the delivery and operation of the Watford scheme.

9.0 Equality Impact Assessment

9.1 The EIA has been undertaken and is attached as Appendix 1.
For Blue Badge holders the following concession policy will apply:

- Free fares
- Limited to Mon – Sun 10:00 – 15:00 (start of journey in line with operating hours standards)
- Watford Borough Council will reimburse the cost of the concession to Arriva Click
- This scheme will be reviewed after a 6-month period

10.0 Data Protection Impact Assessment

10.1 The DPIA has been undertaken and will be reported to Cabinet at its meeting.

Appendices

Appendix 2: PART B report

Background papers

- *None*



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Equality Impact Analysis

Title of policy, function or service	Demand Responsive Transport Service
Lead officer	Alistair Napier
Person completing the EIA	Alistair Napier
Type of policy, function or service:	Existing (reviewed) <input type="checkbox"/> New/Proposed <input checked="" type="checkbox"/>
Version & Date	V01.0 , 05 June 2019 Signed off by Kathryn Robson

1. Background

Watford's roads are very congested during peak travel periods, lengthening journey times, impacting air quality, putting pressure on car parking capacity and hampering sustainability efforts. Transport for London's recent decision not to proceed with the Metropolitan Line Extension (MLX) has also removed the opportunity to alleviate traffic congestion from West Watford to Watford Junction, with alternative solutions still to be explored. These traffic and congestion issues will only increase as Watford's residential and working population continue to grow, putting further pressure on an already stretched transport network and infrastructure. There is an over-reliance on the use of private vehicles, taxis can be expensive and the network buses have few priority lanes on the roads.

As part of Watford's ambitions to develop a more sustainable approach to transport solutions across the borough, one of the Mayor's commitments, embedded into the council's Corporate Plan, is to invest in new bus-related services. This will support the provision of sustainable transport as Watford grows and there is ever-increasing pressure on the transport network. It also supports the delivery of a number of our key priorities by being fully accessible, more affordable and leveraging digital technology. It will also strengthen connectivity across the town, linking major business / employment zones with the town centre and the wider borough,

The council is working on a number of sustainable transport initiatives and Demand Responsive Transport (DRT) fits within an overall Sustainable Transport programme. The programme aims to relieve the congestion on Watford's roads/parking, promote more sustainable modes of travel and improve air quality, particularly in the light of additional growth for Watford expected to be around 800 new dwellings per year. DRT supports the programme's objectives to:-

- Encourage a change in the way we use local transport as 'a way of life', often known as a modal shift
- Improve Watford as a sustainable transport town
- Improve accessibility, mobility and connectivity within the town
- Improve health and wellbeing.

Due to its compact urban nature (approx. 8 square miles), Watford lends itself to this type of transport system. It is expandable and scalable as demand increases and in the schemes researched there has been an expansion of the operating area (or it is currently under consideration) due to latent demand, which can be measured using the App technology that is another integral project within the Sustainable Transport programme.

Watford has some dedicated bus lane infrastructure in place, but in time there will be a need to expand and improve the infrastructure of the town to support the change in behaviours required to make the scheme a success, and to promote a sustainable alternative to the use of private vehicles.

2. Focus of the Equality Impact Analysis

This EIA, therefore, considers the potential equality related impacts, both positive and negative of Demand Responsive Transport on the people in the groups or with the characteristics protected in the Equalities Act 2010.

These are:

1. Age
2. Disability
3. Gender Reassignment
4. Pregnancy and maternity
5. Race
6. Religion or belief
7. Sex (gender)
8. Sexual Orientation
9. Marriage and Civil Partnership.

3. Engagement and consultation

Whilst we do not have specific local consultation information, existing UK demand responsive transport schemes were researched and visited to determine impacts.

Gov.UK National Travel Survey statistics (2017) were also used to determine hours spent travelling by age, gender and mode of travel:-

Main mode	Hours per person per year								
	All ages	0-16	17-20	21-29	30-39	40-49	50-59	60-69	70+
All people:									
Car / van driver	140	0	56	153	191	228	229	175	109
Car / van passenger	76	150	80	57	51	48	54	67	61
Other local bus	22	23	57	24	17	14	15	22	27
Taxi / minicab	3	3	6	4	4	3	2	2	3
All modes	377	291	350	406	433	448	438	392	285
Males:									
Car / van driver	162	0	45	170	209	250	262	226	166
Car / van passenger	59	152	61	45	31	28	28	29	36
Other local bus	20	20	55	25	14	12	10	23	22
Taxi / minicab	3	3	5	4	3	3	2	3	2
All modes	387	295	323	407	426	464	452	414	319
Females:									
Car / van driver	118	0	68	135	175	207	197	127	63
Car / van passenger	93	147	100	70	71	68	79	104	82
Other local bus	24	26	59	22	20	15	19	21	31
Taxi / minicab	3	3	7	5	4	3	3	2	4
All modes	368	287	378	405	439	432	424	372	257

From an equalities perspective, there is clear statistical evidence of the impact on younger people between the ages of 17-20 of bus services, which is understandable as these young people would only just be in the age range to drive but would be old enough to travel independently of their parents and carers.

4. What we know about the Watford population

Watford is a compact borough with 96,700 people (2017) living in an area of just 21 square kilometres in 39,100 households (2017). With around 45.14 persons per hectare (2017) it is one of the most densely populated district council areas in England.

Numbers

- 96,700 2017 estimate of population
- 102,533 projected population in 2022
- 106,075 projected population in 2027.

Age profile

- Watford has a younger population than the rest of England. In particular, it has a higher percentage of people in the 30-50 age range. As a result, it also has a higher proportion of under 10s and a high number of babies being born each year to Watford mothers.

Ethnicity

- Watford has a very diverse community – in many ways more like parts of London than the rest of Hertfordshire.

At the last Census (2011), 38% of Watford's residents were non White British, with White other (7.7%), Pakistani (6.7%) and Indian (5.5%) the next highest ethnic groups (after 62% White British). Although there has not been any official analysis of ethnic groups since the 2011 Census, it is thought that this level of diversity will not have changed significantly and it is likely that the borough's attraction for new and recent migrants continues.

Disability / Health

Around 85% of the population of Watford state that they have 'good health' and just under 14% record a disability (Census 2011).

The 2018 NHS Health Profile's summary conclusion is that the health of people in Watford is 'varied' compared with the England average. Life expectancy for both men and women is similar to the England average (which is an improvement on previous years when men's was lower).

The profile also shows that physically active adults has remained relatively stable over the last five years with 68% stating they were active, which compares well to the England average of 66%. There has been a reduction in the adults classified as overweight or obese in Watford (55.4% in 2016/17 from 60% in 2015/16), which indicates a move to more healthy lifestyle.

The government estimates that around 4% of the population holds blue badges (government data statistics 2018). As an estimate this would mean there would be approximately 3,500 - 4,000 blue badge holders in the borough.

MOSAIC profile of Watford

This shows that the group 'Career Builders' has the highest number in Watford, followed by 'Cultural Comfort'. These groups are in the J and I type classifications – known as 'rental hubs' and 'urban cohesion' – and together make up almost 25% of the Watford population. The key characteristics of these types are:

Rental hubs (J type)	Urban cohesion (I type)
Aged 18-35 years	Settled extended families
Private renting	City suburbs
Singles and sharers	Multicultural
Urban locations	Own 3 bedroom houses
Young neighbourhoods	Sense of community
High use of smartphones	Younger generation love technology

The third highest MOSAIC type, 'Café and Catchments', is from MOSAIC group D, which is known as 'Domestic Success' and characteristically are families with children and larger upmarket suburban homes.

Economic activity of Watford population

- 84.5% of Watford's working age population were economically active in the year to June 2018, equating to 54,600 people. This is a higher percentage than for Great Britain overall (78.4%) and the East of England region (81.1%).
- Over 52% of Watford's working age population are working in the top 3 standard occupational classification groups - managers, directors and senior officials; professional occupations; associate professional and technical - compared with 45.9% for Great Britain and 45.7% for the East of England.
- The gross weekly pay for Watford residents (2017) is higher than for Great Britain and the East of England at £640.00 (Watford), £552.30 (Great Britain) and £574.90 for East of England in 2017.
- The gross weekly pay in Watford is also higher than for Great Britain and the East of England: £580.30 (Watford), £552.00 (Great Britain) and £545.10 for East of England.

5. How will the council ensure equality is promoted through DRT

Under the Equality Act 2010, three areas need to be considered when analysing the equality impact of DRT:

1. **eliminate** discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
2. **advance** equality of opportunity between people who share a relevant protected characteristic and people who do not share it
3. **foster** good relations between people who share a relevant protected characteristic and people who do not.

a). Positive impacts

Known positive effects

- The scheme is open to everyone regardless of whether they have a protected characteristic or not
- A concession policy has been applied to blue badge holders. The effectiveness of the policy and the appropriateness of extending it will be kept under review. Wheelchair users are able to use the service, improving accessibility for disabled passengers
- Availability of on-demand transport to people with limited or no access to a private vehicle/ public transport. We know from research that as well as younger and older people, people with disabilities are less likely to own a car
- Research shows that the scheme is used for commuting, student travel, leisure, first/last mile inter-modal journeys and 'between' existing fixed bus routes

b). Negative impacts

Potential negative effects based on what you know from your analysis

- The taxi community may, initially, see this as a challenge to the service they provide – the majority of Watford's 600+ taxi drivers are non-White British, primarily from the Pakistani community. This means that the introduction of DRT may have a potential negative impact on this part of the community in particular
- It may be seen as a threat to existing fixed bus routes
- The scheme is accessed via smart phone or the internet only. We know that older people are less likely to have a smartphone than the population as a whole and, overall, are less likely to be digitally enabled/confident

- The service is cashless and debited to the passenger's card/bank account via the App/online only. Around 1.5 million people in the UK do not have bank accounts. There is no known analysis against protected characteristics of this group but the main reason for not having an account is 'too little money to warrant one'.

6. Overall conclusion

The DRT service will be available to everyone and will be inclusive, providing equality of opportunity to all individuals, including those with protected characteristics.

It will expand the provision and range of transport for public usage at a reasonable price, complementing the existing transport network. It will go towards reducing the number of single occupancy car journeys in Watford leading to fewer cars on the road/congestion. The DRT offer will open up opportunities for a wide range of the community to get out and about across the borough, which may not be possible, or easy, with current transport options.

The council will ensure that any vehicles used to provide the DRT service are fully accessible, in line with current best practice so that there are no barriers to using the service in terms of physical accessibility.

By improving the transport links across the town, the DRT will improve connectivity between different communities within the town – both resident and business – which will help foster community relations.

Whilst it is acknowledged that there might be a potential negative impact on the taxi community (known to be predominantly Pakistani / Muslim) feedback from schemes elsewhere in the country is that a DRT bus service sits alongside other transport options – complementing rather than competing. Taxis / hackney carriages / private hire vehicles provide an individual / bespoke service to the customer, including added benefits such as help with luggage / bags, which is a different offer from DRT, which will meet the needs of some people but not to the exclusion of those who use taxis / hackney carriages / private hire vehicles.

Additionally, as the service is accessed through an app and paid for via bank card, there is a potential that certain members of the community could be excluded as not all members of the community will have access to mobile technology and / or bank accounts. Whilst we are aware of this, we do know from national data (ONS 2018) that the percentage of the UK population overall with access to mobile technology (smart phones / tablets / laptops) currently stands at 80%. This percentage is likely to increase although there will always be a number of people who fall outside the mainstream use of technology. In terms of bank accounts, there is little the council can do to encourage the take up of bank accounts by those in the community without the means or inclination to do so and this is acknowledged as a potential barrier to access to the DTR.

Please see following tables:-

Summary of potential positive impacts and ways in which they can be ensured:-

Positive Impact	Protected characteristics	Ways to ensure the positive impact
<ul style="list-style-type: none"> The scheme is open to everyone regardless of whether they have a protected characteristic or not 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Ensure service is delivered as planned and to specification
<ul style="list-style-type: none"> Concessions will apply to blue badge holders and the policy will be kept under review 	<ul style="list-style-type: none"> Disability Further to be identified as part of post implementation review of the concessions policy 	<ul style="list-style-type: none"> Requirement to provide concessionary fares included in tender specification
<ul style="list-style-type: none"> Wheelchair users are able to use the service, improving accessibility for disabled passengers 	<ul style="list-style-type: none"> Disability 	<ul style="list-style-type: none"> Requirement for low-level kerb-side access and dedicated space(s) on bus included in tender specification
<ul style="list-style-type: none"> Improved connectivity across the town helping to bring communities together and foster good relations 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Effective planning of routes to ensure connectivity is improved (i.e. opening up routes that are currently not served in the town) Identify where discounts will enable people to use the new service
	Other implications	
<ul style="list-style-type: none"> <i>Availability of on-demand transport to people with limited or no access to a private vehicle/ public transport</i> 	<ul style="list-style-type: none"> <i>Economic</i> 	<ul style="list-style-type: none"> <i>Delivery of service will expand transport reach at an affordable price</i>
<ul style="list-style-type: none"> <i>Research shows that the scheme is used for commuting, student travel, leisure, first/last mile inter-modal journeys and 'between' existing</i> 	<ul style="list-style-type: none"> <i>Inclusivity and modal shift</i> 	<ul style="list-style-type: none"> <i>Robust marketing and comms campaign to ensure changes in behaviour across all types of traveller in Watford</i>

Positive Impact	Protected characteristics	Ways to ensure the positive impact
<i>fixed bus routes, thus reducing private vehicle usage</i>		

Summary of potential negative impacts and ways in which they can be removed or mitigated

Negative Impact	Protected characteristics	Ways to mitigate the negative impact
<ul style="list-style-type: none"> The taxi community may initially see this as a challenge to the service they provide – the majority of Watford’s 600+ taxi drivers are non-White British, primarily from the Pakistani community 	<ul style="list-style-type: none"> Ethnicity Religion Economic (other implication) 	<ul style="list-style-type: none"> DRT is a ride-share service, aggregating users on to a single trip using virtual bus stops – this is a different type of service to taxis and will be marketed this way i.e. not in direct competition
<ul style="list-style-type: none"> The scheme is accessed via smart phone or the internet only 	<ul style="list-style-type: none"> Age 	<ul style="list-style-type: none"> The benefits of DRT services are delivered via app technology utilising an algorithm which aggregates passengers’ requests to a single journey & provides updates ‘on the go’ - it will be marketed accordingly Clear communications on the scheme to ensure people are aware of how to access the service 90% of UK households (ONS 2018) have access to the internet 8 out of 10 adults (ONS 2018) access the internet ‘on the go’ (smartphone, tablet, laptop)
<ul style="list-style-type: none"> The scheme requires people to pay via a bank account 	<ul style="list-style-type: none"> Potentially all 	<ul style="list-style-type: none"> Clear communications on the scheme to ensure people are aware of how to access the service
<ul style="list-style-type: none"> <i>It may be seen as a threat to existing fixed bus routes by operators and passengers</i> 	<ul style="list-style-type: none"> <i>Mobility</i> <i>Economic (unprotected)</i> 	<ul style="list-style-type: none"> <i>DRT is seen as a service that compliments existing bus routes and passengers tend to use it where fixed bus routes do not go – it is not in direct competition with fixed bus route operators</i> <i>DRT expands the provision of public transport</i>

Negative Impact	Protected characteristics	Ways to mitigate the negative impact
<ul style="list-style-type: none"> The scheme is accessed via smart phone or the internet only 	<ul style="list-style-type: none"> Inclusivity 	<p><i>across Watford</i></p> <ul style="list-style-type: none"> The benefits of DRT services are delivered via app technology utilising an algorithm which aggregates passengers' requests to a single journey & provides updates 'on the go' - it will be marketed accordingly 90% of UK households (ONS 2018) have access to the internet 8 out of 10 adults (ONS 2018) access the internet 'on the go' (smartphone, tablet, laptop)
<ul style="list-style-type: none"> The service is cashless and debited to the passenger's card/bank account via the App/online only 	<ul style="list-style-type: none"> Inclusivity ('unbanked') 	<ul style="list-style-type: none"> Will explore ways with chosen operator to enable 'unbanked' to pay for and use the service

This EIA has been approved by:

Kathryn Robson

Date 05 Jun 2019

Data Protection Impact Assessment – Demand Responsive Transport (DRT) Scheme

A Data Protection Impact Assessment (“DPIA”) is a process that assists organizations in identifying and minimizing the privacy risks of new projects or policies.

The DPIA will help to ensure that potential problems are identified at an early stage, when addressing them will often be simpler and less costly.

Working through each section of this form will guide you through the DPIA process.

The requirement for a DPIA will be identified by answering the questions below. If a requirement has been identified, you should complete all the remaining sections in order.

Conducting a DPIA should benefit the Council by producing better policies and systems, and improving the relationship with individuals.

The Data Protection Impact Assessment Statement in **Section 7** should be completed in all cases, and a copy of this document should be sent to the Data Protection Officer to record and review.

The Data Protection Officer will review the DPIA and will provide feedback. The feedback will confirm whether the proposed measures to address the privacy risks identified are adequate, and make recommendations for additional measures needed.

These measures will be reviewed once in place to ensure that they are effective.

Advice can be found at the beginning of each section, but if further information or assistance is required, please contact the Data Protection Officer on 01923 278362 or via email to bahzad.brifkani@watford.gov.uk.

More information on DPIA can be found on ICO [website](#)

This checklist helps you make that assessment and provides a springboard for some of the issues you will need to consider in more detail if you do need to carry out a DPIA.

1. Are you collecting more than an individuals’ name and contact details.

Yes No operator will be running service on behalf of Council – we will be joint data controllers

2. Are you going to use the data you collect to do any evaluation or scoring relating to that individual

Yes No

3. Is the system you are going to use able to make automated decisions relating to the individual

Yes No

4. Is the system capable of undertaking systematic monitoring of the individual

Yes No

5. Is the system going to process sensitive or highly personal data

Yes No payment card details will be collected by the operator, but **not** shared with the Council

6. Is the system going to process large volumes of personal data

Yes No but the operator will be the main processor of the data on behalf of the Council

7. Is the system going to be used to record the personal data of vulnerable individuals

Yes No the operator will collect the name, email address, DOB and payment card details of users and these may include vulnerable people if they choose to register and use the scheme – however, this data will only be shared with the Council at the end of the contract/termination where data will need to be passed on to a new operator to carry on the service

8. Is the system using untried or cutting edge technology

Yes No

If you have answered Yes to any of these statements a DPIA may be required

Section 1 - Identifying the Need for a DPIA

Briefly explain what the project aims to achieve, what the benefits will be to the Council, to individuals, and to other parties.

Explain broadly what project aims to achieve and what type of processing it involves. You may find it helpful to refer or link to other documents, such as a project proposal. Summarize why you identified the need for a DPIA.

BIKE SHARE

As part of Watford's ambitions to develop sustainable transport, one of the Mayor's commitments, embedded into the Council's Corporate Plan, is to 'invest in new bus services.' This will support the provision of sustainable transport as Watford grows and there is ever-increasing pressure on the transport network. It also supports the delivery of a number of our key priorities by being fully accessible, more affordable and leveraging digital technology.

The council is working on a number of sustainable transport initiatives and a Demand Responsive Transport (DRT) scheme fits within an overall Sustainable Transport programme. The programme aims to relieve the congestion on Watford's roads/parking, promote more sustainable modes of travel and improve air quality, particularly in the light of additional growth for Watford expected to be around 800 new dwellings per year.

A DRT ride share service supports the programme's objectives to:-

- Encourage a change in the way we use local transport as 'a way of life'
- Improve Watford as a sustainable transport town
- Improve accessibility and mobility within the town
- Improve health and wellbeing.

Due to its compact urban nature (8 square miles), Watford lends itself to this type of transport system. It is expandable and scalable as demand increases and in the schemes researched there has been an expansion of the operating area (or it is currently under consideration) due to latent demand, which can be measured using the App technology.

A DRT scheme would continue Watford's reputation as a progressive Local Authority in Hertfordshire and drive a shift to multi-modal journeys. It will also support our Watford 2020 agenda in utilising digital technology (via an app and online) to register, book, pay for and use the service.

Watford's roads are very congested during peak travel periods, lengthening journey times, impacting air quality, putting pressure on car parking capacity and hampering sustainability efforts. Transport for London's recent decision not to proceed with the Metropolitan Line Extension (MLX) has also removed the opportunity to alleviate traffic congestion from West Watford to Watford Junction, with alternative solutions still to be explored. These issues will only increase as Watford's residential and working population continue to grow, putting further pressure on an already stretched transport network and infrastructure. There is an over-reliance on the use of private vehicles, taxis are expensive with variable customer service and the network buses have limited dedicated bus lane availability.

The scheme will enable regular and one-off users to book a ride, be picked up within a short walk of their location and be dropped off at their destination...

...the DRT ride share scheme will be inexpensive and will enable regular users to obtain discounts on pricing. As this is a ride share scheme passenger rides will be aggregated to ensure a more sustainable mode of transport.

Registration via the app/online will require the user to input certain information and payment card details.

Section 2 - Describe the Processing

Describe the nature of the processing: how will you collect, use, store and delete data? What is the source of the data? Will you be sharing data with anyone? You might find it useful to refer to a flow diagram or other way of describing data flows. What types of processing identified as likely high risk are involved?

Data is collected, stored, controlled and deleted by the DRT operator on behalf of the Council. The Council will not directly collect, store or delete an individual's personal data. The Council will be joint data controller with the operator. Data is stored in the App provider's cloud located within the EU. The system has a 'role' based authentication system (RBAC flexible per product), so no person has independent access to the system. The Council will only receive the customer data on completion/termination of the contract so that it can be passed to a new operator to carry on the service. The Council will only ever share this data with a third party in these circumstances.

The operator collects some personal data from its users, and none of this data falls into any special category. It stores a user's personal data for as long as their account is in active use and as much as 2 years after a user last used the service (which could include logging into the app, booking a ride etc). The exception to this is if a user requests that we delete their personal data, in which case their account will be closed and personal data deleted upon request.

In order to register for the service users are required to provide a first and last name, mobile number and an optional email address. This email address is stored in their backend systems and sent to third-party analytics and support services, but is not accessible to anyone outside the company. On registration, the user reviews and signs up to the operator's app data privacy policy.

The operator may use a user's mobile number (and e-mail address if provided) to contact them as part of the normal operations of our service (e.g. payment receipts, journey summaries). It will only send the user marketing or promotional texts/emails if they explicitly consent to receive such communications during the registration process.

Payment card details are required at registration and entered via the App using a STRIPE interface – Card number, expiry date and CVC are entered and held in the STRIPE interface, not in the App. STRIPE services in Europe are provided by a STRIPE affiliate - STRIPE Payments Europe Limited ("STRIPE Payments Europe") - an entity located in Ireland.

For journey history, the operator will track and keep a record of each individual's bookings and journey history – this will be used for analytics and to continuously improve the service.

The scheme is a digital service via a dedicated app and website. The app and website are designed, owned and run by the operator on behalf of the Council.

There is risk of data breach whereby personal data collected, stored and controlled by the operator could be lost or compromised via the app/servers.

Describe the scope of the processing: what is the nature of the data, and does it include special category or criminal offence data? How much data will you be collecting and using? How often? How long will you keep it? How many individuals are affected? What geographical area does it cover?

The operator collects some personal data from its users, and none of this data falls into any special categories. It stores a user's personal data for as long as their account is in active use and as much as 2 years after a user last used the service (which could include logging into the app, hiring a bike etc). The exception to this is if a user requests that they delete their personal data, in which case their account will be closed and personal data deleted upon request.

- First name – on registration
- Surname – on registration/updated on change of name
- Mobile number – on registration/updated on change of name
- Optional e-mail address - on registration/updated on change of e-mail address
- Payment card details – on registration/updated on expiry
- History of previous hires/journeys – whenever a journey is booked/taken

Any person, regardless of where they are located, will be able to download the app or access the website. However, the area of bus operation will only cover the Watford Borough Council boundary to begin with.

Forecasting is done on number of bus rides, rather than number of individuals registered. Hence, rides forecast are 130,614 in year 1 and 269,347 in year 4 - the majority of individuals will take multiple rides throughout the year.

Describe the context of the processing: what is the nature of your relationship with the individuals? How much control will they have? Would they expect you to use their data in this way? Do they include children or other vulnerable groups? Are there prior concerns over this type of processing or security flaws? Is it novel in any way? What is the current state of technology in this area? Are there any current issues of public concern that you should factor in? Are you signed up to any approved code of conduct or certification scheme (once any have been approved)?

Although a joint data controller, the Council will not have any direct relationship with the individuals, as all registration and ongoing processing of data will be undertaken by the operator on behalf of the Council. The Council would only see and receive the scheme's personal data on completion/termination of the contract so that a different operator can take forward the service and the people of Watford do not lose access to their DRT ride share service.

It is possible that vulnerable customers will use the scheme.

The Council is assured by the GDPR compliance, technology and data integrity arrangements of the operator.

Personal data is only collected from users who register to use the operator's service. Under the GDPR, users are able to request a copy of all personal data held, as well as request deletion of their personal data in the form of deleting their account (meaning they are no longer able to use the service).

Personal data is fully secured within the app system using a secure payment gateway through the Stripe Payment Service Provider. The operator uses SMS verification, allowing no more than two accounts on a single phone. In addition, it can regulate the amount of credit a person can accumulate for the service. It's customer operations centre regularly audits the systems to regulate and identify anomalous behaviour and identify these for further analysis.

The collection of route data against journeys taken by users is not a particularly new concept (this is similar to ride-sharing apps and some other DRT services), and while this does raise some privacy concerns (detailed later), they are not specific to the chosen operator. The App collects this data through a user's registration and booking history, their mobile device is not tracked itself.

During the registration process, the operator makes full disclosures on the data it is collecting and what is done with the data. Consent is also obtained to use their personal data for marketing (not from third parties, only from the chosen operator).

The complete IT infrastructure is hosted by INNOVO Cloud in Eschborn (Germany). INNOVO CLOUD is certified: ISO 27001, ISO 9001, ISO 14001, ISAE Type I & II and SAP Certified Provider in Cloud Operations Platform.

Describe the purposes of the processing: what do you want to achieve? What is the intended effect on individuals? What are the benefits of the processing – for you, and more broadly?

There are three core drivers for the collection and processing of data:

1. To enable the delivery of the service to users. A mobile phone number is required for users in order for them to create an account and use the service. This is used to engage with them around billing and support (as well as marketing, if they consent). Location data is used when booking to provide journey information to users and to calculate journey costs.
2. To enable the operator to improve the service to users. The operator uses data on how users interact with the mobile app and journeys taken to help them understand how it can improve the digital experience (through the change or addition of features), as well as to help improve the operations that support the service.
3. To engage third parties in the improvement of mobility services & infrastructure. The operator uses aggregated journey and route data to work with third party organisations, such as local authorities and transport bodies, to understand how improvements to mobility services and infrastructure can be made. This data is never linked back to individual users and is not sold or shared with the intention of being able to market additional services to our users.

Section 3 – Consultation Process

Consider how to consult with relevant stakeholders: describe when and how you will seek individuals' views – or justify why it's not appropriate to do so. Who else do you need to involve within your organization? Do you need to ask your processors to assist? Do you plan to consult information security experts, or any other experts?

All operators bidding under the tender process completed the relevant GDPR checklist and schedule, including the winning bidder.

T&Cs were published to operators on the portal and included terms relating to Data Protection & Disclosure and Council Data.

Legal has been involved in the procurement process and the Data Protection officer is now being engaged through this DPIA process.

The chosen operator has undertaken user testing to understand any privacy concerns and to ensure it communicates disclosures in a clear way during the registration process. The collection and processing of data described has been determined through an internal design process to understand what data is required, why and measures taken to ensure the protection of that data.

Section 4 Necessity and Proportionality

Describe compliance and proportionality measures, in particular: what is your lawful basis for processing? Does the processing actually achieve your purpose? Is there another way to achieve the same outcome? How will you prevent function creep? How will you ensure data quality and data minimization? What information will you give individuals? How will you help to support their rights? What measures do you take to ensure processors comply? How do you safeguard any international transfers?

The Council will not have any direct relationship with the individuals, as all registration and ongoing processing of data will be undertaken by the operator on behalf of the Council.

The collection and processing of data described is a core requirement in order to provide Ride share services to users, and supports efforts to engage third parties in understanding and improving mobility services and infrastructure in urban areas. The level of personal data collected and processed is the minimum required to achieve these outcomes and the operator has taken every effort to address and minimise any privacy concerns.

The chosen operator has chosen to demonstrate compliance with the GDPR in order to best protect the data and privacy of its users.

The chosen operator has chosen to locate all our data within the EU and ensures that any third party processors are fully GDPR compliant, with data processing agreements in place.

Users will be able to update their personal information via the app or online and ensure data quality.

Section 5- Identifying & Reducing the Privacy Risks

Source of risk and nature of potential impact on individuals	Measures to reduce the risks	Arriva commentary
1. Unauthorised access to operator databases giving access to email addresses, journey data and payment identifiers	Conduct regular security reviews and penetration tests to spot potential areas for attack	Security reviews are in place within Arriva's policies and procedures. For this contract specifically, it will be reflected in Arriva/ioki's ways of working underpinned with contractual clauses for compliance.
	Use cloud infrastructure and products rather than self hosting to draw on the security and expertise of other teams	The complete IT infrastructure is hosted by INNOVO Cloud in Eschborn (Germany). INNOVO CLOUD is certified: ISO 27001, ISO 9001, ISO 14001, ISAE Typ I & II and SAP Certified Provider in Cloud Operations Platform. The system has a Role based authentication system (RBAC flexible per product), so no person has independent access to the system – administrators need to create a user.
	Regular training and controlled permissions for the internal team to prevent accidental leak of credentials/data	This takes place within Arriva in line with our Group InfoSec policy and procedures. Ioki has a similar practice based upon policies in place that have been audited by their parent, DB.
2. Unauthorised access to third party analytics services giving access to email addresses and app usage data	Conduct a level of due diligence and research when choosing the third parties to work with, ensuring they meet certain standards for data protection	All third parties are assessed using Arriva's procurement framework which feature DP extensively. This is also reflected through any contractual agreements put in place with third parties with an extensive number of DP clauses that outline clear responsibilities of data processor and data controller. Ioki has a similar approach to its third party selection and these are all listed and named within the Arriva/ioki contract, with obligations on Ioki to ensure that they have completed due diligence
3. Unauthorised access to support services giving access to support services giving access to email addresses and the ability to impersonate operator staff	Use of single sign-on, staff training and regular review of access/accounts	Single sign on in place within both Arriva and Ioki with passwords being updated on a 90 day cycle. Accounts are updated regularly with a leaver policy in place to delete accounts and a regular review of number of users. Where users are dormant for a period of time, their accounts are removed.

Source of risk and nature of potential impact on individuals	Measures to reduce the risks	Arriva commentary
4. Unauthorised access to the operator dashboard giving access to email addresses and journey data	Use of email authentication (taking advantage of security on email accounts) and staff training	There are strict policies and procedures in place to ensure no unauthorised access to Arriva's operator dashboard. This will be fully outlined once a specific review and privacy impact assessment is undertaken on the Watford solution.
	Regular review of permissions and security built into the product, understanding what this means for the level of data access for different users	This will be fully outlined once a specific review and privacy impact assessment is undertaken on the Watford solution
5. Unauthorised access to the operator's Stripe account giving access to payment history, bank transfers and the ability to charge users	Enforce 2FA, regular review of roles and reduce the number of people with accounts with access to Stripe	STRIPE is PCI DSS and SOC 1 and SOC 2 certified (industry standards) and complies with the PSD2 payment guidelines. The passenger can pay digitally via the ioki App. The payment data is not stored with ioki, furthermore the PSP is integrated into the passenger app via SDK (Software Development Kit), i.e. no credit card data (only the last 4 digits are visible) is received by ioki when entering the payment data. This allows data security whilst still allowing the operator (Arriva) to trace which payments have been made in the respective trip details via the operator tool "Stellwerk". ioki also provides Arriva with a complete overview of the transactions in Tableau, but Arriva does not have access to extract the platform options, so that, for example, necessary refunds must always run via ioki (platform).
6. Being able to identify individual users from aggregated journey data shared with third parties	Conduct reviews of how we aggregate data and produce reports to try and spot whether patterns can be drawn that compromise user privacy	All reports drawn through Tableau are aggregated and anonymised. Where data sets are small and could be used to compromise user privacy, these are reviewed and removed from reporting until the numbers grow. We regularly review how complaints/enquiries are dealt with to ensure necessary data pertaining to the investigation of that complaint

Section 6 - Identifying measures to reduce the Risks

See table in section 5 (above).

Section 7 – Sign Off and record outcomes

Item	Name/position/date	Notes
Measures approved by:	Bahzad Brifkani Data Protection Officer 09/09/2019	Integrate actions back into project plan, with date and responsibility for completion
Residual risks approved by:	Data Protection Officer Bahzad Brifkani	The measures proposed to implement will reduce the potential risk
DPO advice provided:	Whilst there is always potential risks in processing personal data, however this DPIA demonstrate the consideration of the appropriate measures to minimize such risks.	Step 5 and 6 of this DPIA have addressed any potential risks, but it will be useful to have a regular review of this risk preferably every 3 to 6 months from the implementation of the App
<p>Summary of DPO advice:</p> <p>The operator will store all of the personal data within EU according to this DPIA, it is important to be mindful that if a no deal Brexit scenario happens this could cause disruption to this service particularly when it comes to this operator transferring data to UK. ICO has issued new guidance on UK organizations which receive any transfers of personal data of EU citizens, or any personal data from EU member states, need to prepare for the possibility of no deal. Initially, at the least, the UK will not be deemed an adequate country and there will be a burden for compliance with GDPR on organizations sending personal data to the UK.</p> <p>This contract might need to be reviewed again closer to the Brexit time (when we are certain of a no deal scenario) to amend all the relevant clauses in relation to data transfer within EU/EEA.</p> <p>The DPO also advises that this DPIA is reviewed towards end of October 2019 (if we are certain of a no deal scenario) in order to update the DPIA accordingly.</p>		
DPO advice accepted or overruled by:		If overruled, you must explain your reasons
Comments:		

Consultation responses reviewed by:		If your decision departs from individuals' views, you must explain your reasons
Comments:		
This DPIA will kept under review by:	The Project Manager until launch of service Mar 2020 and the Contract Manager from Mar 2020 onwards	The DPO should also review ongoing compliance with DPIA