

Report to: Overview and Scrutiny Committee (OSC)

Date of meeting: 20 July 2022

Author: Head of Leisure & Environmental Services

Title: Report of the Demand Response Transport Contract (DRT)

- 1.0 The DRT contract with Arriva Click was awarded in November 2019 with the service due to commence in April 2020. However the service did not commence until 1 July 2020 due to the Covid 19 virus. The contract has an initial term of four year (1 April 2020 – 31 March 2024) with a 2 year extension clause. The expiry date for the four year term is 30 June 2024.
- 1.1 This report provides a summary of the DRT Sustainable Transport Contract with the following partner to OSC: Demand Responsive Transport (DRT) with Arriva Click.
- 1.2 There are *578 virtual bus stops across the borough, with Station Rd and Dwight Rd being the most popular, in April 2022 two new bus stops were agreed at Watford General Hospital (*figures as of 16 June 2022). The DRT service operates seven days a week from 6am to 10pm Monday to Thursday, from 6am to 11pm Friday and Saturday and 8am to 9pm on a Sunday. Over the course of the DRT contract there will be seven buses operating during the service and/or peak hours. Appendix 1 provides information on how the service operates.
- 1.3 Since July 2020 there has been a total of *19,646 Riders and *24,568 Passengers carried to date (*figures as of 16 June 2022). Appendix 3 details the Projected and Actual ridership figures.
- 1.4 The list of appendices below provides information on the following areas of the DRT contract:
 - Appendix 1: How to use/book a DRT ride
 - Appendix 2: Overview flyer of the service
 - Appendix 3: User and Ridership statistics
 - Appendix 4: Campaigns over the last 12 months to promote the DRT service
 - Appendix 5: Business to Business (B2B) information
 - Appendix 6: Other DRT schemes that Arriva operate in the UK
 - Appendix 7: DRT - Budget information
- 1.5 The analysis of the management data and performance against the contract show that the Covid 19 pandemic and subsequent lockdowns have had a significant impact of the projected ridership of the DRT service as government advice required people to stay at home and not use public transport.

1.6 In line with the Public Procurement Notice issued in 2020 the council continued to financially support the different organisations as set out in the contract. The authority has undertaken to meet its contractual obligations during the lockdown period and paid the organisation the funding identified in this report. This approach has ensured that the service remained operational during the Covid 19 pandemic.

1.7 The maximum subsidy to fund the DRT scheme over the initial four year contract period is £1,568,775. To date *£ 1,133,868 (up to April 2022 has been spent on the contract, leaving £434,907. The remaining budget is in line with the projected subsidy for the remaining term of the contract. Appendix 7: DRT - Budget information

1.8 The impact on service delivery (ridership) during the lockdown period has been reviewed on an ongoing basis as part of the regular monthly partnership monitoring of the contract. The growth of the DRT service post lockdowns and Covid 19 will be reported to Leadership Board and Portfolio Holders over the next 12 months and will feature in the Year 3 end of year report in July 2023.

1.9 Journey Cost Comparisons

Journey:	Taxi	Uber	ArrivaClick
Watford General Hospital - Woodside Leisure Centre	£14.00 (Firm A) £12-£14 (Firm B)	£10.89 (*uber price estimator website)	£3.80
Holywell Community Centre - Meriden Community Centre	£13.00 (Firm A) £15-£16 (Firm B)	*£11.79	£3.80

2. Risks

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
The contractors do not deliver contract and service specification outlined in the contract	The facility or services is not available for residents and customer to use	Regular contract monitoring by the council to review the contract and KPI'S requirement are being met by the contractor	Treat	Unlikely (2) x High (3) = rating of 6

Contractor organisation goes into administration	As above	As above Regular review of contractors accounts	Tolerate	Unlikely (2) x High (3) = rating of 6
Contractor merges with another provider or is taken over by another company/ charity	Could have no impact on the service Or New company tries to alter the contract/SLA and KPI's which impacts on the programme or service	As above Option to terminate the Contract early	Tolerate	Unlikely (2) x High (3) = rating of 6
Death or injury to a customer/user or member of staff	Distress to injured parties Reputational risk to council and contractor in failings in health and safety compliance is identified	Regular partnership monitoring by the council to review the health and safety and contract requirements are being met and reviewed by the contractor	Treat	Unlikely (2) x High (3) = rating of 6
Another wave of Covid 19 or a future different virus and potential national/local lockdowns	The facility or services is not available for residents and customer to use	Regular partnership monitoring by the council to review the health and safety and contract requirements are being met and reviewed by the contractor	Tolerate	Unlikely (3) x High (3) = rating of 9

3. Recommendations

- To review the report and supporting information and consider whether any further action is required.

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Report approved by: Alan Gough, Group Head of Community & Environmental Services

4. Detailed proposal

- 4.1 As part of Watford's ambitions to develop sustainable transport, one of the Mayor's manifesto commitments in 2018 was to improve public transport across the Borough. 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. 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 and the network buses have few priority lanes on the roads.
- 4.2 The sustainable transport contracts aimed to relieve the congestion on Watford's roads, parking, promote more sustainable modes of travel and improve air quality, particularly in the light of the additional housing growth for Watford. Appendix 4 provides information on the campaigns that Arriva and the DRT contract has promoted over the last 12 months, Appendix 5 details the Business to Business contacts that Arriva have established to date.
- 4.3 The programme's objectives are 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
- 4.4 Due to its compact urban nature (approx. 8 square miles), Watford lends itself more to sustainable transport systems that are expandable and scalable as demand increases. Therefore a DRT scheme was introduced to enabling those that live, work, visit, and play in Watford to use a sustainable and good value mode of transport throughout the borough.
- 4.5 The council is working on a number of sub-regional and Herts County transport initiatives that fit within an overall Sustainable Transport programme and support the delivery of a number of our key Corporate Plan priorities by being fully accessible, more affordable and leveraging digital technology. They will embody Watford's corporate framework to achieve our ambition and 'improve the availability, awareness and choice of sustainable transport options to make Watford a greener and cleaner town for everyone.'
- 4.6 Appendix 7 provides information on the other DRT schemes that Arriva operate within the UK. Most recently Arriva have been successful in winning the DRT contract for Buckinghamshire Council.

- 4.7 The quality of services commissioned by the council are monitored on a regular basis. As part of the oversight and governance arrangements a joint 'Risk Register' between the council and the different contractors has been developed and is monitored and reviewed on a 6 monthly basis. A rolling programme of reports and presentations to Portfolio Holders and the Overview and Scrutiny Committee (OSC) has been agreed to ensure that elected members and Leadership Board are kept informed and updated regarding the progress and the performance of the Sustainable Transport Contracts. Appendix 6 details the DRT contract KPIs over the last 12 months.
- 4.8 In November 2021 the Council issued a KPI Improvement Notice to the contractor for failing to achieve the required performance against three KPIs as detailed in the contract. The contractor has now met the terms and conditions of the Improvement Notice in line with the defined timeframe of May 2022.
- 4.9 Alongside the Improvement Notice the council also issued an Efficiency Notice in November 2021 to the contractor which directed them to update and revise their business, marketing and delivery plans for the Watford DRT service. This process is ongoing, will be monitored and reviewed on a monthly basis and is due to expire in January 2023.

5. Implications

5.1 Financial

- 5.1.1 The maximum subsidy to fund the DRT scheme over the initial four year contract period is £1,568,775. To date *£ 1,133,868 (up to April 2022 has been spent on the contract, leaving £434,907. The remaining budget is in line with the projected subsidy for the remaining term of the contract. Appendix 7 details the maximum annual subsidy and the actual spent to date.

5.2 Legal Issues (Monitoring Officer)

- 5.2.1 The DRT contract was procured in accordance with the Public Contract Regulations 2015.

5.3 Equalities, Human Rights and Data Protection

- 5.3.1 An Equality Impact Assessment (EIA) has been undertaken for the three Sustainable Contracts in 2019 to establish whether there are any emerging needs that are not addressed through the contract. If there are emerging needs identified during the period of the three contracts that are not currently met, consideration will be given as to whether these are a District Council responsibility, align with the council's corporate objectives and whether council funding or grant aid is required in order to commission the service.

5.4 Staffing

- 5.4.1 There are no changes to WBC staffing arrangements identified in this report

5.5 **Accommodation**

5.5.1 There are no changes identified in this report relating to WBC office/town hall accommodation. However Arriva have a lease for a parcel of land at Wiggshall depot which is will expire when the contract ends.

5.6 **Community Safety/Crime and Disorder**

5.6.1 There are no Community Safety/Crime and Disorder implications or issues identified in this report

5.7 **Sustainability**

5.7.1 These proposal form part of the councils wider sustainable transport programme/strategy. The three programme's objectives are 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

Appendices

- Appendix 1: How to use/book a DRT ride
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