

Forward Plan reference number: FP/217/08/23

Report title: Modernising Passenger Transport (Digitising Passenger Transport)	
Report to: Cabinet	
Report author: Councillor Tom Cunningham, Cabinet Member for Highways, Infrastructure and Sustainable Transport.	
Date: 14 November 2023	For: Decision
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County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Everyone's Essex sets out our strategy for a strong, inclusive and sustainable economy; a high-quality environment; health, wellbeing and independence for all; and for making Essex a good place for children and families to grow.
- 1.2 A strong public transport network is a key enabler for all these strategic aims. It helps people access education, jobs, health services and shops, supporting our schools, colleges, high streets and local employment. It gives people an alternative to car travel, helping to reduce congestion and carbon emissions, and so contributing to our net zero carbon goals. It enables people to live independently and to access friends and family, supporting their health and wellbeing.
- 1.3 This report is to seek approval to procure a travel planning and Digital Demand Responsive Transport (DDRT) platform to replace the current TravelEssex app and enable the wider modernisation of passenger transport through improved customer service, network planning and information. The new TravelEssex digital platform will:
 - Underpin the provision of transport data, information and services through Essex residents' phones, tablets and other devices.
 - Offer a step-change in travel planning information (compared to the current version of app), ensuring that Essex residents are still able to accurately plan their journeys by sustainable travel modes (rail, bus, DDRT, ferry, walking, cycling) through an integrated approach.
 - Enable and support existing and future flexible transport services such as DigiGo, including from other suppliers.
 - Act as the 'single source of information' for anything to do with public transport in Essex and beyond.
 - Enable greater social inclusion, levelling up and reduce isolation.
 - Provide a public transport offer that attracts a diverse customer base.

- Support ECC's commitments to tackling air pollution and reducing carbon emissions by reducing reliance on private vehicles.
- Help to achieve priorities in Everyone's Essex by enhancing access to work, attending education, going shopping, accessing healthcare and leisure activities.
- Assist Essex County Council (ECC) to achieve its Bus Service Improvement Plan (BSIP) objectives:
 - increase the number of people travelling by bus.
 - improve the provision of public transport information.
- Support the Enhanced Partnership Scheme (EP) which includes a commitment by ECC and bus operators to work together to improve customer information and make bus travel more accessible and attractive.

1.4 In combination, the points above will help to attract passengers to public transport and encourage people to use their private cars less and thereby reduce congestion, air pollution and carbon emissions.

1.5 Digitalisation will allow the follow customer benefits:

- Fully integrated, national travel planning using a mix of sustainable modes.
- Vehicle tracking so passengers know where the vehicle is and when it will arrive.
- Booking and payment for flexible transport services within the app.
- Detailed data on travel patterns, frequencies and journeys for network planning.
- Detailed data on journey times, reliability, pinch points, stopping points and performance of transport operators.

2 Recommendations

2.1 That the Cabinet agrees in principle to the overall vision for the modernisation of Passenger Transport in a three phase approach:

- **Phase 1 (2024/25 – 2027/28):** Replace current app and enhance travel planning and Digital Demand Responsive Transport (DDRT) functionality to enable a national journey planner and underpin the digitalisation of other flexible transport services within Essex.
- **Phase 2 (2027/28 – 2029/30):** Widen the digital offering to allow for the digitalisation of Adult Social Care (ASC) and Special Education Needs and Disability (SEND) transport services.
- **Phase 3 (2029/30 – onwards):** Gradual digitalisation of mainstream home to school transport.

2.2 The investment required in phases 2 and 3 are subject to future affordability and further decisions supported by data from a feasibility pilot project and an assessment against the success measure set out in paragraph 3.20.

- 2.3 That the Cabinet agrees to launch of a competitive procurement for a contract for services which will include customisation, configuration of the platform and on-going maintenance, to replace the TravelEssex app in March 2025 using the restricted procedure.
- 2.4 Agree that the replacement will include a requirement to provide:
- (a) national travel planning and Digital Demand Responsive functionality, which enables the DigiGo service and supports the digitalisation of other similar flexible services.
 - (b) payment processing services to enable in-app and over-the-phone payments for DDRT services.
- 2.5 The proposed duration of this contract is an initial term of three years with the option to extend for another four years in total using award criteria of 40% price and 60% quality (of which 5% will be for Social Value).
- 2.6 Agree that the Executive Director for Climate, Environment and Customer may award the contract for the initial three year period (2024/25 to 2027/28) provided that:
- (a) no contract may be awarded if the contract is likely to cost more than £2.31m over three years; and
 - (b) no contract may be awarded unless the Executive Director considers that the outcome represents value for money for taxpayers and passengers.

3 Background

Travel Planning functionality and Digital Demand Responsive Services

- 3.1 As set out in the ECC's Bus Service Improvement Plan (BSIP), the level of effort required to switch from car to public transport is high in Essex compared to other places. This was identified in a qualitative study commissioned by ECC with the objective of diagnosing the key behaviour biases, barriers and opportunities in increasing bus use in Essex.
- 3.2 The study highlighted that the lack of easily accessible public transport information is a barrier to public transport use. The study recommended to simplify and personalise travel information to reduce the mental effort, coupled with the provision of real time travel information to reduce uncertainty for passengers. These barriers can be mitigated by providing and promoting an easy-to-use Travel Planning aid with real time updates.
- 3.3 ECC has taken a phased approach to trialling the technology to see how it can improve customer experience and improve services. This has included an initial prototyping project in 2016/17. It has also included small scale pilots and a full operational pilot in DigiGo.

- 3.4 A further pilot is in the planning stage to test the benefits of providing the functionality on home to school transport services, including improved contract management information, improved information for parents and schools; and improved operator planning and management. This has ensured we fully understand the functionality required to deliver the initial phase.
- 3.5 ECC currently has a contract which provides an app-based Travel Planning tool; in addition, a new travel information website will be launched towards the end of 2023 which uses this existing Travel Planning tool. Both the app and website are branded as TravelEssex (Essex's bus network brand) and the two products in combination currently ensure that ECC meets its commitment to improve information as set out in the BSIP and also in the Enhanced Partnership Scheme, a document which creates some legal obligations.
- 3.6 Demand Responsive Transport is defined by the Department for Transport in its 'Demand responsive transport: local authority toolkit'¹ as: *"a flexible service that provides shared transport to users who specify their desired location and time of pick-up and drop-off"*.
- 3.7 The toolkit states that DRT services are primarily aimed at improving social inclusion and access to services, but they can also contribute to reducing carbon emissions by replacing car journeys and facilitating multi-modal travel, for example by linking users to a train station or fixed route bus service. For providers, they might also be more economical compared to a fixed route bus service by only running when there is demand and on an optimised route. From the perspective of users, DRT can enable travel at a convenient time and provide an almost door-to-door service.
- 3.8 In the past decade, as technology has rapidly advanced, the concept of DRT has evolved to become *Digital* DRT (DDRT). This means that rather than phoning up to book a journey, users can use their phone or other device to plan, book, pay for and track their journey. DDRT is increasingly becoming part of the solution to the challenges around providing public transport in rural areas where demand is more dispersed and the distances involved make it more challenging to maintain or provide services meeting residents' needs, and in mixed use or residential areas at the outer fringe of urban areas where links to existing transport hubs are often less developed.
- 3.9 Digitalisation of DRT enables a new mode of public transport, in the form of on-demand, shared transport – usually provided by smaller vehicles such as minibuses – and allows passengers to search, book, pay for and track the vehicle in real time through a mobile phone app.

DigiGo DDRT service

- 3.10 On 15 March 2021, the Department for Transport (DfT) announced that the Council had been awarded a combined £2.575m for delivery of two pilot DDRT schemes as part of the Rural Mobility Fund. The two DDRT schemes improve local accessibility to essential services and the fleet includes six fully electric

¹ <https://www.gov.uk/government/publications/demand-responsive-transport-local-authority-toolkit>

minibuses, aligning with the Council's clear priorities for a 'Safer, Greener, Healthier' approach to travel in the County. The bid included the deployment of an app (TravelEssex) which includes travel planning for public transport and the necessary functionality to enable the DDRT service.

- 3.11 In March 2022, two DDRT schemes branded as DigiGo were introduced north of Chelmsford City and in south Braintree District, following the successful application for funding from the Rural Mobility Fund. After a few months of operation and based on feedback from passengers, the two schemes were combined to form a single DDRT operational area/scheme.
- 3.12 In summary, DigiGo is a shared public transport service which offers on-demand or pre-bookable travel. DigiGo currently operates Monday to Sunday, 7am to 10pm. There is no fixed route or timetable; DigiGo journeys are booked and paid through the TravelEssex app. Passengers can track progress of their journey and receive real-time updates through the TravelEssex app. For residents without a mobile phone, DigiGo offers the option to book and pay over the phone.

TravelEssex app and DigiGo DDRT service performance

- 3.13 The current version of TravelEssex app includes:
- regional travel planning advice for all public transport modes, walking and cycling, including real time updates for buses, ferries and rail (where available).
 - functionality to enable the DigiGo DDRT service, enabling residents to track and book DigiGo rides to travel on demand or up to seven days in advance.
 - payment processor for the ability to take in-app and over the phone payments for DigiGo fares.
 - data is fed into a back-end dashboard to help manage the DigiGo service and use data to improve services, journeys and longer-term transport planning.
- 3.14 The TravelEssex app and DigiGo service have been an evident success. Since its launch in March 2022, the app has been downloaded more than 36,000 times and DigiGo was used for more than 33,000 passenger journeys. The relatively high number of app downloads indicates strong demand by residents for a mobility app. The app currently costs £115,000 per annum giving it a cost of £3.20 per download, although not all downloaders will turn into regular users.
- 3.15 DigiGo passenger numbers are growing. In the 12-month period from August 2022 to August 2023, DigiGo experienced a 348% increase in passengers. In terms of passenger types, DigiGo passengers are broadly split between Adults (63%), Under 18s (17%) and Concessionary Bus Pass holders (20%).
- 3.16 Passengers highly value the DigiGo service, with a 96% 5-star score from thousands of ratings given after the completion of a journey. This is higher than

average satisfaction results for bus services across the industry and undoubtedly, this is aided by the TravelEssex app.

Long-term vision of TravelEssex platform

- 3.17 Technology is constantly evolving, and the transport sector is not an exception. The transport industry is changing through digitalisation and there is increased emphasis on providing personalised mobility (transport mode and travel information). Leveraging the ubiquity of mobile devices, the TravelEssex platform will aggregate all transport options including active travel (walking and cycling), so residents can find out what modes are available near them (including all flexible transport routes), plan integrated journeys and access information on delays and changes to routes.
- 3.18 There are health, environmental and economic benefits of supporting residents to make public transport a viable, everyday travel option – through the provision and promotion of public transport, as well as the availability of reliable and real time travel information, all easily accessible through a passenger-facing app.
- 3.19 If we can successfully make the TravelEssex app become the ‘integrator’ of various transport modes and services, it will become a one-stop shop for anything to do with mobility in Essex and beyond. By having all transport modes and information under one app, the app can help to raise patronage, diversify passenger types (e.g. attract more younger adults) and help residents towards more sustainable choices.
- 3.20 In addition, in the longer term ECC could achieve efficiencies by adopting new digital technologies and enabling wider, individual and societal benefits to be achieved in the Community Transport, Home to School and ASC transport sectors by improving access to these services and information provision.
- 3.21 The TravelEssex product roadmap is presented in the table below and is split in phases:
- **Phase 1:** Replace current Travel Planning app with improved functionality. This will allow residents to plan sustainable journeys, including tracking their bus and also allow residents to track, book and pay for their DDRT journeys. The technology also provides a dash board for efficient routing and driver allocation, for DDRT operational teams, including drivers. This enhanced platform will also allow other flexible transport services to be digitalised and hosted under the same platform. Any decision to progress to phase 2 would include a full evaluation of phase 1 and be assessed as successful against the following
 - performance of the travel planning function;
 - performance of DigiGo in terms of overall patronage and passenger diversification;
 - identified demand and funding from other services;
 - identified opportunities for automation of management and contractual information, including journey tracing, reliability and loading;

- identification of customer and service benefits including reduced operator contacts and customer dissatisfaction.
 - A critical success measure will also include the value for money performance of DigiGo as a supported local bus service in comparison with the £5 per passenger journey measure and other supported local bus services, in other words it should not attract significantly more subsidy than ECC would pay for a conventional subsidised service.
- **Phase 2:** Enhance and widen the functionality of the app to include a module for student transport; gradual digitalisation of SEND Home to School and ASC transport services enabling more efficient operations and real-time tracking of vehicles.
 - **Phase 3:** Continue with phased digitalisation of mainstream Home to School transport services.

When	What	Why
Phase 1 (2024/25 – 2027/28): replace current app, enhance travel planner & DDRT offering	<ul style="list-style-type: none"> • Replace the current TravelEssex app (due to contract expiry) which will include: <ul style="list-style-type: none"> • Multi-modal, national travel planning functionality. • DDRT functionality for passengers (real time tracking, booking and paying for DDRT services). • DDRT driver app (to provide routing instructions). • Dashboard to help manage the app & DDRT services, manage algorithms and data and customer care. • Payment processor (to enable payments for DDRT services) • Digitalisation of other flexible services, all hosted in the new app, in a phased approach. 	<ul style="list-style-type: none"> • Make it easier for passengers to plan for public transport through better provision of information, including real time. • To improve the quality and expand the range/type of flexible services provided in Essex. • To improve the quality of Home to School journeys for SEND students. • To improve the quality of ASC Transport provision.
Phase 2 (2027/28 – 2029/30): Widening the digital offering	<ul style="list-style-type: none"> • Continue delivery of Phase 1 • Digitalisation of SEND Home to School transport, using the outcomes of a current pilot in 2024 on this theme. This will enable the real time tracking of school transport. • Digitalisation of ASC Transport operations – this will allow tracking of vehicle in real time and introduce new booking methods for passengers • Conduct a Home to School transport pilot for mainstream education, for students who are eligible for free home to school transport and those students who are not. This pilot will help us to inform the future roll out of Home to School digital functionality and identify efficiencies. 	<ul style="list-style-type: none"> • Increase the number of residents traveling by public transport. • Increase the quality and quantity of passenger data. • Contribution to BSIP and EP objectives. • Improve connectivity to wider public transport network. • Improve accessibility to essential services, particularly in rural areas. • Reduce reliance on private car.
Phase 3 (2029/30 – onwards): App and transport services consolidation	<ul style="list-style-type: none"> • Continue delivery of Phase 2 • Phased introduction of mainstream Home to School digital services 	<ul style="list-style-type: none"> • Reduce emissions through higher public transport use. • Reduce social isolation.

Funding for Phase 1

- 3.22 The proposal is to fund phase 1 of the programme of customer service improvements from Bus Service Improvement Plan funding of £9.8m granted from the Department for Transport. This project is part of a package of projects which best reflect the priorities set in the Essex County Council Bus Service Improvement Plan and Essex Enhanced Partnership Plan and Scheme. Projects were selected because they best matched the priorities and targets set and were likely to deliver the best value for money in achieving them.

4 Links to our Strategic Ambitions

- 4.1 The new TravelEssex app has the potential to enhance and improve provision of public transport services in Essex, which helps to achieve a range of ECC's priorities including:
- Encouraging public transport.
 - Allowing Essex residents to sustainably access a whole range of services from school, training, and work to health, leisure and shopping.
 - Reducing congestion.
 - Improving air quality.
 - Helping deliver economic recovery for the Covid pandemic.
 - Enable greater social inclusion and reduce isolation.
- 4.2 Thus, procurement of such a digital platform, will also help deliver the following Strategic Priorities:
- Help to secure sustainable development and protect the environment.
 - Help people in Essex prosper by increasing their skills.
 - Help to secure stronger, safer and more neighbourly communities.
 - Limit cost and drive growth in revenue.
- 4.3 Re-imagine how residents' needs can be met in a digital world.
- 4.4 This report links to the following aims in the Essex Vision:
- Provide an equal foundation for every child.
 - Strengthen communities through participation.
 - Develop our County sustainably.
 - Connect us to each other and the world.
- 4.5 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':
- A strong, inclusive and sustainable economy.
 - A high-quality environment.
 - Health wellbeing and independence for all ages.
 - A good place for children and families to grow.
- 4.6 Approving the recommendations in this report will have a positive impact on the Council's ambition to be net carbon neutral by 2030, achieved by encouraging

residents to use their private cars less, in favour of public transport, thereby reducing emissions.

5 Options

5.1 Option 1 (recommended):

Following market research, the recommendation would be to go out to the market to procure a new digital platform and related components, according to The Public Contracts Regulations 2015 (PCR) Restricted Procedure.

5.2 This procurement approach will be published to the whole market. ECC will have the opportunity to shortlist the suitable suppliers and invite a minimum of five suppliers back for the invitation to tender phase.

5.3 Option 1 is recommended because:

- The current contract with Moovit does not have the option to extend beyond 31 March 2025, and therefore any consideration of this would not be a compliant route.
- For residents and visitors to Essex, the new app will enhance the user experience and provide a seamless, 'one-stop shop' for travel information, encompassing all public transport modes - the app will reduce the cognitive effort needed to move from the private car to public transport and contribute to decarbonising the transport network.
- It will enable and underpin the extension and potential expansion of DigiGo and roll-out of more DDRTs in the County (subject to appropriate formal governance), including the digitalisation of existing analogue flexible services. It will also encourage the participation of commercial operators in the DDRT market by de-risking the investment required to deploy DDRT services.
- The app will form a solid platform to build for the future and give ECC the ability to gradually add more modules, such as functionality to enable the digitalisation of home-to-school and ASC transport, thereby improving the journey quality on these services.
- This recommendation aligns and assists in the delivery of specific objectives included in ECC's BSIP and will help to increase the number of people travelling by bus and DDRT by:
 - improving access to travel information so that residents can easily make more sustainable travel choices.
 - supporting the roll out of DDRT schemes in the County, acting as feeder services into scheduled bus services, thus providing a new and attractive mode of public transport, which can encourage residents to leave their cars behind (particularly rural residents) and increase accessibility to a variety of destinations.
- The recommended option aligns with the EP which includes a commitment by ECC and bus operators to work together to improve customer information and make bus travel more sustainable.

5.4 Option 2: To procure through a Framework Call-Off (not recommended):

Following market research, we have not been able to identify a suitable framework. These requirements are not an 'off the shelf' solution.

5.5 Option 3: Do Nothing (not recommended):

If ECC chooses not to proceed with replacing Moovit in 2025 with a new app supplier:

- Residents will have poorer access to public transport information.
- DigiGo currently relies on an app and it will to find an alternative method of operation or simply stop 31 March 2025.
- Obligations included in Bus Service Improvement Plan and Enhanced Quality Partnership might not be fully delivered.
- The opportunity to digitalise and improve flexible transport services would be foregone; these transport services will remain 'analogue' and bookable only via phone or email at least 24hours in advance unless another solution can be found.
- Limited or no diversification of the passenger base due to the lack of a modern travel planning app, thus contributing to the general decline of public transport (e.g. failure to attract young people to public transport).
- All the above, in combination, will to some extent lead to residents being less inclined to leave their cars behind and use public transport.

6 Issues for consideration

6.1 Financial implications

6.1.1 ECC is looking to replace the existing DDRT and travel planning app it currently operates through a contract for services arrangement with Moovit that is due to expire 31 March 2025. This app currently allows for travel planning within Essex and is the platform in place that enables the DigiGo service. The existing application provided by Moovit, costs £115,000 per annum (including developments) and to date has been fully funded by external grants.

Phase 1 – Replacement of Travel Planning and enhanced DDRT functionality

Phase 1 is to replace the current app and set up the digital 'backbone' of the new platform, expand the travel planner and DDRT functionality; consolidation of information and services; gradual digitalisation of flexible transport services enabling on-demand transport and real time tracking of vehicles.

6.1.2 The service has estimated the costs of Phase 1 for a contract for services, based on informal discussions and research. There will be further market engagement which will provide greater clarity around functionality of the app and payment structures. The estimated cost per year is set out below and the service believe the cost may be weighted to the front of the initial 3-year period. Front loading the cost in this way, places great risk on the authority should there be difficulties with the contract. The return on investment will also be greatly diminished if the extension option(s) are not granted as the significant

upfront cost will have been sunk. Therefore, it might be prudent to spread the cost more evenly over the contract period, the payment structure will be explored during the market engagement.

	Year 0 2024/25 £	Year 1 2025/26 £	Year 2 2026/27 £	Year 3 2027/28 £	All years £
Upfront costs - white labelling	1,000,000				1,000,000
Licence Fee	-	200,000	200,000	200,000	600,000
Development time (e.g. for bespoke functionality)	-	100,000	100,000	100,000	300,000
Payment Processor	-	50,000	50,000	50,000	150,000
Customer Support Centre overheads (training, telephony, PCI Compliance)	20,000	10,000	10,000	10,000	50,000
Contingency (10%)	102,000	36,000	36,000	36,000	210,000
Total	1,122,000	396,000	396,000	396,000	2,310,000

6.1.3 The proposed Digitalisation of Passenger Transport during the initial 3-year period proposed, is estimated to cost the following:

- £1.122m in 2024/25
- £396,000 in 2025/26
- £396,000 in 2026/27
- £396,000 in 2027/28

6.1.4 The figures included above are educated estimates based on the team's experience and previous pilots. This reflects that the proposed solution is a step change in terms of quality and functionality. Whilst technical discussions have taken place with suppliers in this industry, costings have deliberately not been discussed. The profile of spend, assumes significant work is required by the supplier to bring the platform to launch (for example purchasing cloud space, computing power and configuring the app for the client). The exact payment structure will be determined through the procurement process.

6.1.5 The contingency is around 10%, to ensure there is sufficient room to accommodate unknowns. The table sets out the upper limit that the Executive Director would be delegated to award within.

6.1.6 ECC has been awarded £4.9m of BSIP+ funding in both 2023/24 and 2024/25 and it is proposing via this decision to prioritise some of this funding to support this project. This funding is received as a non ring-fenced grant under s31 of the Local Government Act and could be applied to any investment requirement of the Authority. However, ECC has entered into a memorandum of understanding (MOU) with the funder which whilst not legally enforceable does set out the expectations of use of funds between both parties. Investment in activity that will maintain existing bus service levels, grow long term patronage and revenues whilst maintaining essential social and economic connectivity for local communities or demonstrably improve the experience for non-users and existing passengers is the desired outcome of the funder. Paragraphs 1.3, 1.4 and 1.5 set out the outcomes from this particular proposal which are aligned to the desired outcomes of the funder set out in the MOU. Paragraph 3.22 sets out why this particular project has been selected for funding on the basis of greater value for money over other options that have been considered but rejected for investment.

- 6.1.7 DfT have communicated that an extension of the funding is possible and have shared the Project Adjustment Request form which can be used to request rolling forward funding for 12 months. It is expected that a single year extension will be accepted to use this grant in 2025/26. However, ECC will request a further extension to use the grant to support this project in later years, given that we will have already committed the funds it is hoped that DfT will be receptive of such a request. Should the extension(s) not be granted, the relative priority of this service against other service provision would need to be considered. There are opportunities to do this in advance of contract end dates in 2026 and 2028. Those decisions would be taken by Cabinet and would include the option of ceasing investment entirely after the end of the first contract term in 2028.
- 6.1.8 The service considers these works to be essential to the digitalisation of transport within Essex. To date the Travel Essex app, which includes the DDRT functionality, has been fully funded by external grants at an approximate cost of £115,000 per annum. The existing platform can be extended for one further year, ending the 31 March 2025 and is to be funded by the BSIP+ grant funding. The new app outlined in the paper will go live from 1 April 2025 for an initial period of 3 years and is to be funded by BSIP+, subject to DfT granting an extension as outlined in section 6.1.5. Therefore, beyond BSIP+ grant period, there will be a requirement to accommodate the cost of the new app within the existing IPTU budget, all avenues will be explored including further grants and prioritisation within the Local Bus budget.
- 6.1.9 In addition to this, there will be an option to extend with two +2 year extensions. The costs will be dependent on the results of the tender process, with a decision to proceed subject to further funding and governance.
- 6.1.10 Currently ECC has one DDRT service that uses the existing platform. Most users book digitally through the application, however, a small proportion of passengers (4%) make use of the IPTU customer support centre which is available between 10:00 and 12:00 on weekdays to make individual or group bookings. IPTU have indicated that these staff can contain the existing requirements, so there are no additional ECC staffing costs factored in above. As and when further DDRT services come online, staffing requirements will need to be revisited to ensure they can handle any increased demand, this could include operations management. Any changes proposed will be subject to separate decision making to agree changes to the staffing structure, setting out how these additional costs will be funded.
- 6.1.11 The app will provide a new operating model whereby new or existing services can be added to the platform, increasing the visibility and accessibility of those services. Examples of this include incorporating a small number of non-digital on-demand services that are procured by ECC as part of Essex's supported bus services.
- 6.1.12 It's expected that there will be incremental cost to add further services and vehicles to the platform, therefore ECC will seek reimbursement on a full cost

recovery basis from operators utilising the platform. The exact approach is yet to be confirmed, this could include a monthly fee or a share of income, however the current market engagement will help inform the approach and this will form part of future recommendations.

6.1.13 ECC is proposing to procure a product that has enhanced functionality for the future and this does come at a significantly increased cost above the current app solution. Should there be a slow take up initially of the DDRT services and other flexible transport services, there is a risk that it will not represent strong value for money in the short term, however it is deemed imperative by the service to bring forward the solution to build for the long-term future.

6.1.14 Dependent on the appetite for both operators and the public to move to a DDRT model, there may be an opportunity to reshape how ECC delivers transport to rural areas. Currently Local Bus services are offered to residents via contracts, some of these present better value for money than others. These services do not always run as frequently as commercial routes and therefore, moving to a DDRT should bring benefits to residents by the services offering greater flexibility in both where and when they can travel. There is yet to be an evidence base to suggest whether this represents better value for money to the taxpayer as the existing DDRT service DigiGo is relatively new, however the DigiGo service continues to grow month on month and monitoring of the Cost Per Passenger Journey (CPPJ) will be maintained in order to compare this to the costs of other rural services. The authority has set an upper limit to the CPPJ beyond which it will not normally continue to provide the service, which is £5. As such the aim is for the existing and future DDRT services to be within the upper limit in the longer term. There is an expectation that it will take several years for a new service to establish, for instance the DigiGo service aims to be below this £5 threshold by the end of 2027/28. The forecast is set out in the table below.

Forecasted Annual Passengers	39,905	59,239	78,441	97,642	116,847
Annual Growth	-	48%	32%	24%	20%
Cumulative growth	-	48%	81%	105%	125%
	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£
Forecasted revenue	(190,469)	(282,752)	(374,405)	(466,052)	(557,719)
Operating costs	916,646	940,578	957,449	996,023	1,031,002
Forecast Deficit	726,176	657,826	583,044	529,971	473,283
CPPJ (£)	19.77	12.16	8.23	6.07	4.59

Phase 2 and 3 – Enhance the functionality of the app for H2S and ASC

6.1.15 The roadmap includes Phase 2 which is to enhance and widen the functionality of the app to include a module for student transport; gradual digitalisation of Home to School and ASC transport services enabling more efficient operations and real-time tracking of vehicles. This will be subject to a separate decision at a later date and therefore costings have not been produced or included in this paper.

6.2 Legal implications

6.2.1 It is lawful to procure services in the way proposed. It will be for the Cabinet to determine whether the proposals represent an effective use of resources.

7 Equality and Diversity Considerations

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8 List of Appendices

Appendix 1: Equality Comprehensive Impact Assessment

9 List of Background papers

Essex County Council Bus Service Improvement Plan 2021-2026
Essex Enhanced Partnership Plan and Scheme 2022-2027