

Transport Committee

Oral evidence: Buses connecting communities, HC 494

Wednesday 12 March 2025

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[Watch the meeting](#)

Members present: Ruth Cadbury (Chair); Steff Aquarone; Dr Scott Arthur; Catherine Atkinson; Olly Glover; Katie Lam; Alex Mayer; Baggy Shanker.

Questions 63–128

Witnesses

I: Caroline Whitney, Director, Community Transport Association; Max Sugarman, Chief Executive, Intelligent Transport Systems UK; and James West, Business Development Lead, Padam Mobility UK.

Written evidence from witnesses:

- [Community Transport Association](#)
- [Intelligent Transport Systems UK](#)
- [Padam Mobility UK](#)

Examination of witnesses

Witnesses: Caroline Whitney, Max Sugarman and James West.

Q63 **Chair:** This is the second session in our inquiry into buses connecting communities where, overall, we are looking at the chronic lack of reliable bus and public transport outside the main conurbations and often even at the centre of main conurbations. We are looking at how the Government could improve on these and tackle the decline in reliable bus services, and whether the Government's bus reforms are fit for purpose to tackle this England-wide crisis. This morning, we are considering how effective or otherwise demand-responsive travel and community transport services have proven to be, and how or whether the Government could do more to support them. Could I ask our panel to introduce yourselves and your roles?

Max Sugarman: Max Sugarman. I am chief executive of Intelligent Transport Systems UK. We are the industry association for transport technology and represent 180 organisations in the space.

James West: Good morning. My name is James West. I am representing Padam Mobility. I look after their growth here in the UK. We are part of the wider Siemens network and, more specifically here in the UK, part of Siemens Mobility, which is known for its rail. We are a software provider to about 10 schemes here in the UK.

Caroline Whitney: Hello. I am Caroline Whitney. I am the director for England and head of membership at the Community Transport Association. We are the leading body that represents all non-commercial operators across the UK. We currently have 1,300 members. About 900 of those operate in England. We are also the largest designated body and issuer of section 19 permits in the UK or in GB. We currently have around 6,000 active permits operated by 835 organisations.

Q64 **Chair:** Thank you. A couple of questions on demand-responsive transport, or DRT: what is DRT and how does it currently fit into the wider public transport network?

Max Sugarman: DRT is ultimately about providing more flexible services for a local populace. It is about not having a fixed route, and moving to support the communities in a certain area. It is worth saying there is not one form of DRT. It can be zonal and work in a particular community; it could also work with a fixed route, just without bus stops; or it could feed into a railway station, or a fixed route bus network. There are lots of different varieties.

In the UK, it is mostly zonal for DRT services. It particularly has applications in rural areas. There is also DRT in urban areas, particularly for things like non-urgent hospital visits, for SEN transport and for corporate travel. When there are a lot of employees in a set area, an



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employer might choose to use DRT to get them in. It is quite a flexible, dynamic service that can be used in a variety of ways.

Q65 **Chair:** Anything to add, James?

James West: The layer that we add, as a software provider, is some technology provider element. People can book sometimes through a website or an app. I will leave it to Caroline in a second around the elements of digital versus DRT itself. As Max said, the flexibility is the element that really brings the benefit. It is almost different flavours for different needs. We can blend those all together to make the solution work best for the local authority and their residents.

Q66 **Chair:** Thank you. It is important that we make a distinction between DRT and digital DRT. Obviously there is a strong overlap, but not everyone who is a user of DRT has access to digital connectivity. Even for those with smartphones, in some parts of rural areas there is no mobile connectivity. Does that present challenges? In general, what is the distinction between the two and where are the benefits?

Max Sugarman: DRT has been around for a long time in the sense that people have been using non-fixed route or dynamic transport to support areas for a while. What has changed in the last 10 years is the use of algorithms and data better to understand and have more flexible, dynamic services. Someone can book on their app, and a minibus or the vehicle can be re-routed to pick them up, optimising the best route as part of the system. That has changed and has provided a huge amount of benefit for DRT.

Regarding the phone element, a large, if not the vast, majority of DRT services operate dial-a-ride, a phone system. A lot of DRT services start off using the phone system quite heavily, getting people to dial in. Increasingly, more and more people use the app as they transition to that. There was one example of a local authority that saw, over the first year, about 60% increase in the app usage over the phone. It is important that the phone element is kept in and people are able to use that, not just because of digital connectivity, but also accessibility.

Q67 **Chair:** How do DRT services compare, on the one hand, to a traditional bus service and, on the other, to a standard minicab service?

James West: It is a shared mobility service, which is perhaps the difference from a minicab service. There is also no fixed defined route; it is purely driven on demand. If I want to go to the train station and Caroline and Max are also looking to travel to the train station, perhaps at a similar time, we would group those journeys together. There is a case that, if you wanted to travel at quarter to the hour and there was a journey travelling at ten to, we would travel those together.

The stops, in comparison to a fixed bus route, sometimes use traditional bus infrastructure. Sometimes they use what we call virtual stops, which could be at the end or on the corner of a road. Similarly, in terms of the



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actual duration, there is a window in which your journey will take place. With a minicab, you are sometimes told where you will be picked up. A bus has a very rigid timetable that you respect and obey.

Chair: Thank you.

Q68 **Dr Arthur:** In the consultation response on DRT, quite a few people responded saying they did not think DRT was scalable. They thought it was always going to be expensive. Is that the case?

Max Sugarman: I would disagree with that in a number of cases. There are different DRT schemes throughout the UK; local authorities try different things. The dynamic nature of DRT means you can try, and then amend the scheme. In what we have seen, for example, in Milton Keynes, Milton Keynes Connect had a fixed route, which was £13 per passenger subsidy. They got that down to £4. In Nottinghamshire, they had an £18 per passenger subsidy and they got that down to about £9.

Q69 **Dr Arthur:** Is that because they are using smaller vehicles or have they increased patronage?

Max Sugarman: Yes, through a variety. It is expensive to run an empty, fixed-route traditional bus service that does not have many people on it. You may be able to use the more flexible services DRT provides to increase cost efficiencies. There is more flexibility around timeframes; drivers can maybe do a two-hour slot when there are high peaks and things like that. You are also obviously not using such large vehicles in many cases. There is a lot of flexibility that comes from it, where cost efficiencies can be found.

The key thing we found is that where there are schemes with longer-term horizons, in that there is commitment from the local authority, and when there is continual learning around the cost efficiencies and scalability, that is when we start seeing real cost efficiencies and economies of scale coming in.

Q70 **Dr Arthur:** Do you want to add to that?

Caroline Whitney: From a community transport point of view—Max said that demand-responsive transport has been around for a long time—we have been delivering it for over 60 years. Demand-responsive transport, in itself—the principle of one stop to many destinations, many stops to one destination—has been around for a long, long time; the digital element is new.

In terms of cost-effectiveness, CT learned over 60 years how we operate at the lowest possible cost. It is about not having an empty bus sat waiting and about understanding your community. If you are trying to run a service from 7 am to 7 pm, when you don't have the demand from your community, it is going to cost a lot of money and you are going to have to put a lot of subsidy into it. If you are working with your community and understand the peak points of time when we need the



service, that is when we operate the demand-responsive transport. At other points of the day, we operate a slightly different service that is more responsive to our communities. That is how you can make it sustainable, because there are some that are very expensive. There are some DRTs or digital DRTs that are very expensive. There are some that are making money. It comes down to whether you have the passenger numbers and do you understand your community and what your community needs. If you don't have either, yes, you are looking at £35 subsidy per person.

Q71 **Dr Arthur:** You stressed that some of the digital DRT systems are expensive.

Caroline Whitney: Yes.

Q72 **Dr Arthur:** Obviously, you have James sitting next to you. Is that because of the digital element or is it just because they are too ambitious?

Caroline Whitney: From a CT perspective—I can talk to you from a CT perspective—we have not really, at this point, been able to make it work where it is cost-effective for CT operators to have the more expensive, newer type of technology, because we don't have the investments in our operators to be able to pay for it. For us, yes, it is expensive. Our operators use around 17 different types of software, some of which have been built and developed by the sector for the sector. They are the ones that are cost-effective for us from a digital point of view.

Q73 **Dr Arthur:** Do you want to add to that, James?

James West: Yes. DRT can require levels of subsidy in a broad range, as Caroline has mentioned. Often, the way we work comes back to what I said earlier about the flavours of DRT. Can we focus on getting journeys to a train station in the morning? Then can we look to serve leisure trips throughout a portion of the day and then back to serving commuters? In that way we are not just doing one type of service throughout the whole day but mixing it to meet people's needs.

Some of the areas where we see additional benefits, which are a little bit harder to quantify from a subsidy level, are around the social value metrics relating to it. In our service in Hertfordshire, there were previously 4,000 people without access to public transport who now, through one of our services, have access to public transport. There is a wider conurbation, around 40,000 people, that can see access within a certain amount of distance, so can we use that to help think about the wider benefits that these systems have in place?

Max Sugarman: As James said, you are dealing with rural areas where it is more difficult to make commercially viable routes work. One thing DRT can help support is something called co-mingling, using one DRT service for multiple different things. There are examples where DRT might be used for home to school transport during one point in the day and during



the other part of the day will be used for public transport. Obviously, if that was being done separately—two sets of vehicles, two sets of software, two sets of all that type of stuff—doing it as one provides cost efficiencies.

- Q74 **Dr Arthur:** Finally, quite a few of the examples you have given, and this came through in the consultation, are around services that previously were not viable with large amounts of subsidy. What DRT has enabled is for the service to continue, still with a subsidy, but perhaps a lower level of subsidy. Is that its niche, rather than viable services in their own right? Is it about maintaining those lifeline services at a lower cost? Is that its niche?

Max Sugarman: There are some schemes where they are making a surplus and doing well. I have used the example of subsidy per passenger. Ultimately, we should be looking at this more through the benefits in social value and economic value. The benefits of DRT are being able to decarbonise and support people to get out of their private car on to a bus service, tackling things like social isolation, getting people into town centres. It is also about the economy and the money that person would spend on the high street rather than, for example, staying at home. There are different metrics that are being used to evaluate it, and DRT should include those metrics as part of its value. That is really what it can enable. We should be using those to show how it is successful, rather than passenger subsidy.

- Q75 **Dr Arthur:** Think about the benefits rather than just the costs.

Max Sugarman: Yes.

Dr Arthur: Thank you.

- Q76 **Olly Glover:** My Oxfordshire constituency of Didcot and Wantage is quite geographically diverse. It has large towns, which tend to have a pretty good bus service, and villages with a few buses a day; but a couple of villages only have one bus a week. Using that as an example, what gaps in connectivity do you feel community transport fills? How do the gaps differ between rural and urban areas? I appreciate you have covered some of that part, so perhaps you could just expand it.

Caroline Whitney: Community transport operates on a mixed model. There are very few community transport operators that just deliver dial-a-ride, or just deliver a community bus, or just deliver a volunteer car scheme. Most of them have a mixed model because most communities have exactly the situation you are talking about.

In that example, if you have one public bus that runs once in the morning and once in the afternoon, you could have a community bus that fills a little bit of the gap so that residents feel secure in the fact that they can get home. If they go out in the morning, they will be able to get home because there is a community bus that subsidises that. Plus you might have a dial-a-ride or a DRT service that runs alongside and is more flexible



for people who cannot get to the bus stop. No matter how many times you have a bus running, if someone cannot physically get to the bus stop, they cannot use it, so you match that with a little bit of your dial-a-ride. You would also look at, for example, if it is 50 miles to get to your mainstream hospital—if someone is receiving cancer care, it is often a specialist—it might be a good 30-mile journey, so that is where volunteer car schemes come into their own for single trips to support people to get to those places.

What you are looking at is a mixed model that enables everyone in the community to have access to transport that meets their needs. There is no single form of transport that is a panacea—"Well, if you put dial-a-ride in, everyone will be able to get there." "If you put DRT in, everyone will get there"—because it does not work. You must have the mixed model approach and that is what we suggest.

Going back a little bit to the subsidy question, in a short answer, yes, you need that. You need to look at the local place—I am not just talking about local authorities; who subsidises that service could be a range of different organisations—and how that subsidy is put into place. Lots of our organisations have an anchor income, an income that enables other things to happen. It could be that the anchor, for your example, is the community bus route and the concessionary fares that then help to subsidise the dial-a-ride service. If you remove the community bus, you remove the dial-a-ride. They are all interlinked financially and that is really important to recognise in a place.

Q77 Chair: Adding to the mixed model approach, I am in London, so I don't know about school transport, but I know it is a statutory service in rural areas, where children live a long distance from their nearest school. How much is school transport integrated into other systems in order to make best use of buses or drivers? Or do local education authorities live in a different world?

Caroline Whitney: Where we see home-to-school contracts linked really well with that broader bit is when there is either good cross-departmental work within a local authority or a staff member responsible for both. For example, we work closely with Suffolk. The lead staff member at Suffolk oversees home-to-school as well as community transport, so there is a really good connection between the two. For lots of our members, the home-to-school contract is the anchor contract and they do home-to-school start and end of the day. That enables other things to happen.

Something that does not happen as much around mainstream home-to-school, the nine to 16-seat minibuses, is that we often do not have other passengers on those vehicles. That is the bit that could be looked at, depending on whether there is capacity in the vehicles, because we try to fill them. We do not want four seats empty. We try to fill the vehicles. If there is capacity, there could be a look maybe at taking commuters or other things. I think there will be a shift change around that. There is lots around safeguarding built into those contracts currently, which is why it



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does not really happen at the moment, but there is no reason it could not be looked at as a consideration to broadening that into school time.

Q78 Chair: You said in Suffolk it works well. Are you saying that there are different cultures in different local authorities about whether they are flexible and engaged with other services, or whether they operate a completely segregated home-to-school transport system?

Caroline Whitney: Yes. With every local authority, there are local authorities that do things really well and there are local authorities that do not. It doesn't matter what the topic is, you always have that extreme. We find more and more that more local authorities are encouraging our members to do home-to-school. That is primarily because they are cutting the discretionary grants going into community transport, so they see it as a way for CT to enable to continue to fund the dial-a-ride. That is being seen as an anchor contract, effectively, from local authorities.

Chair: We will come on to funding later. On the mixed model approach, there are some legislative complications with that.

Q79 Steff Aquarone: Before we come on to that, can I come back to something you said, Caroline? I am interested in everyone else's view on this too. I am Steff Aquarone, MP for North Norfolk. Caroline, you said you need all these different options. You cannot have a system without different choices, which I totally accept. But doesn't the journey user, the transport user, need to feel like it is all part of one system? Otherwise, you are just phoning around, thinking about 20 different options to make one journey and having to be passed from one to the other to see if they can support your needs.

Caroline Whitney: It would be great if that could happen, absolutely. For a lot of our members, the demand they get is from word of mouth; it is from a passenger telling somebody else, who then becomes a passenger, who then tells someone else, who becomes a passenger. It is quite hard to find the service that you need—I know we are going to talk about funding later—because often what happens is that some of the contracts have limitations on them. You can only take people for this journey, you can only take this type of person or you can only go here. If it is set up in response to a local need, they might have a geographical restriction. It is hard for passengers to navigate that and understand which service they need.

It is mainly led by local authorities where there is a central place where, if you want community transport, you can have a look and try to find what you need. It would always be great if there was a central booking system and everyone went to one place. That is the kind of panacea, but in some places you have 12 or 13 community transport operators. You have to get them all on board. You have to bring them all in, as well as all the commercial operators. It is never not doable, but it is a challenge. Yes, it would be good to have them.



Q80 **Steff Aquarone:** That is just among community transport operators, of course. It is not looking at all the other non-private transport options.

Caroline Whitney: Yes.

Max Sugarman: Mobility as a Service, which is what we are talking about here, is having one system where you can see different transport options, public transport options, and choose which of them to use. We have a lot of members who work in the space. There are a lot of partnerships that go on with local authorities. Some providers of software solutions for DRT also have MaaS products. I know Padam and Siemens do that, and have a MaaS element that you also work with.

Q81 **Steff Aquarone:** MaaS?

Max Sugarman: Sorry. Mobility as a Service is where you have an app that can show different options and you can choose which type of public transport to use. There are also the future transport zones, which were set up in 2020. It was meant to be £90 million for four regions across the UK funded by Government, areas like Solent and west of England and Transport for West Midlands. They focused a lot on MaaS but included DRT within that. There are different models, but there is a focus on how you can use MaaS to support DRT services and give residents lots of options.

James West: On the mobility service point Max was mentioning, with DRT in general our goal is to support the wider transport ecosystem. It is to enable people to travel to places to then make more multimodal journeys, whether that is by rail or by fixed-line buses. It is not thinking of it as an isolated form in itself, but how people can go forward and make more journeys, even by active travel. If community transport is an enabler or the community transport operator is running a service that enables people to get to a train station, that is what we support.

Q82 **Steff Aquarone:** I am sure colleagues have other questions to build on some of that. To go back to what the Chair was just encouraging me to move us on to, you have touched on it, Caroline. It is the slightly labyrinthine legislative context. I have met one of my community transport operators and I could not believe some of the permutations they told me about in the legislation. Are the section 19 and section 22 permits—I am looking specifically at you—fit for purpose, or is that part of the problem?

Caroline Whitney: I will use the term “non-commercial” because we have a number of different types of operators that use sections 19 and 22, including local authorities. Non-commercial legislation is from 1985 and we have been tinkering around the edges. The changes that have been made are just tinkering, so the short answer is no, it is not really fit for purpose. We are working with DfT and the traffic commissioner, and we have regular conversations to try to ensure that services can fit within the current legislation. We are bending things to try to make them work.



Our view that is there needs to be a wholesale re-look at non-commercial operations. What has happened in the past a little bit is that we have looked at a mode, at how we can get a flexible route. We tweak something that then goes through legislation. It is not tested in law. No one fully understands whether they are operating within the boundaries, and everyone is a bit worried about it. Yes, it is that broader bit because that would bring in consideration of DRT. It would bring in consideration of section 19. We have a significant issue at the moment around small vehicles and community transport operators. They are treated very differently from section 19 minibuses, and we are in discussion with the traffic commissioner about whether those vehicles should be operating. It is complicated but it is not entirely complicated because there are lots of things you can do.

Whenever we try to work with a place, initially people come to us and say, "What can we do within a section 19?" I say, "Well, let's park that. What is it you want to do? What does your community need and what services do you want? Let's plan that and then we will find the right bits of the legislation that can enable it to happen." What it often needs are forward-thinking commissioners, if it is local authority-funded, so that you can look at the service and go, "Okay." One of the challenges non-commercial has is something called incidental to profit. We cannot, in any way, enable a commercial operator to make profit, which means we cannot subcontract to a commercial operator because we would then be helping them make profit. With things like non-emergency patient transport, for example, there is a big barrier for many of our members, when we could bring huge value but we cannot subcontract.

Q83 Steff Aquarone: Does that extend to the opportunity of dropping people off at bus stops, if you are actually putting passengers on a commercial service?

Caroline Whitney: Only if the commercial operator is paying the community transport operator. The issue is where the money is flowing. If Stagecoach said, "We'll give you X amount of money if you drop people off here," it would be incidental profit and we couldn't do that.

Q84 Steff Aquarone: Going back to the limitations or otherwise of the legislation, for private hire it is really simple. It is zoned by district. The authority that gives you the badge is where you can collect from. If you were to think about the full scope of the possibility for DRT, which dimension would be the most sensible to make the restriction on operations? Would it be destination, origin, transport user, segment, journey type? What would be the sensible way of separating the not-for-profit from the commercial sector?

Caroline Whitney: You could use either section 19 or section 22 to deliver any of those connotations currently.

Q85 Steff Aquarone: Yes, but if you were going to make it more flexible, if you were going to rewrite the legislation, make it simpler and easier for



operators to work within.

Caroline Whitney: We don't have a specific view of what it could look like because we need to consult members and stakeholders. The issue we have with section 22 is the level of flexible routes and how flexible you can be; who can be on that vehicle, who can pre-book before they get on that vehicle, and how many seats you are allowed to fill. There are limitations in that. With section 19, you cannot take members of the public; they have to be pre-booked; it has to be pre-booked, effectively.

We want non-commercial to be able to take the public so that they can stop at stops. We also want to be able to pre-book. It is whether you can do a merger of sections 19 and 22. I know there has been conversation around having an operator's licence, a bit like a PSV. Rather than having the two different permits—"How are we operating under this? Are we operating under that? Which one are we doing?"—we have, as a non-commercial operator, "This is what you can deliver within it and you don't have to consider sections 19 or 22." Obviously, if it was a fixed route, you would still have to register it with the traffic commissioner, but it would be more flexible and you would not have to be trying to fit a service into one of the types of legislation. It is worth looking at commercial operators and non-commercial, and simplifying the non-commercial side. I think that answers it.

Q86 **Dr Arthur:** Back to you, Caroline, I'm afraid. Is another constraint you face driver recruitment?

Caroline Whitney: We have significant issues around driver recruitment. There are a couple of reasons for that. The main one, currently, is the D1 driving licence requirement. Prior to 1 January 1997, everybody had D101 on their driving licence, which meant you could drive for non-commercial operators, or you could volunteer where hire and reward was taking place. You could drive the nine to 16-seat minibuses. It is with nine to 16 seats that we predominantly have the issue around driver recruitment.

After 1997, we have slowly been declining in terms of the number of people. Over the next five years, we are looking at a fifth of drivers going. We are also looking at an ageing workforce, which is the challenge. When people retire, when they get into their late 60s and 70s, do they want to be driving a 16-seater minibus around? We are trying to encourage them. Lots of people do, but we have an ageing population.

We have been trying to influence Government for a number of years to make a change to the driving licence legislation. There was a call for evidence a couple of years ago, in 2022. Overarchingly, our view of the results was that people were generally in favour of changing that legislation but, quite rightly, with a training requirement. You would not want me just to get into a minibus and start driving it without any training. We do not want that. Operators must operate safely and legally. The call for evidence was looking at D1 as a whole, so that would



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influence commercial as well as non-commercial operation. I know that threw up a lot more challenges around training and those elements. What we are really asking for is a little bit of the status quo. I have a B licence. Why can't I drive the non-commercial? I got my licence six months after the change. What is the difference between me and someone six months older than me in terms of being able to operate?

I was with operators last week. One of them is operating a section 22. It links five villages together. It is the only bus. They are planning for closure over the next few years because they cannot get volunteer drivers. They are fully volunteer-operated. It is not always feasible to say, "Well, we'll just pay for training." It can cost anywhere from £1,300 to £2,000 to get a driver through D1.

Another operator we work with has 20 volunteer drivers. It is a huge cost. It would be more than their turnover as an organisation. It is not feasible or practical. We need legislation change in that regard, but we also have the issue of recruiting drivers, and volunteers in general, because of a number of factors. We have an ageing population. We have not seen the comeback after covid that everybody was expecting. There was a big bump of volunteering, but then some people found that they were going to do other things and have not come back to volunteering. For our volunteer car schemes, the cost of living has had a big impact. Volunteer car schemes are when a volunteer drives their own vehicle and gets paid the mileage and out-of-pocket expenses. The mileage allowance has not changed since 2010. It has been a long time at 45p per mile.

Q87 Chair: Is that set by law? It is not flexible; it is not up to you.

Caroline Whitney: Yes, that is the issue that we have. Volunteers tell us that it is now costing them more. The 45p is putting volunteer drivers off driving. We particularly had an issue, obviously, when petrol and diesel prices spiked a couple of years ago. We have been making representations to the Treasury that we think it needs to be looked at. We have evidence from our members that the number of volunteer drivers is dropping. As an organisation, you can pay whatever you want for the mileage, but there are tax implications. That is the issue. If someone is volunteering, they do not want to have to do a tax return on the number of volunteer miles that they are doing. It creates a huge barrier for us in terms of volunteer recruitment.

Q88 Dr Arthur: I have one of those pre-1997 licences. I know that I look much younger, but I have one of those. I did some minibus driving when I was a lecturer, taking students to visits and things. I cannot say that I always enjoyed it, to be honest. It was quite a bit different from driving a car. If I was to rock up at one of your members and volunteer to be a driver with my ancient driving licence, would they give me any kind of training just to make sure?

Caroline Whitney: Yes, they would. We operate a national training programme called MiDAS, which is targeted at ensuring that minibus



drivers are aware of the requirements. Part of that training includes a driver assessment. You do, basically, a mini driving test with a qualified instructor to ensure that you know how to drive that vehicle and that you are driving that vehicle safely. There will also be training by the operator and through our MiDAS programme on the policies and procedures that you have to follow. For example, everyone has to do a walkaround check. We very much follow the roadworthiness guide from DVSA in ensuring that drivers are trained effectively. It is looking at those walkaround checks, so drivers know that a tyre looks a little bit bald and, "We need to pick that up," or, "I'm not going to take the vehicle out." They also get training on other elements. We see more and more frail passengers, so there are things like dementia awareness training to ensure that people know what they are doing.

Q89 Dr Arthur: I think my employer gave me that mini driving test, but it was a member of staff in the university who did that. Is it still the case? Would one of your own members test the potential volunteer employee through that test? It is not an independent test. That is what I am trying to say.

Caroline Whitney: Yes, there is no national set training currently in place. If you did the D1 test you would have to do your CPC training. In our sector there is no mandated training. With our MiDAS training, which we try to encourage and advocate that organisations use, an external trainer would do that for you.

We have a number of members who deliver their own training programme. If anybody applies to us for a permit, we look at the type of training that they provide for their drivers. If we feel that the training is not quite enough, from what they tell us, we would either give them the permit based on, "You have to put this in place," or not give them the permit until we were assured that they were training their driver to a standard. With our MiDAS training, we are in the process of looking at having an offer for very small operators because there is a cost involved. You have to pay for it. If you have 20, 30 or 40 volunteers, £30 per volunteer starts to add up. We are looking at the most cost-effective training offer for our very small members.

Q90 Dr Arthur: If the DVLA does not change the licensing to go back to the kind of pre-1997 set-up, what impact is that going to have on services over the next five years, with the 20% drop?

Caroline Whitney: They would reduce or stop. Put simply, we wouldn't have the drivers. It is not just the volunteer drivers; it is also paid drivers. A lot of our operators that use paid drivers still do not have a significant amount of money to spare. They often use that to maintain or replace their vehicles. We will see services reduce and stop if we are not able to change that legislation.

Q91 Catherine Atkinson: I have a couple of questions on accessibility. We have been talking about size of vehicle, but because many of the



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community transport and DRT vehicles fall below the size thresholds that trigger requirements for wheelchair access and audiovisual information on board, what support do those sectors need to make sure that services are fully accessible?

Max Sugarman: It is worth saying that DRT helps accessibility above and beyond looking at the vehicles. There is research from organisations like Transport for All that shows that 70% of disabled people have issues using pavements, particularly in rural areas where there are grassy knolls and verges, and getting to a bus stop can be very difficult. Having a door-to-door service, or a near door-to-door service, can help accessibility anyway.

There are different DRT vehicles available. There are wheelchair accessible vehicles for the larger minibus vehicles. Lots of DRT technology providers invest in the latest guidelines on accessible bookings, and in a screen reader for people who are visually impaired, so they can have the DRT website read out to them, and book via that.

Q92 **Catherine Atkinson:** Do you put that in place even when the vehicles are smaller, and it is not technically required?

Max Sugarman: Yes. A lot of DRT providers do that anyway as part of it. On a lot of the apps you can mark whether you have a disability or reduced mobility and, therefore, the right vehicle can be sent to you. Obviously, there is a range of different schemes. There are lots of them doing that type of thing.

Q93 **Catherine Atkinson:** Could I ask the same in relation to community transport?

Caroline Whitney: Accessibility is built into our service from the start. Predominantly, the majority of our passengers are people who are older or people with a disability. Most of them have some sort of mobility issue or some sort of additional requirement is needed, so 76% of our minibuses are accessible and 83% of MPVs are accessible. What we find is that some operators have been getting the smaller MPVs, particularly for shorter journeys. That works for people who might need wheelchair access, with a couple of people in the vehicle with them.

The challenge for us is having the funds to replace vehicles when they get towards the end of their life, but by far the majority of minibuses are accessible. I was with a member the other day who told me that their lift had been used over 30,000 times. I was in the vehicle at the time and saw the lift used at least four times in that trip. They get used quite a lot.

The other thing to think about with accessibility is that, if the vehicle is a big one, in community transport we often have passenger assistance as well. We are not just relying on the driver to be able to do everything to support those passengers. There is a passenger assistant in the vehicle who is helping. The way the trips are designed is also accessible. We do not rush passengers to get on vehicles. If it takes somebody 10 or 15



minutes to get on the bus, that will be factored into the journey time. CT are not telling their drivers, "You've got a three-minute turnaround time from picking up to getting off." That is the biggest part. If you ever go out and witness CT, the bit that will hit you the most is the care that is taken in getting people on and off the vehicles, and the time that it takes. That is what makes it accessible for most of the passengers, because they feel safe on those vehicles.

With booking systems, and all those kinds of things, we have mixed models to ensure that people use it. One of the advents of technology, though, is that there are some people who are not confident using the phone, so an app can be an additional bit for that. Only about 3% of our operators use apps. A quarter of them use online booking forms, but for apps it is a lower number. That is partly due to us not being able to afford the technology. Online booking is there for those who do not want the personal bit.

Q94 Catherine Atkinson: That segues nicely into the next question. I know that it was covered a little bit at the start, but looking at the accessibility of DRT services, how do you respond to people who are digitally excluded and/or in areas with low mobile coverage? What is your experience of it, and how can it be overcome or improved?

James West: In the very nature of the schemes that DRT is working with at the moment, we are funded by the bus service improvement plan or the rural mobility fund, which is rural and therefore connectivity and diversity can be heightened. We offer, as a software product, the option to book via the app and also via a website or a call centre. The call centre is usually handled by the local authority running the service or the operator procured to run the service and run the vehicles.

In the UK, we see around 80% to 82% of bookings being made through the mobile app, so the digital uptake is quite high. Around 5% to 8% of bookings are through a website. That is where someone has some level of technology—to touch on what Caroline was saying—and then the remaining 10% or so are done through the call centre. With the call centre, it is often a small cohort of repeat users who ring up every week to make their bookings, or two or three bookings for the week to go to the shops. We understand the need for and importance of a call centre and our interfaces to support that. It is digital inclusion in places where sometimes inclusion could be an issue. It might also be the only journey that those people make in a week.

Similarly, when we engage that, we provide a toolkit to the users. It is similar to what Caroline was saying for ambulance users. We allow them to walk to virtual stops for their bookings. They are allowed a set time by default for being picked up to board and alight the vehicle. For users with more specific mobility needs, we can allow them to be picked up from their door and dropped off right at the door of their destination. We can allow the operators or local authority to say, "Well, actually, that person



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needs 10 or 15 minutes.” That is all accounted for with the journey that they are taking.

Caroline Whitney: There is something else I meant to say. A future challenge we need to think about with accessibility is around electric vehicles. Currently, about 3% of our fleet is electric, but most of those are MPVs. The consideration we need to think about is electric minibuses. I say this because there are a couple of things. The batteries are very heavy. They take up the payload, which means that potentially a 16-seater electric minibus can actually take only about 12 people because the battery is so heavy. We have that issue. It either takes up the payload and reduces passengers or will push it over the weight threshold for a volunteer to drive. Currently, for volunteers on a B licence—about half of our members use volunteers on a B licence—if the vehicle is less than 3.5 tonnes, or 4.25 if it has a lift, a battery can add up to 1,000 kg. It can take it over 3.5 tonnes, which then means we cannot use that vehicle. There are those bits around it. Depending on where the battery is, it can reduce the ceiling height of the vehicle, which can make it harder for people to use. EV is great. We love EV and we would like more EV, as long as the range is appropriate, but there are accessibility factors to consider.

Q95 **Chair:** And another driving licence restriction, which we need to look at as well.

Caroline Whitney: Yes.

Q96 **Steff Aquarone:** I nearly fell off my chair at the usage stats on mobile applications. Just before I ask this potentially divisive question, I am not trying to kick the panel into confrontation deliberately. I spend a lot of my time arguing for the need for digital inclusion.

I represent the oldest constituency in the country. I would say, at worst, the true nature of accessibility and digital inclusion is around 50% of my constituency—at the very worst—so on the gap with 25% of mobile operators only offering mobile booking options it doesn’t surprise me that only 3% of journeys for community transport are booked via a mobile application. Doesn’t that suggest that the operators could be doing more to make that option available to the willing members of their audiences?

Caroline Whitney: From a community transport side there are two main reasons why the tech has not gone out everywhere. One is cost. It is quite costly. Just to replace your IT system in any way is expensive, never mind if you have an ongoing cost with it. The other thing to factor in and think about is the size of the operators and the capacity within the operators to take on board new tech and use new tech without support. They are all very capable individuals, but the majority of our members have a turnover of less than £25,000 a year and 60% of our members have a turnover of less than £250,000 a year. You are not talking about operators who have all this money to play with, to test and pilot and have a marketing team in the back office to do all of these things.



Operators want to use technology. They want it to help them to improve their service and manage some of the bookings, but our members also talk to us about keeping the human element of journey planning. I know that we are moving to tech to be able to negotiate with passengers about pick-up and drop-off, but if you are talking about a person who is 80 years old and trying to use the app, they are not going to negotiate with that. They are just going to say, "It's not going to work." We need to keep the personal ability to negotiate and journey plan.

Q97 Steff Aquarone: James, do you meet buyer resistance in this regard? You would not insist on selling a whole separate scheme to every single minibus operator, would you?

James West: No. We are working with Hampshire County Council at the moment. We have digitalised their community transport offering.

Q98 Steff Aquarone: Across all of them?

James West: Yes. They are a part of the Solent future transport zone that Max mentioned earlier. Hampshire have done their CT. The discussion we are having with their CT is that we are not going to say in 12 months, "Are you going to have 80%?" It is working with them to explain the digital benefits for some of their users, or indeed perhaps the carer, guardian or son or daughter of someone in their 80s, perhaps making the journeys on their behalf and then receiving updates that mum or dad was booked. We layer that in. That is the level at which we have worked with CT so far. It is the umbrella authority rather than the individual operators themselves.

Q99 Steff Aquarone: That potentially helps the cost issue, but what Caroline is saying is that the outfit itself does not have the bandwidth, if it is an organisation running a £25,000 turnover, to think about what sort of coffee they are buying, let alone whether they are buying and implementing new tech. Has that extended down directly into supporting operators in the embedding of that technology, or is it just about commissioning so they do not have to pay for it?

James West: We work very much right at the heart with them to understand the best approach. With some of them, their approach might be a booking website that is a little bit more intuitive. A call centre might only be 9 am to 5 pm, but if the booking website is open round the clock, that can help. We recognise that having a mobile app booking system is not for everyone. We do not always find a need, with community transport operators, to do that.

We sometimes have a discussion with them about the membership of their services, similar to what Caroline was saying earlier. Their membership might sometimes have a certain mobility need or be over a certain age. They have discussions with us around people thinking it is either/or, not both and that sort of thing. They could be someone in their early 30s with a mobility need who could use a booking website and have that flexibility and independence.



Q100 Steff Aquarone: Some of the best accessibility assistive technology is inherently digital because it gives people every single option they might need to go through, check and double-check all the different permutations. That is very interesting. I do not want to take us off course, but I am interested in whether Max has anything to add.

Max Sugarman: The only thing is that we might slightly be going down a road where it looks like the technology is a prohibitive cost. As part of county-wide DRT schemes, technology is often quite a small cost, but when you are dealing with the levels that community transport is at—the £25k—that is understandable.

James has just given a great example of where there is collaboration in terms of a local authority working together or bringing things together. I would say that is a common trend across all DRT. The more there is scalability, the more there are local authorities working together. I think then you get economies of scale, basically.

Caroline Whitney: The other thing to think about with this—I am not necessarily always talking about Padam, just to be clear—is that some of the technology is built for DRT. As I have mentioned, a CT operator has a whole range of services. It is not built for things like volunteer car schemes or group hire. We have a number of operators who are part of contracts with the council and who are getting access to this technology, but it only covers the part of the service that is funded by the council, in some cases. What we need as a sector is a tech offer that covers all the different modes. That organisation needs one piece of software that can manage volunteer car schemes, group hire, DRT and non-emergency patients, and can cover all of those different types of bookings coming into it. If we had that, it is something that operators would look towards. As I said, there are 17 different pieces of software currently in the sector.

Q101 Steff Aquarone: When you balance the number of bits of software, presumably there is no data standard for journey booking in the way that there is, for example, for rail ticketing, but there presumably is not a BSI standard for all the data that goes into a transport booking.

Caroline Whitney: No.

Q102 Chair: I guess that quite a large number of your members include long-standing, local, very small charities, with maybe at best one paid staff member, and are hugely vulnerable to local authority cutbacks in their voluntary sector budget. Even some that I know are going under. I can see why trying to keep up with the opportunities of new technology, in the very local third sector which is where many of your members are, is probably easier said than done in a lot of cases. Is that a fair summary of the community transport sector—or a lot of them?

Caroline Whitney: Yes. When we say large operators, we are talking about fleet sizes of 25. I think our largest is Ealing Community Transport, which is about 150 vehicles, but that is the biggest. Most of our operators



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have about five vehicles. That is the kind of size. A lot of them are being run entirely with volunteers.

Chair: Thank you. Next is improving connectivity.

Q103 **Olly Glover:** The new Labour Government have an aspiration to develop an integrated transport strategy. In that context, can you explain the role both community transport and demand-responsive transport can potentially play as first-mile and last-mile solutions?

Max Sugarman: We have been working to feed our members' views into the integrated national transport strategy. It is fair to say that we think DRT will play a very important role in that. We have talked about some of the ways that DRT can act as a feeder into the transport network, particularly to support rural mobility, and to be part of the transport offer that local authorities and transport authorities can provide to their residents. We certainly suggest that it is worth including that.

It is worth taking a step back and talking about transport technology as a whole. There is a huge amount that can be done in supporting the INTS through the data that is being provided through not just DRT services but across the transport network. We need to think a bit more about transport as a whole, in the sense that congestion is one of the things that will impact DRT services, as it will all road transport. We would say that the INTS, if it is to achieve its goal, needs to look at these things holistically and work out how you can resolve them, working with local authorities.

While we are on the point about congestion, one of the things we saw that the DFT included in their submission to this inquiry was that congestion is a real concern for all bus services, so we were quite shocked that they cancelled a fund for AI and new technology in traffic management, which would have helped solve congestion and could have been used for things like bus management and bus prioritisation. The fund was called the intelligent traffic management fund. It was about £20 million to test different new ways of using traffic management technology. With that type of thing, we should be thinking holistically about it as part of INTS and not just looking at different elements in silos.

James West: DRT has a role in the way we see things as a cog in the wheel of the transport ecosystem. It has to fit in. It is not the solution to everything. It is about how we can get people to the first and last mile that you reference. It is then about thinking what is best for the DRT in that area and where the connectivity hub is, in essence. For our service in Cheshire and Cheshire West, we redesigned parts of the service. We have portions of the fleet meeting train station departures to Liverpool and beyond at certain times of the day, particularly in the morning and afternoon peaks.

Touching on the data point earlier, through better data standards for DRT and bus integration, we can say to a user who is booking a journey,



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"Actually, the No. 1 bus is doing the same route at the same time and we can push you towards that journey," or we can say, "If you want to make the connection"—similar to Mobility as a Service—"and you get the DRT journey at 10 and the bus at half past, you will make your 11 am train."

Caroline Whitney: I pretty much agree with what has been said. CT already does those links to rail. From the integrated transport strategy point of view, some of the things that we have been pushing are around greater awareness of all CT services. Often, when local transport authorities are planning some of these and thinking about them, they only know about the services they commission, and not the services they do not. Quite a large portion of what we deliver is not necessarily commissioned or funded by councils. It is understanding the whole offer. There might be a service going to the train station that the council knows nothing about. They assume that there is no service because they do not fund it. We do not tell them about it because they do not ask us and they do not involve us. There is that element to be considered. That falls through even in little things—for example, road closures. We have had examples of that with our members. It seems to happen a bit more in the north. There might be a community bus route or a dial-a-ride service that uses virtual stops, picking up people who have pre-booked. The council doesn't know about it and closes roads and cuts off whole villages from those services.

We have seen that. In fact, we had a call to our advice service this week around what a member can do when the council has closed a road and it impacts their service, and the council does not know about it. That would then change the whole first/last-mile element and accessibility for those people. It is very much thinking about more than what is statutorily funded but what is more widely funded, and how we can bring that into the whole consideration of first and last mile.

Q104 **Olly Glover:** My next question is linked to that. Do you sometimes find that where there are boundaries between local authorities, and a lot of the funding is very much done along local authority lines, there are issues with co-ordinating transport options across those local authority boundaries?

Max Sugarman: The principle is that where there is a will, there is a way with local authority boundaries. A lot of local authorities work together. Sometimes, in the case of Wales, they run one flexi DRT service for the whole country. Some have a DRT service that crosses boundaries. The local authority might either work with the local authority next to it, or may just decide that, for the benefit of the residents in its area, it does not mind dropping people off over a pretty artificial boundary. That is what we would incentivise and suggest; we should look at this as journeys for passengers who are using the service and not by invisible boundaries.



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Some local authorities are using call centres jointly, to have one call centre for multiple services, for example. There is a lot of co-working, and we would certainly promote more of that.

Q105 Olly Glover: Do you have anything to add?

James West: As Max was saying, a bit more promotion. Yes, the funding has been awarded to local authority X or Y, but there could be a bit of flexibility to cross some boundaries. There are a couple of examples we have in our client base. We have a service in Hertfordshire that runs as far as Bishop's Stortford. There is the invisible boundary that Max mentioned for Stansted airport. Similarly, in Surrey, there is Gatwick airport. It is not just airports. It is other local services. In Gloucestershire, there is a national boundary between England and Wales. People go across the national boundary to access school or employment, or for leisure journeys.

The beauty of the digital DRT option is that we are collecting all of that data around where people want to travel and when they want to travel. We can feed that in. We know that there are people looking to travel to places just across the border. If there was wider promotion around how cross-boundary services could work, we would really look forward to seeing that.

Caroline Whitney: Nearly half our members in rural areas cover multiple boundaries, so it is happening. In most cases when it happens they have to negotiate with the different councils, and again, as I was saying about connectivity of funding, if one council reduces it, it can have a knock-on for the other council. There could be greater cross-boundary working and a better use of investment across them, also factoring in other parts of the system such as parish councils, which are starting to move into this space and are talking to the guys next to me. Parish councils are moving into this space and they could definitely be a bigger part of the picture across boundaries in terms of connecting up the very rural villages. Even within counties, if you have a shire county and districts within, the district boundaries would still be seen as boundaries. We have sometimes seen a county council delivering a service that is also part-funded by all the districts. There is not always communication between the districts in the county. A district will make a decision on a service that will then have a knock-on impact on all the others.

This is the big thing around devolution and the challenges it is going to throw up, where we have much bigger cross-boundaries. We know that local authorities are having conversations with our members about, "How will this look when we go from just one shire county to two or three shire counties coming together? How are we going to work together without losing some of those smaller-scale, accessible services?"

Chair: Thank you. On to the buses Bill.

Q106 Alex Mayer: There is no mention of DRT, and very little mention of



community transport, in the Government's buses Bill. What do you think the Government's view is of the role of these types of services?

Max Sugarman: There was a mention in the debate by Minister Hendy that the Bill basically allowed DRT to carry on as currently. I think we would take the view that the Bill is DRT neutral. It allows local authorities to have the choice of what they want to do.

A bigger issue in some ways—because ultimately it is good that local authorities have the choice and the ability to decide what services they provide—is that we would certainly want to look more at the regulations around DRT and around VAT for private hire vehicles versus public—

Q107 **Alex Mayer:** We are coming to that.

Max Sugarman: I am sure you are, yes. Those are more prescient for us in terms of what needs to be resolved. As I say, the Bill is neutral and puts the onus on local authorities.

James West: I would probably agree with what Max said. It is neutral. If it gives flexibility to the authorities and we can enable them to improve their transport plan for users, that is where we come in.

Caroline Whitney: In the majority of the bus Bill, CT is exempt, so sections 19 and 22 services are exempt. We are exempt from franchising and exempt from a number of areas. We have been talking with DFT around that. There are pluses and minuses to that exemption. We didn't challenge it or haven't challenged it because, actually, quite a lot of our services are funded by local authorities. We don't really want to have to ask their permission if they go down the franchising route to continue to operate those services. The biggest challenge for us is that then it means there is no duty for us to be round the table. The key for us is around the statutory guidance that is going to follow the bus Bill, and the inclusion of CT as a consultee and the kinds of requests that come with that. We are keen, in some of those, that there are alliances developed that can feed in. Whether that is a CT alliance or an accessible transport alliance, it would enable the franchised areas to consider and understand community transport, and the enhanced partnerships.

There are a couple of areas in the Bill that are a little bit concerning to us around the BSOG, the local funding ability which will give councils or local transport authorities the power to take that from DFT to manage. As we have talked about, there are great local authorities that I would be really excited about if they had that power. Then there are some where I would be, "Oh hang on a minute, we could have the potential that we could lose that money." For us, it is about making sure that it is ringfenced and protected, and that it couldn't then be used to fund something else.

On the local measures element in the Bill, it is important for us to understand what socially necessary services are. I think what that is will come in some of the guidance. We would like CCT included particularly in those rounds, so that we protect the anchor contracts and there is anchor



income for CCT in those models. We are not specifically mentioned there because in lots of places we are exempt. In some places, we are not. With new electric vehicles, if we operated over a 22-seater, which some of our members operate, they would fall within those requirements. It is generally fairly neutral, like DRT, but there are some bits for us. It is the statutory guidance and the ongoing conversation around that guidance that is really important for us.

Q108 Alex Mayer: Building on that, Greater Manchester, for example, in the first tranche of their Bee network, did not include DRT in that first phase. If you look at the business cases for other potential franchised areas, again there does not seem to be much mention of DRT. Why do you think that is happening, given that we appear to be moving into a world where there will be more franchised services? Caroline, you mentioned enhanced partnerships, which many places will continue to have. To what extent are community transport providers and other DRT part of things like EP panels?

Max Sugarman: On the example of Greater Manchester, I think they run DRT in some of their school services, but I would need to check that. I don't want to confirm. I can certainly come back to you on that.

On the general points, it is for local authorities to have a look at what services they want to provide. What the rural mobility fund did, which was very positive, was to act almost as a seeder and say to some local authorities, "You could try DRT." A lot of them have now progressed. A lot of the schemes are moving successfully from that fund as well.

There is a thing with local authorities, having tried it before, having a nervousness at the start about it. Things like the rural mobility fund have certainly helped with that. We would certainly suggest that a local authority looks at their area to see how DRT can help support them, and I think a lot would benefit from it.

James West: It is much more about plugging the gap and reviewing the current status of the network. We have certainly worked with authorities where commercial operators may have withdrawn services or services have changed or been shortened, and that is where DRT is plugging the gaps. It is going to become more mainstream thinking, which is certainly what we feel, but where is the best place to put it? Looking at your arterial network and seeing how that operates for a bit and working out where to put the rest of it is how the connectivity works.

Q109 Alex Mayer: Do you want to carry on, Caroline?

Caroline Whitney: From a Greater Manchester point of view, they have a dial-a-ride service. They have not included that in their model. They are just starting to think about it now. It will get thought about, but it is a bit later down the line. Cambridgeshire and Peterborough have just completed their consultation around their franchising, so they are committed through that, or had a recommendation through that, that



they will look to involve their CT in their franchise design. We are seeing people or local authorities starting to think about how they would include those.

In terms of CT involvement in enhanced partnerships, we have some great examples where there have been models set up where CT feeds directly into EPs, and there is CT representation on the board. Then we have seen areas where they sit a bit outside it. There are differences. West Midlands Combined Authority and Shropshire are really good examples where they have a CT alliance that meets with support from the local authorities, and then there is a full feed of information up and down West Midlands and supported through the funding through that enhanced partnership out to the sector as well. There are other examples across the country where they are engaged. Section 22 operators are often pulled straight into those enhanced partnerships. Section 19 is the discretionary bit, but we are starting to see more movement to those operators being considered and pulled into those groups.

Q110 Alex Mayer: Looking at funding, we have had mention before of BSIP and BSOG. Thinking about funding that was basically created with the thought of fixed routes with normal timetabled bus services but which have also been used for DRT, how effective have those funding streams been in supporting the growth of DRT?

Max Sugarman: There are a lot of schemes that are using BSIP and BSOG funding, and lots of local authorities have used that funding. The big thing for us is having long-term viability. Some of the things we have mentioned on the panel today are about tailoring schemes, starting off with a DRT scheme and then tweaking it based on a community's needs. That obviously does not happen overnight. It needs long-term certainty. There was the £950 million announcement for BSIP mentioned a few months ago. What we would like to see, and where we think you could start seeing cost efficiencies and more effective DRT schemes, is longer-term funding where a local authority knows that they have a ringfenced fund for that service and are able to play around with the scheme to make sure it suits the needs of residents.

James West: We really welcomed the idea that the latest round of funding was non-competitive and spread across all local authorities. If some of them wanted to use that for DRT, they could. Previously, they perhaps could not. As Max said, it is all about greater adoption and greater possibility for the residents.

Some of the schemes that we operate that were funded by the rural mobility fund, although that fund has run its course and expired, are using other modes of transport funding in the siloed model. There is cross-siloing and funding a bit of school transport during the mornings and then using other modes. That is with the BSIP and section 106, for example. Going forward with that funding model, if we could see some more long-term funding it would also enable us to work with our local authority partners on what DRT is, what it means for residents—the



education piece—and then look at the modal shift piece and how we can support other modes of travel and connectivity through DRT.

Caroline Whitney: From a CT perspective around BSIP funding, we have seen quite a mixed approach and usage of it. That primarily came from confusion from DFT guidance. I recognise that they want to keep it a little bit broad, so that it is not totally black and white for local authorities and gives them some choice, but what it means is that people sometimes do not know exactly whether they can use the money for a purpose or not. Because it did not explicitly say, “Yes, you can fund section 19 services,” there was a lot of debate back and forth for a while about whether it could fund those services.

It is also linked to the definition of “open to the public”. I always hate it when DFT says, “This funding is one of those that is open to the public,” because CT is open to the public. There might be an element of a criterion but it is still open to the public. We had a number of conversations with areas who were saying, “We want to support CT but we can’t use our BSIP. We are not allowed to.” We then negotiate with DFT, and DFT comes back and says, “Oh yes, you can.” We saw some great grant schemes coming out of that, which funded vehicles and also funded things like group hire services and tried to look in different ways. There are a number of examples where it has worked well when the local transport authority have gone, “Oh yes, it can fund this, and let’s look a little bit differently and put people in,” but then we have about half the BSIPs that did not even mention CT or include CT. Those are the kinds of differences around them.

Q111 **Alex Mayer:** On concessionary passes, do you think that they should be accepted as standard on DRT and community transport services, and what would the impact of that be?

James West: I think from the schemes that we work with it is the local authorities, and sometimes it is their discretion. Some of the services we run are accepted throughout the whole operational day; sometimes they are only after 9.30. Some, indeed, are free; some are just at a flat rate discount. We still encourage people to take patronage, and if by taking public transport instead of taking other modes such as private cars we are still enabling modal shift, ultimately, thinking about the integrated national transport strategy, that is a good thing for the transport ecosystem.

Q112 **Katie Lam:** You were just speaking about longer-term funding. What specifically might that look like? What are the best examples, if there are any, of current schemes that have really cracked that?

Max Sugarman: In terms of schemes that have cracked that, we have seen local authorities provide dedicated funding through DRT for a long period. Milton Keynes, for example, set up their scheme a little while ago and have had enough time to tailor the scheme and work with it, and provide the dedicated funding for it. There are different ways to crack



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this, but, ultimately, if there is long-term funding for the bus sector, that will support DRT. The rural mobility fund was very useful in introducing a lot of local authorities to DRT. BSIP is now being used for that, but it is about having a longer-term fund, over three to four years. Internationally, a lot of countries where DRT is working successfully have a longer funding horizon that allows them to develop schemes further.

Q113 Katie Lam: In areas like the one that I represent, which is a patch of the Kentish countryside, and is very rural, demand-responsive transport feels as if it could be the answer where you have so many people looking to get from smaller villages to larger villages for GP appointments and things like that. I sent a survey to every home in my constituency and asked them about Kent Karrier, which is Kent County Council's flexible transport service, and almost nobody had heard of it. I am worried that there is a negative feedback loop. Nobody uses the service because they don't know it exists, and the conclusion taken from that is that people don't want it and the funding gets pulled, but you still have all those people who cannot get around. You were talking earlier, Ms Whitney, about word of mouth, but that is quite hard to get going. How do you spread the word about these services? Has anybody done that well?

Max Sugarman: We have seen examples from some of our members of very clever things, such as going into a community centre or library and talking to residents there and trying actively to go into the community and work with councillors and local authorities to promote schemes. I probably sound like a broken record but, again, with the long-term nature of these, if a scheme is only for a year or two, it is understandable that you are not going to get the word out in time to fully utilise the service. There are also lessons in terms of focusing on the marketing side of these things and making sure you have enough attention on that to get interest in the service.

James West: When we have worked with local authorities, the on-the-ground presence that they have done is the one that has had the most impact. In fact, a number of authorities we work with take a vehicle to market day once a month or once a quarter. They have the vehicle there; they show what it is; they give them an interaction. You can ring the call centre and book via other methods as well. It is showing them physically what is there and talking to them more broadly about the concept of DRT, a bit like a bus, a shared journey, the journey time improvements. Similar to what Max said on the funding method, if it is advertised as a pilot, the incentivisation or the uptake of the users or residents, for example in your constituencies, might be there or it might not, whereas—

Q114 Katie Lam: You're not going to build a routine around it.

James West: Exactly. Here is a service that will be there for three to five years and we can start to engage and learn. One of the beautiful things about DRT is that its flexibility means that, if we want to change bus stops or destinations, we can do that easily and we are not bound by the 56-day rules and permutations that you have with traditional bus



services, to the point that—thinking about the accessibility point we were talking about earlier—if we have virtual stops that are not quite right for someone in a wheelchair but 50 yards either side up or down that road there is a drop down, we can make that change and enable the service to grow and benefit the users. The way we see things working with authorities during the lifetime of our contract with them is that the service looks very different from day one, year one, to day one, year five, but the customer does not notice the huge differences; they just see a much smoother service benefiting what they want to do.

Caroline Whitney: Investment needs to be multi-year and in place. For a lot of our operators, unless it is a contract let for three years, it is year by year. Investment for CT needs to be multi-stakeholder considered and included. We would like to see the investment strategy-led so that it is not just, "Here's a grand scheme. Go out and do it," a little bit like the rural mobility fund, which was great, but a scheme that appeared a little bit out of nowhere; we are going to give some money; it is not really thought through; it is not part of a longer thought-out strategy that involved the stakeholders and the people delivering it and the people using it. It needs to factor in, as I have mentioned, the different types of operators and the different modes of transport.

To give an example, we have Motability funding that has come out. It is great; Motability is the only CT-purpose funding, although paused at the moment, but operators have to have a turnover of £150,000 to bid into it, so when small operators come in they have to get a lead bidder and come in as a collective. Let's accept that there are some small operators. We see it particularly in rural areas. They might have a section 22 and a group hire. They are small and they want to stay small. Let's keep them; let's ensure they are here in 20 years' time. We have slightly larger operators that say, "If you give us five more buses, we'll go out and we'll deliver hundreds more journeys every day. If you give us that investment, we will do more." There is everything in between in terms of looking at those.

We have a mixed funding model. Most operators have at least five different funding streams. If we have a strategy and it is around funding, how can the Government help pull in all the relevant stakeholders—the Department for Health and Social Care and the Department for Education? How are we bringing people together? I feel bad sometimes when I go to my contact at DFT and say, "I need money," and the DFT says, "We haven't got any money." I know you might not have money, but those guys have money. Why can't you pull all of them in?

That includes national funders. My team did a bit of research on the national lottery. They have never had a transport-specific fund. They give out millions every year to charities. Often, what happens from our point of view is that that funding is given out. It could be a young people's service that is doing all these activities, and they don't fund how those kids are going to get from their house to there. They just assume that it



is going to happen. Sometimes what happens is that those projects get funded, and then they come to the CT operator and go, "We need to get these people here." We are, like, "Well, we are doing our school run from this time to this time. If you started your class an hour later, we would have been fine."

It is how we can pull stakeholders in so that we have long-term, sustainable, mixed funding so that if something happens, if DfT pulls the rural mobility fund—I don't know if it is going to get approved—or it does not get increased, we still have other funders in the mix. That then means you have a sustainable, non-commercial offer that includes DfT and other modes, so that we are not scrabbling every 12 months: "Who is going to fund this?" That is what needs to happen. That is our panacea, a little bit. It is not impossible. It would be a bit of work, but it is not impossible. It is not out of the realms. We all just need to come together collectively.

Q115 Steff Aquarone: Building on that, more broadly in the context of local government financial pressures, is that impacting on community transport? Is it sustainable in the current way things are happening? Should central Government play a greater role?

Max Sugarman: I think the BSIP funding is ringfenced, so there has been support through local authorities for bus services through that. What I would say about the wider financial issues with local authorities is that it is impacting the transport technology sector as a whole. We get a lot of feedback from our members, particularly those trying to sell software to local authorities as a service product, in the same way as a lot of the economy now uses software as a service to help deliver what they are doing. The local authorities often find it hard to get the operational expenditure to fund those, even though they may be able to find capital expenditure for that. That divide seems to provide a bit of a problem in getting software as a service. We see that even for things like road safety technology that might be able to help with cost efficiencies in the long run. Getting it certified as operational expenditure and being funded is really difficult.

Q116 Steff Aquarone: That is interesting. That is quite specific to software and immensely frustrating for a number of different reasons. Can we step back again to the wider picture of local authority funding and sustainability for community transport?

James West: Just on the way we work with them, we still have the capex and opex thing, but often we are then looking with the authority at interworking services. There are some statutory services that are required. As Caroline mentioned, if you need to get to school at a certain time, there is still some challenge around everyone wanting to be somewhere for 8.30 or 9 in the morning and then leaving between 4 and 5. How can we work with that flexibility? It means pooling funds and crossing the different silos of patient transport and education, and we have some really good examples where we are able to do that. When we



were talking earlier about how that is set in local government departments, it is sometimes better that the person who oversees education sits in a children's services department or in a transport department, so that cross-collaboration can provide more benefit.

Caroline Whitney: Some 62% of our members receive local authority funding. It is the backbone of community transport. When a local authority goes down we go down, effectively; we are so intrinsically linked together. What typically happens if local authority funding goes is that we might see a CT close, or the service will be dramatically reduced and changed.

One of our challenges is that sometimes CT is funded from completely different departments. You might assume that CT is funded by the transport department, but it might be the communities department. It could be the adult social care department. It could be public health. They could be funded from a whole different range of places, and there is a huge challenge for us in negotiating with all those different departments. Better cross-departmental work would be good. I don't have the solution to local authority funding. Councils haven't had any money. I came into the voluntary sector in 2010. Councils had no money in 2010 and they still have no money, and we are 15 years later. They are never going to have any money. It is about how we make informed and evidence-based decisions. It goes back to our earlier conversation that the decision should not be on the level of subsidy.

Even though for us as a sector it is a little frustrating that DRT is seen as something different, it has brought into the forefront our services and the fact that they need to be subsidised. Often, local authorities see a dial-a-ride as, "Oh, here's a really nice luxury. We don't quite get the value of it. We don't quite understand it, so we might stop funding it." Now they are starting to deliver their own DRT or fund their own DRT, they say, "Oh, this isn't going to make us money. This is still going to cost us money." It is helping because we are having more conversations with local authorities about how we evidence the social value so that we can go back to councils and say, "Yes, we're still having to subsidise this. We shouldn't cut it because the impact on our social care budget could be X."

The biggest thing or request to local authorities is that they need to work with health more effectively; 68% of our journeys are health. Something like 11% or 12% are funded by health. There is a massive disparity. We also have an issue sometimes with local authorities that if CT is funded from adult social care—I have heard this from some of our operators, particularly car schemes—they are not allowed to do health journeys, because health should be funding that. There is a real challenge around budgets and how they are managed.

Q117 **Steff Aquarone:** You mentioned earlier the potential for some of the clarification of the lack of reference to CT in the bus Bill coming forward in the statutory guidance. That sounds like an important point for this



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Committee to consider as we continue to scrutinise the bus Bill, quite separately from this.

I have two more supplementaries, if I may. I want to go back to what you said about the opex/capex thing. I have been relatively frightened in the last 12 months at what I have discovered about the depths of digital ignorance among Government, Parliament and local authorities. My council appears to be excited about the prospect of commissioning its own public transport act, which defies all common sense.

It sounds like what you said might be the reason for this is that they can actually justify paying some enormously overpriced consultancy company a quarter of a million quid to build something that is valueless, because they can capitalise it, whereas they cannot find £25,000 a year for a subscription for a software product. Is it that bad? Is it really influencing decisions in that way?

Max Sugarman: We get a lot of feedback, yes, from our members across transport technology—anything that uses digital software and is trying to sell into local authorities. Some local authorities find clever ways of capitalising operational expenditure, and there are ways of doing it. I am not well versed in the accountancy, but you can do it in some cases. It seems to act as a barrier. It is sometimes quite ironic that now things like Microsoft Tools and Word are being used by local authorities on a software-as-a-service basis, but when it comes to looking at something like understanding a road layout and the condition of the road using a software-as-a-service monitoring system that lots of our members provide, that seems hard to purchase. That is a real issue that we see across the sector.

Q118 **Steff Aquarone:** It might be beyond even Deloitte to suggest that they might be commissioned to build a word processing software tool for a fee. I will leave that bit there. Thank you for that.

Coming back to the question of funding, could a structured fare solution help to deliver more long-term financial sustainability for the sector?

Caroline Whitney: A third of our members currently receive no income from fares. The fare model in CT operators is really split. Some fares are over £7. Some operators do not charge a fare because they get funding from elsewhere. In rural areas particularly, some of the operators are doing really long journeys. If you were to charge the hour fare rate of what it costs, it would not be sustainable for the passengers to keep using it.

We did a small-scale passenger survey, which we are just about to release the data from. Around half of the passengers—about 46%—would not travel if they did not have CT. They just would not travel. They would not get a taxi. They would not have friends or family. They just would not travel. That is potentially a proportion. About a third of them might pick up using taxis, but they said that if they used a taxi they might only travel once rather than two or three times a week because it is cheaper.



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If we put the fares up, we would potentially get fewer passengers. It still is not sustainable. We are here to ensure that people get out and about. We are not a commercial service. We are not driven by that.

Often, our standpoint is that community transport services will have to be subsidised by somebody, whether it is the local authority, a grant fund, donation or sponsorship. It is not a commercial service. It cannot run on fares.

Q119 Alex Mayer: I promised that we would go back to VAT, so this is a special one for Max. How do the current VAT rules impact the viability of DRT services?

Max Sugarman: VAT is different for public service vehicles, which are a lot of bus vehicles, and private hire vehicles, which are smaller vehicles. What that means for DRT services is that if they choose to use smaller vehicles, which may be more suitable for a particular area, they have to charge VAT on fares, which makes a lot of local authorities choose not to do that. There are a huge number of costs from using PSVs, which are larger vehicles. They need particular driving licences for the drivers, so you are recruiting from a smaller pool of people. There are also things like fuel costs. Roughly, we think there is about a 30% cost increase from using a PSV over a PHV. There was a consultation that the Treasury were running under the last Government to look at PHV VAT. Part of that included something on DRT. We submitted a response, saying that we think we should reduce the VAT on private hire vehicles and make a small change to the VAT Act to allow PSVs and PHVs to be treated the same. That would also make DRT non-VAT applicable, in the same way that all other public transport is.

We are not sure where that consultation is with HMRC and Treasury, but we think it is actually quite a small change that would not have very big tax revenue implications. A lot of local authorities are not using PHVs for the very reason that they get charged VAT, so minimal tax revenue would change, but it would give more flexibility to local authorities to use the size of vehicle that they need. We have been talking a lot about the benefits of flexibility. This seems to be a regulatory issue that is ultimately blocking flexibility for local authorities.

It has wider implications. The VAT is one element, but we have heard from local authorities since we started working on this issue about other things that have come up because of that PHV/PSV divide, and additional forms not quite being correct because they are catering for one or the other. There are things around bus lane usage. There are more issues coming out from this, but the VAT is a more immediate one.

Q120 Alex Mayer: Absolutely. Do you think there is a need for a distinct regulatory framework for DRT? At the moment, basically, you are suggesting it is using either bus or taxi legislation because it has never been thought about on its own.



Max Sugarman: I think there could be a definition of DRT that provides that and allows local authorities to use it. We have to be a bit careful. We would not want a definition of DRT to impact on the flexibility of the service. I have described the huge number of varieties of DRT schemes, zonal and that type of thing. You would not want a definition to put a structure in place that did not fit that. You want to be able to provide as much flexibility as possible to the sector. There is definitely something that needs to be done to stop that divide and make it easier for local authorities.

Caroline Whitney: It is quite important from our point of view to flag that we strongly do not support DRT-specific legislation around operation. DRT is a mode of transport that is delivered by a number of operators. If you were to put into place legislation that only covered DRT, I suspect it is highly likely that it would conflict with the current non-commercial set-ups. It is important to look at the kinds of operators and the types of services that operators can deliver. Commercial and non-commercial operators both deliver DRT. If you were to have DRT-specific legislation, it would need to take into account not just PHV and PSV but section 19 and section 22 as well. You are going into a bit of a minefield there, if I'm honest. It is better to look at the operator-level legislation and whether that operator legislation enables them to deliver a flexible type of service, as opposed to mode-specific legislation.

Max Sugarman: I think that comes into the concerns around the flexibility of this whole section and that we need to be very careful with all of it.

Chair: Thank you. Ultimately, it is the passengers and potential passengers who matter.

Q121 **Katie Lam:** We touched on this in a couple of questions, but it would be great to hear the best examples of demand-responsive transport outside this country. Are there any schemes internationally that are particularly well run? In the UK, Mr Sugarman already mentioned Milton Keynes, but are there any others? We are keen to hear about HertsLynx and what the teams learnt in Hertfordshire. Are there any themes or lessons across different schemes from which we could learn what works well?

James West: I will touch on HertsLynx and a couple from abroad that we work on. What HertsLynx have done is to look at the bus network that they had and at what could be done when they were awarded bus service improvement funds and the rural mobility fund.

The way that service has worked, as you know, is that now we have elements where, if you want to travel within a relatively urban centre in Hertfordshire—places like Stevenage and Bishop's Stortford—those journeys are not possible by DRT because we want to complement the existing bus network. We are focused instead on the really isolated places in the sticks, so to speak, so that they can get to towns and make onward journeys. One in eight journeys are picked up at railway stations



or bus stations, and one in four are dropped off. It is not like for like, one in four, each way.

We see elements where there are journey penalties from previous iterations. There was previously a bus service running every three hours at the core of the HertsLynx zone. If you are trying to access places of work or a GP appointment, that is not very practical. We looked at a piece of work with them around the private car journey time between point A and point B. It might be 30 minutes. We looked at how we worked our algorithm with them with DRT and made that 40 or 45 minutes. There was flexibility around how long is amenable to someone if they are willing not to take the private car. Equally, the bus would be a three-hour wait, or you have to be there two hours early.

They have built in some of the school transport services. A couple of schools are served each day. They are blocked out. Because they have a slightly larger fleet than some other authorities, one or two vehicles serve specific schools in the morning and afternoon. That, again, helps grow the service and grow awareness. I think it is a secondary school, but sixth-form colleges are also quite popular for journeys. There are multiple use cases and multiple types. Saturday is a really busy day—one of the busiest days of the week for the service. The leisure journey is a different type of use. It is perhaps leaving the car at home and parents taking children to sports centres and other activities. That is being taken forward and improved.

More broadly, in some of our experience working abroad, again it is about what is the best need for that transport service at that time of day. We are doing some work with the authorities in the Greater Copenhagen area. They know that a lot of their residents in the town want to access the train station. They have census data or other open data forms to show that a large number commute. The service is almost exclusively designed—66% of the fleet—for train stations in the morning and afternoon. They communicated an effective marketing piece—as we were talking about earlier—that leisure journeys are perhaps not so time constrained. They are trying to design a service to meet the needs of all, but there are some more pressing times than others.

Max Sugarman: The example we used in our evidence was Dallas-Fort Worth in the US. They have a lot of their residents and workforce about a mile away from any public transport. Uber Transit has supported that. It was ultimately about getting a public transport provision available for people who don't have many options apart from the private vehicle. They have had some strong statistics come back. There is something like a 50% increase in public transport usage. Half is massive. It has increased ridership by 10%. It is the largest growth in public transit in Texas that they have seen, and there is 25% modal shift from private car to public transport. That has had quite strong implications over a large area where not many other public transport options are available, and shows that it is being done very well. When we look overseas, we see long-term funding



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and larger areas being the trend. It helps that schemes are being managed and are delivering quite effectively.

Q122 Baggy Shanker: I want to talk a bit around data. What is the potential of mass Mobility as a Service platforms? What potential do they have to improve rural services?

Max Sugarman: There is lots of ability to improve rural services. Coming back to what we said, MaaS is about providing lots of different options for someone to use and being able to choose which one suits them based on a variety of criteria. It is basically giving people more choice.

There is a range of different ways that MaaS has been provided in the UK. We see some DRT and transport providers coming in and partnering with local authorities, offering MaaS as a product that a local authority can use. We have seen the future transport zone structure, where there was £90 million of funding for four areas. We have seen some procure Mobility as a Service apps and platforms. We have also seen a lot of private sector engagement in the space. More and more, some of the ride-hailing apps are adding services to their platforms so that you don't just have to book a taxi, but you can book a train ticket as well. That integration is really valuable.

The one thing I would say on MaaS in terms of Government support for it is that the future transport zones were good for testing it. Again, it is another trial that has seen really good schemes and MaaS applications rolled out—a fantastic app in Solent, for example—but we are not thinking about it as strategically as we could. We really supported the INTS. We called for it in our manifesto before the general election because it gives the chance for us to look at integrated transport as a whole. The vision is to get to a point where you have more seamless travel across modes. Focusing between modes is the critical element. In Switzerland, there is far more seamless travel across ticketing in terms of timetables and passenger information. That is something we would like to see in the UK too.

James West: On the data point that you mentioned, it is collecting, using and interpreting data in the correct manner. How can we understand, from a Mobility as a Service application, how people want to travel versus how people are travelling now? We can use that, with us as the software provider and working with our local authority partners, to inform how we need to change, adjust and tweak services. A lot of people want to travel at 8 o'clock. In DRT more broadly, we have seen the peaks change as we move out of the pandemic. We don't necessarily see a broad peak between 8 and 10 am. It is sustained, but a smaller peak. How can we use that to direct the transport offering that best suits the residents?

Q123 Baggy Shanker: I will come back to data in a second. On MaaS, I didn't know what it meant until I read it in the papers for this meeting. Even if you said Mobility as a Service, that really does not mean much to me



either. Would there be an issue if we changed it to Digital Journey Planning and called it that? Would there be any detriment in doing that?

Max Sugarman: Funnily enough, we have a MaaS forum. It is something we offer for members, for them to meet. There is a big debate even there on whether MaaS is the right term. You can call it what you will—Integrated Transport or Digital Journey Planning—but the general sense of more connected integrated transport is really what we are all talking about. I tend to agree that the acronyms can, in some ways, not help as much as the meat of the issue.

Q124 **Baggy Shanker:** James, back to you on the role of data, whether it is AI, data science, sensing technology or other stuff. Both for giving more information to passengers and helping operators plan services, what crucial role does data play in that?

James West: It is vital. It is something we work on a lot with our authorities when they look to expand, change or reposition. We go through the data with them; for example, “Do you need to change the boundary of where the service goes?” “Do you want to go across this A road because there is a town or a village.” We have the data to show that people want to travel from there. Do people want to travel in the evening? Do we need to run evening services? It is that sort of thing.

It is also around AI predicting that level of demand. How are people booking? Are people always booking right up to the last minute? Are people traditionally booking four hours in advance? How can we best meet their needs? Ultimately, we need to take all those things on board. As I touched on earlier, the service then becomes much cleaner for the user as the service progresses throughout its lifetime.

Caroline Whitney: I have made the point about us not always being engaged with some of these things. The majority of our operators use section 19, which means it is a pre-bookable service and therefore you collect data on the individual. Because most of the services are end to end, we know where they live; we know exactly how many miles they have travelled; we know how many times they have travelled those miles; and we know what their journey is for.

We were part of the tackling loneliness fund that the DFT put out. The level of data they asked for on passengers was in terms of their age, ethnicity, where they were going, how many times they were going and what vehicle they went on. We have all of that data and it is all sitting there. Our CT operators have it, but nobody is getting it. It is such rich data. It would show you the individuals who have real transport barriers. It is not just, “My rural bus has stopped, and I haven’t got a car.” No matter if you had that bus 20 times a day, people would not get on it. We have all of that information for those people, but our members are small and so getting it off them is difficult. They all use very different methods of collecting and recording. Even just the definition of a trip is different across different people. Is it a return? That is the big debate.



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If we were able to gather that information and share it out, it could be quite transformational from our point of view. We are doing some small-scale pilots around how we can get some of it, so we can track trends around it. The majority of our operators do evenings, weekends and bank holidays. It is not a Monday to Friday, nine to five service in all cases.

How can we share that out? It is something I want to try to get us to do from the CT sector, but there are a couple of barriers in the way. We have the social value bit. There is data around social value. There is the Ealing Community Transport social value toolkit, which is specifically designed for community transport operators. It could be tweaked for local authority services. The metrics of the finances are not quite set up for council-funded services, because they make judgments on the impact on council funding. That in itself will look at passenger journeys and mileage. It is kind of all there; we just need something to support bringing it out and putting it into the rest of the system. That is the challenge.

Q125 Baggy Shanker: To finalise that point, how well are DRT and CT systems plugged into commercial planning tools?

James West: It is relatively isolated at the moment, just because DRT is still seen as DRT as opposed to the wider passenger transport network. What we see is that, if people are looking to make journeys that replicate the bus route, we tag those and can share them with the authority. Sometimes that will inform a change in the design of the service. To Caroline's point, we have all this data, and we provide it. Sometimes it is our role, as a software provider, to guide and inform the local authority on the next steps with that.

Caroline Whitney: In the bus Bill there is the set-up of the public data portal. I know that is not the right wording for it. That is something that DfT is actively working on and it would pull in data from commercial operators about their operation. We are having a conversation about how we can voluntarily put in information from our operators, so that if somebody wanted to see what was being delivered in their area, they would have access to that. We would not be required to put that information in. The bus Bill is making it a requirement for commercial operators. We are looking at whether we can voluntarily add our data to that to improve it.

Q126 Alex Mayer: Throughout this we have been talking about DRT. It sounds expensive. You have 95% of councils saying that DRT schemes are operating at a loss. Is that because of the way we are using DRT, or is it inherently expensive? A lot of this conversation has been about people who have, or would use, concessionary bus passes. We have had mention that it takes some passengers 10 minutes to get aboard. We have talked about the social value. We have talked about places that used to have supported buses. Everything is expensive, frankly, whatever you do.

Is there also a role for DRT where it might make money, be profitable or at least break even? Part of our inquiry is not just looking at the most



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remote places or the people it is hardest to help, but about small market towns or bigger towns where there is a much bigger group of passengers who, presumably, could be grouped together to move around. Is it inherently expensive or is it just that councils are procuring services to help a certain group of people who are expensive to help?

Max Sugarman: First of all, it is not inherently expensive. I mentioned a few examples where it is competing in level of subsidy with fixed-route buses, reducing over time and becoming more and more efficient. Regarding subsidy, a lot of DRT is used to fill the gaps where other modes of public transport are not going to be commercially provided. It is right that we do that in terms of other economic benefits.

Cost per resident served is one of the metrics that members tell us would be far more effective, rather than just passenger subsidy. You would be talking about how an area is being served rather than how much you are paying per passenger who is taking the journey. That would be a more intelligent way of calculating it. We know that there are profitable routes. I can come back to you on that. There was one in Kent which was operating at a profit, but I would need to come back to you after checking.

James West: Rather than the expensive nature of them, as Max was saying, we should think about them more generally. There are elements where we reduce the cost per passenger, but we are also at a point where we operate services where traditional bus services are no longer deemed viable to run. How can we support them? Things like the integrated national transport strategy will help create the environment for that to go forward.

Q127 **Alex Mayer:** That is my point. Why are they only in places where traditional bus services aren't viable? Are there not examples of DRT in places where traditional bus services are viable—where there are more passengers—and then presumably they would be less expensive to run?

Max Sugarman: That is a good question. I am sure there could be cases where you have a commercially viable bus service that could be using DRT as well. I agree with you that we should be looking at this by what passengers need, and that should come first and foremost. If a more flexible service is what they need through DRT, that is what a local authority should be providing.

Q128 **Chair:** You are coming to my last rounding-up question. We have had a lot of detailed answers to elements around the services, but we are back to the original purpose of this inquiry. How do we ensure that people, particularly in rural areas and away from the centre of the main conurbations, can move around and live their lives in the way they need to in the context of a declining, fixed public bus service?

This is a very open question. You have more or less answered it. Is there anything you want to add? Should DRT and community transport be recognised as core parts of the public transport network, rather than seen



as alternative services?

Caroline Whitney: The short answer is yes. We already advocate that community transport is part of the public transport offer. I have made the point that you can have lots of buses running, but there will be people who will not be able to walk to that bus. You can have lots of trains but people cannot even walk to the train station. We provide an accessible form of transport. If we were designing a transport system that was accessible for every person in this country, we would not have one mode of transport. Historically, our public transport system has been one mode of transport, which is a fixed-route bus. Anything outside the fixed-route bus has been seen as nice to have or a luxury. It is something a bit special or different, or there is something wrong with you because you cannot get on the bus. Therefore, you have to have this special service that we have set up.

Actually, people's lives change. Something can happen to any of us tomorrow and we might not be able to get on the bus. Our lives change, and we should have a public transport system that reflects that and has different modes of transport. Each operator and each mode should be equally important to the people who use it. If we designed that system for everybody, we would not be having a discussion about whether DRT or CT should have its own specific legislation. We are looking at the different modes of transport and how we are enabling them to happen.

James West: Caroline put that really well. The call for evidence was on buses connecting communities. DRT is an element of that. It is almost transport connecting communities. It is different types of models, whether that is software that we work with or software that Caroline and her CT partners are working with, to enable people to travel where they need to. It might be multimodal journey planning or it might be digital journey planning with Mobility as a Service, but it is how we can enable the whole ecosystem for people to be more integrated and make it easier for them to travel.

Max Sugarman: I agree with everything that has been said. For DRT to be taken as a core component of the transport network, we want to see the sustainability of the long-term funding that can help DRT thrive. We want to look at the regulations around PHV and PSV, and how they can be overcome. There has to be consideration of those metrics and thinking more than just subsidy per passenger. Finally, it is integration with the integrated national transport strategy and making sure that it is involved in what the Government are planning in seamless travel for passengers.

Chair: Great. Thank you very much for your answers this morning. Please feel free to write to us with anything you feel you have not been able to cover fully in your answers. I think we have all found this session really valuable.

Before I close, I point out for anybody watching or reading the transcript that we have opened an online public engagement survey to give people



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a way of feeding into the buses inquiry. It will be open until 30 March. The link is on the Transport Committee website. That concludes today's meeting.