

Title: Bus Service Improvement Plan – Rural Optimised User-centred Transport EcoSystem (ROUTES)
Report of: Heather Jones, Head of Transport Customer Experience
Portfolio: Transport

Report Summary

The purpose of this report is to request approval from the Chief Executive to agree funding for a Rural Optimised User-centred Transport EcoSystem (ROUTES) trial, a Community Transport-based Demand Responsive Transport (DRT) scheme with a total project value of £904,551 (the Programme).

Approval is also sought to enter into a Grant Funding Agreement with Weardale Community Transport Limited which will act as lead delivery partner to progress the delivery of the Programme.

Recommendations

The Chief Executive is recommended to:

- I. Approve a funding allocation of £904,551 for the delivery of the Programme through the 'Discover/Define' and 'Develop/Deliver' phases.
- II. Agree to enter into a Grant Funding Agreement (GFA) with Weardale Community Transport Limited, as lead delivery partner, to enable delivery of both phases of the Programme.

Executive Summary

The Programme aims to test new approaches to improving rural mobility across the region, focusing on a geographical area experiencing transport deprivation and limited access to essential services, providing a 'missing link' to connect users with existing transport hubs for onward travel, rather than aiming to replace existing transport provision. It will provide at least 95 hours per week of additional transport provision for 12 months – some of which will be demand responsive, some of which may be fixed route.

A. Context

1. Background

- 1.1 In April 2022, following a bid for Bus Service Improvement Plan (BSIP) funding, a total of £163.5 million was allocated to the North East region by the Department for Transport (DfT).
- 1.2 The BSIP fund allocations were approved by the Joint Transport Committee (JTC) in June 2022.
- 1.3 On 30 July 2024, the unspent BSIP budget of £60.811 million revenue and £40.468 million capital, was approved at the North East Combined Authority Cabinet and delegated authority was granted to the Chief Executive to enter into the required grant funding agreements to facilitate the agreed interventions.
- 1.4 Under the 'Network Improvements' sub programme, this included an allocation of £2,536,000 to increase accessibility to the network for people in rural areas by providing new demand responsive services focused on connections with main bus routes and railway stations. This is

commonly known as Demand Responsive Transport (DRT).

- 1.5 Due to difficulties in finding a way to deliver commercial DRT services which would have a chance of showing ongoing financial viability within the funding period, £1,612,759 of this funding was reallocated to permit new vehicle purchase for Community Transport operators in the region. These operators, while they do not provide a fully scoped DRT service, do use their vehicles to provide some limited secured services within rural areas poorly served by other transport, and so supporting their vehicle purchase allows the existing network to be maintained with greater reliability and longevity.
- 1.6 Therefore, £923,241 remains within this sub programme which must be spent on schemes which support the commitment to deliver a DRT trial.

2. The Investment Proposal

- 2.1 Following discussions with community groups, a consortium of organisations including Weardale Community Transport (WCT), Edge Innovation, Connected Places Catapult (CPC), Rural Design Centre (RDC) and Derwent Valley Car Club (DVCC) (together known as the Consortium) prepared a proposal to deliver an innovative Community Transport trial, which has elements of demand responsive provision but (to differentiate the concept from commercial DRT provision) has been termed ROUTES (Rural Optimised User-centred Transport EcoSystem).
- 2.2 The proposal aims to test new approaches to improving rural mobility across the region, focusing on a geographical area experiencing transport deprivation and limited access to essential services, providing a 'missing link' to connect users with existing transport hubs for onward travel, rather than aiming to replace existing transport provision. It will provide at least 95 hours per week of additional transport provision for 12 months – some of which will be demand responsive, some of which may be fixed route.
- 2.3 Its main points of difference from a commercial DRT scheme are as follows:
- A community consortium approach to define, develop and deliver a user-centred scheme.
 - Delivery through a not-for-profit Community Transport operator.
 - Vehicles sizes which can be matched more closely to demand (both accessible minibuses and wheelchair accessible vehicles (WAV) via a community car club)
 - Vehicles available for use by Community Transport operators outside of scheme times to generate revenue to offset costs, allowing potential integration with patient transport services and home to school travel.
- 2.4 The costs of the Programme are broadly broken down as follows:
- Research and analysis: £270,000
 - Vehicle purchase (five vehicles, mixture of minibuses and WAVs): £350,000
 - Trial delivery costs: £285,000

Team	Discover and Define	Develop and Deliver	Total
WCT	£373,000	£250,250	£623,250
CPC	£105,040	£34,131	£139,171
Edge	£32,435	£57,565	£90,000

RDC	£17,520	£19,610	£37,130
DVCC	£0	£15,000	£15,000
Totals	£557,995	£406,556	£964,551

- 2.5 The Consortium’s initial suggested area of operation will be around the three-way (Northumberland/Gateshead/County Durham) border near Black Hall Mill. The exact geographic area of operation, service level and days/times of operation will be determined based on evidence accumulated during the initial ‘Discover/Define’ phase of the Programme, which will encompass community consultation along with detailed desk-based research and mapping. Learnings from the Rural Mobility Fund DRT trials ([Rural Mobility Fund Phase 1 Evaluation: Final Report](#)) elsewhere in the UK will also be applied.
- 2.6 Although the trial will centre on the area outlined above, the Discover/Define phase will analyse other potentially suitable areas in the region where delivery could be extended in future if desired, including areas where it could be a viable alternative to existing fixed route provision. As a condition of funding, the vehicles purchased as part of the scheme must be retained for not-for-profit community use within the region if the trial does not continue.
- 2.7 The Programme proposal was endorsed by Technical Officers Group on 9 February 2026.
- 2.8 Weardale Community Transport Limited (WCT) will be required to enter into a Grant Funding Agreement with North East CA setting out the terms on which the funding is being given and their role as lead delivery partner. WCT will put in place Grant Funding Agreements with each other Consortium member and will submit claims to the North East CA on behalf of the Consortium.
- 2.9 The Programme has been assessed in accordance with the Subsidy Control Act 2022 and it is considered to be compliant, with the proposed grants either falling within the scope of the Minimal Financial Assistance (MFA) exemption or, where the MFA exemption is not met, the grants comply with the principles set out in Schedule 1 of the Subsidy Control Act 2022.

B. Impact on North East CA Objectives

The Mayor’s Local Transport Plan (LTP) and its associated Delivery Plan are centred on delivering a fully integrated public transport system. The proposals included within this report directly contribute towards achieving the objectives of the LTP, and in turn, support the North East CA’s corporate objectives of delivering a Home of real opportunity and a North East we are proud to call home.

The BSIP funded scheme included in this report will improve access to public transport for people who are currently cut off, leading to more people choosing to travel sustainably. This directly contributes to LTP priority 3: Reach and resilience of infrastructure and priority 5: Connections between different transport types.

C. Key risks

- Delays in completing Grant Funding Agreement would delay the delivery timescales.
- Local authority partners not supporting the determined geographical delivery area.
- Extended lead in times for vehicle delivery could delay the trial delivery.

D. Financial and other resources implications

The financial profile for the Programme is outlined below:

Funding source- BSIP Revenue	2026/7	Total
<i>ROUTES</i>	£904,551	£904,551

All amounts are fully funded from the BSIP revenue programme. The grant recipient is Weardale Community Transport Limited.

The funding which has been identified in this report is allocated to the scheme seeking approval through the Cabinet decision provided in July 2024 (C24/7/24).

E. Legal implications

The comments of the Monitoring Officer have been included in this report.

F. Equalities implications

The North East CA complies with the Public Sector Equality duty, and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024, the North East CA adopted equality objectives to reflect the different roles of the North East CA as an employer, a commissioner and deliverer of services, and a civic leader.

The needs of all user groups and those with protected characteristics will be considered both in the development and ongoing delivery of the Programme. This Programme aims to provide better connectivity to the transport network and will be inclusive and accessible by providing wheelchair accessible vehicles and use a variety of booking and information channels, not just digital.

G. Consultation and engagement

The North East Joint Transport Committee considered the wider BSIP programme at the March 2024 meeting of the Joint Transport Committee. BSIP revenue funding was approved and allocated at the July 2024 meeting of the North East CA Cabinet.

This Programme is proposed following North East CA's engagement with community groups and agreement to proceed (subject to further agreement on the exact trial area) has been provided by partners at Nexus, Northumberland County Council and Durham County Council.

A full public engagement process will be undertaken by the Consortium as part of the Discover/Define phase to determine the trial specifics and throughout Develop/Deliver phase to refine.

H. Appendices

[ROUTES Presentation](#)

I. Background papers

The BSIP is available on the North East CA website [Bus Service Improvement Plan Schemes \(northeast-ca.gov.uk\)](#)

[North East Combined Authority Cabinet Meeting July 2024](#)

[Item 12d BSIP Community Transport based DRT- ROUTES approval report TOG 9 Feb 2026.docx](#)

J. Contact officers

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K. Glossary

North East CA: North East Combined Authority

BSIP: Bus Service Improvement Plan

JTC: Joint Transport Committee

DfT: Department for Transport

DRT: Demand Responsive Transport

GFA: Grant Funding Agreement

M&E: Monitoring and Evaluation

TOG: Technical Officers Group

WAV: Wheelchair Accessible Vehicle (smaller capacity than minibus)

L. Sign-off

1) Cabinet Member: Yes	2) Director/Head of Service: Yes	3) Director of Finance and Investment: Yes	4) Monitoring Officer: Yes
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