England's Economic Heartland Board

29 January 2026

Item 5: Demand Responsive Transport

Recommendation:

It is recommended that the Board:

a) Agree the draft report on Demand Responsive Transport within the region.

1. Purpose

1.1. To agree a draft of EEH's Demand Responsive Transport (DRT) in the region report and to highlight a new tool (REMIX) available to local authorities through EEH to support the planning and delivery of DRT and bus services.

2. Key points to note

2.1. EEH has undertaken a review following the board's request of DRT schemes operating within the region and drafted a report (included as **Annex 1**).

2.2. The report includes guidance and best practice advice on the delivery of DRT.

2.3. It was informed by a workshop held on the 2 December 2025 with officers from Milton Keynes City Council, Buckinghamshire Council, Cambridgeshire and Peterborough Combined Authority, and Hertfordshire County Council, all of whom operate DRT schemes within their areas.

2.4. To further support local authorities, EEH has secured and made available access to REMIX, a public transport planning tool that enables officers to model different DRT delivery options.

2.5. A short presentation on the tool will be given to the board by EEH officers.

3. Context

3.1. DRT is a demand-led transport model that dynamically adjusts services rather than following fixed bus routes or timetables. It ranges from phone-based dial-a-ride services to GPS-enabled app-based systems and is typically operated by private providers or in partnership with local transport authorities.

3.2. DRT should not necessarily be seen as a direct replacement for fixed-route bus services. Its higher average net costs per passenger (typically £10–£20[1] compared with £1.17 on fixed bus routes[2]) mean that it must be carefully targeted. DRT performs best in low-density areas, during low-demand periods, for first- and last-mile connectivity, and in new developments. It is generally unsuitable for dense urban areas with strong existing commercial bus networks.

[1] https://www.adlittle.co.uk/sites/default/files/viewpoints/ADL_Bridging_mobility_gap_2024.pdf
[2]https://www.gov.uk/government/statistical-data-sets/bus-statistics-data-tables#costs-fares-and-revenue-bus04 (Updated November 2025)

3.3. Government policy on DRT remains supportive, with the Department for Transport (DfT) recognising its importance for rural and hard-to-serve areas. Recent guidance and emerging evidence from the DfT Rural Mobility Fund pilots (which initially funded both Buckinghamshire Council and Hertfordshire County Council DRT pilot schemes) place DRT as a bus service delivery option within the wider context of the Government's bus reform—working alongside franchising, enhanced partnerships, and conventional fixed routes bus services.

3.4. The upcoming Bus Services Act 2025 will give local authorities greater control over bus network planning, including DRT. The Act introduces greater obligations to consider socially necessary bus services[3], which could enable more strategic and cross-boundary deployment of DRT. DfT have indicated that DRT may play a key role in helping local authorities meet these responsibilities.

4. DRT schemes and learnings from within the region

4.1. Currently five DRT schemes are in operation within the region, these include:

- **MK Connect**, operated by Via for **Milton Keynes City Council**, replaced 11 supported bus routes with a flexible, on-demand service covering both urban and rural areas. Using a mixed private hire vehicle -licensed fleet, including electric and accessible vehicles, it offers seven-day operation with app, web, and phone booking, and simple peak/off-peak fares.
- **HertsLynx**, operated by **Hertfordshire County Council** using its in-house fleet with technology from Padam Mobility, provides a demand-responsive service linking rural villages to key hub towns and rail stations. Designed to complement fixed bus routes, it covers a wide rural area with flexible routing and booking available by app, web, or phone.
- **PickMeUp**, operated by Carousel Buses using Via technology for **Buckinghamshire Council**, provides demand-responsive transport across parts of High Wycombe where topography and development patterns limit conventional bus viability. Designed to complement fixed routes, it supports accessibility in underserved areas and new housing developments before commercial services become sustainable.
- **Village Connect**, operated by WeMove for **Buckinghamshire Council** with Padam Mobility technology, launched in August 2024 to improve links between Aylesbury, surrounding villages, and key destinations such as the town centre and Stoke Mandeville Hospital. Operating on weekdays with wheelchair-accessible minibuses, it provides point-to-point travel via virtual stops.
- **Tiger on Demand**, by the **Cambridgeshire & Peterborough Combined Authority** using technology from Spare, replaces the earlier Ting service and expands flexible rural transport across Fenland, East Cambridgeshire, South Cambridgeshire, and West Huntingdonshire. Delivered by a consortium of operators—WeMove, A2B Travel, Dews Coaches, and Thames Valley Transport.

4.2. Local authority consideration of DRT within the region largely emerged from the rising costs associated with subsidised bus routes, making support for low-patronage fixed services increasingly challenging. DRT was therefore viewed as a potential alternative to the withdrawal of high-cost, low-use conventional bus services. These pressures were intensified by the sharp reduction in parking revenue during the COVID-19 pandemic, which had previously helped support local bus networks.

4.3. At the same time, access to Section 106 contributions and DfT Rural Mobility Fund grants provided a timely opportunity to trial new service models that could complement and fill gaps in existing and future bus provision while strengthening rural connectivity.

4.4. The evidence showed that DRT is most effective when it complements rather than replaces fixed bus routes. It performs particularly well in areas with dispersed demand or limited public transport provision.

[3] https://www.legislation.gov.uk/ukpga/2025/24/section/14

4.5. DRT can also help test the viability of future fixed routes by revealing latent demand patterns that conventional network planning may not identify. As a source of real-world journey data, DRT supports long-term network development and has for example already informed fixed route bus service improvements in Buckinghamshire, including enhancements to a Wendover–Tring route.

4.6. Successful DRT schemes are underpinned by a clear articulation of the problem to be addressed—whether improving rural connectivity, addressing gaps in the fixed bus network, or providing an alternative to high-cost special educational needs and disability (SEND) or home-to-school transport.

4.7. Experience shows that strong branding and early public awareness, as demonstrated by services such as HertsLynx, MK Connect, Tiger and PickMeUp, are closely associated with higher take-up. Inclusive design is essential, with phone booking, community engagement and non-digital payment options supporting accessibility.

4.8. Effective integration with the wider transport system, including fixed bus routes, rail, mobility hubs and active travel, is also critical; without this, DRT risks duplication and reduced value for money.

4.9. Emerging delivery approaches may improve long-term sustainability of DRT. Voluntary driver models may reduce staffing costs by up to 41%. Dual-use fleets—combining passenger services with parcel delivery or last-mile logistics (i.e. Amazon DRT)—could help optimise vehicle utilisation and revenue. Autonomous bus pilots, such as those underway in Milton Keynes or the testing of Robotaxi's in London, may influence future DRT deployment strategies. Framing DRT as a demand aggregator, feeding passengers into fixed routes and mobility hubs, may also strengthen network efficiency and reduce subsidy requirements.

4.10. Despite progress, DRT faces persistent barriers: high per-passenger costs (often >£20 in rural areas), dependence on ongoing subsidy, complex and fragmented technology procurement, and VAT inconsistencies that penalise smaller vehicles. Patronage is highly sensitive to reduced operating hours—especially evenings—while digital exclusion limits access for users without smartphones or online payment.

4.11. Local authorities report that unlocking DRT's potential requires: a supportive regulatory framework; stable, multi-year funding; simplified procurement of digital platforms; and stronger integration with statutory transport (SEND and home-to-school) and the wider public transport network. Given fragile public perceptions, clear, consistent stakeholder communications are essential to reinforce DRT as a complement to, not a replacement for, fixed bus services.

4.12. To progress effectively, local authorities should define a clear purpose for DRT and position it as a complement to fixed bus routes. Evidence shows that strong branding, early awareness and network integration support uptake, while inclusive design and ongoing data-led optimisation improve accessibility and efficiency.

4.13. Long-term financial planning is equally critical, authorities should assume that DRT will continue to require subsidy and plan, accordingly, drawing on blended funding models. This may include the Local Authority Bus Grants (LABG) [4] and, where appropriate, health and SEND budgets, reflecting DRT's wider role in enabling access to education, employment and essential services.

5. REMIX DRT/Bus Network Planning Software

5.1. REMIX by Via is a public transport planning tool that supports the design of bus and DRT networks to inform service development in response to funding and operational pressures. EEH has secured access to their platform for local authorities in the region for six months and has co-delivered two training sessions for LTA officers. A short demonstration will be provided to Board, showing how the tool can be used to design a DRT zone.

[4] Bus Service Improvement Plan (BSIP) funding and the Local Authority Bus Service Operators' Grant (LA BSOG) are being consolidated into a single, multi-year Local Authority Bus Grant (LABG) in England, starting from the 2026-2027 financial year, by DFT.

6. Next Steps

6.1. The report concludes that for DRT to be effective in the long term, it should move away from standalone pilots towards a more coordinated, data-driven and integrated model. This should include consistent standards, shared technology, inclusive service design, stronger integration with fixed public transport, and sustainable long-term funding.

6.2. Subject to Board agreement of the report, these findings will be included for discussion through the EEH Regional Bus Forum and used to inform EEH's wider integration work, including Its Transport Opportunity Plans, where DRT is considered as part of their overall transport network improvements plans.

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List of Annexes

1. Demand Responsive Transport Schemes in the Region Report.