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NOTICE OF MEETING

SOLENT TRANSPORT JOINT COMMITTEE

TUESDAY, 21 JUNE 2022 AT 2.30 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL,
PORTSMOUTH

Telephone enquiries to Karen Martin 023 9284 1704 or Allison Harper 023 9268 8014
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If any member of the public wishes to submit written representation please email the above contact by noon the working day before the meeting.

Membership

Councillor Lynne Stagg (Chair)

Councillor Edward Heron
Councillor Phil Jordan

Councillor Eamonn Keogh

(NB This agenda should be retained for future reference with the minutes of this meeting).

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

AGENDA

Risk Assessment: Executive Meeting Room

- 1 **Welcome, introductions and apologies**
- 2 **Declarations of Members' interests**

- 3 Election of Deputy Chair**
- 4 Minutes of the previous meeting and any actions arising (Pages 3 - 10)**
The minutes of the meeting held on 20 October 2021 are attached.
- 5 Solent Transport Business Plan 2022/23 (Pages 11 - 34)**
Report attached.
- 6 Solent Transport Finance Report 2022/23 (Pages 35 - 44)**
Report attached.
- 7 Solent Sub-Regional Transport model - Contract (Pages 45 - 50)**
Report attached.
- FTZ Steering Group**
- 8 FTZ Progress report and fiscal position (Pages 51 - 64)**
Report attached.
- 9 Bike share and E-scooter (Pages 65 - 68)**
Report attached.
- 10 MaaS update**
Presentation.
- 11 DDRT (Pages 69 - 92)**
Paper attached.
- 12 Drones**
Presentation.
- 13 Sustainable logistics**
Presentation.
- 14 Any other business**

Agenda Item 4



Minutes

Name of meeting	SOLENT TRANSPORT JOINT COMMITTEE
Date and Time	WEDNESDAY 20 OCTOBER 2021 COMMENCING AT 4.00 PM
Venue	PORTSMOUTH GUILDHALL EXECUTIVE MEETING ROOM
Present	Cllrs S Galton, P Jordan and L Stagg, J Warwick
Officers Present	Mike Allgrove, Kate Archer, Tim Forrester, Conrad Haigh, Dominic McGrath, Richard Pemberton, Iain Steane and Pam Turton
Apologies	Cllrs R Humby and J Moulton

16. **Introductions and Apologies**

Cllr Stagg welcomed those present and introduced the meeting. Those in attendance introduced themselves.

17. **Minutes and Actions from last meeting**

RESOLVED:

THAT the minutes of the meeting held on 4 March 2021 were approved as a true record.

18. **Election of Chairman**

Nominations for the Chair were invited. Cllr Stagg was nominated and seconded

RESOLVED:

THAT Cllr Stagg was elected as the new Chair of the Joint Committee

Cllr Stagg took over the chairing of the meeting and called for nominations for Vice Chair, Cllr Jordan was nominated and seconded

RESOLVED:

That Cllr Jordan was elected as Vice Chair of the Joint Committee

19. PfSH Statement of Common Ground update

The consultant project manager for PfSH provided the Committee with a presentation on the Statement of Common Ground (SoCG) which sets out the PfSH authorities are undertaking to help shape future strategic planning in the area. It was acknowledged that there was a shortfall of housing provision in the area, however the forthcoming Joint Strategy will seek to address more than housing development alone. Government Policy requires Local Planning Authorities to plan to meet identified housing needs for their area, and neighbouring authorities where they are unable to meet their own needs, and SOCG is being developed to assist LPAs as part of this process and to meet the Duty to Cooperate.

The current position was summarised which included the need to address:

- Sustainable development
- Climate Emergency
- A review of the 2016 Spatial Position Statement.

An up to date Joint Strategy will be crucial to secure investment in the area.

It was noted that nationally, Local Plans were failing examination due to a number of reasons, including Authorities not working effectively across boundaries, or significant environmental impacts. This is impacting on meeting housing need requirements in a well-managed way. Developments would still go ahead but in a more piece-meal way.

PfSH agreed the programme framework for the Statement of Common Ground (SoCG) in 2019 and it was formalised last year and signed by all Local Authorities involved with PfSH, the SoCG sets out strategic issues and identifies how they will be resolved. The Joint Strategy, currently under development, will set the development strategy for South Hampshire thereby supporting future Local Plans, including in relation to transport.

The process of development of the Joint Strategy was explained, work had been commissioned identifying the need for employment land and floor space. It was noted that guidance from government regarding housing need had been provided, however there was little guidance on employment land/development requirements. The commissioned work to date had identified that there was no shortfall of employment land that needed to be addressed, other than strategic warehousing. Associated work had been commissioned on potential green belt designation for parts of South Hampshire – this is in progress.

The process being undertaken to develop the Joint Strategy has included identification of potential “Strategic Development Opportunity Area” sites. PfSH’s policy of “cities and urban areas first” remained in place, but there was a need for further green field development to accommodate the required quantities of development.

Three strategy options are being considered.

A comparative assessment of options for strategic sites was undertaken by a planning consultant, considering economic, environment, water and climate change impacts.

In parallel a transport workstream looking at transport opportunities and issues is feeding into the sustainability appraisal. This workstream is being undertaken in partnership with Solent Transport.

Recommendations on a single preferred strategy option would be put before PfSH Joint Committee for decision in Autumn 2022.

In response to a Member question, Solent Transport officers stated that work with Network Rail was ongoing to develop the “Solent Connectivity” proposals to the next stage of development at present and that this could support some of the work PfSH are undertaking.

20. **Confirmation of Signing of new Joint Legal Agreement**

Conrad Haigh, Solent Transport Manager, advised that not all signatures had been received, the Isle of Wight had not yet signed the updated version of the Legal Agreement, the councillor from the Isle of Wight confirmed that he would chase this up.

21. **Business Plan update**

The Solent Transport Manager presented the business plan update to the committee and highlighted key areas from the report. Recruitment to the Future Transport Zone programme during the pandemic had caused challenges and took longer than expected, but most positions had now been appointed and the team were working well.

Thanks were given to Portsmouth City Council for the work on procurement that they assisted with, which has been key to mobilising some projects.

The Solent Transport Strategic Vision Statement work had slipped although some work had been undertaken so far this year and more work with partners is planned to be undertaken in the later part of the year, although it was believed this may slip further if there are other calls on resources.

The Sub-Regional Transport Model (SRTM) has been used for 13 studies this year so far, and work to carry out interim updates the model to maintain performance/compliance for the next 2 years had gone well which was good news.

Profile raising, marketing and branding was going well and an invite to attend and present at COP 26 had been received from the Department for Transport.

National Highways had previously provided funding for a Travel Demand Management project to try to offset some impacts of the M3 smart motorway scheme roadworks; this project is being progressed and is looking (amongst other things) to deliver two mobility hubs to help improve connections between rail and

other transport modes in locations where rail may offer a good alternative to motorway journeys. A detailed design guide on how to deliver mobility hubs and created a model to look at likely sites for these facilities in the Solent area, two sites had been identified (Cosham and Winchester) and further work was being undertaken.

Concern was raised regarding the call on resources within the team versus delivery of some parts of the work programme, as the Committee had identified a priority to deliver the Future Transport Zone programme this has been prioritised ahead of the Strategic Vision work.

The Committee were advised that the Strategic Vision work would aim to stitch all the key local transport plans and policy documents across the four authorities together. Work had been undertaken with the University of Southampton utilising the National Infrastructure Systems Model (NISMOD), to test interventions identified in various policy documents and the effect these would have on net carbon emissions and traffic levels if applied in Solent, this would enable some prioritisation of potential actions within the Vision Statement.

In response to a question from Cllr Galton regarding future development of the SRTM, it was stated that government required a certain quality/ rigour standard for transport modelling, and the current SRTM, despite being based on relatively old software & data, allows us to meet that standard. There are plans for a major update in 2023 once a stable Post-Covid “new normal” had been established, and that this may provide an opportunity for a “new generation” model platform - some new platforms available however these have not yet been accredited by the DfT. In the meantime, the SRTM model continues to be kept up to date and funding is spent were necessary to maintain short term viability.

It was also noted that work with bus companies regarding incentives to get people back on public transport, some work had been paused during the pandemic. It was a joint piece of work between Solent Transport and Local Authorities to promote incentives.

22. **Finance Report**

It was noted that the finance report included some HR aspects and the Solent Transport team offered to leave the room, the Committee did not feel this was necessary.

The Finance officer advised that the 2020/21 final budget position had improved since previous reports, a smaller pull on reserves had been used to balance the budget than expected. The 2021/22 budget was fully funded from core contributions which was a fixed rate since 2013. Pay awards had not yet been finalised and were not included in the figures.

Re-charging for time spent on certain activities by core staff was being undertaken to help keep the budget balanced. The report’s recommendations included contract changes from temporary to fixed term contracts for two core staff.

RESOLVED:

- I. THAT the 2020/21 revenue budget final outturn position be noted
- II. THAT the ringfencing and carry forward of the 2020/21 SRTM commissions surplus to support the funding of the SRTM upgrade be approved
- III. THAT the 2021/22 revenue budget forecast outturn position be noted
- IV. THAT the joint Committee approved the proposed staff contract changes from temporary to permanent as set out in paragraph six, agrees that Solent Transport would underwrite any associated liabilities and, in the event funding in the reserve currently set aside for this purpose was insufficient, the partner authorities would meet the balance required pro rata to their respective annual partner contributions.

23. **E-Scooter trials progress**

The FTZ Programme Manager advised that he had recently joined the team and presented the progress report for the Solent e-scooter trials.

Confirmation of authorisation from the DfT for further extending trials until November 2022 had been received recently. The report presented to the Committee focused on the currently committed trials and extension of these up to March 2022); some local Authorities had confirmed extension to March 2022, and others were in process.

The report also identified proposals for allocation of FTZ funding for each LTA to cover work (undertaken to date and forecast) on the planning and delivery of their e-scooter trials up to March 2022.

It was noted that any profits made through the trial schemes are required to be re-invested into complementary projects.

In response to a Member question about potential expansion of the existing trial areas, the DfT had indicated that it was unlikely at this stage that increasing the geographical extent of the trial areas would be permitted due to the time it took to set up required authorisations. However the Solent Transport team will approach the DfT to establish the exact current position.

Solent Transport receives data from the two operators providing shared e-scooters in the area. We are also commissioning an independent review of the data particularly around safety and mode shift and will feed this back to the Committee to help inform future decision making. It was hoped that the review would be completed in early 2022. The Committee believed this was important data especially around mis use of e-scooters that had been reported in some areas.

RESOLVED

THAT the proposed allocation of FTZ funding for each LTA to cover work (undertaken to date and forecast) on the planning and delivery of their e-scooter trials up to March 2022 be approved.

24. **FTZ Annual Report**

The report was for information. It was noted that University of Southampton had helped to put the report together.

Solent Transport had been asked to attend COP 26 to talk about future transport, including success with the drones during the pandemic and the e-scooter project.

25. **FTZ Progress Report**

A brief update on the quarterly report was provided to the Committee, key points raised were:

- E-scooter trial project had been positively received and previously increased levels of complaints had now reduced
- MaaS platform provider appointed/contract signed and the app would be launched to the public in early 2022 following testing later in 2021.
- Solent Go enhancements, some of which have been implemented but not actively marketed to users due to Covid and Government instructions to avoid public transport where possible, would be promoted later in the year
- FTZ recruitment had ensured six fixed term staff to the team

The Committee asked questions regarding the Solent Go project and asked how this would be promoted, it was explained that original plans (developed prior to the pandemic) called for implementation and promotion of new Solent Go products earlier, but that Covid had forced a change to plans and the Solent Go improvements will now be actively promoted at the same time as the launch of the MaaS app.

Concern was raised regarding the number of bikes forecast to be available on the cycle hire scheme for Southampton and Portsmouth planned for launch in 2022- officers stated this was subject to the provider of the bikes and their commercial offer; once a procurement process had been completed this would be confirmed.

26. **Confirmation of delegated powers to spend/procure for FTZ**

At last committee it was agreed that the delegated powers were given to the Solent Transport team, however the word procurement was omitted from the agreement, this was just confirmation that the Committee were happy with that.

27. **Any other Business**

It was noted that Keith Wilcox was retiring, he had done a lot of work for Solent Transport and the Committee thanked him and wished him well for his retirement.

CHAIRMAN

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Agenda Item 5



Title of meeting:	Solent Transport Joint Committee
Date of meeting:	21 st June 2022
Subject:	Business Plan 2022/23
Report by:	Conrad Haigh, Solent Transport Manager
Wards affected:	All Solent area Local Transport Authorities
Key decision:	No
Full Council decision:	No

1. Purpose of report/ Executive Summary

This report summarises Solent Transport's activities in the 2021/22 fiscal year and sets out a proposed Business Plan for Solent Transport for the 22/23 financial year, for the Committee's input and ratification.

The Business Plan sets out the options for our plans to undertake activities this coming year to support key priorities identified by our Member Local Transport Authorities (LTAs), although some decisions around resourcing may need to be made to allow the maximum extent of activities:

- Continuing successful delivery of the DfT-funded Future Transport Zone (FTZ) programme- our flagship implementation programme.
- Working in close partnership with our Member LTAs to progress development of a longer term high level transport strategy and action plan for the Solent area, focused largely on linking together various existing or emerging but currently un-linked component studies and strategies published by our Member LTAs and other stakeholders into a single integrated vision and plan for Solent
- To consider how Solent Transport can enable a legacy for FTZ projects.
- Exploring the long-term role of Solent Transport and actions and changes that would help position the Solent and its Local Transport Partners to capture a share of government funding for transport anticipated over the next few years linked to Government agendas around Climate Change, decarbonising transport and Levelling Up - as well as how Solent Transport's functions could evolve to could support our Member LTAs in other ways- subject to the availability of LTA resource to support this work.
- Complete a large-scale procurement for the operation of the Subregional Transport Model.
- Further work to identify the correct approach on development of the Solent Rail Connectivity proposals, in an environment where rail funding is reduced.

We will continue to support rebuilding/ rebounding from Covid and deliver against many of the policies and strategies of our funders. These are also the areas where Solent Transport can best add value for our Member LTAs, particularly in the wider public and shared transport sphere and sustainable urban logistics.

2. Recommendations

- 1. That the Joint Committee endorses the proposed business plan, and recommends LTA partners support and assist Solent Transport in its delivery.**
- 2. That the Joint Committee endorses the proposed Solent Transport Core Staff Activity Option 2 (“do more”- paragraph 69) allowing additional Solent Transport activity and stated goals to be met.**
- 3. That Hampshire County Council, Isle of Wight Council, Portsmouth City Council and Southampton City Council ratify this Business Plan through their own decision making processes.**

3. Background

4. The past year has seen Solent Transport and its Local Transport partners continue to have to address the effects of the Covid Pandemic. This has provided challenges, particularly in the rural public transport and rail areas, as well as the associated growth and change in traffic patterns. There has also been a flurry of work related to government initiatives designed to assist with improving rail and public transport and to assist with post-pandemic recovery.
5. As in 2021/22, Solent Transport has worked in an agile manner over the last year, continuing to adapt and flex to respond as positively and effectively as possible to issues and opportunities that have arisen. Solent and its partners have done this with a considerable degree of success and as well as the challenges that the Covid pandemic has brought us there are also some new and advancing opportunities such as e-scooters and significant steps forward in the development of MaaS journey planning and ticketing solutions as well as drone logistics.
6. Whilst Covid still affects the world around us and the working environment, our focus has predominantly turned to the longer-term future and the post-pandemic recovery, including the challenges of developing a prosperous Solent Region post Brexit and ensuring the region gets a fair share of Levelling Up and recovery funding. These issues also need to be balanced with the environmental agenda and the climate emergencies announced by all our local transport partners. We have also proactively sought to support our Member LTAs in their engagements with Transport For the South East (TFSE), supporting a collective desire that the Solent sub-region is appropriately recognised in TFSE's forthcoming Strategic Investment Plan.
7. Some of the greatest challenges for the transport sector nationally, and in the Solent area in the coming years are familiar and include:
 - Decarbonising transport and the transition to zero emission modes of transport is a critical priority which will require major investment and transformation
 - Delivering required residential development to meet local housing needs, and also economic growth through initiatives such as the Solent Freeport programme, will require close coordination between the transport sector, and the strategic land use planning sector.
 - Significant work is required to rebuild user confidence in public transport, particularly in rural areas and look at more efficient ways of serving this market
 - More work is required to “lock-in” some of the recent growth in walking, cycling and other shared mobility modes of travel
 - Addressing the growth in HGV and light goods vehicle traffic, particularly for online deliveries, is also a key challenge, as is seeking to manage the rebound to private car and changing traffic patterns which may result in traffic growing beyond pre-2020 levels

8. Partner Authorities and Solent Transport have tried to focus on exploiting some of the more positive opportunities arising from recent changes to deliver in the short term against these wider, long-term objectives. In particular the FTZ programme offers opportunities to test ways of addressing issues around user confidence in transport and achieving mode shift for people and goods in the short term. We also note that revising the Solent Sub- Regional Transport Model (SRTM) to ensure this key tool reflects recent changes to transport demand, and ensure that evidence produced by this tool supports future efforts to deliver interventions which achieve against these key priorities, is highly important.
9. The business plan is also written with the national policies around Levelling Up in mind and taking in consideration the new government policies and positions set out in “Bus Back Better” (National bus strategy for England) and Great British Railways (the Williams-Shapps plan for Rail), and the development of the TFSE Strategic Investment Plan.
10. This Business Plan recognises the pressure the Covid crisis has imposed upon our funder authorities’ resources – in demands to quickly deliver schemes to respond to the changing situation, and also as a result of negative financial impacts on Member Local Authorities. Solent Transport has worked hard to reduce costs, increase efficiency and work with a more commercial mindset to attract alternative income and we will continue this in the coming year. Member contributions will once again remain fixed at 2013 levels for the 2022/23 year providing a year-on-year efficiency versus last year. In real terms this represents a 28% reduction in Partner contributions since 2013.

REVIEW OF PROGRESS AGAINST 21/22 BUSINESS PLAN

11. During 2021/22 Solent has focused on creating robustness, resilience and capacity within the organisation. By creating greater fiscal efficiencies as outlined in last year’s business plan we have put the organisation on a more stable financial footing. Solent has also resolved some long outstanding business and administration issues, these include:
 - Finalising and getting all Partners to sign an updated Joint Legal Agreement
 - Resolving copyright issues and user licences for third parties and My Journey
 - Retendering the operation of the existing Sub -Regional Transport Model (SRTM), to reduce costs and provide business continuity
 - Reviewing the operation of Solent Go in light of the development of the MaaS product and current usage of the Solent Go smart card
 - Working more efficiently and commercially to attract income from sources other than from partner contributions
 - Providing efficient and prudent fiscal management and delivery of the Future Transport Zone.
12. Covid-19 and the working practices around this have continued to require us to be agile and responsive. Nonetheless, the majority of the priority objectives in last year’s business plan have been achieved.

Delivery of the FTZ programme, continuing to Summer 2024:

13. The programme overall has been highly successful with Solent making significant progress against the FTZ programme goals. It has also been more resource intensive than originally planned for. There is enough headroom in the grant funding received from DfT to allow us to address this issue. Recruitment has also been challenging, but we have been successful in finding high quality team members for the majority of positions, though the inability to fully resource the programme is an issue on a time restricted programme and has resulted in an ongoing heavy reliance on Solent Transport core staff for some activities. We are actively working to fill the few remaining unfilled posts while planning strategically for appropriate resource for commencement of new projects and evolving programme requirements.
14. Those elements of the programme which were paused due to the pandemic have now been reviewed and, as appropriate, rescoped; with revised project documentation for each element submitted to the FTZ Board. Key achievements in the last year include:
15. Theme 1- Personal Mobility:
- Dynamic Demand Responsive Transport project – project approach reviewed and reframed, resourcing of project now completed and project has been initiated.
 - E-scooter/ micro-mobility - Solent FTZ is operating three rental e-scooter trials: on the Isle of Wight since November 2020, and in Portsmouth and Southampton since March 2021. As of January 2022, the three schemes have fleets of 150, 500 and 1,200 respectively. The trials continue to achieve new levels of success with high usage figures recording across the region. Almost 700,000 trips were made using rental e-scooters across the three trial schemes in Solent until January 2022. 226,000 trips were made in Portsmouth, 391,000 in Southampton and 81,000 on the Isle of Wight.
 - SolentGo carnet (multi-trip) products – the new carnet product implemented in spring 2021 and “soft launched”.
 - Mobility as a Service (app) platform has been built with Beta versions already having been actively tested in closed environments; wider testing procedures and more detailed technical integrations remain ongoing. A brand identity (“Breeze”) has been developed and is supported by a comprehensive marketing and promotions strategy.
 - Bike/ e-bike procurement commenced in February 2022. This has been structured so it will cover the Portsmouth, Southampton and Isle of Wight Schemes, but also can be utilised by Hampshire if required.
16. Theme 2- Sustainable Urban Logistics:

- A second trial of vertical take-off and landing drones was completed in the autumn of 2021, providing valuable data, particularly around testing effects of vibration on medical payloads and on the capability of aerial drones to carry the classified substances the NHS wishes to be transported.
- A comprehensive data collection exercise has been led by our University (UoS & UoP) partners to determine baselines for the future rollout of Theme 2
- Macro/Micro logistics projects. An extensive package of potential projects and associated delivery partners is currently in development.

17. Monitoring and Evaluation:

- Year one monitoring and evaluation reports were submitted to DfT and NatCen in October. Work to recruit a dedicated resource to fulfil the Monitoring and Evaluation Manager function continues with temporary arrangements drawing on University of Southampton and existing Solent Transport staff having been used in the interim. FTZ team working closely with NatCen/DfT on the production of a robust programme-wide outcomes matrix.
- University Monitoring and Evaluation work packages associated with Theme 1 (primarily MaaS) and Theme 2 are progressing at pace with useful research outputs now being delivered.

18. Dissemination:

- Solent FTZ programme continues to attract a very high level of interest and requests to share progress and learnings remain frequent. Jointly with our University partners we have a wide-ranging dissemination strategy to share knowledge.

19. **To deliver a new Solent Transport Strategy:** Work across our LTAs and at Solent Transport has to date prioritised initiation/delivery of FTZ, and Covid-19 response/recovery related activities. Therefore work on developing a longer term Strategy for transport in the Solent sub-region was generally paused to allow capacity to be focused on the numerous other calls on our own, and partner LTA staff resource. It is however recognised that this is an important and pertinent task and will become a very high priority for this coming year's business plan.

20. A new project brief and approach (including resourcing proposals) was drafted for agreement with our Member LTAs in March 2022 with the aim of reinvigorating progress on this area of work. Final decisions on the detailed scope of this work are required from our Member LTAs at present, but it is expected that in general this work will pull together into a single Strategy document the strategic approaches and interventions set out in our Member LTAs' most recent Local Transport Plans (LTP4s), together with Solent-specific elements of TFSE's Strategic Investment Plan. It will also seek to incorporate any transport priorities emerging from land use

strategies developed by PfSH (through their planned Spatial Strategy update) and Solent LEP (through their Economic Strategy for the Solent - Solent 2050).

21. Agreeing a joint detailed specification for this work is key and concluding these discussions and commencing the work is subject to (still highly-pressured) capacity at our Member LTAs but once this stage of the scope of the work is completed and signed off, Solent will reprioritise the delivery of this important piece of work within the plan (as outlined in paras 47 to 50). In parallel work to collect evidence/undertake analysis to support this study has continued. Working jointly with University of Southampton to use the National Infrastructure Systems Model (NISMOD) to test around 50-60 possible strategic interventions at a high level, establishing their likely effectiveness to help inform prioritisation within the strategy, is now complete and will be combined with work done by TFSE and the LTA members Local Transport Plans to help evidence parts of the strategy.
22. **Support Partner Authorities and Develop cheaper ways to test interventions –** NISMOD was also used to support HCC and development of its new LTP4, and to explore its possible use as a simplified “sandbox” model for testing of high-level scenarios and options more economically and quickly than the present SRTM. This work is now complete.
23. **To continue to operate the Sub-Regional Transport Model (SRTM) and further explore development & improvement options:** During 2021 the SRTM has continued to be well-utilised supporting development of transport and planning related schemes and strategies, and also has supported business cases for funding. 19 distinct projects were supported across all four LTA areas including:
- Continued development of Waterside transport strategy and Waterside rail proposals
 - Testing of transport impacts of future development scenarios as part of the PfSH Statement of Common Ground project
 - Provision of data to support the Isle of Wight application to the DfT’s “Restoring Your Railway” fund
 - Supporting Portsmouth and Southampton with detailed design of schemes within their TCF Programmes, and development of Southampton’s Northam Rail bridge business case.
24. Several funding bids/business cases which utilised SRTM model outputs, in many cases as a key part of the evidence base supporting business cases, were awarded external funding worth a total of £37.46m during 2021:
- Future High Streets Fund- Fratton Road scheme (£3.86m)
 - Levelling Up fund- Portsmouth Visitor Economy projects (£20m)
 - DfT/ DEFRA JAQU funding- Portsmouth Clean Air Zone implementation funding and Clean Air fund for drivers (£6.6m)
 - Restoring your Railway fund- Waterside Rail development funding (£7m)
 - A326 large local majors (£1.2m for development funding)
 - Redbridge Causeway Maintenance scheme (£13m)

Additionally Portsmouth City Council's Bus Service Improvement Plan (£48.3m funding awarded) utilised some evidence gathered from the Transforming Cities Fund SRTM outputs to help support its strategic case.

25. SRTM modelling also supported the several years' worth of work to secure financial arrangements that allowed HCC, in July 2021, to agree to become Delivery Body for the M27 Junction 10 scheme.
26. Work was undertaken to maintain and improve the model during 2021. The first action was to undertake a "Present Year Validation" (PYV) exercise which has updated the "base" year of the model from 2015 to 2019 via an economical method (albeit one with some limitations because of limited collection of new data). This exercise was successful - the updated 2019 base year model performs acceptably against DfT standards and against local validation checks in most areas, as explained in more detail in a report to the October 2021 meeting of Joint Committee. All four Member authorities have reviewed the outputs from the exercise and signed off the model as being in their view suitable for continued use, and the model's fitness for purpose has been reviewed by National Highways, with relatively few concerns being raised by their review.
27. Work then commenced to update the model "reference cases" (standard future years containing all committed future development and transport schemes which are commonly used as the start point for testing potential future schemes). This update also includes incorporating new economic data and variables provided by the Department for Transport (some of which have been updated to account for anticipated post-Covid changes to the economy and travel demand), and we have also commissioned some additional validation of forecast road journey times from the model versus actual journey times to help address some comments raised by National Highways' review. This exercise is largely complete and expected to finish as soon as some required input data is published by DfT. The completion and reporting of this work is an important deliverable for Solent Transport in 2022. It will leave us with a model which has been updated as far as it reasonably can be at this time and will be reasonably robust/ fit for purpose and defensible for use for, we expect, up to around a further two years.
28. **To work with the Partnership for South Hampshire (PfSH) on the creation of a Spatial Strategy for development in South Hampshire:** Solent Transport and PfSH wrote and agreed with the LTAs a joint brief for a three-stage project testing transport impacts of potential Strategic Development Opportunity Areas (SDOAs) identified by PfSH Local Planning Authorities which could accommodate development requirements beyond 2034 as part of a new Spatial Strategy. This work has now been completed and has provided significant evidence regarding the impacts on the transport networks in the Solent that development to meet these targets could have. The final

stage of agreeing the details and outcomes of the Statement of Common Ground / Spatial Strategy development process will be progressed through the individual Highway authorities, however Solent Transport will re-engage with PfSH on the Spatial Strategy work if/ when requested to do so by our SMB. In particular we expect there to be a future role for Solent Transport ensuring that any transport requirements arising from any Spatial Strategy published by PfSH are taken account of in the wider Strategy (discussed in paragraph 47)

29. **Profile-raising, marketing & branding:** Solent Transport has been particularly active in this area this year, particularly linked to the FTZ program and as more FTZ projects are publicly launched in 2022/23 we expect a further increase in activity:

- Delivery of a new Solent Transport website with a dedicated Solent FTZ page
- Addition of a Google Analytics tracker to the website to allow monitoring and evaluation of website traffic to inform awareness levels
- Agreed 'boiler plate' wording for Solent Transport and Solent FTZ to ensure consistent messaging across all external communication activities
- My Journey brand licensed for use by Wokingham Borough and Bracknell Councils.
- Creation of a new brand ("Breeze") for the Mobility-as-a-Service product within the FTZ

30. Conferences/Dissemination are a key deliverable and condition of the Department for Transport's Future Transport funding:

- Solent Transport Manager, Conrad Haigh, interviewed and participated in a Q&A event at COP26
- Presentation on the FTZ at Act Travel Wise South East Regional Meeting
- Contribution to Landor Links Webinar 'Getting e-scooter trials right'
- Presentation on the FTZ at TfSE and Universities Meeting
- Presentation on the FTZ at Buckinghamshire Council Webinar
- Presentation on MaaS at the TCF21 Conference
- Smart travel webinar for Ticketer
- Presented on MaaS at Southampton City Council's Workplace Travel Network Meeting
- Webinar and Q&A at Future South
- Webinar and Q&A for MaaS Scotland Special Interest Group
- Published article on FTZ in March 2022 Environmental SCIENTIST journal (transport special edition)

31. Social media:

- Launch of Solent Transport Twitter account to support Solent Transport Manager's panel Q&A at COP26
- 56% increase in LinkedIn followers in the last 12 months (Mar-Feb)

- LinkedIn used to promote FTZ projects and job vacancies

32. Media Coverage:

- Significant media coverage on drones and e-scooters, including the BBC, ITV and The Times.

33. **SolentGo**: Until the outbreak of Covid-19 we had observed a sustained upward trend in sales of the multi-operator travel products offered, with sales of all paper & smartcard ticket types in 2019/20 being approximately 35% higher than in 2017/18. Covid-19 lockdowns, government guidance to avoid public transport, changes in travel demand and temporary reductions in public transport service levels have all contributed to serious impacts on Solent Go sales, which in April 2020 were 80% lower than April 2019. Marketing and promotion of Solent were put on hold, due to Government guidance in force during the pandemic and we have not seen a recovery in the past year.

34. In 2021-22 smartcard sales and usage were clearly struggling to recover. This is probably due to changes in working patterns at key Solent Go user organisations and other local businesses, plus more general user uncertainty, which make the standard longer period products less useful or economical for users. Sales of the month and three-month products (unique to the smartcard platform) are in particular struggling to recover.

35. The costs per transaction and per journey for the smart card, based on the usage data (pro rata) are high and appear unjustifiable:

- Per ticket sale: average 165 smart ticket sales per month = 1978 per year / £21k pa back-office system cost = enabling **cost to Solent Transport £10.61 per ticket**
- Per estimated journey: average 3652 smart journeys per month = 43824 per year /21k pa back-office system cost = enabling **cost to Solent Transport 48p per journey**

36. Paper ticket usage is recovering better but sales/usage of these products are still a long way from reaching pre-pandemic levels in the current year. However, this may also reflect the background trend of movement from paper to mobile tickets that we have observed.

37. Mobile ticket usage is recovering well, and overall, it looks likely this will return to pre-pandemic levels by the end of the 2021/22 financial year.

38. **Bus Back Better and Bus Service Improvement Plans (BSIPs)**: Solent has worked with all four LTA's to ensure that the FTZ MaaS and integrated ticketing aspects of SolentGo and the MaaS are reflected in BSIP's and Enhanced Partnerships. We look forward to working with Portsmouth City Council on

implementation of funded parts of their BSIP where Solent Transport can assist, during 2022/23 and subsequent years, and sharing lessons learnt and best practice developed as a result with partners in the wider Solent sub-region.

39. **Rail strategy:** On the Isle of Wight, Solent Transport's long-term support and lobbying for improvements to the Island Line, alongside other partners as part of the IOW Transport Infrastructure Task Force, is now delivering results, with a transformative upgrade including new trains, track renewals and upgrades allowing improved timetables, and other improvements for customers now complete. The Ryde interchange scheme, which has secured TCF funding, will further enhance this much-anticipated step change in provision.
40. On the mainland, the Solent Rail Connectivity CMSP study was completed, published, and endorsed by PCC/SCC/HCC as our shared plan for improving local rail services across Solent. The infrastructure measures required to allow an approximate doubling of train frequencies across Solent have been inserted into the Rail Network Enhancement Pipeline. Unfortunately reduced Department for Transport funding for the rail network because of the pandemic means DfT are not resourcing further development of the scheme at this time. However, Network Rail, Solent Transport and the LTA partners all believe that the proposed scheme has significant merits and are exploring ways to work together to fund studies to move this proposal to the next stage of business case development. The details of how to take these proposals forward to the next stage are presently to be agreed at Solent Transport Senior Management Board. Network Rail have indicated they will deliver a Strategic Outline Business Case for the scheme in 2022/23 but that local funding contributions would enhance the evidence within this business case.
41. **Other areas of work:** Solent Transport's work programme for 2021/22 also included the objective to **assist in the delivery of work package 3 of National Highways' Solent Travel Demand Management work**. Solent Transport took a lead on Work Package 3 which has been allocated to mobility hubs, following programme changes because of Covid-19 reducing the viability of originally planned uses for this part of the funding. A detailed design guide and model for identifying the likely successful sites has been developed and separate feasibility studies for two sites in Portsmouth and Winchester have been completed. The postponement to the M3 Smart Motorway scheme may cause some changes to this programme.

WORK PLAN FOR 2022/23

42. Solent Transport's proposed work programme for 2022/23, is outlined below. A table of the proposed average weekly time allocations to key activities is provided in [paragraphs 64 to 69](#).

- 43. Continued successful delivery of FTZ programme:** As Solent Transport's flagship area of work, and the one which will provide the most immediate benefit to the Solent area and our Members and partners, continuing the good progress made to date on FTZ is our top priority. The FTZ is a high profile, national innovation scheme and will inform central government future decisions around transport innovations, and investment. Its successful delivery will boost the area's credibility with DfT and other funders when bidding for future funding opportunities as well as enhancing the Solent area's reputation as a hub for innovation- supporting key local employers in the education & research sector.
44. The FTZ programme has its own funding (provided through Department for Transport Grant) and delivery team, however significant input from the core Solent Transport team (who, in conjunction with our Member LTAs, devised the programme and projects within) is also required on an ongoing basis. Two days per week of core staff time is dedicated to FTZ as match funding for the DfT grant funding allocation.
45. We also recognise that the FTZ programme places additional pressure on our Member LTAs to deliver some elements "on the ground". Solent Transport will continue to provide support (staff resource) to assist our Members to deliver and gain maximum value from the opportunities presented. Details of the work will be highlighted in the reports for the FTZ Steering Group meeting that follows this Joint Committee meeting.

46. Planned Future Transport Zone Activity for 22-23:

Theme One:

- DDRT project commencement occurred in Spring 2022 and initial public implementation is planned for late in 2022.
- Solent Go has newly planned products that will go live in March 2022, and a marketing campaign to promote these has been planned for this time.
- A full public launch of the MaaS app is planned for April 2022.
- Bike/ e-bike procurement commenced in February 2022 with a view for delivery of the first schemes to be scheduled for the Summer of 2022.
- Mobility Credits project will be fully scoped by autumn 2022 with the plan being to fully integrate into the MaaS app following successful public launch.
- Elements of projects within the Theme 1 programme, for example Solent Go and MaaS project deliverables, and the DDRT trial, are likely to support / complement delivery of PCC's Bus Service Improvement Plan programme.
- Investigation of options for operating schemes introduced through the FTZ in the longer term on a sustainable basis (and/or to leave a positive legacy from these trials), and develop options for the Joint Committee to consider.

Theme Two:

- The future rollout of Theme 2 Macro/Micro logistics projects will take place in the coming year. An extensive package of potential projects and associated

delivery partners is currently in development with the aim of a series of wide-ranging project proposals being instigated during/autumn summer 2022.

- A further extension of flying the V50 drone for the NHS trial has been commissioned with the aspiration of carrying out the world's first carriage of live chemotherapy drugs by drone by summer 2022.

Monitoring and Evaluation:

- We are currently planning two Solent specific conference events for autumn 2022, one of which includes hosting the International Transport Forum on behalf of DfT.

47. **Development of Solent Transport strategic vision/ high level strategy:** Making tangible progress on this area of work is high on our SMB's priority list for 2022/23. There is optimism that capacity amongst our LTA partners to input to this important project will improve during 22/23 assisting significant progress on this area of work. Publication of a shared area-wide vision statement and high-level strategy will link together our authorities' emerging/draft/adopted LTP4s, and other stakeholder strategies, in a coherent way. It will also be important for the Strategy to incorporate interventions identified in TFSE's final Strategic Investment Plan (to be published later in 2022) and also to incorporate /act as an integrated transport and infrastructure plan reflecting any interventions identified in PfSH's work to develop a new Spatial Strategy for South Hampshire (completion date TBC).
48. This will make it easier for the Solent area to collectively articulate its transport priorities and ambitions. As central Government are more amenable to funding schemes and initiatives which have unified support amongst local stakeholders, this area of work is important for positioning ourselves to take advantage of transformational investment from central Government funders anticipated to come forwards in the next few years, including that linked to the Green Industrial Revolution initiative and also linked to Levelling Up. It will also provide a framework for further local strategy work by our LTAs focused on specific subjects in future.
49. The strategy will likely also consider the future vision and role of Solent Transport to ensure the organisation is fit for purpose to and can develop/evolve to continue to add value for the region and it's LTA Members. In particular we will investigate options for a long term commercial legacy for FTZ projects, working closely with Partner LTAs.

50. There has been considerable discussion around the exact format and detail of the Strategy document with our Member LTAs which still needs to be fully resolved (see paras 20 & 21). Therefore, it is intended that a revised vision statement and draft high-level strategy will be developed in full engagement with our Member authorities, with a view to progress to a final position in this period. . However additional resource may need to be found to help afford this activity the capacity and priority it needs once the LTAs are in a position to move forward. It is envisaged the additional human resource could be funded from the reserves that Solent Transport has been able to secure, however a budget for more detailed study work that may be needed would require additional funding.
51. **Sub-Regional Transport Model:** The completion and reporting of update work is a important deliverable for Solent Transport in the first part of 2022 and will provide an interim solution to maintaining the model's viability pending a major upgrade, which will be required to be commissioned within the next two or so years.
52. The continued lack of stability in the wider world resulting from Covid-19 and related lockdowns and behaviour changes means that a stable "new normal" has not yet been achieved and probably will not occur until 2023. Once this does occur there will be pressure to further update the model to represent this new situation. This will require a much larger model rebase exercise with collection of considerably more data than the interim 2019 rebase and may also represent a good opportunity to transition to a new software platform and add new capabilities if these would add value or deliver economies. The current model upgrade fund (£441k) is significantly lower than the likely cost of such an update (£800k to £1.2m quoted by one provider, pre-Covid) so work to improve financial efficiency /income generation from the current SRTM and identify funding sources must continue in 2022/23.
53. We will therefore continue to explore all opportunities for improved financial efficiency and income generation which present themselves. One option Solent is still committed to exploring is whether we can secure a small share of capital income from successful funding bids supported by model in future. Just a fraction of a percent of income from future bids could resolve the model upgrade budget issue entirely and make the model genuinely self-sustaining, yet would not affect the economic case for most schemes.
54. Because the contractual arrangements for the current SRTM will expire in June 2022, a procurement exercise (run by HCC using a Dynamic Purchasing System [DPS] set up by PCC) to procure a consultancy contract for the remaining life of the current model (expected to be two to three years) is underway and achieving better value for money is one of the objectives for this exercise. When this procurement process completes by mid-summer, dependent on outcomes, this could result in transfer of the model to a different consultant (an activity which could require considerable officer time to support). The DPS set up by PCC is also intended to be used for future procurement related to the major update of the model referred to above and could be used for market engagement to help further inform budget and specification for the proposed 2023/24 major update/upgrade.

55. **Continue to lead/ support strategic transport planning projects and initiatives which collectively benefit our Members potential to access funding:** A key mission for Solent Transport will be to support our Member authorities in gaining a share of future funding opportunities which benefits the national significance of the Solent area, and which supports a transition to a sustainable, net zero emission future without detriment to the area, so that we are well placed to access opportunities from central Government when they arise.
56. Solent Transport's main planned contribution in 2022/23 in this work area is to support Network Rail's further development of proposals for improved rail connectivity for the Solent, via in kind contributions of staff time from Solent Transport supporting preparation a Strategic Outline Business Case (SOBC) for this scheme which is being led by Network Rail. Our objective is that that LTA's local priorities are reflected in this SOBC and that the Solent Rail Connectivity proposals are established as a pivotal part of the sub region's long term transport plan, with a clear identity. As part of this work we will also seek to secure financial contributions from Member LTAs towards activities which could strengthen this business case.
57. We also intend to continue working with Network Rail by continuing to participate in two earlier stage Strategic Study projects relevant to the Solent area which started in 2021/22 - namely the Mainline strategic study (London to Portsmouth/Southampton connectivity), and also the Solent to Midlands Multi-Modal Freight strategic study. In addition we have provided some support related to the Waterside rail proposals, and it is planned that the Solent Connectivity SOBC will explore whether linkages between the wider Solent Connectivity proposals and Waterside Rail could add value to both initiatives.
58. As TfSE conclude their Strategic Transport Investment Plan development and its adoption by 2023, Solent Transport will continue to engage positively with TfSE and stand ready to support Member LTAs as required. We will seek to ensure TfSE's emerging SIP plans are incorporated in the high level Solent strategy. We anticipate continued input and engagement with some ongoing/forthcoming TfSE led studies, particularly their Future Mobility Strategy (as our FTZ programme is directly relevant to this) and also potentially the Freight Logistics and Gateway studies - helping our Members to ensure that these studies fully reflect the Solent area's needs, interests and ambitions.
59. **Cross-Solent Connectivity:** Solent Transport will continue to engage with and support the IOW Transport Board, to support new initiatives to improve connectivity to and within the Isle of Wight. This includes actions in support of the Isle of Wight's on rail matters and with TfSE supporting better links to the Island, to provide more opportunities and access to services for their community.

60. Marketing, promotion, profile-raising of the Solent area, lobbying: Marketing and promotion activities are a key delivery of the FTZ projects. This will be mainly limited to the FTZ programme as there is no available budget to provide a wider marketing/comms resource for Solent Transport (Solent Transport's traditional resource having been given up as a saving in previous years).

61. Planned Activity 2022-2023: As previously stated the coming year will be busy in terms of the delivery of new FTZ schemes and the need to market these activities will see Solent Transport particularly active in this field. A list of planned marketing activity is listed below:

Brand

- Launch of 'Breeze' brand for the MaaS project within the FTZ
- Breeze brand incorporated into the e-scooter and bike/ e-bike share schemes

Social media

- Improve engagement with Solent Transport across social media
- Launch Breeze social media channels as part of the MaaS launch

Conferences/Dissemination

- Working alongside the DfT to deliver an 'experience day' in the Solent area as part of the International Transport Forum (Oct 2022)
- Delivering the Integrated Transport Conference with Landor Links, showcasing the innovation of the Solent FTZ (Sep 2022)
- Invitations to participate in Move 2022 Conference (Jun 2022) and Transport Innovation Summit (Apr 2022). Other invitations expected to follow FTZ project progression.

62. Other areas of work: M27/M3 TDM- We will continue to support the M27/M3 TDM programme in partnership with National Highways providing a client-side support for the implementation of Mobility Hubs in line with the agreed specification and guidance at the selected sites. Though this work may change in light of the postponement of the M3 Smart Motorways work.

63. Finally, we will continue to administer and co-ordinate the Solent Transport Joint Committee meetings, occasional Member briefings, Senior Management Board, and will look to re-start a revised successor to the Strategy Working Group (which has been on hiatus due to diversion of staff resource to support FTZ initiation). There continues to be significant effort and resource being put in to driving down costs, income generation and meeting Partners budgetary expectations, this will continue as discussed below.

RESOURCING TO DELIVER 2022/23 WORK PLAN

64. As explained in more detail in subsequent paragraphs, Solent Transport's core staff establishment funded through Member LTA contributions is 2FTE, with a significant additional establishment of temporary staff having been recruited over the last 12 to 18 months, to deliver the DfT-funded FTZ programme. These staff are fully funded by the DfT grant.
65. The FTZ programme staff are 100% dedicated to the FTZ programme and cannot be diverted to other tasks. There is also a commitment and ongoing need to provide support to the FTZ from the remaining two core staff who deliver all the non-FTZ activities outlined in this business plan in addition to providing high level direction of the FTZ programme. The original bid to DfT for FTZ included one day per week from each of the 2FTE core staff allocated free of charge to FTZ activities as match funding. The call on these staff's time from the FTZ programme over the last year has in fact exceeded the match funding commitment in the FTZ bid. Delivery pressures on the FTZ programme as outlined above mean it is likely that core staff allocations to FTZ will exceed 2 days per week again in 2022/23.
66. The FTZ programme budget has been and will continue to be recharged for the cost of the additional time inputs from the 2FTE core staff, above the match funding commitment of one day per week per FTE. As is outlined in [paras 76 and 77](#) this and other steps to work in a more commercial manner is resulting in a fairly substantial amount of income being generated. The existence of this income creates the option - subject to Member LTA agreement- to temporarily fund more capacity to backfill the time core staff are "losing" to FTZ to provide capacity to allow a greater level of activity to deliver projects and deliver the agreed business plan goals.
67. The tables in [Paras 68 and 69](#) below indicate the estimated time allocations across Solent Transport's core staff, to deliver the activities described in the Work Plan set out in the preceding five pages. We have provided two options:
- the Core option looks at "cutting our cloth" to make the workload fit the present resource- which would likely require some of the activities outlined in this paper to be postponed to future years, due to limited capacity
 - The "do more" option envisaged contracting an additional temporary resource of up to one fulltime FTE using the additional funds accrued through working in a more commercial manner, to deliver a fuller range of activities.

68. Core Option – ‘Cut our Cloth’ - Stay at present staffing levels:

Estimated Average Resource Implication in days per week	Solent Transport Core Staff Activity - ‘Cut our Cloth’
4	<p>Future Transport Zone- Minimum contribution from core staff including management (1day/ week x2) for successful delivery of this programme- as per match funding commitment in FTZ bid.</p> <p>N.B: During the last year core staff time allocated to FTZ averaged 3.9 days/week, exceeding the match funding commitment in the FTZ bid. (The FTZ programme budget has been and will continue to be recharged for the cost of the additional resource above the match funding commitment. The income generated from these charges under this option would not be used to backfill staffing/resource levels.)</p>
1	SRTM ongoing BAU operation & administration
1	SRTM re-procurement of Consultant contract, update & related maintenance activities (assumes large overall \ rebuild is not procured this year). Contingency measures to cover a potential overrun of procurement and/or certain procurement outcomes will add at least an additional half a day a week (1.5) to this activity. If procurement timescale is adhered to this could be kept to one day a week, otherwise resource taken up related to the SRTM contract will impact available core staff resource for other activities in this business plan.
0.5	Strategic vision & high-level strategy development. This project will either need to be scaled back, allocated additional resource or completed over longer timescale.
0	Rail strategy development. This item of work would need to be removed from the planned activity list and diverted to the following year.
1.5	Solent Transport administration \ management time, including preparation for and actions associated with SMB and Joint Committee meetings which takes up a minimum of 6.5 hrs a week; administration; recruitment; finance management etc
1.5	Time allowance to accommodate all other activities, in accordance with SMB priorities and requests- includes: liaison with stakeholders, Isle of Wight Transport Infrastructure Board, work to consider the future role of Solent Transport; input to M27/M3 TDM project, Waterside Rail, TFSE engagement, LEP etc.
0.5	Allowance for staff annual leave (this is technically 0.6)
10	TOTAL (2FTE)

69. “Do More” option –Temporarily expand resource as required by workload, using surplus obtained via working more commercially:

Estimated Average Resource Implication in days per week	Solent Transport Core Staff Activity Option 2 (Resource the Need)
4	<p>Future Transport Zone- Minimum contribution from core staff including management (1day/ week x2) for successful delivery of this programme- as per match funding commitment in FTZ bid.</p> <p>N.B: During the last year core staff time allocated to FTZ averaged 3.9 days/week, exceeding the match funding commitment in the FTZ bid. (The FTZ programme budget is recharged for the cost of the additional resource above the match funding commitment. The income generated from these charges under this option could be used to contribute towards backfill of staffing/resource levels, ideally in combination with matched contributions from Member LTAs, in order to release/generate up to 50% additional capacity compared with Option 1.)</p>
1	SRTM ongoing BAU operation & administration
1.5	SRTM re-procurement of Consultant contract, update & related maintenance activities (assumes large overall \ rebuild is not procured this year). Contingency measures to cover a potential overrun of procurement and/or certain procurement outcomes will add at least an additional half a day a week (1.5) to this activity. If procurement timescale is adhered to this could be kept to one day a week, otherwise resource taken up related to the SRTM contract will impact available core staff resource for other activities in this business plan.
3	Strategic vision & high-level strategy development. It is anticipated this would be delivered significantly through additional resource, some of which could be funded from Solent Transport’s reserves but additional data collection work would be reliant on contributions from Members.
1.25	Rail strategy development.
1.5	Solent Transport administration \ management time, including preparation for and actions associated with SMB and Joint Committee meetings which takes up a minimum of 6.5 hrs a week; administration; recruitment; finance management etc
1.75	Time allowance to accommodate all other activities, in accordance with SMB priorities- includes, liaison with stakeholders, Isle of Wight Transport Infrastructure Board, input to M27/M3 TDM project, Waterside Rail, TFSE engagement, LEP etc.
0.1	Consultation responses
0.9	Allowance for staff annual leave
15	TOTAL of 3 FTE staff

CONSULTATION

70. Our Senior Management Board (SMB) previously highlighted four key ambitions for the medium term: to successfully deliver the DfT-funded FTZ programme, to Develop a Solent Transport Strategy, to update and develop the Sub-Regional Transport Model (SRTM); and to raise the profile of Solent Transport through marketing and lobbying. This business plan is aligned with these ambitions.
71. Internal consultation on the detail of this business plan has been undertaken with the Senior Management (SMB) officers from each Member Authority and a draft copy of this Plan was circulated in March 2022 for comments. This business plan reflects the priorities for Solent Transport that SMB have identified.
72. External consultation is not required as the proposed business plan does not directly impact members of the public or specific areas, as it concerns only the internal operations and priorities for the partnership's work over the coming year. Implementation of specific projects (eg some FTZ projects) may be subject to local consultation as part of the decision making process of our respective authorities.

FINANCIAL / BUDGET IMPLICATIONS

73. The present budget and contributions have remained fixed since 2013 at £190k. According to composite price index, today's prices in 2022 are 28% higher than average prices in 2013, reflecting average 2.9% per year inflation over that period. To have the equivalent budget and purchasing power of £190,000 would require the budget to be raised to £243,000 in 2022, a difference of £53,000. The freezing of contributions is providing the partner bodies significant savings year on year. We recognise our Member authorities are facing significant budget challenges as a result of the Covid crisis and that many other functions in LTAs have been subject to similar freezes or sometimes actual funding reductions. Therefore, we propose to support them at this time creating a business plan that proposes a flat core budget from contributions, unchanged from last year (including no inflationary uplift).

Contributions are as follows:

- Isle of Wight Council £20k
- Hampshire County Council £90k
- Portsmouth City Council £40k
- Southampton City Council £40k
- Total £190k

74. Significant effort and resource has been put into ways of making Solent Transport more fiscally efficient, resolving some historical administrative issues, as well as leveraging any third-party funding opportunities. This is reflected in the Finance paper. This work continues and some of the ideas being explored. It should be noted that whilst Solent has been successful in building up a central reserve, meeting these expectations and the delivery of the business plan does leave Solent Transport low

on central resource and disposable budgets. As such this will limit what can be achieved and our ability to be flexible if further resource is not allocated.

75. More details including proposed breakdown of the budget is provided in the separate finance report, but key expenditures are employment of core staff, support for SolentGo operation, staff time spent on SRTM, small amounts to support activities such as marketing and studies etc.

76. Revenue Generating /Cost Saving Options

Several potential options have been/are being explored to supplement the LTA contributions and create a more sustainable budget for Solent Transport and maintenance of its assets and activities. The table below shows activity undertaken in the last year which has generated income:

Item/activity	Value
Income in 2021/22 financial year	
M27 TDM RP, CH time recharges 2021/22	£6,816
SRTM – recharging ~1 day per week of RP’s time to SRTM income (£12k p/a) 2021/22	£12,000
FTZ CH time recharge to SCC FTZ year 1 Mar 2020 to Jun 2021	£30,139
FTZ RP time recharge to SCC FTZ year 1 Mar 2020 to Jun 2021	£15,842
FTZ CH time recharge to SCC FTZ year 2 Jul 2021 to w/c 28 Feb 2022	£14,005
FTZ RP time recharge to SCC FTZ year 2 Jul 2021 to w/c 28 Feb 2022	£6,487
My Journey- Wokingham brand licence fees transfer from SCC	£15,000
My Journey- Bracknell brand licence fees transfer from SCC (less SCC costs)	£29,915
TOTAL	£130,204

77. The below table shows likely predicted income to core Solent Transport budget as a direct result of income generation in the coming year, as things stand. It should be noted that the costs to the SRTM budget do not include time spent on procurement, which is estimated at another £18k of value, should we consider that this should be recharged to the SRTM budget.

Item/activity	Value	Status
Predicted additional income in 2022/23 financial year		
SRTM – recharging ~1 day per week of RP’s time to SRTM income (£12k p/a) 2022/23	£12,000	Estimate

FTZ CH time recharge to SCC FTZ year 3 w/c 7 th March 2022 to Feb 2023	£16,000	Estimate
FTZ RP time recharge to SCC FTZ year 3 w/c 7 th March 2022 to Feb 2023	£10,000	Estimate
Likely total of additional income	£38,000	Estimate

78. Other activities of this nature we will pursue include:

- SRTM: changes to commissioning method and fee structure to increase income/ reduce overheads; recharging some staff time costs to SRTM income; and consideration of innovative methods of securing additional income for the model
- Solent Go: Seek reduced expenditure of revenue funds on Solent Go back office as part of Future Transport Zone MaaS project procurement; consider means of offsetting more of cost overheads through income (within limits of the agreements with SHBOA through which Solent Go is operated), consider potential of turning off the smart card in favour of MaaS app.
- Future Transport Zone: continue to charge FTZ for core staff time worked above the contribution agreed in the bid to DfT
- Other additional project work: Charge a small management fee on top of costs for all future projects to be taken into core budget

79. There may also be scope to explore whether some activities and functions delivered by Solent Transport (such as SRTM future upgrades) could attract funding from bodies such as TFSE.

80. In some previous years, Solent Transport has utilised vacancy savings from unfilled posts as a form of budget management, however this is no longer practicable. The core budget is insufficient to sustain a full staffing quota, and the present commitments to maintain Solent Transport's assets without external funding. The marketing & communications activities of Solent Transport are now being fully resourced through the FTZ budget.

81. The Solent Transport core staff establishment now stands at 2 FTE funded through the core budget. The FTZ programme has resulted in a rapid expansion in staffing dedicated to and funded through that programme and this may need to be further expanded to fully deliver the programme on time and to budget.

82. Part of the match funding for the FTZ bid to DfT was a commitment of time from the posts funded through the core budget. 1 day per week of each core post's time is committed to FTZ until summer 2024.

83. A 20% uplift in SRTM model upgrade fees was implemented in November 2020, this additional revenue (estimated at circa £12k per year) is being used to part fund staff time spent managing the SRTM (this covers operation only and not the time requirements for the current procurement exercise). These activities had previously been delivered free of charge out of revenue budgets – sometimes to the benefit of external clients such as Local Planning Authorities and the private sector.
84. **Solent Go:** Smartcard sales and usage are clearly struggling to recover meaning the per-transaction/ per-journey overheads associated with the ITSO platform are unjustifiable (as set out in para 35).
85. As previously stated, there is a significant increase in the use of mobile ticketing and as it is, the intention is to migrate these tickets onto the MaaS app platform later this year anyway, consideration should be given as to whether this maybe the right time to turn off the smart card to achieve cost savings.
86. FTZ projects (MaaS, new products and new back-office procurement etc) offer opportunities to seek efficiencies through reduced back office costs and grow income through higher sales volumes. Any changes to the commercial side of Solent Go must however be done in partnership with SHBOA and in line with the terms of the SBHOA partnership agreement, to which Solent Transport is a signatory. We must also avoid making changes which might deter users from returning to public transport post-Covid, or which might reduce usage of these multi-operator products.
87. In general, we will continue to work with increased commerciality in mind going forwards. This will include charging the value of any time significantly exceeding reasonable or “in-kind” commitments to externally funded projects and seeking to generate income from activities not previously monetised- such as use of the My Journey brand by third parties, and use of certain internal capabilities and skills on work that benefits third parties outside the Solent area.

4. **Reasons for recommendations**

88. Endorsing the recommendations would result in continuation of Solent Transport’s activities and services during 2022/23 in line with a plan agreed across the four partner LTAs.

5. **Integrated impact assessment**

89. No new or revised Policies or Procedures directly affecting the public will be introduced as a result of the recommendations in this report. Therefore an integrated impact assessment is not deemed to be required.

6. **Legal implications**

90. Statutory power to make decisions in this report are provided by the following legislation:

- S. 1 Localism Act 2011 (the general power of competence) permits Local Authorities to work in partnership with other public and private bodies to secure the delivery of functions, services and facilities that are for the benefit or improvement of the areas they serve.
- S101 & S102 Local Government Act 1972 grant statutory power for Local Authorities to arrange for the discharge of their functions by a committee, sub-committee or an officer of the authority, by a Joint Committee, or by any other local authority (subject to any express provision within LGA 1972 or any subsequent Act).

7. Director of Finance's comments

There is no additional financial commentary for this report.

.....
Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Agenda Item 6

DECISION-MAKER:	Solent Transport Joint Committee	
SUBJECT:	Solent Transport Financial Update	
DATE OF DECISION:	21 st June 2022	
REPORT OF:	Hampshire County Council as Accountable Body for Solent Transport	
<u>CONTACT DETAILS</u>		
AUTHOR:	Name:	Elain Youngman Elain.Youngman@hants.gov.uk Kate Archer Kate.Archer@hants.gov.uk
SOLENT TRANSPORT MANAGER	Name:	Conrad Haigh Conrad.Haigh@hants.gov.uk

STATEMENT OF CONFIDENTIALITY		
N/A		
BRIEF SUMMARY		
<p>This report presents the Solent Transport final outturn position for 2021/22, the forecast outturn position compared to the approved original budget for 2021/22 and the forecast reserves position.</p> <p>The report also includes a financial update for the Future Transport Zone (FTZ) £28.5m Capital Programme funded by the Department for Transport (DfT) and financially administered by Southampton City Council (SCC).</p>		
RECOMMENDATIONS: That the Joint Committee		
	(i)	Notes the 2021/22 revenue budget final outturn position.
	(ii)	Approves the ringfencing and carry forward of the 2021/22 SRTM commissions surplus to support the funding of the SRTM upgrade.
	(iii)	Approve the 2022/23 revenue budget.
	(iv)	Notes the forecast reserves balance as at 31 st March 2023.
REASONS FOR REPORT RECOMMENDATIONS		
1.	<p>To fulfil the requirements in providing the Solent Transport Joint Committee with:</p> <ul style="list-style-type: none"> • The 2021/22 revenue budget final outturn position. • A revenue budget forecast outturn position for 2022/23. • A review of the final reserves position for 2021/22 and proposed carry forward position, and a forecast reserves position for 2022/23. 	

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. N/A

DETAIL (Including consultation carried out)

3. Introduction

This report presents the Solent Transport revenue budget final outturn position for 2021/22, including details of the current reserves position and a forecast of reserve balances for 2022/23.

The report also notes the draw from reserves in 2021/22 for the Solent Sub-Regional Transport Model (SRTM) Commissions deficit, to be drawn from the ringfenced reserve which provides for the SRTM upgrade.

JMC approval is also sought for the 2022/23 budget, details are included in the report and Table 3 below.

4. 2021/22 Revenue Budget Outturn Position

The revenue budget final outturn position for 2021/22 is detailed in Table 1 below and includes a net surplus in year of £119,000. The general revenue costs produced a surplus of £138,000 combined with a deficit of £19,000 relating to the Sub Regional Transport Model (SRTM) commissions, requiring a draw from the ring fenced SRTM reserve.

Table 1

Budget Heading	Budget 2021/22	Revenue Outturn 2021/22	Variation To Budget 2021/22
REVENUE	£'000	£'000	£'000
Staff Pay & Expenses	158	156	(2)
Finance Accountable body fees	5	5	0
Marketing	0	0	0
Solent Go – Back Office/Admin	27	18	(9)
Studies	0	0	0
Enhancement of Sub Regional Transport Model (SRTM)	0	0	0
SRTM Commissions	0	19	19
Other Costs	0	1	1
Net Expenditure	190	199	9

Other Income	0	(128)	(128)
Partner Contributions	(190)	(190)	0
Contribution to / (Draw from) reserves	0	119	119
Total Funding	(190)	(199)	(9)

Pay and expenses for the two core staff achieved a small underspend following a reduction in travel costs, which was largely as a result of changes in work practices following the covid pandemic, using teams calls and online meetings to replace face to face meetings. This underspend is partially offset by increased costs of the core staff following a 1.75% pay award which was agreed in March 2022 and backdated to 1st April 2021.

All Marketing and studies expenditure ceased in 2021/22 due to the current budget pressures with the exception of some activities directly related to the Future Transport Zone (FTZ) project, these costs were met directly from the FTZ budget held by Southampton City Council.

The final 2021/22 position for the SRTM commissions required a draw of £19,000 from SRTM ring fenced reserve, as per Table 5 below. The draw, whilst lower than anticipated, was required to fund interim works on the SRTM model and to meet the cost of staff time spent on managing SRTM. Before the SRTM is upgraded a validation exercise was commissioned to test the model remains suitable for its intended purpose.

Other costs were for the annual accountable body charge and the charge for the Solent Go back-office costs, which was £9,000 lower than anticipated. Back office costs for support provided by SCC's (Southampton City Council) Smartcities team will be met directly by HCC and Unicard, the supplier providing part of the MaaS (Mobility as a Service) solution will be charged to the FTZ programme in 2022/23.

All Partner contributions were received the current levels, which include no inflationary increase applied since 2013. The current Partner contributions only provide sufficient funding to meet the cost of the core staff, the Finance Accountable body fees and the annual Solent Go back-office charge.

Details of current core partner revenue contributions for 2021/22 are shown in table 4 below.

Additional income of £128,000 was received, detailed in Table 2 below, as a result of a more commercial approach to recharging staff time spent on project work, interest received against reserves and licence fees charged to local authorities for the use of the My Journey branding.

Table 2

	Other Income
FTZ Drone project	(67)
SRTM Management	(12)
Highways England - M27/M3 Travel Demand Management project	(3)
My Journey Branding Licence Fee	(45)
Interest against reserves	(1)
Total	(128)

Following the £19,000 draw from the SRTM reserve, the balancing £138,000 surplus has been added to the general reserve in 2021/22.

5. **2022/23 Revenue Budget**

The proposed 2022/23 budget is detailed in Table 3 below, providing only for essential expenditure, which can be fully funded by existing levels of partners contributions.

Table 3

Budget Heading	Budget
	2022/23
REVENUE	£'000
Staff Pay & Expenses	166
Finance Accountable Body fees	5
Marketing	0
Solent Go – Back Office/Admin	0
Studies	0
Enhancement of Sub Regional Transport Model (SRTM)	0
SRTM Commissions	0
Net Expenditure	171
Other Income	(43)
Partner Contributions	(190)
Contribution to / (Draw from) reserves	62
Total Funding	(171)

The budget includes planned core annual revenue expenditure of £171,000 which will be fully funded by Partner Contributions of £190,000, which have been fixed at this rate since 2013.

The staff pay costs budget meets the cost of the two permanent members of staff and includes an allocation of £6,000 for staff travel and expenses. The budget does not contain a built-in provision for an inflationary staff pay award in 2022/23, if this should occur the cost would need to be met from the staff time recharges income.

The Solent Transport budget will not be charged for the annual back office charge for Solent Go in 2022/23, as in previous years, this will be charged to FTZ in as part of the MaaS programme.

SRTM commissions are budgeted to break even, as it is difficult to predict the levels of use at the time of preparing the budget. Any surplus or deficit is normally transferred to the ring fenced reserve, following officers approval.

Any additional spend for new projects, marketing or studies will need to be self-funding, funded by staff time recharges or funded from reserves, whilst ensuring the reserve does not drop below the deminimus level of £10,000.

Partner contributions continue to be budgeted at the current levels, with no inflationary increase applied. The current Partner contributions only provide sufficient funding to meet the cost of the two core staff, the Finance Accountable Body fees and the annual Solent Go back-office charge.

Details of current core partner revenue contributions for 2022/23 are shown in table 4 below.

Table 4

Authority	Current Contribution £	Current Contribution %
Hampshire County Council	£90,000	47%
Southampton City Council	£40,000	21%
Portsmouth City Council	£40,000	21%
Isle of Wight	£20,000	11%
Total	£190,000	100%

The budgeted £43,000 additional income is made up of £5,000 contribution from HCC Economy, Environment and Transport group to offset the Finance Accountable Body charge, £12,000 recharge for officer time spent on SRTM commissions and management and £26,000 towards the cost of officer's time utilised on FTZ project (Future Transport Zone). These charges are for additional Officers time above the level contracted for these projects. This additional income will be added to the general reserve at the end of 2022/23 unless it is utilised on additional revenue expenditure.

6. **Future Transport Zone (FTZ) Programme**

This FTZ programme is a significant piece of work, with £28.759m awarded for the programme by the Department for Transport in March 2020. The programme is funded to June 2024 and is expected to make future travel journeys across South Hampshire, Portsmouth, Southampton and the Isle of Wight Solent easier, smarter and greener. Solent Transport is responsible for leading the delivery and governance arrangements of the programme, with Southampton City Council as the Accountable Body.

The current FTZ capital project spend to 31st May 2022 is £6,101,148. Detailed financial reporting on the FTZ is undertaken separately to this report, however a summary of spend to the 31st May 2022 is included in Appendix 1.

7 **General Reserve Balance**

The general reserve balance as at 31st March 2022 is £193,000 as detailed in Table 5 below. This includes £10,000 which is a ringfenced reserve to meet potential HR costs in the event of the Partnership dissolution. The general reserve is expected to increase to £255,000 by the end of 2022/23 due to additional in year income generation.

Table 5: Summary of reserves

	General Reserve	SRTM Reserve
	£'000	£'000
Opening balance 1/4/2021	55	460
Final draw for 2021/22 budget		(19)
Additions	138	
Opening balance 1/4/2022	193	441
Proposed draw for 2022/23 budget	0	0

Additions	62	0
Closing balance 31/3/2023	255	441

The Sub Regional Transport Model (SRTM) reserve is held to fund upgrades of the SRTM, the latest upgrade was due in 2021/22 but the reserve was not sufficient to meet the anticipated cost of between £500,000 and £1.2million. To enable the full upgrade to progress additional commissions or other sources of funding are required. In the interim some additional work has been commissioned to extend the life of the current model.

8. **Conclusions**

Excluding the SRTM commissions, which are transferred to the SRTM reserve to fund future upgrades of the model, the final outturn position for 2021/22 shows a surplus against the budget, contributing £138,000 to the general reserve increasing the revenue reserve to £193,000.

The SRTM commissions in 2021/22 produced a £19,000 deficit, reducing the ring fenced SRTM upgrade reserve to £441,000.

The general reserve projected outturn for 2022/23 is £255,000 following a projected surplus of £62,000 incurred from recharging staff time against the externally funded FTZ project. The budget only includes essential expenditure only, but if additional expenditure is incurred this will reduce the balance added to the general reserve.

The SRTM reserve is currently projecting an outturn for 2022/23 of £441,000 following a balanced budget. This position is also subject to change depending on the volume and type of commissions received in year and any additional work required to the model prior to its upgrade.

RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	
<u>Property/Other</u>	
10.	N/A - no property considerations associated with this decision
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
11.	N/A
<u>Other Legal Implications:</u>	
12.	N/A
RISK MANAGEMENT IMPLICATIONS	
13.	No tangible risks attached to this decision.
POLICY FRAMEWORK IMPLICATIONS	
14.	N/A

KEY DECISION?	N/A
WARDS/COMMUNITIES AFFECTED:	Affects all parts of Solent area as the four local Highway & Transport Authorities make up Solent Transport.
<u>SUPPORTING DOCUMENTATION</u>	

Appendices

1 Future Transport Zone Reporting – Total project expenditure 31st May 2022

Work Programme	Capital Budget	Capital Spend To 31 st May 2022
WP 1 – MaaS	£5,927,714	£3,482,781
WP2 – Solent Go	£781,500	£272,644
WP3 – Mobility Credits	£665,626	£0
WP4 – Bike Share	£2,399,730	£141,860
WP5 – Lift share	£308,038	£3,500
WP6 – DDRT	£771,000	£0
WP7 – E-Scooter	£880,000	£107,472
WP8 – Micro Consolidation	£2,499,447	£114,748
WP9 – Macro Consolidation	£885,192	£32,510
WP10 – Drones Logistics	£8,044,034	£320,880
Other – Staffing, marketing etc	£5,586,719	£1,624,754
TOTAL	£28,759,000	£6,101,148

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

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Agenda Item 7



Portsmouth
CITY COUNCIL

Title of meeting:	Solent Transport Joint Committee
Date of meeting:	21 st June 2022
Subject:	Solent Sub-Regional Transport model- contract
Report by:	Richard Pemberton
Wards affected:	All Solent area Local Transport Authorities
Key decision:	No
Full Council decision:	No

1. Purpose of report

1. This report is intended to inform Joint Committee regarding the current exercise to procure a consultant for continued operation of the Solent Sub-Regional Transport Model (SRTM) and to seek decisions regarding delegation of authority Hampshire County Council to award a contract and financial risk management.

2. Recommendations

1. **That the Joint Committee note the intention of HCC's Director for Economy, Transport and Environment to award a contract for a consultant to operate SRTM on Solent Transport's behalf.**
2. **That Members endorse the steps set out in Paragraphs 16 and 17 relating to financial risk mitigation.**

3. Background

1. The Solent Sub-Regional Transport Model (SRTM) is a key tool used by the four Member Local Transport Authorities of Solent Transport, as well as by other public and private sector organisations. It is a sophisticated WebTAG (DfT modelling standards) compliant Land Use and Transport Interaction Model of the Solent area which can provide evidence and forecasts for a variety of purposes including:
 - To support the feasibility testing, design and development of transport schemes and initiatives
 - to support transport business cases to secure funding for delivery;
 - to assess the impacts of strategic transport and land use decisions;
 - to support a range of other strategic transport, land use planning and environmental and economic studies and activities.

2. SRTM is a shared/joint resource for HCC, IWC, PCC and SCC and is owned and managed by Solent Transport on behalf of the four Local Transport Authorities. The model was developed in 2010/11 and has been updated subsequently. Most recently, in 2021 the model was “re-based” to a 2019 base year (with outcomes summarised in the 2021/22 Business Plan report) and some further model maintenance has been carried out in 2022, including to ensure the model incorporates recently committed developments and new transport schemes, and updated wider transport and economic forecasts.
3. Modelling and other evidence output from SRTM has supported successful funding bids and business cases which have brought in around £250m of capital funding to the Solent Local Transport Authorities (LTAs) between 2017 and 2022. It has also supported business cases submitted by other bodies such as Highways England/National Highways and Network Rail which has helped secure hundreds of millions of pounds of further transport investment in recent years.

Contract procurement for continued operation of the SRTM model

4. Currently the SRTM is operated by SYSTRA consultancy, but the contractual arrangements by which the model is accessed will expire by 31st August 2022. Therefore a procurement process is underway to procure a consultant to deliver the SRTM service/activity from August 2022 onwards.
5. Priority outcomes for the procurement exercise are:
 - to ensure continued access to the SRTM Model /service once the current contract expires with no disruption to service
 - to achieve better value for money from the contract through seeking competitive tenders from providers and through removal of cost overheads which apply to the current contractual route.
6. Hampshire County Council has acted as the contracting authority for SRTM since its creation, including for the current contractual arrangements, and will continue in this role for the new contract, supporting Solent Transport and its Member authorities in continuing “business as usual”.
7. Following the opening of the appropriate Lot on the Solent Transport Dynamic Purchasing System set up by Portsmouth City Council (PCC) to support this procurement, Hampshire County Council have undertaken a “mini competition” tender to award this contract under this DPS. This exercise has required significant support from HCC’s Procurement team- Solent Transport’s officers are grateful to this team for its support.
8. Following a Decision by HCC’s Director for Economy, Transport and Environment (*Decision Record 21st February 2022- Solent SRTM initiation of Tender Exercise*) the tender advert was published on 19th April 2022 and the tender closing date was 10th June 2022. At time of writing, the tenders received are being evaluated by

officers from all four Solent Local Transport Authorities as well as by Solent Transport. Target date for identifying a preferred tender is 8th July, with the new contract intended to commence from 1st August.

9. As Hampshire County Council are the contracting authority, the decision to award a contract will need to be made by HCC. The Joint Committee Members are therefore requested to note HCC's intention that the appropriate decisionmaker at HCC (in this case, the Director for Economy, Transport and Environment) award a contract on behalf of Solent Transport.

Proposed future operational contract details for operation of SRTM

10. The procurement exercise aims to award a contract with a sole supplier for up to 7 years - as an initial 3 year contract with a value of up to £2.1m, with options to extend the contract up to a further 4 years in annual increments (+1+1+1+1). A lifetime maximum contract value of £4.9m is proposed. These contract values correspond to annual expenditures between £500,000-£700,000 per annum, which is in line with typical annual expenditure on SRTM studies in recent years.
11. Whilst we expect this contract to have an "active" life of perhaps three years (reflecting the likely lifespan of the current SRTM model), a longer contract life (of potentially up to seven years) and higher value is desirable for the following reasons:
 - In order that the consultant that is procured can be retained (subject to satisfactory performance) to revisit work undertaken via this contract for several years after the model is superseded (as this is occasionally required in some scheme development/ business case projects).
 - To cater for a longer life from the existing model in the event that a stable post-Covid "new normal" takes longer than expected to manifest, or that funding and implementing the anticipated post-Covid "new normal" update takes longer than expected.

Management of financial risk

12. By acting as Contracting Authority for SRTM, HCC are responsible for the theoretical financial risk on behalf of the other members of Solent Transport although in line with Solent Transport's Legal agreement, this in reality is a shared risk.
13. Most of the expenditure via the SRTM Contract in the past, and we expect in future, is "pass through" expenditure, where various end users commission model studies through this contract and Solent Transport/ Hampshire County Council re-charge these end users the costs of this work (whilst also levying an uplift on these costs, which is retained to pay for model maintenance and upgrades and some staff costs). Between 01/01/2019 and 25/11/21, 74% of the expenditure on the SRTM contract was "pass-through" (ie not by HCC).

14. This type of arrangement generates some financial risk to HCC and to the reserve fund (that would otherwise be used for model updates) as there is potential for study work to be completed by the consultant and billed to HCC, but the recharge from HCC to end-users not being paid for by these clients. Such an instance has not occurred during at least the last four years of operation. Some features of the operation of the SRTM contract help to reduce these risks:

- For studies commissioned between 01/01/2019 and 25/11/21, only 22% of the total value of work was undertaken by clients outside of the Solent Transport partnership (ie clients other than HCC, IWC, PCC, and SCC):
- 15% of the spend value was for projects for Local Planning Authorities, PfSH and other public bodies; and
- 7% (around £132,000) of work was commissioned by private sector clients.
- The majority of model studies are comparatively low in value: out of 123 model studies carried out between 01/01/2019 and 25/11/21, 88 of them involved fees of less than £20,500 and only 7 studies involved a spend of more than £50,000 - therefore if a client defaulted on payment, it is likely that the unpaid amount owed to HCC would be relatively small.

15. Nonetheless Joint Committee Members are asked to endorse the following steps to manage risk on HCC's part:

16. HCC holds (on behalf of Solent Transport) a model maintenance & upgrade reserve which is funded through the uplifts on model fees. In previous years the SRTM has produced a financial surplus, which is ring fenced within Solent Transport's Budgets to fund upgrades and improvement of the SRTM. The value of this reserve is currently estimated at around £441,000 (See June 22 finance paper). In the event of a client failing to pay and no other means of recovering the debt being effective, any outstanding debt will be covered from this reserve fund, subject to agreement with the other Solent Transport Members.

17. If required by HCC to further mitigate financial risk, Solent transport will require deposits or up-front payment for commissions on behalf of external clients (defined as private sector clients and potentially other public sector clients such as Local Planning Authorities and other public bodies).

4. Reasons for recommendations

18. Recommendation 1 would ensure that a contractual route to access the SRTM model, a key strategic transport evidence and testing tool, remains available to Solent Transport and its partners and stakeholders in the South Hampshire area. Without such a contract, it would not be possible to use the model.

19. Recommendation 2 is intended to help to mitigate potential financial risks upon HCC arising from acting as Contracting Authority for the SRTM (see Recommendation 1).

5. Integrated impact assessment

20.No new or revised Policies or Procedures directly affecting the public will be introduced as a result of the recommendations in this report. Therefore an integrated impact assessment is not deemed to be required.

6. Legal implications

21. There is no additional legal commentary for this report.

7. Director of Finance's comments

22. There is no additional financial commentary for this report.

.....
Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

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Agenda Item 8



Title of meeting: Solent Transport Joint Committee

Subject: Solent Future Transport Zone updates – cover page

Date of meeting: 21st June 2022

The Solent Future Transport Zone has been awarded £28.8m from the DfT to run numerous tests and trials of innovative approaches to transport across the Solent region. As these tests and trials take place, we'll conduct research, capture data and invite feedback to understand whether these innovations are improving your transport options and the way you travel.

The papers being submitted to the Solent Transport Joint Committee meeting on 21st June 2022 are as follows:

- 1) Dept for Transport (DfT) Solent FTZ Quarterly Monitoring Report (April 2022)
This is the quarterly progress monitoring report that the Solent FTZ are required to produce and provide to the DfT as a condition of the funding received.

- 2) Dynamic Demand Responsive Transit (DDRT) Project Initiation Document (PID)
Demand Responsive Transport (DRT) services are a flexible form of shared transport and infrastructure where the day-to-day service provision is shaped by the demand of the users. The PID document for DDRT defines the project scope, project plan, risks, and other key details.
This pilot project will help to inform a much larger initiative that may follow - to procure, set up and "on-board" operators to a Solent and Hampshire-wide DDRT back office system, which would be made available at minimal/no cost to a large range of eligible operators, particularly community transport operators but potentially also bus operators. This would enable widespread incorporation of existing Community Transport & Dial-a-Ride services, operated on a more dynamic/flexible basis, as a travel option within the Solent MaaS app and be available to all four Solent Transport partners.

- 3) Bike share LTA officer costs report
The Future Transport Zone (FTZ) includes the delivery of a Bike share service in the Solent. Portsmouth City Council (PCC) have led on the procurement which has now concluded for both Lots 1 (mainland) and Lot 2 (Isle of Wight). A provider will be formally appointed in early July 2022 following ratification. This report details the proposed bike share budget allocations for each participating local authority associated to the individual LTA officer costs required to support the planning and delivery of this project.

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Department
for Transport

Solent Area Future Transport Zone Update

Quarterly Update
April 2022

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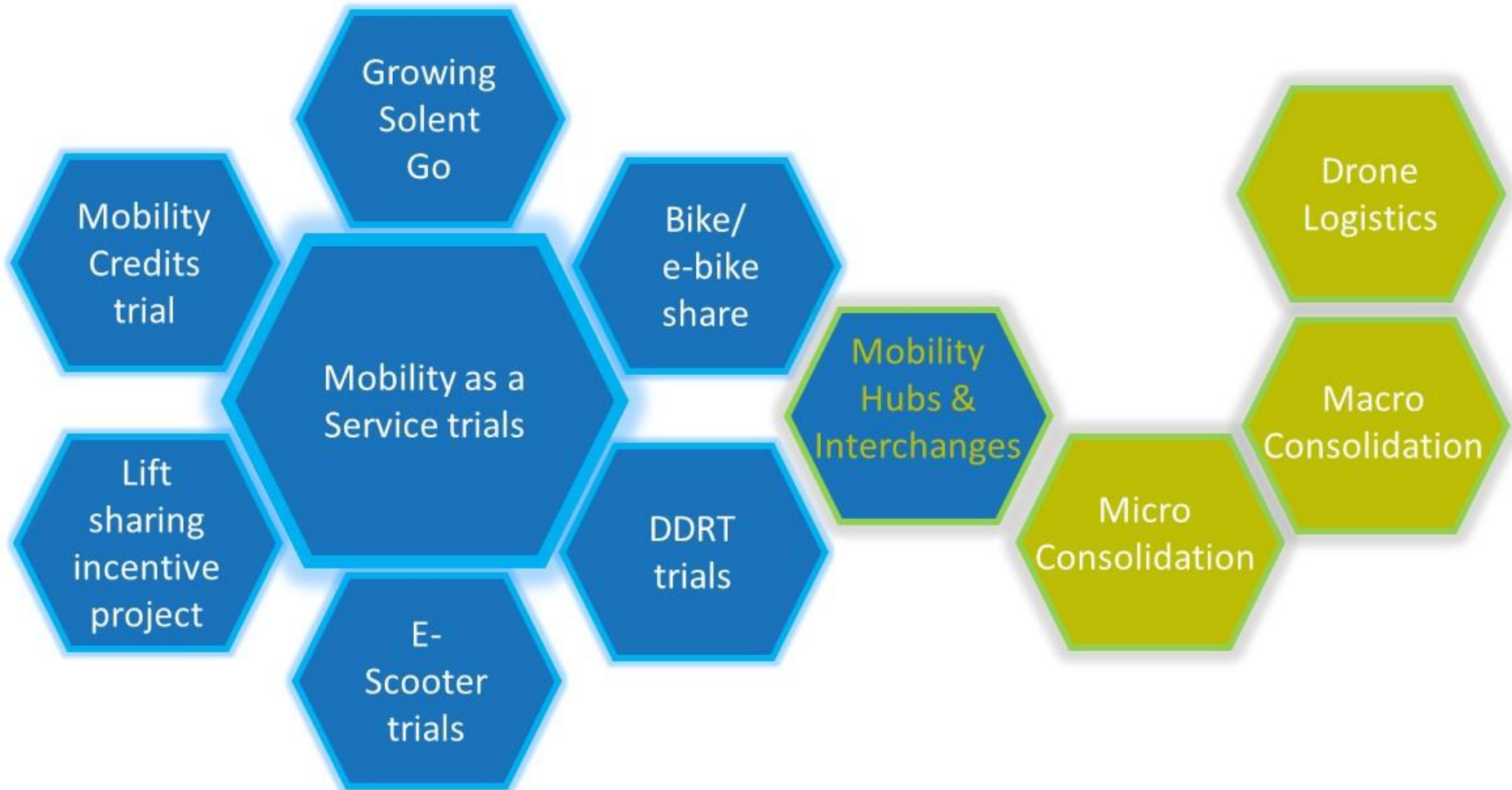
Programme Overview

Theme 1: Personal Mobility

Cross-cutting
projects (Non-FTZ)

Theme 2: Sustainable
Urban Logistics

Marketing – Customer Journey – Behavioural Change and Human Factors





Programme Headlines

- **E-Scooter trial project** – The trials on the IoW, PCC and SCC are continuing. The number of e-scooters in each trial remain unchanged - 180 IoW, 460 PCC and 1200 SCC. The latest survey carried out by Voi in January 2022 across the PCC trial found that 60% of rental e-scooter trips replaced car and taxi trips, compared to 56% reported during the previous survey in August 2021. Updated extension papers prepared for all areas and approval secured for trials extension to November 2022 in all areas (subject to approval of successful ETRO resolution). Preferred option is to convert the current ETROs to permanent TROs. Current allocation of funds up to March 2022 was approved by the Joint Committee October 2021. Any further allocations are to be identified. The latest stats show low levels of incidents and high levels of mode shift. An independent research report has been commissioned to attempt to validate available data, inform decision making and to make recommendations for future monitoring approaches and data requirements. High level results in the form of a factsheet are due in early April 2022.
- **MaaS platform and Trials** – Successful trademark secured for preferred brand – Breeze. MVP#1 dark launch on 24th Feb with small group of trusted stakeholders. Extended window of testing and start of soft launch campaign. Hard launch planned for summer 2022. Further project approvals required before public launch. Engagement and integration of transport operators continues, managed through NDA's and MOU with the on-going engagement to integrate more operators for the hard launch date. Development of the Transport Operators Agreements to replace the current MOU's. Development work for University research is progressing well with recent data sharing of Unicard ITSO public transport data of usage of Solent Go and concessionary travel card to help map trends. Application to RDG for license to sell rail tickets to be submitted April 2022.
- **Growing Solent Go** – New 'Saver 5' carnet ticket soft launched in April 2021, although has not been actively promoted due to Covid-19. The promotion of the new ticket will be included within the promotion of the MaaS Platform launch in 2022. Smartcard Solent Go ticket sales/usage has not recovered post pandemic with the result that the cost per transaction is poor. Consideration to be given to the withdrawal of the ITSO card element for efficiency reasons with greater emphasis on mobile tickets going forward which should further compliment MaaS uptake. Other aspects of development, including MaaS integration, also specified and planned. Other new products will be developed and integrated and work is ongoing to align these with BSIP ambitions although achieving pricing for some new multi-operator products which is attractive to users and also agreeable to operators may be challenging.
- **Bike Share Project** – ITT was launched end of January 2022 with two lots (1) IOW and (2) the mainland (to include PCC and SCC initially). It has been set up as a Framework to enable HCC to join the project when in a position to do so. The tender process is now closed. Evaluation will be taking place over a number of weeks, followed by interviews and award of places on the Framework. The proposed award date remains as June 2022. Aim is to deploy initial tranche of bikes in the Summer and growing the scheme through to 2023/24. Resource allocations are being identified by the participating LTA's. Launch of the scheme is anticipated in Summer 2022



Programme Headlines Cont..

- **DDRT Project** – Following review of project we plan to implement procurement of a shared back-office system, with initial trials involving application of DDRT technology and operating principles to two existing Community Transport service providers in the FTZ area, during 2022/23. If successful, this would be followed by a second stage expanding the project during 2023. This approach offers significant flexibility together with scalability to easily expand to further CT services and potentially other bus services, depending on the progress and success of initial trials. Revised approach was approved by SMB / FTZ Programme Board in January 2022. The project will provide financial support and resource from project officer to support operators with changes that need to be made to implement the trial, as well as funding the back-office system costs where necessary. We are in the process of recruiting a project manager and commissioning specialist consultancy support for project. We expect from May 2022 that the project will move to detailed design, project set-up, and commencement of back-office procurement. By autumn we plan to have a back-office provider on board and to be working to plug their system/s in to MaaS, and to be actively supporting operators for mobilisation - with the aim of launching an initial public trial by the end of 2022.
- **Macro and micro consolidation** – Analysis of local authority datasets due for completion. Significant data gaps exist and we would welcome discussion with the DfT on freight data and how local authorities could improve management and use of available datasets. Ongoing engagement is taking place with logistics operators to explore project opportunities, shared objectives and local issues. Development of longlist of potential trials ongoing, with refinement and deliverability to follow in the coming months.
- **Drones for medical Logistics** – The drone trials with Apian/Isle of Wight NHS confirmed our project plan and subsequent work packages have commenced. This includes examination of multiple drone airspace and trials are planned for July. The CAA extension of the temporary flight zone for the Apian/NHS trials has been delayed until May 2022 to enable technical changes to Skylift drone.
- **Lift sharing** – In its original proposed form we do not believe this project is likely to achieve the identified objectives as a result of post-covid changes to commuting travel behaviour/patterns and higher user resistance to car sharing. A review has been undertaken which proposed to re-shape the project to achieve the objectives (primarily a means of making MaaS more relevant to car drivers and also promoting car sharing options to the MaaS user base) in a different way. The project will still integrate lift sharing capability into MaaS, but instead of a wider/larger scale lift sharing promotion and incentive campaign using the MaaS app, we now plan to undertake a more limited number of Site-Specific MaaS applications at suitable large trip generating sites (Universities, hospitals, leisure venues etc) which will include promotion of all travel options provided by MaaS (including lift sharing) while also seeking out opportunities to work with individual sites to develop bespoke functionality with the MaaS app that meets specific requirements.
- **FTZ Recruitment.** Eight fixed term staff are now in post in the FTZ Delivery Team. Further recruitment drive for five vacant posts is taking place currently, with interviews set to be concluded by end of March 2022. Commissioning of consultancy support in the short term for posts not filled and in the medium/longer term to provide expertise to the delivery of specific elements of the programme.



Programme Issues/Challenges

- **Joint Legal Agreement.** All LTA partners have now signed the Joint Legal Agreement (JLA). Also working directly with LTA partners to rationalise data sharing processes.
- **Information Governance.** SCC have been appointment Information Governance Lead for the Programme. Day to day oversight and IG strategic planning at project level require further resourcing.
- **MaaS Platform.** Current priorities and challenges relate to (1) development of Transport Operators Agreements (2) back-office functions – expansion of resources in Southampton CC is subject to capacity issues and the requirement for additional levels of approval. Investigations to identify an alternative commissioned service from external commercial providers; (3) technical integrations of transport data and operators (4) planning for the integration of rail services and securing accreditation and a rail ticketing licence from RDG. The project is managed in an agile way which allows reprofiling of deliverables and launch dates as needed.
- **Risk Share Schemes.** Supply chain issues seem to be easing, according to interested operators. ITT published, large numbers of clarifications sought from suppliers, largely linked to KPI's, the window for submissions was extended. Procurement process has taken longer than expected because of additional complexity and the importance of contractual and commercial oversight of the schemes once launched. The award date remains as June 2022.
- **Macro and micro consolidation.** Securing freight traffic data has proved challenging (PCN locations, traffic flows, etc.) and there is limited use of data that does exist. As the DfT has recently investigated freight data and are due to provide local authorities with a toolkit for decarbonising transport, we would welcome discussion about how local authorities could improve management and use of available local datasets.
- **Drones for medical logistics.** The lack of alternative e-drones and technical issues with the MuginV50 have delayed the Apian/NHS trials. However, the learnings are being captured for future delivery drone specifications.



Programme Issues/Challenges cont ...

- **Projects Lift Share, Mobility Credits and DDRT.** Project reviews have reshaped the Lift sharing and DDRT projects, but the Mobility Credits project is expected to remain basically unchanged from the original proposed form. Project documentation is being updated to match, with submission for approvals to follow. Staff resource will be an issue for these projects because existing FTZ staff are fully committed. The use of temporary consultancy support to kick-start them is being investigated.
- **FTZ Recruitment.** Further recruitment drive for vacant posts is taking place currently. We are still actively recruiting for five fixed-term roles in the delivery team, with interviews due to be completed by the end of March 2022. Commissioning of consultancy support in the short term for posts not filled to ensure that projects can be started with sufficient time to evaluate the outcomes. Additional resource requirements for emerging projects is also being scoped and progressed where appropriate.

Monitoring and evaluation

A monitoring report should be prepared following the completion of each year of the scheme. DfT and the FMZs will work on the format to ensure consistency

Update

- **Programme Level M&E** - Our key partners (University of Southampton, UoS) are leading our work on the FTZ Programme Level M&E. They are assessing impacts/outcomes of the programme through a combination of the secondary data provided by the DfT and our Local Authority partners, as well as primary data collected by the individual projects "bottom up" and "across the piste" by our MarComms activities. We are still to appoint a Research & Evaluation Manager within the FTZ Delivery Team (see risks & challenges). Dr Alan Wong from the University has been assisting with this role in the interim.
- **Mobility as a Service (MaaS)** - Regular meetings between Solent Transport, Trafi, BIT and universities have been taking place since mid-2021 as research begins across workstreams. A monthly MaaS (and Solent Go) Project Board involving the local authorities and our project partners has also been established. Recent data sharing of Unicard ITSO public transport data of usage of Solent Go and concessionary travel card to help map trends.
- **E-scooter trials** - Monthly sit-reps submitted to DfT as part of national evaluation. Incident reporting has been improved to ensure that reports are verified. Additional M+E for the project has been commissioned to inform decisions by IOW, SCC and PCC on any further extensions to the trials from March to November 2022. DfT interim report still awaited.
- **Marketing & Communications (MarComms)** - The effectiveness of our MarComms activities is assessed through a number of outputs, including marketing campaigns, brand building, press releases, ads, web content and direct mail, as well as social media engagement and stakeholder/focus groups. The outcomes/impacts of these activities are aligned to the Programme/Project objectives, for which a strategic framework to support the behaviour change has been developed. Both e-scooter operators are now submitting relevant marcomms data for M&E. The requirement that operators provide anonymised marcomms data is being written into the bike share tender to ensure that the data collected is consistent with the established KPIs.
- **FTZ National Evaluation** - We have continued to conduct regular, bi-monthly progress meetings with NatCen and worked with them to align reporting/monitoring requirements for NatCen & DfT. We also participate in their quarterly Community of Practice (CoP) Workshops and their in-depth stakeholder interviews held during Oct-Nov 2021. The draft Outcomes Matrix has been submitted and additional sessions planned to explore further - together with the drafting of the Outcomes Matrix and annual report.
- **Knowledge sharing** – project specific workshops for key local/regional stakeholders have been held for MaaS, E-scooters, Bike Share. Presentations at local and regional conferences/events (inc COP26, MOVE) have been used to raise profile, understanding and engagement of activity and objectives of the Solent FTZ programme. Planned 2 day conference in collaboration with Landor LINK in September. Dissemination plans/records for FTZ team and university partners developed and activated.

Risks and challenges

- Separation and identification of project impacts and benefits of the FTZ programme from other wider transport schemes and initiatives in the region (e.g. SCC & PCC TCFs).
- Ensuring FTZ programme activity compliments and aligns with other local and regional activity to deliver maximum benefit (TCFs, BSIPs etc)
- Positive progress on a Data Sharing Agreement (DSA) among our local authorities (LA) delivery partners has been made. The 'back-to-back' agreement to then enable the transfer of this data to our University partners** to enable them to act as a 'data processor' (for M&E) on our behalf has been delayed.
- Recruitment to the Research and Evaluation Manager post has been a key challenge and a third round of adverts in Jan 2022 failed to find a suitable candidate. Efforts to recruit via a recruitment agency were also unsuccessful. Therefore we are now adjusting our approach and will instead seek to deliver leadership/ support for project level M&E activities within the FTZ team via a consultancy contract.

Next steps

- To continue progress updates with NatCen through planned qtrly catch up meetings
- To progress the DSA among the LA delivery partners, and develop the data transfer agreement among the FTZ Delivery and UoS/UoP research/M&E partners.
- DDRT project to be initiated and integrated into delivery programme
- Revised lift Sharing proposal to be submitted to FTZ Prog Board & DfT for approval before work can commence on delivery.
- Procurement of consultancy contract to deliver leadership/ support for project level M&E activities within the FTZ team
- Bike share procurement - assessment of tenders to be completed, contract awarded
- Progression of second phase of drone trials in May 2022
- Full scoping of Mobility Credits project to align with MaaS launch timescales





Work Package RAG Status Overview

	Work Package	Milestones	Resource	Brief Commentary (including justification for rating).
1	WP 1 Mobility-as-a-Service platform and trials <i>Develop and offer to market a MaaS product that enables customers to plan journeys, purchase tickets and receive incentives in one place, leading to more seamless journeys and reduced car dependency.</i>			<p>Milestones: Successful trademark secured for preferred brand – Breeze. MVP#1 dark launch on 24th Feb with small group of trusted stakeholders. Extended window of testing and start of soft launch campaign. Hard launch planned for June. Engagement and integration of transport operators continues, managed through NDA's and MOU with the on-going engagement to integrate more operators for the hard launch date. University research progressing across five workstreams.</p> <p>Resourcing: FTZ PM (MaaS/Solent Go) has been in post since July 2021. Further round of recruitment to support MaaS PM is underway. The UoP and UoS have identified their research teams. Additional technical support procured.</p>
2	WP2 - Solent Go – growing the ticketing options offered by Solent Go <i>Design and implement a range of new multi-operator public transport tickets, leading to increased flexibility of travel and use of these modes across the region.</i>			<p>Milestones: Three additional new products planned for 2022, alongside MaaS integration to create an ITSO MaaS platform. Customer migration to new platform also planned in. Discussions with BSIP and EP teams to create additional new products to support local ambitions for better ticketing.</p> <p>Resourcing: FTZ PM (MaaS/Solent Go) has been in post since July 2021.</p>
3	WP3 - Mobility Credits <i>Trial of travel credit scheme offered to low socio-economic groups aimed at understanding the impact such credits have on travel behaviour.</i>			<p>Milestones: Was put on hold due to COVID-19. Plan is to reinstate the project by undertaking a full scoping exercise and seeking to integrate complimentary elements directly into the MaaS app.</p> <p>Resourcing: Funding reprofiled, PM resource for scoping exercise allocated from core team</p>
4	WP4 - Bike Share <i>Design and launch a new bike share scheme, electric or otherwise, initially to be trialled in a pilot area and subsequently rolled out across the region.</i>			<p>Milestones: ITT launched January 2022. Window for clarifications was extended to 18.03.22 with awards planned on 02.06.22. Target to launch of first bike share schemes in Summer 2022. Stakeholder discussions have begun across all local authorities and with key partners such as Universities. LTA resources allocations are being identified.</p> <p>Resourcing: FTZ Bike Share PM with support from Theme 1 lead, FTZ Programme Support officer and relevant LTA officers.</p>
5	WP5 - Lift share <i>Growing existing lift share services through support for local employers to establish new schemes in workplaces.</i>			<p>Milestones: Was put on hold due to COVID-19. Results of review (to re-shape project to encourage MaaS adoption by specific key trip generating sites and explore opportunities for bespoke MaaS add-on applications) to be taken to Programme Board. DfT will then be consulted on revised project specification.</p> <p>Resourcing: Funding reprofiled.</p>



Work Package RAG Status Overview


	Work Package	Milestones	Resource	Brief Commentary (including justification for rating).
6	<p>WP6 - Demand Responsive Transit</p> <p><i>Design and launch of responsive services to supplement existing public transport networks to improve connectivity in areas under-represented.</i></p>			<p>Milestones: Was put on hold due to COVID-19. Results of review and proposed revisions to project approved by Programme Board in late Jan 2022. Project cleared to restart - currently recruiting project manager and consultancy support. Considerable pre-PID planning, concept/ detail design, and engagement with suppliers undertaken.</p> <p>Resourcing: Funding reprofiled. PM being recruited</p>
7	<p>WP7 E-Scooter trials</p> <p><i>Design and launch an e-scooter trial, in response to the Government's post-COVID drive to pilot new micro-mobility modes, addressing local health, environmental and social issues as well as the imminent travel challenges posed by COVID 19.</i></p>			<p>Milestones: Three e-scooter trials have been established and are running successfully. Each trial was extended until March 2022 and have now been further extended to November 2022.</p> <p>Resourcing: FTZ PM (PCC and SCC embeds) to carry out the majority of the ongoing work on these trials.</p>
8	<p>WP8 Micro Consolidation</p> <p><i>Introduction of micro consolidation hubs, using innovative concepts and zero emission vehicles including cargo bikes to reduce the impact of last mile deliveries</i></p>			<p>Milestones: The MOU with the universities was signed (Oct 2021) and recruitment of researchers is progressing. Data gathering from the LTAs ongoing. WP1 (data gathering and analysis) is on track, although limited datasets exist within Local Authorities. Limited commercial data is being procured to provide an external baseline. WP2 (business engagement) has commenced.</p> <p>Resourcing: Currently Interim FTZ Theme 2 Lead is acting as PM for this project. Currently seeking to recruit a PM role to take a lead on this area of work. FTZ PM SCC and PCC embeds to support the project in the two pilot council areas.</p>
9	<p>WP9 Macro Consolidation</p> <p><i>Increased use of existing Southampton SDC and research into development of sustainable commercial consolidation in Portsmouth or other relevant locations in the Solent region</i></p>			<p>Milestones: The recruitment of 1 Uni researcher is outstanding. WP1 (shared with Micro) is on track, although limited datasets exist within Local Authorities. Limited commercial data is being procured to provide an external baseline. WP7 (review of existing Southampton Sustainable Distribution Centre) will commence April 2022.</p> <p>Resourcing: Currently Interim FTZ Theme 2 Lead is acting as PM for this project. Currently seeking to recruit a PM role to take a lead on this area of work. FTZ PM SCC and PCC embeds to support the project in the two pilot council areas.</p>
10	<p>WP10 Drones Logistics</p> <p><i>(1) Trials and practical testing of BVLOS delivery of medical samples to the Isle of Wight, incorporating logistics and human factors elements.</i></p> <p><i>(2) Development of an uncrewed traffic management system for drones</i></p>			<p>Milestones: The trials with Apian and the Isle of Wight NHS trust has enabled testing of medicine stability and temperature and confirmed the logistics elements of our project plan. Technical issues with the Mugin V50 edrone have delayed further trials until May/June 2022 when we hope to deliver the first hospital to hospital transfer of live chemotherapy drugs by drone. A DfT ministerial invite will be made as soon as a date can be confirmed.</p> <p>WP2 (Project Lima airspace) has commenced with Trials planned in North Wales in July 2022. WP1 and WP6 (Drone taxonomy and Cargo hold development) are also underway.</p> <p>Resourcing: Currently Interim FTZ Theme 2 Lead is acting as PM for this project, supported by technical specialists from Consortiq.</p>



WP	Capital	Revenue	Spend YTD	Comment
WP 1 - MaaS	£5,927,714	£0*	£3,270,889	Includes: ~ £407,233 spend for University of Portsmouth work on MaaS Trials (to end of Mar 22) ~ £348,898 spend for University of Southampton on MaaS Trials (to end of Mar 22) ~ £411,163 Trafi for MaaS platform development Committed Spend ~ £2.5M for Trafi MaaS platform development budget ~ £1,665,579 Total for UoS MaaS Trials ~ £1,873,518 Total for UoP MaaS Trials
WP 2 – Solent Go	£781,500		£272,644	
WP 3 – Mobility Credits	£665,626		£0	Project to be restarted in 2022
WP 4 – Bike Share	£2,399,730		£86,272	Bike share launch expected Summer 2022
WP 5 – Lift share	£308,038		£3,500	Committed Spend ~ £15,000 for project review in 2021/22
WP 6 - DDRT	£771,000		£0	Project review undertaken and proposal approved at FTZ Programme Board in Jan 2022 - full utilisation of budget expected
WP 7 – E-Scooter	£880,000		£176,007	Committed Spend To cover costs up to March 2022 (with trial extension decisions from LTAs confirmed to Nov 2022): ~ £173,313 IoW trial (up to end of March 2022) ~ £380,416 PCC trial (Includes £170k Voi subsidy) ~ £269,658 SCC trial ~ £37,500 HCC trial ~ £160,000 contingency





WP00	Capital	Revenue	Spend YTD	Comment
WP 8 – Micro Consolidation	£2,499,447		£61,284	Planning and research underway delivery expected to commence summer 2022 £19,917.00 University of Portsmouth £ 41,367.33 University of Southampton
WP 9 – Macro Consolidation	£895,192		£61,284	Research underway £19,917.00 University of Portsmouth £ 41,367.33 University of Southampton
WP 10 – Drones Logistics	£8,044,034		£298,968	Research is underway £200,000 Advanced funding to UoS April 2020 covering trials in May 2020 and Sept 2021.. £5, 083 University of Portsmouth £93,884.73 University of Southampton
Other – Staffing, marketing etc	£5,586,719		£1,492,867	Actual Spend £1,080,928 spend for FTZ Delivery Team £42,016 spend for Legal and Procurement costs £215,335 spend for Marketing / Communications £154,588 spend for Monitoring & Evaluation
RAG	Change	Key financial risks and mitigation		
		<p>* It is assumed that all spend on the FTZ project will be considered as Capital</p> <p>Committed spend (currently circa £7.8M) represents work undertaken/in-progress/commissioned but not yet paid for by the FTZ Programme. Cost codes and work orders required for FTZ are set up on SCC's financial system</p> <p>At this stage in the programme, no key financial risks have been identified</p>		



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Agenda Item 9



Title of meeting: Solent Transport Joint Committee

Date of meeting: 21 June 2022

Subject: Bike Share LTA Officer Time

Report by: Tim Forrester - FTZ Programme Manager

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1. To detail the proposed bike share budget allocations for each participating local authority.

2. Recommendations

- 2.1. To approve the forecast officer time funding allocations requested by LTA partners.

3. Background

- 3.1. The Future Transport Zone (FTZ) includes the delivery of a Bike Share service in the Solent. Portsmouth City Council (PCC) have led on the procurement which has now concluded for both Lots 1 (mainland) and Lot 2 (Isle of Wight). A provider will be formally appointed following ratification by PCC.
- 3.2. It is anticipated that each Local Authority will call-off from the Framework to appoint the Bike Share operator for the initial two-year term through until 30 June 2024, with an option to extend this for a further 8 years.
- 3.3. Ahead of entering call-off contracts, detailed briefings will be provided via each Local Authority's governance process.
- 3.4. The FTZ budget for bike share is £2.3m. £300k of the budget has been set aside to fund Local Transport Authority (LTA) officer time that is required to support the local implementation of the service.
- 3.5. The remaining budget is allocated to the operator to cover set up, infrastructure and operational costs. Solent Transport are procuring a Bike Share operator and expect to have awarded the contract by June 2022. The funding for Bike Share will be available to LTAs and the operator for 2 years (until June 2024).

Budget Allocations

- 3.6. A paper submitted in October outlined a proposal (subsequently approved by the Board) for a process to be followed for managing LTA Officer costs required to support the planning and delivery of FTZ projects. This process involves each of the four LTAs submitting a 'LTA Staff Allocation Settlement' spreadsheet, which highlights their costs (both actual and forecast). The spreadsheet enables LTAs to build up details on costs based on proposed staff rates (£s per hour) per grade and the number of hours worked for each task/activity by each staff grade.
- 3.7. The initial launch for Bike Share will be in Southampton, Portsmouth and the Isle of Wight and therefore only these authorities are required to submit officer time requests, a summary of these submissions is shown in table 1.

Table 1 LTA 2-Year Budget Allocations to June 2024

Local Authority	Budget Allocation
Portsmouth City Council	£95,000
Southampton City Council	£95,000
Isle of Wight Council	£50,000

- 3.8. Given the substantive similarity of the Southampton and Portsmouth schemes, the allocations for SCC and PCC will be capped at £95k; with IoW capped at £50k.
- 3.9. This maximum cap values are based on learnings from the E-Scooter trials, a consideration of periods when greater staff resource will be required (e.g., communications and marketing in the launch phase), and review by the project team to ensure the costs capture the following:
- Senior officer support (inc. committees, meetings etc.)
 - Transport planning and policy support
 - Technical highways support (e.g. parking assessments)
 - Legal (e.g. S115E consultations)
 - Communications and marketing
 - Consultation and engagement
 - Design and engineering costs
- 3.10. Traffic order advertising costs have also been considered and are accounted for in each of the three LTAs' respective allocations.
- 3.11. This approach will enable all appropriate costs will be met regardless of local variations in processes and hourly rates, including any increase in hourly rates in the second year of the scheme, as a result of annual pay increases etc, and allowing for any unforeseen costs associated with major new schemes of this nature.

Management and Governance

- 3.12. Solent Transport have recruited a dedicated Bike Share Project Manager to oversee delivery of the service in SCC, PCC and the IOW. The Bike Share PM will be supported by embedded PMs in both Southampton and Portsmouth.
- 3.13. A project board has been established to manage Bike Share delivery across the Solent. Funding requests are primarily based on experiences with e-scooters, a similar micromobility operation, however it is recognised uncertainties will remain in cost forecasts. Therefore, LTAs will be asked to track the actual spend and forecast spend against the estimates and report variances to the Bike Share Project Board.
- 3.14. Where the board identify that a council is likely to exceed its total allocation, a solution will be discussed at the Project Board with a recommendation for resolving taken to Senior Management Board.

Bike Share Expansion

- 3.15. It is anticipated that Bike Share will be expanded to cover more LTAs than PCC, SCC and the IOW after the initial launch. Any underspend from the overall Bike Share budget or alternative FTZ budgets will be used to fund officer time until June 2024 subject to recommendation from the Bike Share Project Board and approval from the Solent Senior Management Board (SMB).
- 3.16. The procurement approach delivered allows considerable flexibility for other partner LTA's to call off directly from the framework to access bike share providers. Discussions are ongoing with HCC to determine and define potential opportunities for wider scheme expansion into that part of the Solent region.

4. Reasons for recommendations

- 4.1. To enable to commencement of the Bike Share service in each participating Local Authority.

5. Integrated impact assessment

- 5.1. To be completed by the individual Local Authority as part of their individual decision-making process.

6. Legal implications

- 6.1. No legal implications

7. Finance's comments

- 7.1. Solent FTZ budget approved by SCC Full Council 17 November 2021 and is continually monitored and reported decisions on variation made by SMB/JC as necessary

.....
Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

PROJECT INITIATION DOCUMENT (PID)

Project Name:	Dynamic Demand Responsive Transit Pilot Project
Cost Code	CG0209105
Date:	23/05/2022

REVISION HISTORY

Version	Revision Date	Stage	Prepared by	Summary of Changes
1	17/05/22	Procurement	Indira Joseph	First draft
2	18/05/22	Procurement	Indira Joseph	Second draft
3	19/05/22	Procurement	Indira Joseph	Third draft

APPROVALS

Role	Name	Signature	Date

Introduction

The Future Transport Zone (FTZ) funding awarded by the Department for Transport to Portsmouth and Southampton in early 2020 included undertaking of trials of DDRT in three different operating zones in the Solent area . The DfT funding, which is capital only, was envisaged as being used to fund purchase/hire of vehicles, software, equipment, and other permissible capital costs incurred by trial operators.

The DDRT services would not receive any subsidy- operation would be at the operators' own risk, as would any other activities that could not be justified as a suitable use of capital funding. It was proposed that the trials would be implemented following a tender process, with co-development of the specification working with the LTAs and SHBOA, and would be secured via contract to run for a minimum period (envisaged as 3 years).



However the Solent FTZ DDRT trial has been paused since initiation of the wider FTZ programme (spring/summer 2020) in response to uncertainties brought about by Covid-19. The review of the FTZ programme undertaken by Atkins (summer 2020) identified this project as one where the original concept was unlikely to be viable and a “reinvention” of the trial would be needed.

Following a request from the FTZ Programme board in summer 2021 that the project now be restarted, a review was undertaken which generated a proposal for “reinvention” of the project, to respond to the changed circumstances of the post-Covid world.

The review concluded that the approach proposed in the 2019 funding bid was no longer viable and instead identified considerable scope/ support for a more community-transport focused, staged trial which could deliver comparably well against most of our local objectives for this project, whilst also still delivering against the wider objectives for FTZ of DfT, our programme funder.

The proposed approach that was endorsed by FTZ programme board in September 2021 was broadly:

- To commence initial “pilot” trials as soon as possible (realistically by December 2022) , with SCC/PCC procuring “interim” access to a DDRT technology platform to enable “piloting” of app/ MaaS-based booking and dynamic routing on Southampton Dial-a-Ride and also some of the services operated by FYTBus on the Isle of Wight, plus a potential third pilot (suggested at the time as being Unity Community Transport in Andover).
- These pilots would help to inform a much larger initiative that would follow, which was to procure, set up and “on-board” operators to a Solent and Hampshire-wide DDRT back office system, which would be made available at minimal/no cost to a large range of eligible operators, particularly community transport operators but potentially also bus operators. This would enable widespread incorporation of existing Community Transport & Dial-a-Ride services, operated on a more dynamic/flexible basis, as a travel option within the Solent MaaS app.

The FTZ programme is time-limited (funding expires summer 2024) and - more critically - monitoring, evaluation & research (M&E) outputs are a key deliverable back to the funder (DfT).



Aims and Objectives

The September 2021 review briefly considered the objectives for the DDRT trial and recommended the following objectives for the project- the majority of which are unchanged from the original bid submitted in 2019.

Objective	Objective source	Objective	
0	Funder (DfT)	The DfT's FTZ fund application forms / guidance set out a number of funder objectives relevant to DDRT, the most relevant to this project being: <ul style="list-style-type: none"> a) Exploration of options for delivering efficiencies through shared (dynamic) demand responsive transport b) Creating a digital marketplace for mobility services in the FMZ, integrating new and traditional services and providing access to digital trip planning and payment options; c) Trialling new mobility services, modes and models, d) Improving integration of services 	Unchanged from FTZ fund guidance
1	Local (Solent Transport)	Integration of DDRT in the Solent MaaS app, ensuring DDRT is offered to users as a journey option where appropriate by MaaS	Unchanged from FTZ Bid
2	Local (Solent Transport)	Trial of DDRT services to provide first/last mile connectivity to PT hubs & corridors (aided by integration into MaaS), enhancing the effects/benefits of TCF-funded improvements to bus rapid transit routes etc	Unchanged from FTZ Bid
3	Local (Solent Transport)	Testing of potential combination of DDRT service for general public use with a Dial-a-Ride service as a possible way of increasing efficiency & viability of DDRT	Unchanged from FTZ Bid
4	Local (Solent Transport)	Trialling DDRT to establish whether it can support /maintain public transport connectivity in a post-Covid era where some previous services may no longer be viable in their current form	New objective



Objective 1 (integration of DDRT into MaaS) - is particularly important as this is where our real opportunity for innovation lies - no DDRT service has yet been integrated into a MaaS app in the UK and MaaS offers real potential to raise profile and awareness of these travel options where they exist.

Objective 2 (use of DDRT as a first/last mile connection) - The potential for the trial stated in objective 1 to deliver against objective 2 may be limited - although there is a potential “do more” trial project (PCC Port Solent/Whale Island DDRT) could create an opportunity to test against this objective.

Objective 3 (Testing of potential combination of DDRT service) - Given that MaaS offers the opportunity to increase the visibility and public access to services with a “low profile” such as Community Transport and Dial-a-Ride services, helping to both increase ridership of these services and potentially develop them as a means of maintaining public transport in areas where it may be threatened in future, this then directly supports the new Objective 4.

Objective 4 (Trialling DDRT) – This is now highly prominent given concerns about the future of many rural and suburban bus services in an era of reduced travel demand following the Covid-19 pandemic.

A further key objective/ output for Future Transport Zone trials is research, monitoring, evaluation and learning which can be disseminated and utilised by other areas in future. The original research questions for the DDRT trial were:

1. What geographical, demographic and economic factors influence success of DRT?
2. What operating model factors influence the success of DRT? Can viability be increased by varying service provision by time of day?
3. Can DRT reduce car dependency by offering a better alternative to driving for some journeys?
4. Can DRT increase usage of main public transport services by connecting more people to them?
5. What are the most popular types of journey that DRT is used for?
6. What are the most important user requirements for a DRT service?
7. Does incorporating DRT into the MaaS scheme increase uptake of DRT?

Research questions 1,2 and to an extent 6 are reliant on implementing a trial comprising multiple DDRT services /areas of operation to enable some comparisons between geographies, types of operator/operation etc.

This approach proposed in this project would deliver CT/DDRT trials in several zones, albeit at a small scale, creating some potential for such comparisons between different operating models, geographies etc. The limited scale of the trial now proposed may however limit the volume of data or types of journeys/users available to help answer these research questions.



PROJECT APPROACH

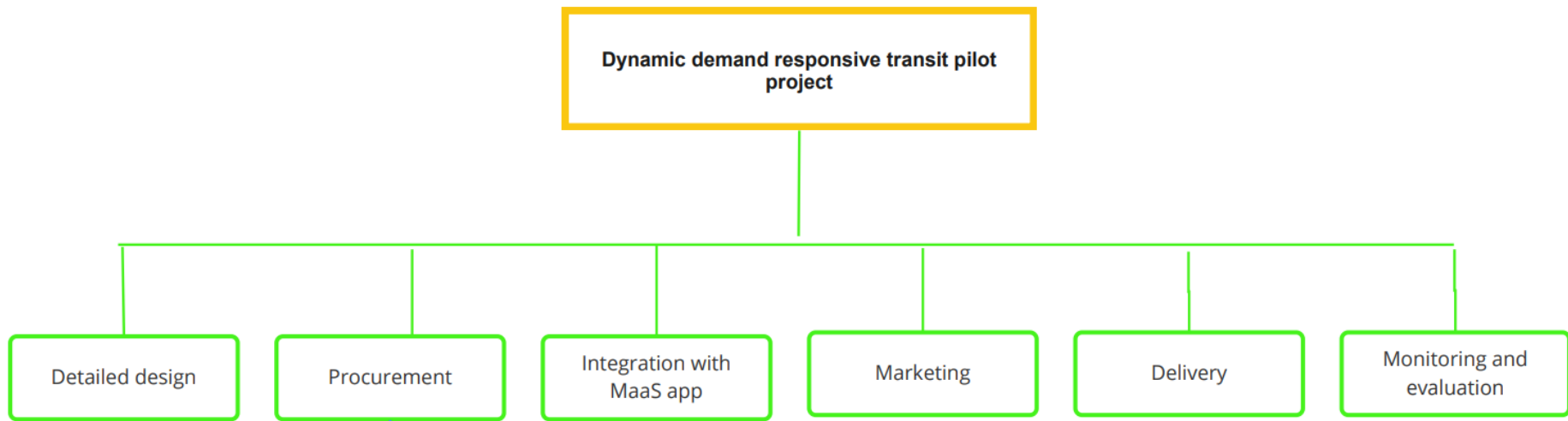
Project Management:

The following project management arrangements are proposed:

PROJECT MANAGER

Indira Joseph, Project Manager – Dynamic Demand Responsive Transit Services Pilot Project

A high-level phase based work breakdown structure shown below has been created to guide the managing of the DDRT pilot project from its planning to close out .



Phase 1: Detailed design	
Tasks	<ol style="list-style-type: none"> 1. Atkins consultancy undertook a review of the overall FTZ programme in summer 2020, to provide an early steer as to how to adapt the FTZ programme and individual projects in response to current and anticipated medium term impacts of Covid on travel demand. Their recommendation was that the DDRT trial be “reinvented” because the commercially-driven nature of the proposed trial appeared to have become un-viable. 2. A high level review of the general market conditions and context for this project, and DDRT more generally has been undertaken. 3. Engagement with LTAs, Community Transport operators and DDRT software system providers was undertaken during summer/ autumn 2021 to inform the project review presented to FTZ Programme Board in September 2021.
Deliverables	<ol style="list-style-type: none"> 1. Define the requirements and scope of work for the DDRT pilot project. 2. Agreed aim and objectives for the DDRT pilot project. 3. Agreed monitoring strategy and research questions for the DDRT pilot project. 4. Conceptual development of marketing and promotion strategy for DDRT as part of the wider FTZ programme.
Phase 2: Procurement	
Tasks	<ol style="list-style-type: none"> 1. Engage with the various LTA procurement departments and agree on the procurement route (possibility of using CCS framework) to procure a DDRT back office system . 2. Gathering of data on operator requirements relating to service operation, user needs etc to inform DDRT back office specification Supporting and advising participating operators inorder to alter their services to make it ‘DDRT friendly’. 3. Procuring the services of ITP (consultants) for providing technical advise and support on all phases of the project. 4. Procuring back office operator for the current pilot project and a contract that permits addition of new operators and operating zones to the full extent of both the Solent area and the remainder of Hampshire, and perhaps more widely if a case develops (eg through expansion of MaaS). 5. Back office mobilisation of the project . <ol style="list-style-type: none"> a. This would include support given to CT operators like <ul style="list-style-type: none"> o Set up of and training on DDRT back office software for office and driving staff.



	<ul style="list-style-type: none"> ○ Possible changes to service registrations, methods of service operation, and user access criteria (eg registration processes) to enable wider use of the service. ○ Installation of linked devices/apps on vehicles to enable flexible routing and ticketing and data SIM subscriptions etc; ○ assistance with issues such as web/ app based payment and ticketing <p>b. Engage with Traffi(developer of Breeze app) and Maas back office (SCC business world) to understand the requirements of integration like flow of data between the various service providers, payment,invoicing and reconciliation .</p> <p>c. Possibility of engaging with a third party(dependent on Maas project) for addressing concerns in the MaaS project regarding</p> <ul style="list-style-type: none"> • invoicing , payment settlement and reconciliation • customer services <p>6. Engage with legal departments to draft data sharing, ownership and privacy agreements for the various service providers.</p>
Deliverables	<ol style="list-style-type: none"> 1. Develop specification for DDRT back office operator. 2. Procurement of DDRT back office operator 3. Develop legal agreements with Southampton D-a-r and FYT. 4. Establish a contract with ITP.
Phase 3: Integration with Maas	
Tasks	Integration of DDRT back office system with the Solent MaaS app and back office system. This would be a critical feature/capability, in order to allow DDRT services to be viewed/planned, booked and ticketed via MaaS, and to allow suitable DDRT journeys to be returned by journey planner requests.
Deliverables	Trialling of the DDRT/flexi bus icon on the Breeze app
Phase 4: Marketing and communication	
Tasks	Engage with various CT operators, back office system for DDRT, MaaS Traffi and back office , ITP to develop marcomms strategy and marketing, communication, information and support for users relating to changes to services resulting from implementation of DDRT routing and app-based booking.
Deliverables	A marcomms strategy would be developed, which it is envisaged would comprise actions directly implemented by the operator (eg comms to existing users and via operators own channels regarding app



	based booking; vehicle branding etc) and actions delivered by Solent Transport (eg social media and launch campaigns, fare incentives etc).
Phase 5: Delivery	
Tasks	Preparation for the go-live of DDRT/flexi bus icon on the Breeze app. This will include <ul style="list-style-type: none"> • Developing a comprehensive go-live checklist to ensure that all components are in place and works correctly. • User testing • Testing for security and vulnerabilities in the system • Develop a roll-back plan if something goes wrong
Deliverables	Fully functional DDRT/flexi bus icon on the Breeze app which allows the passengers to plan, book, receive e-tickets and pay for their journey.
Phase 6: Monitoring and Evaluation	
Tasks	<ol style="list-style-type: none"> a. Engage with ITP to develop a monitoring and evaluation strategy and metrics to measure the project success for DDRT. b. ITP would be collecting and analysing data and information, before (for baseline), during and after the project to answer the research questions. c. ITP would be carrying out ongoing and final evaluation of the project.
Deliverables	Reporting of the monitoring and evaluation results Develop a lessons learned log to share the learnings.



Project Tolerances

This project is currently in its procurement phase.

Timeframe	The FTZ programme ends June 2024, with final reporting by Autumn 2024. DDRT trials need to have been implemented for long enough to provide meaningful monitoring/evaluation outputs by that time. Therefore implementation of the pilot project as soon as possible, ideally by the end of 2022 will be required in order to achieve 18 months of operation and associated data. The critical path/task for this phase would be to initiate and gain momentum in procurement of back office system to commence early stages of integration with back office operator (BOO), community transport operators (CTO's) and MaaS .
Cost	The cost estimates for the pilot project taking into consideration all the cost elements is between £380,000 and £ 475,000. The current estimate is affordable and a medium size “do more” trial could also be delivered within the budget available whilst retaining a reasonable degree of contingency. The details of all the cost elements are provided in the project cost breakdown
Quality	Quality:price ratio in procurement set at 70:30.


Responsibilities

RACI	The project has recently moved to the procurement phase . The RACI shown below is for the current phase . R - Responsible A - Accountable C - Consulted I - Informed
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Current Phase	Activities in project	ITP	Solent transport	Procurement	Legal (SCC)	FYT (CTO)	Dial-a-ride (CTO)	Back office operator DDRT	Trafi MaaS	IWC	SCC	HCC	University of Southampton
Procurement	Understand the procurement landscape, broad timings and range of providers	C	A	R	C	I	I	I	I	C	C	I	I
	Defining the scope of work for ITP	C	RA		I	I	I	I	I	I	I	I	I
	Establish legal agreement with CT operators	C	R	I	A	C	C	I	I	I	I	I	I
	Develop spec for BOO	C	RA	C	I	C	C	C	C	C	C	C	I
	Develop and agree on a procurement strategy for back office operators	C	R	A	I	I	I	I	I		C	I	I
	Procurement of BOO	C	R	A	C	I	I	I	I	I		I	I
	Back office mobilisation with operators	C	RA	I	I	R	R	R	R	I	I	I	I
	Develop the spec for IT hardware/software for the CT operators	C	RA	I	C	R	R	C	C	I	I	I	I
	Procuring the IT hardware/software for the CT operators	C	C	I	I	RA	RA	C	C	I	I	I	I
	training to the CT operators in order to transform their services to be 'DDRT' friendly	C	RA	I	I	R	R	C	C	I	I	I	I



Stakeholders	<p>The stakeholders identified in this project is embedded into this document which can be found below</p>  <p>DDRT stakeholder register 8 June .pdf</p>
Change Control	
Timeframe	<p>During phase 1 (Detailed design) the project is still in the initial stages of scope definition . Hence there is a flexible change management approach, recognising the need rapidly to evolve the project specification in light of feedback from stakeholders and emerging requirements.</p> <p>During phase 2 (Procurement) there will be some natural break points during which changes to the project scope will be simpler to place. The engagements between CTO's , ITP, legal departments and DDRT back office system operators will provide inputs to develop the specification to determine the final scope of work back office operator and to draw up legal agreements with the CTO.</p> <p>During phase 3 (Integration with MaaS) there will need to be a more rigorous change control process instituted, because the suppliers will otherwise be working to a fixed scope (albeit one that will require flexibility and integration of iterative updates). This change control process will be managed by Solent Transport, with active participation of ITP</p> <p>During phase 4 (Marketing) there would very limited opportunity for scope creep as the preparation for marketing campaign and launch would be well underway.</p> <p>During phase 5 (Delivery) there would be no modification of scope allowed as the project is fully operational.</p>
Finance	
Finance model	<p>The cost estimates of the pilot trial is affordable and a medium size “do more” trial could also be delivered within the budget available whilst retaining a reasonable degree of contingency. The “do more” trial can be scaled to the available budget.</p> <p>In the event of a successful pilot trial, there would be an opportunity to decide whether to implement some or all parts of the “do more” project (which could result in the majority of residual funding being utilised, particularly if additional staff resource is required) or whether the remaining funding could be used to enable a “challenge fund” or similar initiative.</p> <p>This pilot would help to inform a much larger initiative that would follow, which was to procure, set up and “on-board” operators to a Solent and Hampshire-wide DDRT back office system, which would be made available at minimal/no cost to a large range of eligible operators, particularly community transport operators but potentially also bus operators. This would enable widespread incorporation of existing Community Transport & Dial-a-Ride services, operated on a more dynamic/flexible basis, as a travel option within the Solent MaaS app.</p> <p>In the event of an unsuccessful DDRT pilot trial it is likely that any unspent budget would be reallocated to other FTZ projects.</p> <p>There is also still a possibility of some residual funding remaining, which could be used to resource a “challenge fund” supporting CT operators to take full advantage of opportunities presented by the DDRT/app booking system; fund a longer life for the trial; or support other relevant</p>



DDRT projects (for example potential part-funding of a proposed Portsmouth DDRT trial as part of the “do more” project - or support mainline bus operators in trialling conversion of a small number of “at risk” bus routes to DDRT).

Some additional transactions (fare payments) would be processed via the MaaS system as a result of this trial but the additional values are not expected to be large compared to the potential overall transaction values that occur through MaaS.

The design of the project – in particular the small scale of the pilot project, a clear decision point for progression to the “do more” project which would depend on performance of the pilot trials. This would help to manage reputational and practical risks and issues associated with project wind-up and/or continuation.

Budget and cost breakdown structure

£771,000 of capital funding is allocated within the FTZ programme budget for DDRT project which includes pilot trial project and “do more” project (including staff resource and M&E costs).

This is the total budget for this project at present and additional external funding (from sources such as Bus Back Better funding) would be needed to for any extension of the scope/extent/duration of the project beyond the “do more” scenario in this proposal.

The tables shown below set out cost estimates for:

- A pilot trial of two years duration, involving just two operators with one vehicle each (one at SCIA, one at FYTBus)
- a “do more” trial of three years total duration, starting with the “do minimum”/pilot (two operators with one vehicle each) and after 12 months expanding the trial to cover four operators and 13 vehicles for a further 24 months.

Table 1: DDRT pilot trial project cost estimates

Element	“Do minimum”/Pilot project	
	Low end budget	High end budget
DDRT Back office system		
Operator support		
MaaS integration costs		
Procurement/ legal/contracts		
Marketing, promotion, comms		
M+E allowance		
<i>Subtotal</i>	167	246
20% Contingency for above items**	33	49
Portsmouth DDRT market research	10	10



“Kickstart” consultant	40	40
Project officer/manager	130*	130*
Total costs of all elements	380	475
Total available budget (FTZ)	771	771
Estimated residual funds for further contingency, progression to “do more” project, disbursement via “challenge fund” or diversion to other FTZ trials	391	296

* Based on employing one project manager/officer for two years

** Based on employing one project manager/officer for three years

*** Contingency figure is a blanket 20% - a full risk analysis has not been used to determine this but is justified in the below outline assessment of cost risks.

Table 2: “do more” project cost estimates

Element	“Do more” project	
	Low end budget	High end budget
DDRT Back office system		
Operator support		
MaaS integration costs		
Procurement/ legal/contracts		
Marketing, promotion, comms		
M+E allowance		
<i>Subtotal</i>	352	500
15% Contingency for above items**	53	75
Portsmouth DDRT market research	10	10
“Kickstart” consultant	40	40
Project officer /manager	195**	195**
Total costs of all elements	650	820
Total available budget (FTZ)	771	771
Estimated residual funds for further contingency, disbursement via “challenge fund” or diversion to other FTZ trials	104	-49

* Based on employing one project manager/officer for two years



** Based on employing one project manager/officer for three years

*** Contingency figure is a blanket 20% - a full risk analysis has not been used to determine this but is justified in the below outline assessment of cost risks.

Table 3: Marginal project cost estimates

Element	Marginal cost - difference between Pilot/“Do minimum” project and “Do more” project	
	Low end budget	High end budget
DDRT Back office system	█	█
Operator support	█	█
MaaS integration costs	█	█
Procurement/ legal/contracts	█	█
Marketing, promotion, comms	█	█
M+E allowance	█	█
Subtotal	185	254
	0	0
Difference in contingency **	20	26
Portsmouth DDRT market research	0	0
“Kickstart” consultant	0	0
Project officer /manager	65	65
Total costs of all elements	270	345
Total available budget (FTZ)	0	0

Cost risks	Element	Level of risk	Commentary
	DDRT Back office system	Low	Quotes and detailed costs for our use cases have been received from various providers to inform these cost ranges, so the range presented should represent reasonable upper/lower bounds.



		To some extent, the scale of the trial can be constrained to a maximum back office budget through adding or removing extra vehicles/services as finances allow.
Operator support	Medium	The full scope of activities required by CT operators to implement DDRT operations, and associated costs has not yet been determined in detail. The figures set out here are a “guesstimate”.
MaaS integration costs	Medium	The cost range given here is based on quotes from Trafi/Unicard for developing what are believed to be comparable add-ons to the MaaS system (eg developing MaaS payment module £25.5k; Rail API integration £17k) but a bespoke cost estimate has not been requested/provided
Procurement/legal/contract costs	Low	It is unlikely that costs for procurement and legal support would significantly exceed the ranges presented here.
Marketing/promo/comms costs	Low	Marcomms activities can be tailored to the available budget and the scale of marcomms that can be undertaken or justified for a relatively small scale trial is limited
M+E allowance	Low	The relatively small amount of data and likely low complexity of evaluation associated with these relatively small scale trials is unlikely to result in a scope of works for M+E support that would result in higher costs from a typical transport planning consultant. The values presented here would pay for circa 100 to 140 days of consultant support assuming an average day rate of £500. This is possibly an excessive amount of time considering scale of the project.
Staff costs	Very low	Staff costs are unlikely to vary significantly from those presented here

Given the above commentary, and particularly considering that there is a good degree of confidence around the highest cost element of the project (DDRT back office system) together with presentation of estimated cost ranges rather than single cost values, it is felt that the 20% (DDRT pilot) and 15% (“do more”) contingency on cost elements except staffing is a sufficiently robust allowance.

Monitoring and evaluation

M& E strategy

The FTZ programme is time-limited (funding expires summer 2024) and - more critically - monitoring, evaluation & research (M&E) outputs are key deliverable back to the funder (DfT). Experience and monitoring/evaluation outcomes from the first six or so months of the DDRT pilot trial would be used to determine whether the project should proceed to a larger “do more” stage of trial, which could include additional services operated by SCIA and FYT being converted to DDRT/app booking, together with expansion of the trial to other community transport operators in the area (potentially including HCC operators).



The **original research questions** for the DDRT trial were:

- 1.What geographical, demographic and economic factors influence success of DRT?
- 2.What operating model factors influence the success of DRT? Can viability be increased by varying service provision by time of day?
- 3.Can DRT reduce car dependency by offering a better alternative to driving for some journeys?
- 4.Can DRT increase usage of main public transport services by connecting more people to them?
- 5.What are the most popular types of journey that DRT is used for?
- 6.What are the most important user requirements for a DRT service?
- 7.Does incorporating DRT into the MaaS scheme increase uptake of DRT?

Research questions 1,2 and to an extent 6 are reliant on implementing a trial comprising multiple DDRT services /areas of operation to enable some comparisons between geographies, types of operator/operation etc.

A budget allowance of £50k to £70k has been identified in the cost estimates to cover costs for ITP support (consultants) for developing a M&A plan , analysis and reporting of data, evaluation of wider outcomes, addressing the research questions etc.

INTERDEPENDENCIES, RISKS AND ASSUMPTIONS

Interdependencies

There are some clear interdependencies between the MaaS project and the DDRT trial, and also between initiatives such as Bus Service Improvement Plans which could provide a source of funding for continuity beyond the end of the FTZ funding, if the trials are successful. There is also a dependency on SCC's contract with SCiA for Dial-a-Ride. The table below outlines these and other identified interdependencies.



Explain dependency relationship	Action to Manage
The MaaS platform is intended as the tool which the public use to access the DDRT services. If we launch services without DDRT- MaaS integration, this may undermine success of both projects and a key innovation in our approach would be lost.	Ensure that requirements from the DDRT project are fed into the evolving MaaS spec; ensure that coordination between project timelines is undertaken to ensure that MaaS can support this
Funding opportunities to enable expansion/ extension of this project- Bus Service Improvement Plans and wider aspirations for DDRT-type innovations, may result in opportunities to bid for funding to bolster this initiative	Close engagement between project manager and sponsors of this project, and strategic transport staff making decisions on funding bids and strategies is required.
SCC's contract with SCIA runs until September 2022 and it is not certain that it will be extended after this date; this and other issues mean that SCiA's continued activity in the Community Transport sector is not guaranteed; therefore this part of the trial could be at risk due to external factors.	Continued engagement with SCC officers responsible for this contract to ensure that the DDRT trial can respond to any changes to the SCIA/ Southampton DaR service. This could include seeking to integrate the trial into a retendering exercise/ new contract for SCC DaR, or it could involve running the "do minimum" /pilot trial with just one operator (FYT Bus) if SCC's contract is terminated and not replaced.

Assumptions:

It is assumed that any HCC or PCC trials schemes delivered under "do more" would be supported by the respective LTAs particularly through staffing support and also some level of match funding.

Risk assessments as of 16/05/2022



Risk Assessment:											
Risk classification	Risk	Impact	Owner	Status	Current risk			Mitigation strategy	Post-mitigation		
					Im pa ct	Lik eli hood	Tot al		Im pa ct	Lik eli hood	Tot al
Operational risk	Transport operators unwilling to participate in the project	Potentially un-deliverable project	ST	Open	5	3	15	Engagement has taken place with operators to sufficient level to secure "in principle" agreements that at least some operators will participate	5	1	5
Operational risk	Transport operators unable/unwilling to adapt their services to take full advantage of capabilities offered by DDRT platform	Limited usage/ benefit realised over current operations	ST, Operators	Open	4	4	16	Engagement to date indicates operators are open-minded and aware of the need to alter their operations, particularly post-Covid. By engaging multiple operators, it is likely some may make DDRT "work" better than others, which could in turn help to persuade operators who do not fully embrace the project/concept to do so.	3	1	3
Procurement risk	Future viability of some CT operators eg SCIA	Partners may withdraw from market before project can launch	ST	Open	4	3	12	Ongoing engagement between SCC and SCIA to try to assist SCIA with identifying opportunities to offer a more viable transport service. Implement our pilot with SCIA as rapidly as possible in the hope this benefit's SCIA Transport's viability. Identify more than one partner for "pilot" scheme in case SCIA withdraw from market.	4	2	8
Technology risk	DDRT software/platform does not meet operator needs	Operators unable to get full benefit from DDRT/back office/MaaS	ST, Back-office provider, operators	Open	4	2	8	Ensure specification covers all operator requirements and rigorously assess platform provider's products to ensure they meet the spec. Contract provisions to enable us to take action if platform providers fail to deliver.	4	1	4
Project risk- Time	Development timescales are too optimistic	Delayed or suboptimal launch product	ST	Open	4	5	20	Further development work required on timescales but time allowances in initial project plan reflect recent experience of how long various processes and activities have taken via remote working etc. Contract provisions to enable us to take action if platform providers fail to deliver. Provision of extra support to CT operators to assist them with mobilisation if they struggle.	4	3	12



Operational risk	Missing FTZ MaaS iteration release date	Could delay integration of DDRT trials into MaaS by up to 3 months, sufficient to reduce value (particularly of the pilots)	ST	Open	3	3	9	Close coordination with MaaS project and ensuring that DDRT integration is identified for an appropriate iteration launch date. Procure a pilot back office provider that already has integration with Trafi MaaS system	3	1	3
Project risk- Time and Cost	FTZ MaaS project does not run to timescale/budget	Integration of DDRT and MaaS is delayed or is constrained by budgets	ST	Open	4	2	8	Coordination with MaaS project; adapt timescale/ approach for DDRT trial if MaaS goes off-track. Potential to run initial pilots using DDRT platform provider's own apps exists (albeit is highly undesirable as loses key innovation/ benefit of MaaS integration) if MaaS not ready for pilots, so DDRT trials can still proceed albeit in a sub-optimal format.	4	1	4
Project risk - cost	Budget is insufficient	Project cannot be delivered in way that is proposed	ST	Open	4	2	8	Estimates presented here are based on quotes provided by back office providers and informed estimates. It appears that the FTZ budget should be sufficient to deliver the pilot/trial project as proposed, and and "residual" funding intended for use as challenge fund could be repurposed as contingency in event of higher than expected costs	4	1	4
Operational and marketing risk	Poor adoption/use of new DDRT booking methods by public; low adoption by "new" users	Low benefits from trial; limited data/outcomes for M&E	ST, operators	Open	4	3	12	This risk is tied to the level of public adoption and overall success of the MaaS project (if MaaS adoption is poor, DDRT booking via the app is also likely to be poor). Ensuring successful launch of MaaS via marketing & promotion and development of app, together with marketing/ promotion aimed at generating awareness of DDRT options "within" MaaS is key.	4	2	8
Operational and marketing risk	Customers don't understand the product, or scheme/services are unreliable or do not work as planned because it is a new and untested method of delivering transport services	Reputational damage; not enough usage; cannot meet objectives or answer research questions	ST, Back-office provider, operators	Open	4	3	12	Ensure selection of suitable qualified and experienced platform provider via procurement process. Develop contingency plans (eg "roll back" to previous operating methods) if new platforms do not work. Also ensure that CT operators are capable of delivering their side of the project (could include refusing to partner/work with operators that we cannot be confident can deliver). Marketing & comms to users regarding changes to booking methods, how to use DDRT etc	4	1	4



Operational and technological risk	Changes to services to implement DDRT / MaaS app booking result in degradation of service for current, often older/ vulnerable users of CT services	Reputational damage, negative impacts on users often in groups with protected characteristics, potential risk of discrimination accusations	ST, operators, users		4	4	16	Close coordination with operators to ensure that trials do not inadvertently compromise service delivery to core users. Develop contingency plans (eg "roll back" to previous operating methods) if new platforms do not work.	4	1	4
Operational risk	Covid-19 leads to permanent loss of travel appetite / desire to drive cars	Less market for product; reputational damage	ST	Open	3	3	9	Implementing DDRT via MaaS increases the range of available transport products in "one app" so may help to mitigate this wider issue somewhat	3	2	6
Project risk - Quality	Insufficient or incorrect data collected to monitor use and undertake evaluation	Monitoring strategy cannot discern behaviour change or other benefits/impacts	ST	Open	3	3	9	Develop M+E strategy at outset and in partnership with FTZ M+E manager and Universities, ensure research questions and methods of data collection are planned from outset.	3	2	6
Political risk	Political circumstances - locally	Project lands poorly and does not meet needs or expectations of local authorities / politicians	ST	Open	4	2	8	Briefings of relevant elected members to inform and update if required, and to understand Member priorities, aspirations and advice	4	1	4
Political risk	Political circumstances - nationally	Changing priorities / confusion post-Covid results in withdrawal of Govt/ funder support for DDRT in general or this project in particular	ST	Open	5	2	10	Very strong DfT support for Solent FTZ programme, regular briefings. DfT National Bus Strategy is a flagship transport policy and repeatedly identifies a desire to explore increased role of DDRT	5	1	5
Procurement risk	Uncertainty regarding SCC or PCC taking the lead in procuring back office operator as the procurement officer(PCC) allocated for the FTZ projects will be resigning soon..	Delays in initiating procurement process would lengthen the planned procurement schedule. This will affect the timely awarding of contract of BOO which can possibly result in 'cost and time overruns' in the project.	ST, PCC, SCC	Open	3	3	9	Early engagement with the procurement department both from SCC and PCC would give a better understanding of their respective procurement resource planning, workload and their timeframes. Various options would be explored such as possibility of using PCC as a procurement authority to act on behalf of SCC.	3	2	6



<p>Security and Legal risk</p>	<p>Ambiguity in data sharing, data ownership and data privacy agreements between the various service providers. Through Breeze and the BOO we will be acting as a booking agent or front end through which customers interact with service providers and this function will carry obligations and potential risks</p>	<p>Data breaches involving confidentiality, misuse of data or unauthorised access and disclosure of data can result in loss of consumer brand trust, reputation and potential conflict between the different service providers due to gaining unfair competitive advantage or disadvantage in the market.</p>	<p>ST,SCC</p>	<p>Open</p>	<p>4</p>	<p>4</p>	<p>16</p>	<p>The affected stakeholders together with the legal team will be consulted in developing a strategy for data sharing & ownership agreements. The agreements would be drawn up in a way that ensures legal compliance and would specify the processes and channels for safely transferring and storing of data. There may be potential for data sharing agreements and arrangements applicable to MaaS to also apply to the DDRT functionality this project will introduce.</p>	<p>3</p>	<p>2</p>	<p>6</p>
<p>Technological risk</p>	<p>Insufficient network speeds, bandwidth & coverage and limited compatibility of various IT systems resulting in delay of communication between the various service providers (BOO,BO and MaaS platform).</p>	<p>If the ability to relay and receive near real time information between the various service providers is compromised there would be direct consequences such as delayed responses in dispatching of buses and/or late picking up of passengers etc . This would result in reputational damage and loss of brand trust which will ultimately lead to project failure.</p>	<p>ST,BOO, BO,Breeze app</p>	<p>Open</p>	<p>4</p>	<p>3</p>	<p>12</p>	<p>Early engagement with the various service providers will help us understand and assess their current state of operation and technological limitations (especially the BO). Providing support to the BO in terms funding for purchase of IT hardware/software, staff training would help to address this gap to some extent. During the procurement process of BOO the technical specifications would be defined in a way that ensures technical compatibility between MaaS platforms and BO.</p>	<p>3</p>	<p>2</p>	<p>6</p>



Timescales for pilot project January 2022 – May 2024

Activity	Responsible	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
FTZ PB- report + decision to proceed late Jan 2022	ST/ FTZ PB	Yellow																												
On-boarding	ST, SCC	Yellow																												
Consultant in post to lead project late Jan/early Feb to Jun 22	ST, PCC			Yellow	Yellow	Yellow																								
Pre-requisites for recruitment by SCC (creation of post etc)	ST, SCC		Yellow	Yellow																										
Recruitment of project manager	ST, SCC			Yellow	Yellow	Yellow																								
Project manager initial term (2 years)	ST, SCC																													
Solent MaaS MVP2 (public) launch	ST-MaaS project		Grey																											
Solent MaaS quarterly iterations (indicative)	ST-MaaS project					Grey			Grey			Grey		Grey			Grey			Grey			Grey							
Detailed PID prepared	PM																													
Project manager introductory meeting with ITP	ST,ITP					Yellow																								
Project manager introductory meeting with operators	ST,FYT, SCIA					Yellow																								
Initiate back office procurement	ST ,PCC						Yellow																							
Introductory meeting with Via van and Padam	ST,Pad am, Via Van					Yellow	Yellow																							
Co-develop specification with operators	ST						Yellow	Yellow																						
Call off from framework-appoint provider	ST,PCC									Yellow																				
Sign contract	ST,PCC										Yellow																			
Associated activities eg Data sharing ageement SCC/operators; DPIA; EQIA, decisionmaking processes etc	ST,SCC						Yellow	Yellow	Yellow	Yellow	Yellow																			



Activity	Responsible	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	
Agree on support to operators and provide via grant agreement	ST,SCC																														
Back office mobilisation	ST,ITP,BOO																														
Operator preparation/mobilisation	ST,ITP,FYT,SCIA																														
MaaS integration	MaaS provider,PM,BOO																														
Develop Marcomms strategy	PM, Marcomms officer, Operators,ITP																														
Launch Marcomms etc prep	PM, Marcomms officer																														
Launch 2x Do Min trials	operat																														
Run pilots - 6 month initial term	operat																														
Monitor & evaluate and Marcomms effort	ITP																														



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