

Title of meeting:	Solent Transport Joint Committee
Date of meeting:	29 th June 2020
Subject:	Solent Future Transport Zone: Programme Update and Governance
Report by:	Richard Pemberton, Principal Transport Planner, Solent Transport
Wards affected:	Affects most parts of Solent area, and particularly the cities of Portsmouth and Southampton and their wider city regions (encompassing Hampshire County Council and Isle of Wight Council Authority areas)
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 Solent Transport have been successful in being awarded £28.8m of funding from the Department for Transport's Future Transport Zones programme, in order to implement a programme of tests and trials of innovative approaches to transport, across the Solent area, from the 20/21 financial year through to 23/24.
- 1.2 The Covid-19 pandemic has resulted in changes to travel and transport patterns, and changed circumstances, which have required a review of the original plans, prior to commencement of the programme.
- 1.3 This report sets out recommendations for acceptance of the DfT funding; seeks decisions around the governance and initiation of the programme; and recommends endorsement of changes to the programme identified by the review.

2. Recommendations

- 2.1 **That Solent Transport accept the DfT funding and deliver the Solent Future Transport Zone programme.**
- 2.2 **That the Committee approves as an exception to the on-going agreed arrangements for Solent Transport's financial management support, that the financial management and accounting role for the Future Transport Zones (FTZ) funding (previously Future Mobility Zones) be delegated to Southampton City Council (SCC) to reflect the location of the programme of work and the lead role of SCC in developing and signing off the bid**

- 2.3 That Members agree to the principle of the changes to the programme set out in **Paras 3.19 to 3.23**, and to delegate authority to make further changes to the programme as required by the evolving circumstances, including changes to project funding allocations, to the Solent Transport Manager after consultation with the Solent FTZ Steering Group and Programme Board (see **Paras 3.36 & 3.37**).
- 2.4 That governance of the Solent FTZ programme is implemented via the structures and approach set out in **Paras 3.34 to 3.38** and **Appendix 4**, and that authority for initiation of the programme, including recruitment of the programme team, is delegated to the Solent Transport Manager after consultation with the Chair and Senior Officers as required.
- 2.5 That in the interim period between now and these governance structures being set up, responsibility for decisions relating to the Solent FTZ programme and projects within is delegated to the Solent Transport Manager following consultation with Senior Management Board and the Chair / Joint Committee as required.

The Senior Management Board would relinquish this role on initiation of the Solent FTZ Steering Group and Programme Board.

- 2.6 That the broad approach to delivery of individual projects is as set out in **Paras 3.40 to 3.45**, with projects to be delivered in line with the project management processes and standards of the relevant lead authority but with reporting to and direction from the FTZ Steering Group & Programme Board.
- 2.7 That the Solent Transport Manager, after consultation with Officers at Member Authorities, be authorised to secure staff to immediately fill posts required to achieve rapid mobilisation of the FTZ programme and priority projects within.

In addition that general operational management and within-budget spend decisions of the FTZ be delegated to the Solent Transport Manager with regular periodic review by the Solent Transport Solent FTZ Steering Group, Programme Board and regular oversight by Joint Committee, and that this reporting is made a set agenda items within these meetings

- 2.8 That the Committee note expenditure to date, and the progress it has enabled Solent Transport and its partner the University of Southampton to achieve on the Drone Logistics project.

3. Background

Context

- 3.1 A review of the Partnership's 2019/ 20 work was covered in detail in the report of 6th February 2020, so will not be repeated in this report.
- 3.1 A significant current focus of Department for Transport (DfT) policy-making and funding is upon the Future of Mobility which recognises that we are at the cusp of significant technology - driven changes in transport and mobility. DfT have published several documents and strategies, including the Future of Mobility Urban Strategy, which look at important future trends, challenges and opportunities for the UK transport system and outline the government's approach to maximising the benefits from transport innovation in cities and towns.
- 3.2 One element of the Government's response is the Future Transport Zones (FTZ) programme (previously named Future Mobility Zones), which has funded local bodies such as councils, hospitals, airports and universities to test innovative ways to transport people and goods in several designated zones. £90m of funding to set up Future Transport Zones was made available for eligible authorities in England (Combined Authorities and cities eligible to bid for funding from the Transforming Cities Fund) to bid for in 2019.
- 3.3 DfT required Future Transport Zone proposals to include projects delivering the following outcomes:
- trial of new transport services, modes and models, creating a functioning marketplace for mobility that combines new and traditional modes of transport
 - improve integration of services, increase the availability of data and provide access to digital planning and payment options, primarily through mobile phone app-based platforms utilising new software that delivers "Mobility as Service" (MaaS)
 - explore innovative approaches to provide lower income households with access to future forms of mobility, for example, through the provision of 'mobility credits'
 - Test scope for achieving efficiencies through shared (dynamic) demand responsive transport
 - Combine trials together in a manner that creates a globally significant demonstration zone for future transport, and share research and learnings from the trials widely (with the aim of creating an exportable template to allow successful initiatives to be replicated in other areas)

The Solent Future Transport Zone bid

- 3.4 Solent Transport led creation of a bid covering both the Portsmouth City Region and Southampton City regions, which comprised 11 projects across two linked themes:
- 3.5 Theme 1 projects focusing on trialling innovations in personal mobility including:
- trialling and development of a MaaS platform and associated improvements to the Solent Go Multi mode/ multi-operator ticketing product line
 - a trial of Mobility Credits in Havant (utilising the new MaaS platform)

- trials of up to three Dynamic Demand Responsive Transit (DDRT) zones in the Solent area
 - implementation of large scale cycle share schemes in both cities
- 3.6 Theme 2 projects, focused on development of new approaches to deliveries and logistics in urban areas, including:
- Trial of use of aerial drones for medical logistics between the mainland and the Isle of Wight, and for some mainland goods flows such as from GP surgeries to hospital labs
 - Trials of several different approaches using consolidated deliveries (and supporting infrastructure and measures, such as local mobility hubs with bookable kerb space, delivery lockers, and use of e-cargo bikes) as a means of reducing vehicle traffic generated by deliveries of online shopping and other goods
- 3.7 Full content of the bid can be viewed at the following link: http://www.solent-transport.com/images/Bids/future-mobility-zones-fund-application-form-final-proposal_30_09_19_FINAL_redacted.pdf
- 3.8 The proposed programme supports several current wider transport policy and investment themes across Solent Transport's Member authorities, including:
- Maximising benefits of the £120m+ capital investment in public transport and active travel infrastructure secured (or being secured) from the Transforming Cities Fund across the two city regions. Key benefits include improved journey planning and ticketing and provision of new modes of travel which improve first/last mile connections to TCF core corridors.
 - Supporting obligations on our Member authorities to address breaches of air quality standards in several parts of the Solent area
 - Supporting a range of other wider policy areas including achieving sustainable development, improved living standards and access to employment, and reduced CO2 emissions.
- 3.9 The Solent FTZ programme was developed in conjunction and in extensive consultation both Solent Transport's Member Authorities, and with several key partners, including Universities of Southampton and Portsmouth, South Hampshire Bus Operators Association (SHBOA) and South Western Railway. Successful delivery of many projects will depend upon our existing strong partnerships with these organisations (the Governance and Programme Board proposals set out in **Paras 3.34-3.39** reflect the partnership nature of the programme).
- 3.10 The bid, for between £27.1m ("do minimum") and £43.9m ("do maximum") of central Government funding was submitted in September 2019, for a programme originally envisaged to commence in January 2020 and run until Q1 2023. However the DfT's decision on funding awards was made in mid-March 2020, and shortly afterwards the DfT took the decision to pause the majority of

FTZ work until July 2020 owing to effects of the Covid-19 pandemic (see [Para 3.15](#)).

DfT funding award and decision to accept funding

- 3.11 DfT have awarded in total £28.759 million to the Solent FTZ programme (Solent is one of three areas to be awarded the funding). DfT's funding is for delivery of all Theme 1 and Theme 2 projects at the minimum funding level requested, with the exception of the following:
- the drone logistics project is funded at the maximum level;
 - the freight / passenger Multi-Purpose Vehicles trials and Higher Education Institution Halls delivery consolidation trials are not funded
 - that a trial of shared e-scooters be delivered within the Solent area (note that this project was not part of our original bid, and no additional funding was awarded to enable this scheme)
- 3.12 [Para 7.1](#) (Financial & Resouce Implications) provides an overview breakdown allocation of the funding provided to projects, whilst [Appendix 1](#) provides a more detailed breakdown of the planned funding breakdown and an overview of what this will enable each project to deliver.
- 3.13 A decision to accept the DfT funding (per [Recommendation 2.1](#)) commits Solent Transport, and Southampton City Council as the lead/ S151 Authority for this programme ([Recommendation 2.2](#)) to delivering the programme. However as detailed in [Paras 3.14-3.24](#), several alterations to the programme are now proposed as an adaptation to changed circumstances as a result of the Covid-19 pandemic.

Covid-19 impacts and proposed changes

- 3.14 The award of funding from DfT to the Solent FTZ programme precisely coincided with the early stages of the Coronavirus pandemic in the UK.
- 3.15 As a short term response, DfT agreed with all authorities awarded funding to delay the official commencement of the FTZ programme until 1st July 2020 recognising the difficulties in commencing many planned projects resulting from emergency legislation enforcing workplaces closures, implementing social distancing etc aimed at reducing spread of the virus. DfT also changed the end year for the programme from 2023 to 2024, to account for delays to the funding award and due to Covid-19.
- 3.16 The Committee will appreciate that the bid and projects within were designed in 2018 and 2019, prior to the Covid-19 pandemic, and that the short and likely medium and even longer term impacts arising from the pandemic introduce significant previously unforeseen uncertainty and risk to the Solent FTZ programme.

- 3.17 Some projects, particularly those focused on public and shared forms of transport, may now be at greater risk of failure to deliver intended outputs, whilst other projects may offer greater benefits than originally envisaged and/or could be adapted to support the Covid-19 transport sector response being implemented by our Member authorities and many of Solent Transport's partners.
- 3.18 In late March 2020, Solent Transport commissioned Atkins consultancy to review the Solent FTZ programme, identifying risks to delivery and how projects and the overall programme could be adapted to reduce these risks and assist with the Covid-19 transport sector response. This review involved production of a broad forecast of a likely trajectory of transport sector impacts & changes during the Covid-19 pandemic and in a post-pandemic recovery period (envisaged as likely to run until 2023, by which time a "new normal" is expected to be in force). These future forecasts underpin an evaluation of strengths, weaknesses, opportunities and threats for each project in the programme.
- 3.19 The Atkins review is provided at [Appendices 2 and 3](#) of this report. Key recommendations for each project are outlined in the graphic below.



Bike share

Reconfigure

- **Bring forward and implement bikeshare schemes**
- Review planned location of bikes with new travel flows in mind and the use of flexible schemes such as mobile container-based docks

MaaS Platform

Reconfigure

- **Soft market testing to confirm timescales and requirements**
- Initiate procurement process

Mobility Credits

Reset

- Pause progression of Mobility Credits project, until MaaS App is ready and environment more stable

Macro-Consolidation

Reset

- Delay start of the programme due to available resource
- Kick programme off at the beginning of year 2

DDRT

Reinvent

- Serious uncertainty re DDRT viability
- Delay commencement; significantly de-scope and consider entirely removing from FTZ and re-allocating funding
- This could be reconsidered if the market conditions change

E-Scooter

Reconfigure

- **Continue developing proposal for a park and ride trial**
- Continue engaging with providers to begin understanding capacity and available numbers of scooters

Micro-Consolidation

Reconfigure

- **Bring last mile trials forward in the programme**
- Maintain original timescales

Solent Go

Reconfigure

- **Prioritise carnet tickets on existing Solent Go formats**
- Bus operators to be involved in MaaS Platform requirements

Lift Share

Reinvent

- Delay launch of workplace schemes till the medium term
- If workplace schemes are unsuccessful re-allocate funds to priority areas

MaaS Trials

Reinvent

- Pause until testing environment more stable and likely to yield proposed benefits
- MaaS app to be launched and trialled with the public once ready and use the university trials to test specifics
- Some funding should be re-allocated to the platform development and app launch marketing

- 3.20 The most significant recommendations are that the DDRT and Liftshare projects be delayed and reduced in scope, with consideration given to cancellation of these projects in their entirety following a review in Spring 2021 if CV-19 social distancing and other impacts on the public transport sector and car-sharing still render these projects difficult or impossible to deliver successfully.
- 3.21 Subject to agreement with the funder (DfT), funding released from these projects is proposed to be diverted to:
- Enabling the e-scooter share trials (see [Paras 3.30-3.33](#))
 - Enhancing and accelerating the cycle share project, and potentially the Micro-consolidation project
- DfT agreement to the changes will be sought through sharing the Atkins review/recommendations with the DfT's Fund Leads, and through dialogue regarding our proposed changes.
- 3.22 Other key recommendations for the short term include early delivery of Solent Go carnet tickets, enabling Solent go to better respond to public transport users' changed working patterns.
- 3.23 It is essential to retain as much flexibility as possible to adapt the programme to respond to the evolving situation.
- 3.24 Therefore Members are recommended ([Recommendation 2.3](#)) to agree to the principle of the changes to the programme set out in [Paras 3.19 to 3.23](#). Members are also recommended to delegate authority to make further changes to the programme as required by the evolving circumstances, including changes to project funding allocations, to the Solent Transport Manager after consultation with the Solent FTZ Steering Group and Programme Board (see [Paras 3.36 & 3.37](#)).
- 3.25 Additionally, as a short term response to Covid-19 impacts, the Drone Medical Logistics project has been substantially accelerated, as set out in [Paras 3.26 to 3.29](#).

Cross-Solent Drone medical logistics trial- rapid implementation

- 3.26 Part of the Drone Medical Logistics project has been implemented at pace to support the Covid-19 response, at the request of the Department of Transport.
- 3.27 A key element of the original proposal was to trial the use of airborne drones to move medical products between the Isle of Wight and mainland hospitals. As a result of reduced ferry services and higher demand for medical goods, particularly for time-critical deliveries, the practical trial of use of drones for cross-Solent delivery of medical goods has been brought forwards by more than a year, supported by DfT and Isle of Wight NHS trust.

- 3.28 Our partner the University of Southampton has led this project, which made drones available as a transport option for certain goods to/from St Marys Hospital in Newport. Drones have operated between Solent Airport (Lee-on-Solent) and Binstead airfield, with onward surface couriers connecting to hospitals, providing an additional transport to the NHS at this challenging time.

This involved rapid deployment of an existing drone to provide support to NHS sites on the Isle of Wight. To achieve this several UK firsts had to be made, including the first Beyond Visual Line of Sight flight of a drone between two airports. Close working with DfT and the Civil Aviation Authority has allowed this to be achieved at speed. Whilst the craft is now cleared for benign cargoes and has delivered some goods to St Mary's Hospital, work continues to secure clearance for Dangerous Goods category 3, which covers the pathology samples and time sensitive medicines which are the key cargoes of a time sensitive nature.

- 3.29 Additionally, considerable learning has occurred which will inform how the drone logistics trials project proceeds once the FTZ programme formally starts, particularly regarding practicalities and economics of drone operations and management of airspace, and regarding handling of medical goods.

Shared e-scooter trials "fast track"

- 3.30 As part of the FTZ funding from DfT, Solent Transport and its Member authorities were asked to implement a trial of shared e-scooters to support DfT's review of regulations surrounding emerging "micro-mobility" modes. Originally these trials were to have commenced in 2021, but DfT have now brought forward these trials to support the transport sector's Covid-19 response by trialling new sustainable options which offer a supplement / alternative to public transport, and an alternative to the private car.

- 3.31 E-scooter trials are now planned to commence by August 2020 and any Local Authority can request to host a trial. Trials will run for an initial term of 12 months.

- 3.32 All four Authorities within Solent Transport are keen undertake controlled trials so an expression of interest covering all four LTAs was submitted to DfT by Solent Transport in May 2020. This proposal centred on trialling e-scooters as a supplement to buses between several Park and Ride sites and city centres/ employment hubs across Solent area. Trials at these locations/ on these corridors are believed to offer the greatest potential to mitigate anticipated traffic growth into city centres and key employment areas as a result of public avoidance of public transport. They also present some of the best opportunities to utilise existing cycle infrastructure and new "pop up" implemented to support cycling as part of the Covid-19 transport response.

- 3.33 Our expression of interest also requests flexibility to carry out e-scooter trials elsewhere in the Solent area as needs/ opportunities arise. The trial is proposed

to be funded by diversion of funds from other projects in the FTZ programme (see also [Paras 3.20 and 3.21](#)).

Programme initiation and governance

3.34 Proposals for Governance and delivery arrangements were set out in the funding bid, and now must be formalised in order for the programme to proceed.

3.35 The proposed high-level governance structures for the project are set out in [Appendix 4](#) and are designed to align closely with the two Transforming Cities Fund (TCF) programmes in the Solent area. This is appropriate given there are a number of connections and synergies between TCF and FTZ.

3.36 The governance structures comprise:

A new Solent FTZ Steering Group composed of the Solent Transport Joint Committee Members and the relevant directors from each Authority. This will be the accountable body with final decision making authority and will focus on strategic level direction and decision making for the programme. This group is proposed to meet every three months.

3.37 A new Solent FTZ Programme Board, which will provide more detailed oversight, input and specific direction for individual projects as well as having oversight and decision-making authority on operational and tactical matters including recruitment, resourcing, procurement, day-to-day finance management and related matters. This Board will comprise relevant LTA officers (Transport Service heads for each authority), the Solent Transport Manager and FTZ Programme Manager, as well as senior representatives from key partners supporting/ delivering projects within the programme). This Board is proposed to meet on a monthly basis.

3.38 The Programme staffing structure chart ([Appendix 5](#)) sets out proposed staff resource and reporting lines within the programme team. The Solent Transport Manager will lead the programme and line manage the FTZ programme manager.

The FTZ Programme manager will have delegated responsibility for the FTZ programme and / or staff reporting to their post. The FTZ Programme Manager will be responsible for delivery of the projects and the programme in line with decisions and directions from the Solent Transport Manger, the Programme Board and/or Steering Group. This officer will also be responsible for most aspects of management of the delivery team and work close partnership with the Solent Transport Principal Transport Planner.

Whilst most staff are proposed to be employed by Southampton City Council and seconded into Solent Transport, some staff (notably 2x FTE general Transport Planners/Project Managers) are proposed to be employed by and report to PCC & SCC's transport teams, but also be accountable to and managed by to Solent Transport, in order to provide "embedded" staff within

each authority (which will be advantageous to implementation of projects within each authority)

- 3.39 *Recommendation 2.4* is that Joint Committee agree to governance of the Solent FTZ programme via the structures and approach set out in **Paras 3.34 to 3.38** and **Appendix 4**, and agree to delegation of authority for initiation of the programme, including recruitment of the programme team, to the Solent Transport Manager after consultation with the Chair and Senior Officers as required.

Additionally, *Recommendation 2.5* is that in the interim period between now and these governance structures being set up, responsibility for decisions relating to the Solent FTZ programme and projects within is delegated to the Solent Transport Manager following consultation with Senior Management Board and the Chair / Joint Committee as required.

Delivery of projects

- 3.40 Project delivery will be dependent on the nature/type of project and the area covered.
- 3.41 Some projects (for example the Solent Go enhancements project and parts of the MaaS trials project), will be delivered by one lead authority on behalf of the other authorities. These projects will be delivered in line with (and reporting to) the lead authority's corporate Project & Programme Management frameworks, but will also report to and be directed by the Solent FTZ Steering Group/ Programme Board.
- 3.42 Some projects, for example elements of the Micro-logistics & last mile trials, and potentially the bike/ e-bike share scheme, will need to be delivered separately by two or more individual authorities (for example due to delivery of enabling capital works on the LTA's highway network, and/or need to locally commission and control certain services and products). These schemes will be delivered in line with each authority's corporate Project & Programme Management frameworks, but will also report to and be directed by the Solent FTZ Steering Group/ Programme Board.
- 3.43 Some projects (for example the Theme 2 logistics projects, and parts of the MaaS trials project) will be client managed by Solent Transport and delivered by partners such as the Universities. These schemes will be delivered in line with our Partner's approaches to project management, but will also report to and be directed by the Solent FTZ Steering Group/ Programme Board.
- 3.44 The approach for each individual project will be set out in a Programme Initiation Document (PID) to be agreed by the Programme Board and will be guided by procurement approach, practical considerations etc. Delivery arrangements and transfer of funding for each project will be secured via a legal/ funding agreement between SCC (the financially responsible authority) and the lead

authority for delivery. These agreements will be created and/or updated for each financial year of the programme.

- 3.45 All projects will report to and be directed by the Solent FTZ Steering Group/ Programme Board, via the line management structure. The FTZ Steering group will have final approval and authority on funding allocations (whilst also recognising that individual LTAs will have some delegated authority over pre-agreed aspects of specific parts of some projects).
- 3.46 Joint Committee are recommended to agree to the broad approach to delivery of individual projects as set out in **Paras 3.40 to 3.45**, including for projects to be delivered to the project management processes and standards of the relevant lead authority with reporting to and direction from the FTZ Steering Group & Programme Board (**Recommendation 2.6**).

Rapid Mobilisation

- 3.47 Given the need to deliver some projects rapidly to assist with the Transport Sector Covid-19 response, securing interim resource to enable more rapid initiation of some parts of the programme is required.
- 3.48 Posts where short term consultant/ agency staff cover to enable this have been highlighted in **Appendix 5**. This is predominantly to cover fast start of the programme, the delivery of an e-scooter share trial project, and communications and behavioural change inputs required to encourage effective adoption of this mode in the post Covid 19 scenario.
- 3.49 **Recommendation 2.7** is that the Committee authorise the Solent Transport Manager, after consultation with Officers at Member Authorities as required, to secure staff to fill these posts immediately.

4. Reasons for recommendations

- 4.1 Solent Transport has been successful in securing £28.8m of funding to deliver a Future Transport Zone programme which will deliver 10 sub-projects which will variously introduce and trial new modes of transport to the Solent area; deliver technology which will transform journey planning and payment across many modes; and will test ways that the growing issue of delivery traffic in our towns and cities could be mitigated.
- 4.2 These projects will support wider efforts, including capital investment through Transforming Cities Fund (TCF), to transform the transport network in Solent and support modal shift away from single occupancy private car use to cycling, walking and public transport. This will contribute towards reducing congestion and harmful emissions and has scope to deliver benefits across the Solent region.
- 4.3 Delivery of the FTZ programme will also help build up the Solent area into a high profile testbed for future transport technologies- enhancing our sub-region's

profile & reputation, and delivering economic and environmental benefits both locally and more widely.

- 4.4 Finally, with some alterations the Solent FTZ programme offers scope to enhance some parts of the transport sector Covid-19 response

5. Integrated impact assessment

- 5.1 An integrated impact assessment is not required for this decision.

6. Legal implications

Statutory power to undertake proposals in the report:

- 6.1 S.1 Localism Act 2011 permits Councils to undertake the measures set out in this report. Council responsibilities for strategic transport functions are delivered in accordance with the Transport Act 2000 and the Highways Act 1980.
- 6.2 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).

Other Legal Implications:

- 6.3 As noted at **Para 7.3**, Southampton City Council are the S151 Authority for this programme
- 6.4 Delivery of Local Authority strategic transport functions and environmental improvement powers are derived from a wide range of legislation. Projects that capture personal data will be subject to the Data Protection Act 2018 and delivery will be required to have regard to Uk procurement legislation and the public sector equality duty in the Equality Act 2010.
- 6.5 The e-scooter trials project will require new national legislation (to be promoted by DfT and Secretary of State for Transport) specifically permitting use of shared e-scooters as part of our trial.
- 6.6 The overarching purposes for and governance of Solent Transport and it's Joint Committee are set out in a legal agreement which all four Authorities are signatories to.
- 6.7 Implementation of the Solent FTZ programme aligns with the following Key Objectives of the Solent Transport Joint Committee as set in Appendix 2 of the TFSHIOW/ Solent Transport Legal Agreement:
- Development and Delivery of seamless and co-ordinated public transport operation in partnership with the operators across the sub-region and securing infrastructure to support that;

- Development and Delivery of sub-regional transport schemes and innovations and implementation of sub-regional transport policies;
- Pursuing and securing funding for sub-regional transport schemes (and supporting each transport authority in doing so for local schemes);
- Holding and dispersing other transport funding allocated on a sub-regional basis; and
- Monitoring and reviewing delivery at sub-regional level.

7. Finance/Resource Implications

Capital/Revenue

- 7.1 DfT awarded £28.759 million of capital funding to the Solent FTZ programme. The table below breaks down the allocation of this funding as set out in the original bid.

Project	Total funding
Mobility as a Service (MaaS) trials	£5,977,715
Growing Solent Go	£901,500
Mobility Credits Trial	£715,627
DDRT Trials	£1,562,000 ¹
Bike/ e-bike share scheme	£2,559,730 ²
Shared e-scooter trial	TBC ²
Liftshare project	£425,788 ¹
Drone logistics trial	£8,044,034
Macro-consolidation project	£995,194
Micro-consolidation & sustainable last mile logistics trials	£2,559,448 ²
Programme Monitoring & evaluation	£503,130
Programme management and delivery team	£2,499,593
Contingency	£2,014,365
Total	£28,759,000

Notes

- ¹ Projects indicated by this symbol are recommended to be de-scoped and current budget allocations reduced (see Paras 3.19-3.22)
- ² Projects indicated by this symbol are recommended to be enhanced and budget reallocated from de-scoped projects (see Paras 3.19-3.22)

- 7.2 £12.5 million of funding was received from DfT in March 2020 which will cover the programme's activities in the 2020/21 and part of the 2021/22 financial years. The remaining £16.259m (covering through to 2023/24) will be provided in financial year 2021/22 subject to satisfactory progress.

7.3 Whilst Hampshire County Council administer Solent Transport's current (primarily revenue-funded) financial affairs, for the Solent FTZ programme Southampton City Council currently hold the programme budget and are proposed to act as the financially responsible authority per requirements of S151 of the Local Government Act 1972 (see *Recommendation 2.2*).

7.4 The grant funding from DfT is capital only. Page 99 of the Solent FTZ bid document explains how Capital funding will be used to support research activities delivered by the FTZ programme.

Match funding

7.5 Match funding has been committed by Member authorities to support the FTZ programme as follows:

Solent Transport:

- Solent Go Back Office funding-supporting Solent Go/ Phase 3 MaaS project: £30,000 p/a over 4 years = £120,000
- Solent Go marketing budget: £12k 2019/20; £8k p/a thereafter to 2022/23 = £36,000 total

Southampton City Council:

- SCC Dial-a-Ride revenue budget- contribution to 1x DDRT trial zone: £108,000 p/a from 2021/22 to 2022/23= £216,000 total
- DfT/ DEFRA JAQU Clean Air Zone funding for Sustainable Distribution Centre project: £517,000

Hampshire County Council:

- Funding support for 1x DRT trial zone from Passenger Transport revenue budget: £20k p/a from 2020/21 to 2022/23 = £60k total

7.6 A significant amount of the match funding is for the DDRT trials project, which is one of the projects subject to de-scoping and diversion of budgets (*Para 3.19/3.20*).

7.7 Per *Recommendation 2.3*, and subject to agreement with the main funder (DfT), alterations to the programme and funding allocations set out in *Para 7.1* will be recommended to the Solent FTZ Steering Group for approval; additionally taking a flexible approach to the evolution of the FTZ programme may require further alterations to allocations as the programme progresses.

Expenditure to date

7.8 The following expenditure has been incurred to date:

- £200,000 funding related to University of Southampton to fund the Drone Medical Logistics trial. This transfer of funding was agreed in writing via email by all Members of the Joint Committee on 17th/ 18th April 2020 under emergency powers.

- £25,000 expenditure on consultant support to prepare the Covid-19 impacts/ programme review

7.9 It is recommended that the Committee note this expenditure (*Recommendation 7.8i*), and the progress it has enabled Solent Transport and its partner the University of Southampton to achieve to date on the Drone Logistics project.

.....
Signed by:

Appendices:

Appendix 1: FTZ Funding and deliverables

Appendix 2: COVID-19: Catalyst or Catastrophe for the Future of Mobility in the UK and the Solent Region (Atkins forecasting report)

Appendix 3: Atkins programme recommendations document

Appendix 4: Programme Governance

Appendix 5: Programme staff structure- Staff structure plan & establishment, incl short term fast start consultants identified

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: