

Title of meeting: Solent Transport Joint Committee

Date of meeting: 6th March 2023

Subject: Draft Solent Transport Business Plan 2023-24

Report by: Conrad Haigh, Solent Transport Manager

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report and executive summary

This report summarises Solent Transport's activities in the previous fiscal year and sets out a proposed Draft Business Plan for Solent Transport for the 2023/24 financial year, for the Joint Committee's input and ratification.

The proposed priorities for the next year are:

1. Solent Transport Strategy - to develop a strategic vision statement and high level strategy for transport shared across the four Member LTAs which will also help define the future focus of Solent Transport's activities;
2. SRTM maintenance and management - agree a way forward regarding funding for a major upgrade and for the long term; and start a large-scale procurement for the upgrade of the Sub Regional Transport Model (SRTM)
3. FTZ delivery - to continue the successful delivery of Future Transport Zone (FTZ) programme;
4. Solent Go - to consider the future structure of Solent Go, its delivery through digital means and also its role as a product in the regional fares environment and in Bus Service Improvement Plans (BSIPs); and
5. Solent Rail Connectivity SOBC - further work (jointly with Network Rail) to develop the Solent Rail Connectivity proposals, in an environment where rail funding from central government is reduced compared to the past

2. Recommendations

- That the Joint Committee agree the Draft Business Plan and ask the member authorities to take it through their local approval processes for agreement

3. Background

Background and summary of activity over previous year

1. During 2022/23 Solent Transport and its member authority officer teams have overseen the continued delivery of the FTZ programme, including rental e-scooter trials and initial launch of the shared bike and e-bike trial schemes in the cities and the Isle of Wight and the initial launch of the first version of the Breeze Mobility as a Service (MaaS) app. The profile of Solent Transport and its member authorities have been boosted at a national level through these projects and associated research, evaluation and communication around these projects, the highlight of which was the Future Transport Forum Conference held in Portsmouth in January 2023. A re-procurement of the consultant to operate the SRTM model has reduced the fee costs for operation of the model by around 20%.
2. Alongside the highway authorities Solent Transport officers have worked closely with Transport for the South East (TfSE) to influence the draft Strategic Investment Plan (SIP) so it reflects the needs of the Solent sub-region. The final SIP forms a regional policy and evidence base from which to now develop a more detailed Solent Transport Strategy.
3. This 2023/24 business plan activities reflect the resources available. Members contributions will remain unchanged as they have done since 2013. This leaves a budget that covers the present staffing levels with a minimal allowance for operational activities related to Solent Go.

Summary of progress against 2022/23 Business Plan

4. **Headline objectives of the 2022/23 Business Plan included:**
 - Continuing successful delivery of the DfT-funded Future Transport Zone (FTZ) programme.
 - Working with our Member LTAs to progress development of a longer term, high level transport strategy and action plan for the Solent area
 - To support Network Rail in further development of proposals for improved rail connectivity for the Solent
 - Complete a large-scale procurement for the operation of the Sub Regional Transport Model (SRTM) and carry out maintenance and update work to provide an interim solution to maintaining the model's viability
 - Activities to market and promote to the public the innovative transport services delivered via the FTZ programme and to leverage these to increase the profile of Solent Transport and its LTAs in the transport sector
5. A full summary of the activity undertaken by Solent Transport during the year is provided in Appendix 1. Some key outputs (including those directly linking to 2022/23 Business Plan objectives) include:

6. Implementation of the FTZ programme, details of which are included in Item 6 but which notably include:
 - the development and low-key launch of the “Breeze” Mobility as a Service app.
 - Launch of “Beryl Bikes by Breeze” shared bikes/ e-bikes in Isle of Wight, Southampton and Portsmouth
7. Solent Transport Strategy: the procurement of a consultant (ITP) to commence the strategy development from March 23 onwards.
8. SRTM Model: Re-procurement of the Solent Regional Transport Model with a c.20% saving on consultant costs. In progress is an update to the model’s reference cases which will result in a validation for the 2019 base model thereby extending the life of the model and somewhat delaying the need for full replacement.
9. Solent Rail Connectivity: Working with Network Rail and the highway authorities to develop a Strategic Outline Business Case has commenced from January 2023. but is a lower priority for Network Rail than completion of the Waterside Rail final business case.
10. Marketing, promotion and profile-raising: A wide range of activities undertaken connected to the FTZ programme which has resulted in a significantly higher online/ professional media/ social media profile for the programme and for Solent Transport and its partners.

4. Work Plan for 2023/ 24

11. Solent Transport’s proposed work programme for 2023/24 is outlined on the following pages. A table of the proposed average weekly time allocations to key activities is provided on pages [10/11](#). There are five major priorities:
 1. Solent Transport Strategy
 2. SRTM maintenance and management
 3. FTZ delivery
 4. Solent Go
 5. Solent Rail Connectivity SOBC

Development of Solent Transport strategic vision/ high level strategy

12. This is a significant piece of work which will be resourced via a consultancy contract to provide the capacity to move this work forward. As of March 2023, the appointed consultant (ITP) is starting to initiate their work on the project and an inception meeting has taken place. The project is planned to be delivered across a 12-month period with the aim that a completed strategy is available for LTAs to adopt by March 2024. The consultancy contract to deliver this work is funded from income from recharges to projects delivered in the 2022-23 financial year by Solent Transport’s core staff and carried over..

13. The Solent Transport Strategy will be an important sub-regional document which consolidates the national, regional and local transport plans (published by the LTAs) in one document. It will set a shared vision and approach for transport improvements in the Solent region over the next 20/30 years.
14. Achieving decarbonisation of the transport network is a high priority. All four of our LTAs have declared climate emergencies and carbon neutrality goals (and transport emissions are the highest individual source of CO2 emissions). The strategy will consider which measures have the greatest impact on decarbonising the transport system. This approach should also support the LTAs in addressing emerging Department for Transport (DfT) guidance on carbon emissions for new LTPs.
15. Outputs will consist of a high-level strategy, and a set of “action plans”.
16. The brief and consultant contract has been developed to allow the Solent LTAs to commission a potential add-on study looking at future development in the Solent area and how the strategy and land use plans of the district and unitary authorities could be integrated. Discussion with the Partnership for South Hampshire (PfSH) is ongoing and are being led directly by officers in the LTAs.
17. The Solent Transport strategy and action plan will not be proposing or developing any entirely new interventions. It will bring together the various strategies and investment plans setting out joint strategic priorities and will undertake a strategic prioritisation and “packaging” up of measures to ensure highest potential impact.
18. It is planned for the Solent Transport Strategy to be completed by March 2024 for LTAs to take through their adoption procedures following development with the local transport authorities, in engagement with members and key stakeholders.
19. The Strategy work is proposed to include an SRTM or other model run to evidence the benefits (economic, carbon saving, transport network performance) of the strategy. This is likely to be a second stage of work but at the moment it is currently unfunded and will require the Member LTAs to confirm funding in due course. Member authorities are requested to budget accordingly if they see value in this work.
20. An officer working group is being set up and will require substantial time inputs from LTA officer and Solent Transport staff across the 2023/24. Member authorities should note the need to commit to this in order to get the most from the strategy work.

Sub-Regional Transport Model: Priorities for 2023

21. The since 2017 the SRTM has helped evidence the need for £269m of investment to the region. The model continues to play a key role in providing evidence underpinning major transport scheme/ programme business cases to DfT from the

LTAs and is an essential tool required by Local Planning Authorities and PfSH to undertake transport assessment work for Local Plans.

22. The top priorities for SRTM in 2023/24 are proposed to be:
- Continuing effective client management and operation of the model, support for clients, and undertaking activities to raise awareness of and use of the model amongst user groups such as developers
 - Completion of the 2019 (base) model year journey time validation exercise and reference case updates, as soon as possible (subject to resolution of concerns with DfT TEMPRO/ NTEM 8 data).
 - Agree a sustainable way to run and fund the model in future years and identifying a way to meet the circa £1m funding gap required for a rebuild within the next two years.
 - Progressing activities which will determine the longer-term future of the model and/or add value to the model in the medium term.
23. The SRTM model is based on data which was collected prior to the Covid-19 pandemic (in 2019, 2015 and in some cases as far back as 2010) and the model therefore does not fully represent post-Covid travel patterns and behaviours. The cost of a major upgrade to fully account for these changes (which would be required now even if the Covid-19 pandemic had not occurred) is in the region of £1.5m.
24. The model reserve currently total approximately £500,000 leaving a shortfall of around £1m. Charge out rates have had to have regard to market rates. Whilst this has covered the operational and maintenance costs, it has not secured enough to cover the end of life rebuild. Work has been undertaken to drive down operational costs but, on its own, it is not sufficient to cover the gap and funding pressure.
25. A key activity over the next six months will be to identify if and how the model will be updated and to develop a sustainable long-term solution to the historic 'whole life shortfall'. A number of options (which are likely to be blended) are available which will be developed with the LTA officers for agreement at a future joint committee. They include:
- Not updating the model and not having an evidence base
 - Seeking contributions from others with a vested interest – notably DfT, TfSE, PfSH and the Solent LPAs (the SRTM is a vital tool used in the evidence base for Local Plan transport assessments)
 - Charging higher rates and removing discounts for the LTAs and strategic partners to access the model
 - Exploring the concept of a success fee – LTA members will need to take a view as to if this is practical and financially acceptable under CIPFA rules and funding conditions
 - Member authorities paying for the upgrade directly. This is a last resort but if they value the SRTM as a tool LTAs should start to factor this option into their budget setting as a backup

26. If no funding options are identified, Solent Transport will start developing a detailed plan for shutting down the SRTM model (without replacement) most likely during the 2024/25 year to avoid the risks associated with continuing to promote an obsolete model. In its absence the LTAs could find themselves at a strategic disadvantage when developing and competing for Government funds for transport schemes. Local Planning Authorities would not have access to the model which would make undertaking Local Plan transport assessments problematic.

Continued successful delivery of FTZ programme:

27. As Solent Transport's current flagship area of work with most immediate benefit to the Solent area and our partners, continuing the good progress made to date on FTZ is a key priority. The FTZ is a high profile, national innovation scheme and will inform central government future decisions around transport innovations, and investment. The FTZ programme is delivering a number of major projects and initiatives which are identified in member authority Local Transport Plans and as such directly and significantly contributes to achievement of our member LTA's policy and strategy objectives. 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.
28. 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. Any time spent by the two core Solent Transport staff above this match funding level is recharged to the FTZ capital budget as income to Solent Transport.
29. 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 forms part of this Joint Committee meeting.

Key challenges and planned FTZ programme activity for 2023/24

Challenges:

- Recruitment remains difficult with the market demand outstripping supply and the innovative nature of the programme requiring specific skillsets. A further recruitment round commenced in December 2022 with seven FTZ posts going out to advert. We are actively working to fill remaining unfilled posts

while planning strategically for appropriate resource for commencement of new projects and evolving programme requirements.

- Alignment with local authority partners to ensure FTZ programme activity compliments and aligns with other local and regional activity to deliver maximum benefit (TCFs, BSIPs etc)
- Budget management is challenging with such an innovative programme of activity and with current global factors creating uncertainty.
- Robust contract management is imperative given the programme timescales and reliance of certain projects on external partners, contractors and influences.
- Delivering an innovation project within the constraints of Local Authority partnership has resulted in challenges with procurement and governance tasks.
- On-boarding and testing of some Mobility Service Provider (MSP) integrations into Breeze is complex and often impacted by external dependencies.

Planned activity:

30. Dissemination of lessons learnt, approaches and sharing best practice remains a key priority of the Solent FTZ and will support greater recognition and raise the partnerships profile.
31. To continue with the development and implementation of a robust programme wide M&E strategy.

Theme 1 (Personal Mobility):

32. Breeze app development & integrations:
 - 'Active Trip' function developed, tested and rolled-out to provide users with step-by-step guidance throughout their planned trips.
 - Full integration of remaining MSPs
 - Customer service, financial reconciliation, and voucher functions integrated
 - Breeze for Business project rolled out to key trip generating sites
 - Small-scale Mobility Credits trial accessed via Breeze launched in Havant area
 - Explore and exploit the commercialisation of Breeze to current and wider markets
33. Dynamic Demand Responsive Transit (DDRT) trial - commencement of phase 1 pilot following appointment of chosen back-office system provider, and development of plans for second phase of the project (wider trial).

34. Further comprehensive roll out of the Beryl Bikes by Breeze across the region in summer 2023 and explore potential expansion into other areas.
35. Continue to grow numbers of rental e-scooters (including parking locations) within current scheme trials throughout Solent region.

Theme 2 (sustainable logistics trials):

36. Macro-consolidation: Analyse the Southampton SDC performance to date, identify best practice and implement next steps for new trial projects/approaches.
37. Micro-consolidation: Finalise site selection for potential trials, refine trial deliverables and secure industry sector partners for delivery.
38. Medical delivery by drone for the NHS: Will undertake detailed research into the classification of different drone types, that are suitable could be utilised for this purpose. We will also trial temporary airspace options to allow further flying and testing of drones with differing capabilities, to best assess the most appropriate drones for logistics usage. This will also enable an airspace sensor network to be developed, allowing further data gathering

SolentGo Ticketing and Fares

39. The usage of Solent Go has not fully recovered from drops in usage during the Covid-19 pandemic. Transaction costs per journey made using ITSO Smartcard Solent Go products is significantly worse than it was prior to 2020. There has been a fundamental shift for the worse in the economics of the Solent Go ITSO card system.
40. A key action relating to Solent Go in 2023 will therefore be to investigate options for more cost-effective replacement of ITSO Smartcards as a means of providing Solent Go Tickets via Breeze (using FTZ budget) - and to develop a plan for closing down the Solent Go ITSO system if a more cost effective and user-friendly replacement, such as QR Code tickets, can be identified.
41. Other actions for 2023 include:
 - Development / launch of planned new Solent Go products as part of the FTZ programme
 - A potential review of the range of Solent Go products more widely in response to changes in the bus market in Solent
 - Implementation of Solent Go ticket price increases agreed by South Hampshire Bus Operators Association in spring 2023
 - Work with Portsmouth City Council to explore the potential delivery of some of BSIP funded Portsmouth-specific ticketing products and fares via Breeze, potentially branded as Solent Go products.

Solent Rail Connectivity SOBC

42. Working jointly with Network Rail (who will lead this project) the next step in the Solent Connectivity project is creation of a Strategic Outline Business Case (SOBC) which will build upon the conclusions of the Solent Connectivity CMSP study (published May 2020) which is regarded as requiring only relatively moderate updates to function as a strategic case for the SOBC. The main activities for developing the SOBC will comprise:
- Updated timetable and economic modelling of a “long-list” of five interventions (based on an updated version of the five interventions assessed in more detail in the Solent Connectivity CMSP study) to identify timetable feasibility, infrastructure interventions, and the high level economic case for each intervention;
 - Update order of magnitude cost estimates for interventions;
 - SRTM model tests of a single preferred option selected from the “long list” assessment to provide a detailed economic case and detailed picture of where benefits and costs occur in order to set out a compliant economic case for interventions; and
 - Consideration of matters required for the commercial, financial and management cases to a level required for an SOBC (eg rolling stock, traincrew, indicative procurement and financial strategy etc)
43. As well as Solent Transport’s core staff time allocations to resource our inputs to the development of this SOBC, the three mainland Solent LTAs have committed to jointly fund the SRTM model test(s) and support some marketing and communications activities for the publication of the SOBC.

Other areas of work

44. We will continue to work with DfT, National Highways, Network Rail, TfSE and other key partners to promote the Solent region’s best practice and lobby for better deals in transport funding.
45. Finally, we will continue to administer and co-ordinate the Solent Transport Joint Committee meetings, occasional Member briefings and Senior Management Board. 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.

Solent Transport staff approximate weekly allocation of days per week across projects

Estimated Average Resource Allocation in days per week	Solent Transport Core Staff Activity
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1.7	Solent Transport high-level strategy development. This allocation is in addition to the additional resource (circa £85k) to procure consultancy support to provide dedicated capacity for this work.
1	SRTM ongoing Business As Usual client management, user advice/support & administration
0.5	<p>SRTM additional tasks:</p> <ul style="list-style-type: none"> • Development of funding options for required major upgrade (eg success fee) • Completion of journey time validation and reference case updates • Participation in HCC/TfSE future modelling study • Specification and preparation for procurement of major model update (in event of funding being secured)- or, activities in preparation for decommissioning SRTM without replacement in 2024 or 2025. <p>(SRTM total 1.5 days)</p>
3	Future Transport Zone time allocations from core staff- N.B: The FTZ programme budget is recharged for the cost of the additional resource above the match funding commitment.
1.4	Preparation of Solent Rail Connectivity SOBC (in partnership with Network Rail)
1.25	Solent Transport administration \ management time, including preparation for and actions associated with SMB and Joint Committee meetings.
0.55	Time allowance to accommodate all other activities, in accordance with SMB priorities- includes: Solent Go and marketing (which will also receive FTZ support), liaison with stakeholders, Isle of Wight Transport Infrastructure Board, input to M27/M3 TDM project, Waterside Rail, TFSE engagement particularly in relation to Future Mobility and rail strategy, LEP, Freeport support etc.
0.6	Allowance for staff annual leave
10	TOTAL

The above time allocations do limit the resource that Solent Transport has available to undertake additional income generating activities in the coming year.

Financial/ budget implications

46. The present budget and contributions have remained fixed since 2013 at £190k reflecting the extended period of austerity faced by the Member Authorities. In real

terms this represents a 47% reduction in budget since 2013. It is not proposed to increase contributions so they will remain as follows:

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

47. The Solent Transport core staff establishment stands at 2 FTE funded through the core budget. It should be noted that contributions now only make up enough to cover the staff budget only. This years costs for operational budgets for Solent Go, My Journey and for the Solent Transport Strategy commission are covered by the carried over balance from historic recovery of time recharges but these will be significantly reduced by the end of the business plan. Within the short to medium term it will be advisable to review the operating and financial model for Solent Transport and ensure it can operate on a sustainable financial basis beyond this business plan.
48. More details including proposed breakdown of the budget is provided in the separate finance report.
- 49.

5. Reasons for recommendations

50. The Business Plan presented here has been confirmed by SMB as their recommendation for how Solent Transport can best support their respective authorities priorities. This follows consideration and discussion of other options and opportunities.
51. Our Senior Management Board (SMB) clearly highlighted five key ambitions for the coming year: Solent transport strategy and plan, SRTM maintenance and management, FTZ delivery, Solent Go and Solent Rail Connectivity. This report seeks to agree those priorities and the approximate time commitments.
52. 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.
53. Internal consultation on the detail of this Business Plan has been undertaken with the Senior Management (SMB) officers from each Member Authority.

6. Integrated impact assessment

54. 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. Integrated impact assessments will be undertaken on individual projects as required.

7. Legal implications

55. 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).

8. Director of Finance's comments

There is no additional financial commentary for this report. Please refer to the accompanying finance report for additional financial information.

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Signed by:

Appendices:

1. Summary of 2022-23 activities

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

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Signed by

