Purpose: For Decision

Committee report

Committee	**SOLENT TRANSPORT JOINT COMMITTEE**
Date	**4 MARCH 2021**
Title	**BUSINESS PLAN- 2021/22**
Report of	**CONRAD HAIGH – SOLENT TRANSPORT JOINT COMMITTEE**

EXECUTIVE SUMMARY

1. This report covers activities this fiscal year and sets out a proposed Business Plan for Solent Transport for the 21/22 financial year, for the Committee's input and ratification.

   The Business Plan sets out our plans to undertake activities this coming year which support three overarching strands of work:

   - In the short/ medium term, continuing successful delivery of Future Transport Zone programme
   - Also in the short/ medium term, continuing and where possible completing activities started in 2020/21 - including our role facilitating liaison between the Local Transport and Local Planning Authorities as part of the PfSH Statement of Common Ground project; and development of a strategic vision statement/ shared high-level strategy across the four Member LTAs.
   - And medium/longer term actions which will help position the Solent to capture a share of govt funding anticipated over the next few years for transport linked to the "green industrial revolution" and other opportunities - including the strategic vision statement work referenced above, in addition to actions such as further development of the Solent Rail Connectivity proposals.

   These activities will also support rebuilding/ rebounding from Covid, and deliver against many of the policies and strategies of our funders. They are also the areas where Solent Transport judges it can best add value for our member LTAs.

BACKGROUND & WIDER PICTURE

2. Since the Business Plan for 2020/21 was presented to Joint Committee on 29th June 2020, during the early stages of the Covid-19 pandemic, the pace of change in the transport sector has been unprecedented in recent times- reflecting impacts on society and the nation in general.

3. Over the last year Solent Transport has been exceptionally agile, adapting and flexing to respond as positively and effectively as possible to issues and opportunities that have arisen. This has been done overall with a considerable degree of success.

4. At the time of writing, Covid and its impacts still dominate the agenda. Many short-term changes to society are now familiar, but with the end of the pandemic hopefully now in sight, our focus is turning to the medium and longer term and the post-pandemic response and recovery- and identifying how Solent Transport's activities can add value to our partners activities in this area.

5. Although uncertainty remains, there is a good likelihood that some of the short-term changes observed during the Covid-19 pandemic will endure into the future. Many of the changes in people's lifestyles and functioning of the economy, business and society during 2020 were accelerations of previously slow-moving but growing trends, such as increases in working from home, and growth in online deliveries and other services moving online.

6. Whilst many of these present challenges to us as a set of sub-regional highway authorities, Partner Authorities and Solent Transport have also tried to focus on exploiting some of the more positive opportunities arising from these changes. Some of the key challenges for the transport sector in the year ahead are anticipated to include:

7.

- Seeking to rebuild user confidence in public transport, and restoring passenger levels and viability of services- perhaps through increasing use of public transport for different types of journeys than were made before
- Seeking to "lock-in" some of the recent growth in walking, cycling and other modes of travel, and the increased levels of "staying local" and working/ accessing some services remotely
- Addressing the growth in light goods vehicle traffic, particularly for online deliveries
- Seeking to avoid/reduce any "rebound to car" which results in traffic levels growing beyond the problematic levels occurring before 2020

8. This Business Plan also recognises the considerable pressure the Covid crisis has brought upon our funder authorities' resources – both through demands to quickly deliver schemes and initiatives in order to respond to the changing situation, and also as a result of negative financial impacts on the Local Authorities.

9. Despite Covid dominating the agenda this year, the various other challenges that the transport sector, and our Member authorities must respond to, have not gone away. This includes responding to the climate crisis; regenerating the economy to create more opportunity for all and to respond to post-Brexit opportunities; and taking actions which support healthier lifestyles and environments for our area's residents. In particular, all of our Member authorities have now declared climate emergencies.

10. In November 2020 the UK Government published it's "Ten point plan for a green industrial revolution". This key policy document sets out the Government's plan to rebuild the UK's economy post-Covid on a sustainable, zero net carbon footing. Two of the ten points in the Government's plan relate to the transport sector:

- Accelerating the transition to zero carbon (electric and hydrogen fuel) vehicles, with an end to sale of fossil fuel powered private cars in 2030, and most hybrid cars by 2035 - supported by several billion pounds of funding for roll-out of infrastructure (primarily EV charge points) and support for manufacturers

- A step-change in investment in public transport, cycling and walking infrastructure, and a transition to zero-emission public transport, to increase the share of journeys taken by these modes of travel. Financial support over the coming years will include tens of billions of pounds in enhancements and renewals of the rail network, £4.2 billion for urban public transport, and £5 billion on buses, cycling and walking

11. Achieving these points will require transformative actions and changes in our sector over the next 5 to 10 years which will be much greater in scope than the short-term changes observed during 2020.

12. Whilst there are great challenges and opportunities in the future, the other major background consideration for this business plan is the very significant - arguably transformational- level of Government funding for infrastructure, service and behavioural change initiatives which was secured by our Member LTAs and by Solent Transport itself in the last financial year.

13. The Transforming Cities Fund programmes now underway in the Portsmouth and Southampton city regions are delivering a collective £171m (£112m from DfT) of improved infrastructure for public transport and walking/cycling. Continuing to support our Members' successful delivery of TCF programmes will be an important priority for Solent Transport this year.

14. One of the key ways we will achieve this is through delivery of Solent Transport's Future Transport Zone (FTZ) programme. The FTZ programme was awarded £28.75m by DfT in March 2020. Southampton City Council are the accountable body for the programme but Solent Transport are responsible for leading the delivery and governance arrangements. The FTZ is a Solent-area wide programme which complements both city region's TCF programmes, and other LTA objectives.

REVIEW OF PROGRESS AGAINST 2020/21 SOLENT TRANSPORT BUSINESS PLAN

15. As anticipated by the 2020/21 business plan, Covid 19 has required us to be agile and responsive. Nonetheless, the majority of the priority objectives in last year's business plan have been achieved, and those which have been delayed, due to Covid impacts and/or diversion of resource for initiation of the FTZ programme, are in progress.

16. **Commencement of delivery of the FTZ programme, continuing to 2024**: By utilising independent consultants through Southampton City Council's recruitment agency contract it was possible to employ temporary staff to all key roles, at the same cost as was budgeted for four roles through a framework consultancy. Having a larger, high-performing interim FTZ team, contributed greatly to a rapid start-up for the programme and has helped overcome difficult operational circumstances created by Covid. This has enabled the following highlight achievements:

- Full review of programme plan to respond to changed circumstances (Covid 19) agreed with funder (DfT) and now being implemented
- Governance, joint working, partner funding arrangements largely completed
- Summer 2019 cross-Solent drone trial achieved five UK aviation firsts, created significant promotion and profile for Solent Transport and its partner authorities and informed further development of project
- Solent Transport FTZ stakeholder group formed with initial meeting in November focusing on E-scooters
- E-scooter/ micro-mobility framework procurement completed, Isle of Wight trial commenced November 2020, development of other trials with planned launches in March 2021
- Solent Go carnet (multi-trip) products – have been developed and can be deployed from March or as soon as lockdowns/ travel restrictions are lifted
- Mobility as a Service (app) platform procurement underway and provider expected to appointed by March
- Bike/ e-bike share scheme market testing undertaken and proceeding towards procurement.
- Monitoring and evaluation method reviewed in light of Covid and in process of being agreed with NatCen (DfTs appointed evaluation body).

17. A special note of thanks is due for PCC's procurement team, who have provided significant support in procurement activities for FTZ to date.

To deliver a new Solent Transport Strategy: Progress on this task commenced in January 2020 with workshops for partner bodies but it has proved difficult for both Solent Transport and Partner Authorities to prioritise this work during the pandemic. Solent Transport also had to reprioritise staff time to support FTZ initiation. This is now scheduled to restart in the autumn of 2021, Work to develop supporting evidence is still underway, 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.

18. **Support Partner Authorities and Develop cheaper way to test interventions –** NISMOD is also being 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. The exploration of such a “sandbox” model concept was an objective of the 2020/21 business plan.

19. **To continue to operate the Sub-Regional Transport Model (SRTM) and further explore development & improvement options**: The SRTM continues to be a highly relevant resource for the Solent area. Between 2017 and 2020, SRTM has provided transport and economic evidence for bids which have secured £183m of external funding for the area. Business as usual has been maintained through 2020 and SRTM continues to be well-utilised, with a total of 33 individual modelling commissions undertaken in the 2020 calendar year including:

- HCC A326/ Waterside transport strategy & Waterside rail proposals
- HCC Winchester Movement Strategy development
- HCC Redbridge Causeway Local Highways Maintenance Challenge Fund bid
- PCC Clean Air Zone business case
- PCC Future High Streets Fund bid
- PCC/ HCC Portsmouth TCF bid- revised business case
- SCC/HCC TCF programme scheme development
- Local Plan development for Fareham
- Four significant private developer promoted schemes

18. Covid-19 and impacts on travel patterns mean that a major model update to reflect the “new normal” cannot be commissioned until there is stability in movement patterns across the area which is unlikely to occur until 2022. This has constrained progress on a major model update over the last year, but provides an opportunity for Solent Transport to address the shortfall in the finances required for this work.

20. Interim actions have been undertaken to extend the life of the existing SRTM until we can commission a major update:

- Following engagement/ advice from DfT regarding how to address Covid-19 uncertainties on modelling a model-wide validation exercise is being undertaken, comparing the 2019 forecast year against recorded traffic counts from that year, so as to ensure the model remains “fit for purpose”.
- Changes to model fee structure to increase model update income from users by approx. 20%

21. **To work with the Partnership for South Hampshire (PfSH) on the creation of a ‘Statement of Common Ground’:** This project has commenced and continues broadly according to original plan. Solent Transport and PfSH wrote and agreed 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 beyond 2034. Consultants have been jointly appointed to undertake the project, have completed the first stage of the project, and are currently on the second stage of the project, using the SRTM model to test the impacts of combinations of different SDOA sites.

22. Solent Transport provided specialist advice and support to PfSH on transport matters, and facilitating engagement between PfSH and our Member LTAs. Member Authority officers have stated that that this activity has added value through reducing duplication of calls on their staff time, and has also contributed to more unified approach to review/ response to early stages of the transport study, although there is a clear need to ensure that the respective roles of Solent Transport and the LTAs is fully understood by the Local Planning Authorities.

23. **Profile-raising, marketing & branding:** Our plan to run up to two conferences has not been possible to realise due to Covid-19 restrictions. However, Solent Transport has been very active during the pandemic and has achieved significant success in this area in difficult circumstances:

- **Brand development** – We have revisited the Solent Transport Brand creating new templates and collateral and are in the process of refreshing the website.
- **Government engagement** – We have briefed the Secretary of State for Transport and Parliamentary Under Secretary of State, Rachel Maclean MP on aspects of the FTZ and have an ongoing positive dialogue with the DfT and TFSE.
- **Conferences –** Solent was a key speaker at a Escooters conference alongside DfT, and have also spoken at a number of other third party conferences on Mobility Hubs and other FTZ schemes.
- **Social media** – Creation and ongoing use of a Solent Transport LinkedIn page, this has been key to promotion of the FTZ work and to recruitment.
- **Media coverage** – Solent Transport has through the FTZ created several media opportunities particularly around Drones and E-scooter work, resulting in a significant level of media coverage including items on BBC Television.
- **New Norm Campaign** – Solent Transport devised and ran this campaign on Wave 105 FM to support LTAs as they came out of lockdown, aiming to lock-in sustainable behaviours such as walking, cycling and working from home. This was a success and was extended to cover North Hampshire at HCCs request.
- **Future FTZ marketing -** A permanent fulltime marketing manager has been allocated to the FTZ and a marketing, engagement and dissemination strategy has been developed.
- **My Journey –** We have also received requests for usage of the My Journey brand under licence in neighbouring Wokingham.

24. **Solent Go**: 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 and reductions in public transport usage have impacted Solent Go sales, sales in April 2020 were 80% lower than April 2019 but in October rebounded to around 70% of the levels of October 2019. Marketing and promotion of Solent go have been put on hold, due to Government guidance in force during 2020 limiting usage to essential journeys.

25. **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 currently underway. The Ryde interchange scheme, which has secured TCF funding, will further enhance this much-anticipated step change in provision.

26. 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 approximately double train frequencies across Solent have been inserted into the Rail Network Enhancement Pipeline. The steps to take these proposals forward to the next stage of development during 2021/22 are covered in next year's plan.

27. **Other areas of work:** Solent Transport's work programme for 2020/21 also included several other objectives:

28. **To provide an assurance role for Transforming Cities programmes, subject to agreed funding from TCF partners:** discussions have commenced regarding how Solent Transport can best support this work, however available budget and reduced level of core Solent staffing is making it difficult to accommodate this demand within present resources, this is yet to be fully resolved.

29. **To assist in the delivery of work package 3 of the Highways England Travel Demand Management work**: Solent Transport has taken the lead on Work Package 3 which has now been allocated to mobility hubs, following programme changes as a result 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.

WORK PLAN FOR 2021/22

30. Solent Transport's proposed work programme for 2021/22, is outlined below. A table of the proposed average weekly time allocations to key activities is provided at paragraph 51.

31. **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 reputation as a hub for innovation- supporting key local employers in the education & research sector.

32. The FTZ programme has it's own funding (provided through Department for Transport Grant) and delivery team, however significant input from the core Solent Transport team is also required on an ongoing basis. The original bid to DfT committed 3 days per week of 3 core staff time to delivering the FTZ programme in the first year of FTZ, reducing to 2 days per week in years 2 to 4 of the programme. However the deletion of the former Marketing & Communications officer post from the core structure means that a 3 day per week commitment of core staff time to FTZ will need to be continued in order to honour the match funding commitments (see also paras 62 & 63).

We do 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.

33. **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 2021/22, building on early work undertaken in 2020. Publication of an area-wide vision statement and high-level strategy will link together our authorities' emerging/draft/adopted LTP4s in a coherent way. 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. Therefore it is intended that a revised vision statement and draft high level strategy will be developed in full engagement with our Member authorities, once circumstances allow and with a view to progress this to a final position in the 2022 calendar year.

34. **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 that befits 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.

35. Solent Transport's main contribution in 2021/22 in this work area is to further develop proposals for improved rail connectivity for the Solent, working with Network Rail. Network Rail are supporting preparation of a Strategic Outline Business Case for the Solent Connectivity proposals and Solent Transport will allocate staff time to this project. We also intend to continue working with Network Rail participating in two I earlier stage strategic study projects relevant to the Solent area, namely the Mainline strategic study (London to Portsmouth/Southampton connectivity), and also the Solent to Midlands Multi-Modal Freight strategic study. In addition we will explore whether linkages between the Waterside rail proposals, and the wider Solent Rail Connectivity proposals could add value to both initiatives.

36. We also anticipate continued input and engagement with some TFSE led studies, particularly the Outer Orbital study, Future Mobility Strategy and Freight Logistics and Gateway study helping our Members to ensure that these studies fully represent the Solent area's needs, interests and ambitions. We will add value through considering wider/cross boundary connectivity issues and by coordinating inputs to this work so that engagement with TFSE is done in a coordinated and collective manner.

37. We have supported initial transport input to a potential Solent Freeport bid being coordinated/ led by Solent LEP, and we foresee further support may be required on this and other funding opportunities by partner bodies.

38. **Sub-Regional Transport Model:** the immediate priority is completion of the 2019 Present Year Validation exercise that is currently underway. If successful, this will then be followed by a minor update to the model's "reference case" scenarios of committed development and transport schemes. In combination these activities should extend the model's "fitness for purpose" by a year or two, creating some more time for conditions (Covid "new normal") and income/finances to permit a major model update.

39. The estimated costs of a major model update ("do minimum" likely cost up to £800k; "do more" likely cost circa £1.2m - both costs based on outline quotes prior to Covid-19 pandemic) still significantly exceeds the available model reserve budget (£491k at time of writing) and it is unlikely that current growth of the pot will be sufficient to reach the level required for a "do minimum" upgrade, with an allowance for cost risks, by 2022. Therefore exploring further options to increase the value of this reserve, through external income generation and/or financial efficiency, are required. It is recognised that LTA revenue budgets are severely pressured at present so are very unlikely to be able to support the scale of funding needed.

    We will therefore explore any and all opportunities for improved financial efficiency and income generation which present themselves. One option that we will explore 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, yet would not affect the economic case for most schemes.

40. **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 Restoring Your Railway fund bid to DfT.

41. **Land use & Transport Planning/ PfSH :** We propose to continue the partnership work achieved to date working with PfSH on the Statement of Common Ground project.

42. The development and agreement of a single recommended option for allocation of development across the area will be a particularly critical stage, which PfSH's programme anticipates will be reached in mid-summer 2021.

43. Following this, work (involving the PfSH LPAs and their Consultants, Solent Transport and the LTAs) to develop access/ transport mitigation strategies for this single recommended option for future spatial allocations, for inclusion in an updated PfSH Spatial Position Statement or similar, is anticipated to run through until the end of 2021/ early 2022.

44. Solent Transport has an important continuing role supporting / advising PfSH on transport aspects of this project, and jointly managing & reviewing outputs from the appointed consultants. The LTAs will need to be able to contribute to this work and to be fully engaged as it progresses. Solent Transport may also need to facilitate efforts to reach common positions/ resolutions between the LPAs and LTAs on certain matters.

45. Successful and smooth completion of this project will support efforts to ensure that future land use and transport policies in Solent support rather than undermine each - an important component of the more sustainable approach that our Members wish to see achieved in future. Well-integrated future land use and transport strategies should also support wider activities aimed at securing more inward funding for transport improvement schemes in the Solent area.

46. **Marketing, promotion, profile-raising of the Solent area, lobbying:** Marketing and promotion will be mainly limited to the FTZ programme as there is no immediate intention to replace Solent Transport's dedicated marketing resource, due to budgetary issues.

47. **Other areas of work:** M27 TDM- We will continue to support the M27 TDM delivery providing a client side support for the implementation of Mobility Hubs in line with the agreed specification and guidance at the selected sites.

48. Finally, we will continue to administer and co-ordinate the Solent Transport Joint Committee meetings, occasional Member briefings, SMB, and will look to re-start a revised successor to the Strategy Working Group (per 2020/21 business plan proposals) which has been on hiatus this year due to diversion of staff resource to support FTZ initiation. This year significant effort and resource has been put in to driving down costs and meeting Partners budgetary expectations, this will continue as discussed below.

49. The table below indicates the estimated time allocations across Solent Transport's core staff, to deliver the above activities.

Estimated Average Resource Implication in days per week	**Solent Transport Core Staff Activity**
3	Future Transport Zone- Minimum contribution from core staff including management (1.5 days/ week x2) per match funding commitment in FTZ bid. N.B: During 2020/21, core staff time allocated to FTZ exceeded this level, averaging 3.75 days/week.
1	SRTM ongoing operation & administration
0.25	SRTM update & related maintenance activities eg 2019 Present Year Validation & Reference case updates; commissioning process improvements (assumes update is not procured/commissioned until 2022/23)
1	Strategic vision & high level strategy development, including NISMOD study
0.5	Rail strategy development
0.5	PfSH Statement of Common Ground project
1.5	Solent Transport administration \ management time, including preparation for and actions associated with SMB and Joint Committee meetings; administration; recruitment; finance management etc
1.75	Time allowance to accommodate other activities, allocated in accordance with SMB priorities- includes marketing, liaison with stakeholders, Isle of Wight Transport Infrastructure Board, input to M27/M3 TDM project, HIOW LRF, TFSE engagement, and potentially support for other projects that may arise in the coming year (eg Freeports bid). Additional time demands from the Future Transport Zone programme may also need to be accommodated from this allowance.
0.5	Allowance for staff annual leave
10 days	TOTAL

CONSULTATION

50. Our Senior Management Board (SMB) previously highlighted three key ambitions for the medium term: 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.

51. Internal consultation on the detail of this business plan has been undertaken with the Senior Management (SMB) officers from each Member Authority. SMB are supportive of the content of this Business Plan.

52. 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

53. The present budget and contributions have remained fixed since 2013 at £190k. According to the Office for National Statistics composite price index, today's prices in 2020 are 15.4% higher than average prices in 2013, reflecting average 2% per year inflation over that period. £190,000 in 2013 is equivalent in purchasing power to about £219,181 in 2020, a difference of £29,181 over 7 years. However our Member authorities are facing significant budget challenges as a result of the Covid crisis. Therefore, we propose to support them at this time creating a business plan that proposes a flat core budget, with Member 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

54. Last year's business plan proposed to develop some options for expansion of the core budget to help achieve funder ambitions, but with the local government financial situation now much more challenged due to Covid, this Business Plan seeks to be as ambitious as is possible with no growth in the core budget/ member contributions.

55. Significant effort and resource has been put into making in-year cuts to drive down cost and to explore new ways of making Solent Transport more fiscally efficient as well as leveraging any third-party funding opportunities this year- this is reflected in the Finance paper. This work continues and some of the ideas being explored are discussed from paragraph 56 onwards. It should be noted that meeting these expectations 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.

56. 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 Solent

Go operation, staff time spent on SRTM, small amounts to support activities such as marketing and studies etc.

57. **Potential Revenue Generating /Cost Saving Options**
Several potential options that 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. These 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 cost reductions to 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) .
- Future Transport Zone; Charge FTZ for core staff time worked above the contribution agreed in the bid to DfT
- Other additional project work: Charge a management fee on top of costs for all future projects to be taken into core budget

58. In some previous years, Solent Transport has utilised vacancy savings from unfilled posts as a form of budget management, however with full staffing since November 2019, staffing expenditure has been higher than before. The core budget is insufficient to sustain a full staffing quota and the present commitments to maintain Solent Transports assets. There was a 0.4 FTE reduction in core staffing during 2020/21 (deletion of the Marketing & Comms officer post). The marketing & communications activities of Solent Transport are now being fully resourced through the FTZ budget.

59. 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 (6 FTE out of a planned 10 FTE now in post).

60. Part of the match funding for the FTZ bid to DfT was a commitment of time from the posts funded through the core budget. 1.5 days per week of each post's time is committed to FTZ until June 2021, dropping to 1 day per week thereafter until 2024.

61. This included a commitment to FTZ of time from the now deleted marketing & comms officer post. In order to honour the match funding commitment made in the bid to DfT, the remaining 2x core staff are likely to need to continue to commit around 1.5 days/ week to FTZ going forward (rather than dropping to 1 day/week from June 2021).

62. A 20% uplift in SRTM model upgrade fees was implemented in November 2020, with intention of allocating some of this additional revenue (estimated at circa £12k per year) to part fund staff time spent managing the SRTM. 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.

63. Solent Go: 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.

64. In general, we will 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.

LEGAL IMPLICATIONS

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

66. 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.

67. 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).

68. The Committee is reminded that the updated 2017 version of the Solent Transport (formerly TFSH) Joint Committee Legal Agreement requires signing by all parties. The authority to transfer funds to Solent Transport member organisations is governed by the current joint agreement between the constituent authorities and with the advent of FTZ, significant funding transfers are now required hence the need to prioritise signing of the previously approved Agreement. The document is presently with Partner Authorities for their internal sign off. Members are encouraged to facilitate this at an early date.

EQUALITY AND DIVERSITY

69. No new or revised Policies or Procedures introduced via this business plan. Therefore equality impact assessment not deemed to be required.

PROPERTY IMPLICATIONS

70. No property implications: the content of this business plan makes no proposals for development/ changes which would affect property owned by any of our LTAs.

OPTIONS

71. The options presented here are confirmed by SMB as their recommendation for how Solent Transport can best support their respective authorities priorities, this follows consideration of other options and opportunities.

RECOMMENDATION

72. That the Joint Committee approves the Solent Transport Business Plan for 2021/22

73. That Hampshire County Council, Isle of Wight Council, Portsmouth City Council and Southampton City Council be invited to note this Business Plan through their own decision-making processes.

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