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

1. Purpose of report/ Executive Summary

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

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

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

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

2. Recommendations

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

3. Background

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

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

REVIEW OF PROGRESS AGAINST 21/22 BUSINESS PLAN

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

Delivery of the FTZ programme, continuing to Summer 2024:

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

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

17. Monitoring and Evaluation:

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

18. Dissemination:

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

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

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

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

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

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

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

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

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

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

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

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

31. Social media:

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

- LinkedIn used to promote FTZ projects and job vacancies

32. Media Coverage:

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

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

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

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

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

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

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

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

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

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

WORK PLAN FOR 2022/23

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

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

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

Theme One:

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

Theme Two:

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

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

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

Monitoring and Evaluation:

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

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

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

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

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

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

Brand

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

Social media

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

Conferences/Dissemination

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

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

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

RESOURCING TO DELIVER 2022/23 WORK PLAN

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

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

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

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

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

CONSULTATION

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

FINANCIAL / BUDGET IMPLICATIONS

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

Contributions are as follows:

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

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

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

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

76. Revenue Generating /Cost Saving Options

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

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

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

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

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

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

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

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

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

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

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

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

4. **Reasons for recommendations**

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

5. **Integrated impact assessment**

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

6. **Legal implications**

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

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

7. Director of Finance's comments

There is no additional financial commentary for this report.

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Signed by:

Appendices:

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

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

| Title of document | Location |
|-------------------|----------|
| | |
| | |

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

.....
Signed by: