

FTZ E-Scooter Trials – Funding Paper

Tim Forrester (FTZ Programme Manager) - September 2021

Decision Requested:

It is requested that the following approval is made by the Solent FTZ Programme Board:

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

Background

In July 2020 a proposal was submitted to the DfT by Solent Transport on behalf of its partners HCC, SCC, PCC and IoW, for the Solent region to be part of the national E-Scooter trial programme. This proposal was successful, and it was agreed that a proportion of the existing FTZ Budget should be re-allocated to the e-scooter trials. A total of £860,000 was set aside for the LTAs to contribute towards their trial costs.

A paper was submitted to the Solent FTZ Programme Board (PB) on 12th October 2020 in relation to how this £860,000 budget would be allocated between the four LTA partners. Within the paper a number of options were presented to the Board and the Board's decision was to adopt option 1, i.e. the allocation to be based on the principle of the relative length of the trial period and number of e-scooters associated with each LTA trial. For reference, a copy of the October paper is included in appendix A of this paper.

It should be noted that the LTA's e-scooter funding allocation from the FTZ budget is based on a maximum budget ceiling level and it represents an 'all in' figure, which includes the budget requirements to support operator costs to ensure they are commercially viable for the operator, the scheme feasibility work and design, and for appropriate on street infrastructure improvements (e.g. signage, bay markings, TROs, electrical connections for docks if required and other minor works). It should therefore be noted that the LTA allocation reflects a final settlement figure and that no separate 'works budget' is available from the FTZ budgets. It should also be noted that they are conditional on the IoW involvement in Solent Go branding, smart card and MaaS product in line with the Solent FTZ programme bid.

The Board paper submitted in October also outlined a proposal (subsequently approved by the Board) for a process to be followed for managing LTA Officer costs required to support the planning and delivery of FTZ projects. This process involves each of the four LTAs submitting a 'LTA Staff Allocation Settlement' spreadsheet, which highlights their costs (both actual and forecast). The spreadsheet enables LTAs to build up details on costs based on proposed staff rates (£s per hour) per grade and the number of hours worked for each task/activity by each staff grade.



Purpose of this Paper

This paper is a follow up to the previous paper issued to the Solent FTZ PB in October 2020 in relation to how FTZ funding for the e-scooter trials should be allocated to the LTA partners.

Subsequently to the issuing of the previous paper, the FTZ e-scooter trials were launched on the IoW in November 2020, and within PCC and SCC in March 2021. More details have since emerged as to the actual costs incurred in the initial planning and delivery of these trials and the expansion (and consequently forecast costs) of the schemes during the lifetime of their trial period.

This paper presents an update on the proposed FTZ funding allocation for the e-scooter trials, which is now based on more detailed actual and forecast costing information. Forecast costs included in the paper are based on the trials finishing in March 2022. It should be noted that whilst the original timescales were based on the Solent trials finishing in November 2021, the DfT have since indicated that the time frame for all existing UK trials can be extended further from November to March 2022, subject to local agreements. This paper assumes that all trials in the Solent area will be extended to March 2022.

The DfT has also recently announced on the 6th August that after March 2022, e-scooter trials can potentially transition to pilot deployment schemes. It should be noted that costs included in this paper do not consider in detail any potential costs associated with possible future transition to pilot schemes.

Decision required:

It is requested that the following approval is made by the Solent FTZ Programme Board:

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

As a summary, **Table 1** below shows the proposed total FTZ Funding allocation for each LTA area.

Table 1: Proposed FTZ E-Scooter Funding Allocations

	IoW	PCC	SCC	HCC	Total
Actual LTA Officer time and other Costs	£48,313	£64,416	£121,427	£37,000	£271,156
Forecast LTA Officer time and other Costs	£75,000	£53,000	£88,231	£0	£216,231
Vol Subsidy	£0	£191,704*	£0	£0	£191,704
Integrate Vol into MaaS Platform	£0	£21,296	£0	£0	£21,296
	£123,313	£330,416	£209,658	£37,000	£700,387
Additional LTA E-scooter Admin Support	£15,000	£15,000	£15,000		£45,000
Close-down Trials or transition to Pilots	£35,000	£35,000	£35,000		£105,000
Contingency			£10,000		£10,000
Total Funding Allocation	£173,313	£380,416	£269,658	£37,000	£860,387

* funding allocated to PCC, as the contracting authority, for costs association to Voi subsidy projects which are to be delivered across both PCC and SCC.



E-Scooter Trials – Launch to end of July 2021 and forecast to March 2022

Table 2 shows a summary of the status of the e-scooter trials in IoW, PCC and SCC, in terms of the number of e-scooters available on the ground from their initial launch and subsequent expansion up to the end of July 2021.

All three e-scooter trials in the Solent region are proposing expansion in the number of parking spaces and e-scooters in operation on the ground over the next few months up to the proposed March 2022 end date for the trials (subject to local level agreement to extend trials). At the time of preparing this paper, we understand the current LTA growth aspirations are likely to result in the following estimated total number of e-scooters.

Table 2: Number of E-Scooters in Trials (to end of July 2021 and forecast to March 2022)

Local Authority	Launch Date	Number of E-scooters at launch	Number of E-scooters (by end of July 2021)	Estimated forecast number of E-scooters (by March 2022)*
IoW	Nov-20	25	100	250
PCC	Mar-21	100	406	900
SCC	Mar-21	40	686	1200

* Subject to decisions by individual LTA's to continue trial through to March 2022

LTA E-Scooter Actual Costs (to end of July 2021)

Table 3 summarises the total costs incurred up to the end of July 2021 for the IoW, PCC and SCC trials. This information was provided to the FTZ team by each of the LTAs via their submission of a completed 'LTA Staff Allocation Settlement' spreadsheet.

It should be noted that whilst HCC did not launch an e-scooter trial, they did undertake some preliminary planning work, which amounted to £37,000 of costs.

Table 3: E-scooter Trials – Actual Costs

Local Authority	Total LTA Officers Costs	Other costs *	Total Costs
IoW	£36,713	£11,600	£48,313
PCC	£60,177	£4,239	£64,416
SCC	£109,427	£12,000	£121,427
HCC	£37,000	£0	£37,000

* Other costs include Independent Consultant (for IoW), TROs, Traffic Management & Parking, Legal Support, Design & Engineering



LTA E-Scooter Trial - Forecast Costs

Table 4 summaries the additional forecast costs likely to be incurred for IoW, PCC and SCC e-scooter trials from August 2021 to March 2022. This information has been provided to the FTZ team by the LTAs.

Table 4: E-Scooter Trial Forecast Costs (from August 2021 to March 2022)

Local Authority	Total LTA Officers Forecast Costs	Other costs *	Total Forecast Costs
IoW	£25,000	£50,000	£75,000
PCC	£21,000	£32,000	£53,000
SCC	£59,231	£29,000	£ 88,231

* Other costs include Independent Consultant (for IoW), TROs, Traffic Management & Parking, Legal Support, Design & Engineering

E-Scooter Trials – Total LTA costs (from Launch to March 2022)

Table 5 presents the total LTA costs incurred and forecasted up to March 2022 on their respective e-scooter trial.

Table 5: Summary of E-Scooter Trial Costs (Actual and Forecast)

Local Authority	Costs (Actual)	Cost (Forecast)	Total
IoW	£48,313	£75,000	£123,313
PCC	£64,416	£53,000	£117,416
SCC	£121,427	£88,231	£209,658
HCC	£37,000	£0	£37,000
Total	£271,156	£216,231	£487,387

NOTE: The proposed LTA funding allocation above sees an equitable balance across PCC/SCC when comparing actual/forecast costs against the number of e-scooters on the ground in each trial (circa £140 per/e-scooter). SCC allocation also reflects a high level of LTA officer actual costs incurred due to lack of an FTZ 'embed' officer in the early stages of scheme development.

Other E-Scooter Trial Funding Elements

There are two further funding elements that need consideration in determining the final settlement figure for each LTA, namely the operator (Voi) subsidy and the revenue share agreement reached between Voi, PCC and SCC.



Voi Subsidy

In the initial planning of the e-scooter trials on the mainland, PCC took the lead in the procurement process. At the time of developing the tender documents the commercial viability of rental e-scooters in the UK was not well understood. As such the scheme was tendered on the basis of a partly-subsidised concession, with £250,000 made available to support the PCC trial.

A key point to note with the £250,000 subsidy is that the operator, Voi, **do not** require this to supplement their operations within Portsmouth. This was clearly set out in their tender response. On this basis, as part of their tender response, Voi proposed to put the subsidy towards a number of complementary projects, which should benefit PCC as well as the wider Solent area.

Discussions have since taken place between Voi and the FTZ Delivery team on the scope of these projects, which include:

- More and new parking racks
- Developing the API for integrating Voi and MaaS
- Risky riding research project
- Research and validation

Table 6 below shows Voi's investment in these projects, which significantly exceeds the £250,000 subsidy from Solent Transport. The subsidy will part-fund these initiatives equally between Portsmouth and Southampton.

Table 6: Voi investment in complimentary E-scooter projects

	Portsmouth	Southampton	Total
Parking Racks Type 1	£162,000.00	£360,000.00	£522,000.00
Parking Racks Type 3	£59,000.00	£88,500.00	£147,500.00
MaaS API Development	£5,000.00	£5,000.00	£10,000.00
Risky Riding	£50,000.00	£50,000.00	£100,000.00
Research & Validation	£5,500.00	£5,500.00	£11,000.00
	£286,500.00	£514,000.00	£790,500.00

The FTZ team has also negotiated with Voi that a proportion of their £250,000 should be used to fund the costs associated with integrating Voi into the MaaS Platform (estimated to be £21,296) and to cover £37,000 of costs incurred by PCC and SCC in delivering their trials up to the end of March 2022 (£17,000 for PCC and £20,000 for SCC).

This results in the total subsidy payment to Voi for agreed projects being reduced by £58,296 from £250,000 to £191,704.

Complementary projects to be delivered by Voi are within both the Portsmouth and Southampton areas and will ultimately benefit the overall Solent region. The £191,704 remaining contractual subsidy commitment will be allocated to PCC as the contracting authority for delivery of the agreed projects across both PCC and SCC regions.



PCC / SCC Revenue Share

Within the call off contracts between the e-scooter supplier (Voi) and PCC & SCC there is a commitment for Voi to pay 10% of all revenue generated throughout the trials back to the Council/s. Such a figure will vary depending on the number of e-scooters in operation and ultimately their demand, although over the period of the trial it is anticipated that this revenue sharing commitment may provide PCC and SCC around **£50,000** each of extra revenue.

Payment of this revenue share from Voi to PCC/SCC will be on a monthly basis throughout the contractual period. A partnership agreement is in place to ensure the revenue generated is spent on initiatives that support the e-scooter trials in the local authority. Once MaaS is instigated a proportion of the hires that take place through the MaaS system will require an element of this 10% to cover the MaaS commission.

Funding Allocation Summary

The above proposal seeks to allocate required funding to LTA partners in line with their requested funding forecasts to deliver against agreed objectives within the scheme timescales. The funding provision proposed will directly allocate £700,000 of the total overall £860,000 budget available for this workstream to LTA partners (inc Voi subsidy).

Proposed utilisation of the remaining £160,000 budget for the e-scooter work stream is outlined in Table 7 below and suggests a further equal settlement across the three trial authorities for support with the ongoing day to day administration of the e-scooter trials to free-up the time of 'embed' officers to focus on the delivery of other elements of the FTZ programme; while also provisionally allocating a maximum of £35,000 to each LTA to manage either the close down of the trial at the end of the trial period (March 2022) or the transition from trial to pilot. Any decision on this is subject to local level LTA approvals for securing additional resource and submission of a 'LTA Staff Allocation Settlement' spreadsheet identifying breakdowns of proposed usage of available funding. This will be a final settlement of the FTZ funding in terms of e-scooters.

Table 7: Summary of E-Scooter Trial Costs (Actual and Forecast)

Local Authority	Activity		Contingency	Total Funding allocation
	Additional LTA E-scooter Admin Support	Close-down Trials or transition to Pilots		
IoW	£45,000	£35,000	£10,000	£160,000
PCC		£35,000		
SCC		£35,000		

NOTE: allocations will require local level authorisation for any additional staffing resource and submission of a 'LTA Staff Allocation Settlement' form to justify spend.

