

## Section A: Scheme Summary

<b>Name of Scheme:</b>	<b>Leeds City Region Future Mobility Zone (funding bid to DfT)</b>
<b>Location of Scheme:</b>	<b>Leeds City Region</b>
<b>PMO Scheme Code:</b>	DFT-FMZ-001
<b>Lead Organisation:</b>	West Yorkshire Combined Authority
<b>Senior Responsible Officer:</b>	Liz Hunter
<b>Lead Promoter Contact:</b>	Kate Gifford
<b>Combined Authority Lead/ Programme Manager:</b>	Kate Gifford
<b>Case Officer:</b>	Jonathan Rogers / Ian McNichol
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	<p>DfT – The Future Mobility Zone (FMZ) bid ask is for £27.28 million (in the full package)</p> <p>LPTIP (Connecting Leeds) – allocation of up to £762,500 for East Leeds Demand Responsive Transport (DRT) scheme</p> <p>LTP – an allocation of £2 million has been made to support demand responsive transport schemes which has been included as match funding in the FMZ bid. £750,000 has been allocated to the development of a Mobility as a Service (MaaS) app and this was also included as match funding in the FMZ bid. The LTP programme was approved by Transport Committee in April 2019.</p> <p>Calderdale Council CIP allocation - £500,000</p> <p>Section 106 contributions – £297,500</p>
<b>Growth Fund Priority Area (if applicable):</b>	N/A
<b>Combined Authority approvals to date:</b>	<p>The FMZ submission to DfT made on 30 Sept 2019 was approved by Ben Still and Cllr Groves under delegated approval from Transport Committee.</p> <p>The Strategic Assessment for the FMZ bid was approved at the SARG meeting on 16 May 2019.</p>
<b>Forecasted Full Approval Date (Decision Point 5):</b>	This will be dependent upon the date of the funding announcement from DfT
<b>Forecasted Completion Date (Decision Point 6):</b>	This will be dependent upon the date of the funding announcement from DfT
<b>Total Scheme Cost for the preferred way forward (£):</b>	£31.75 million

<b>WYCA Funding (£):</b>	<p>DfT – The Future Mobility Zone (FMZ) bid ask is for £27.28 million (in the full package)</p> <p>LPTIP (Connecting Leeds) – allocation of up to £762,500 for East Leeds DRT</p> <p>LTP – an allocation of £2 million has been made to support demand responsive transport schemes which has been included as match funding in the FMZ bid. £750,000 has been allocated to the development of a MaaS app and this was also included as match funding in the FMZ bid.</p>
<b>Total other public sector investment (£):</b>	Calderdale Council CIP allocation - £500,000
<b>Total other private sector investment (£):</b>	£297,000 in Section 106 contributions

<b>Is this a standalone Project?</b>	No, it is a package.
<b>Is this a Programme?</b>	This SOC is for the FMZ package as a whole.
<b>Is this Project part of an agreed Programme?</b>	No

A.1	Scheme Description
<p>Our region has four priorities: enabling inclusive growth; boosting productivity; delivering 21st Century transport; and enabling clean growth including being net zero-carbon by 2038. To achieve these ambitions, we have adopted transport strategy targets, which focus on increasing sustainable and active public transport modes and reducing numbers of car trips.</p> <p>Through this final submission, we have listened to the DfT feedback, to evolve our bid to create a unique innovative package which uses world-class technologies to transform the mobility offer for some of our hardest to reach urban and rural communities: our communities of greatest economic need.</p> <p>Our objectives for FMZ are designed to help us realise our ambition, as it will:</p> <ul style="list-style-type: none"> <li>• Support Inclusive Growth through improving equity of access to transport / mobility services. People need good transport and mobility to be economically active and productive. Our FMZ will improve transport for all, and reduce barriers to mobility for people who are currently excluded;</li> <li>• Deliver transformed innovative local connectivity, particularly between deprived communities and employment / skills opportunities;</li> <li>• Address the affordability of public transport, particularly for low-income workers, jobseekers and those in areas of deprivation;</li> <li>• Utilise new technologies to encourage the transition to low carbon and sustainable mobility modes, reducing transport-related emissions and contributing to the City Region achieving its ambition to be net zero carbon by 2038; Ensure digital and financial inclusion is at the heart of the development of new solutions to help boost productivity.</li> </ul> <p>The DfT investment in our FMZ submission will fund:</p> <ul style="list-style-type: none"> <li>• A regional 'Mobility as a Service' platform;</li> <li>• A programme of mobility credits;</li> <li>• Innovative digital demand responsive services;</li> </ul>	

- Next generation Mobility Hubs to enable access to services;
- Dynamic network management to manage future kerb and road-space mobility more effectively.

A.2 Business Case Summary

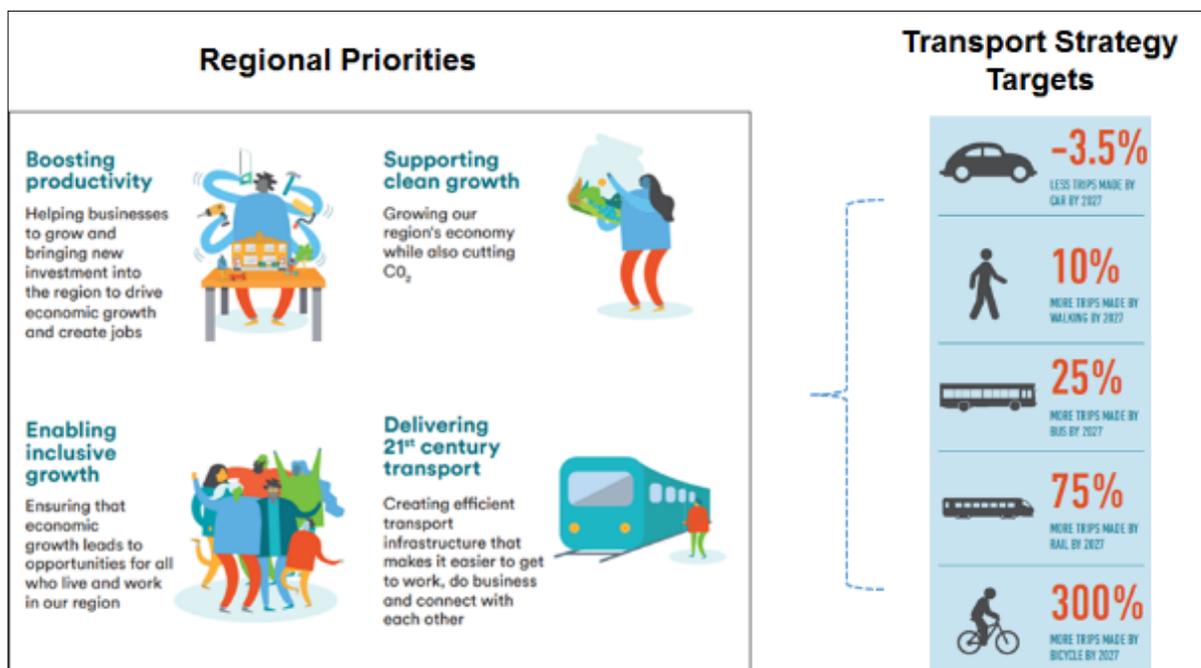
Strategic Case

The FMZ will address the following key issues:

- Removing barriers to transport and mobility access for those people for whom the cost of travel is a major issue – **through streamlining booking and payment systems (including for the digitally and banking excluded), underpinned by a suite of mobility credits.**
- Focusing transport provision and access at established nodes within different challenging urban, peri-urban and semi-rural geographies to test modal shift, **through the provision of mobility hubs.**
- Reducing private vehicle usage, improving utilisation and demonstrating the benefits of access vs ownership **through the provision of on-demand transport options.**
- Tackling local connectivity issues, particularly between emerging centres of jobs and opportunities **through the provision of digitally-enabled dynamic demand responsive services.**
- Improving transport connectivity in poorly served rural areas **by providing on-demand services that link into the existing core transport network.**
- Addressing access issues in an historic city centre, particularly for those with specific mobility needs and challenges **through provision of on-demand services.**
- Providing faster, more reliable journey times for hard-to-reach areas **through a combination of dynamic demand responsive services and data-led traffic management techniques.**

We have four strategic priorities as illustrated in Figure 1. To achieve these from a transport perspective, we have a series of interim targets for the transport system, which focus on delivering on increasing sustainable and active public transport modes and reducing car trips.

Figure 1: Leeds City Region Priorities



Our FMZ is designed to support regional priorities and targets as stated above and these objectives will also help contribute to the objectives of our large TCF bid, particularly in terms of improving access to employment opportunities and contributing towards inclusive growth.

## Economic Case

There is currently little evidence that the market alone (within the UK or globally) would be able to deliver the projects outlined within this FMZ bid. While many of the interventions included within our FMZ have been delivered elsewhere in part, we would argue that the commercial realities of interventions could be somewhat different from perception. As we have seen, there have been numerous market failures, either because the business models were incorrect for the markets served, or that too little consideration was given to local needs and conditions.

In preparing this bid we have thought long and hard about these matters. We believe that an approach where the public sector (in our case the Combined Authority and its partners) who understand those local conditions, needs and expectations implicitly, create an environment to pump-prime, pilot and encourage third parties to engage, is the recipe for sustained success and a new Business As Usual.

With this thinking in mind, below we outline the areas where we believe that intervention is essential to deliver the overall objectives set out in this bid, those of the FMZ fund (within the broad parameters set out on the Future of Mobility: Urban Strategy) and potentially those of UK and international colleagues wrestling with similar challenges

**MaaS** – while the market is moving towards delivery of some elements of MaaS, this has not yet been successfully achieved at-scale within the UK marketplace. Learning to date has been valuable, as have those of international deployments and we will build upon these. The objectives we have outlined in this bid – particularly around addressing social need (including digital and financial inclusion and ensuring that those with disabilities are also included in the technology solutions developed) would not necessarily be delivered by the market. Market-led implementation of MaaS has, to date, focused on the sectors of society where greatest commercial profit can be gained and this generally does not include the most vulnerable and those on low incomes. The market engagement that we have undertaken with MaaS providers via the PIN notice indicates that the market is generally focused on delivery where the commercial gains are likely to be greatest. Importantly, we have not been able to find any at-scale examples of mobility credits operating through apps or smart cards, which means our FMZ would enable Leeds City Region to deliver the first example of this in the UK, if not globally. Investment in MaaS, at scale, carefully specified to meet the needs of the City Region, in close collaboration with commercial providers would provide the laser sharp focus necessary for sustained success and social value.

**DRT** – The commercial applications of demand responsive transport currently focus on urban areas where the opportunities for commercial return are highest. While headline data seems to be impressive in terms of journey times and modal shift, this obscures any potential negative issues relating to exclusion. The implementations of DRT proposed within this bid aim to test the concept in peri-urban areas (fringing some rural areas) and locations where the social objectives of the schemes will make it more difficult to operate the service on the purely commercial models largely adopted to date. This distinction is important. We believe that with the right specification DRT (especially downstream once autonomy is a reality) could unlock whole swathes of the market that have been abandoned over recent decades. Our market engagement with DRT suppliers suggests that operators are at an early stage of implementing DRT elsewhere in the UK and there is still some fluidity in the commercial models being adopted. Our FMZ makes the direct link between socio-economic needs, potential markets and the significant opportunities that DRT provides. There could be considerable, translatable learning opportunities from the establishment of the interventions in the specific locations we have outlined within this bid.

**Mobility hubs** – Like many city regions across the UK the Leeds City Region has a long history of developing and implementing multi modal interchanges, an interactive process that started in the 1970s and 1980s. However, the mobility landscape has changed, as has the shape form and use of our built environments. The potential now exists for mobility to be the catalyst to reinvigorate our district centres and high streets, to agglomerate transport and utility functions to not only reduce stress, friction and inconvenience in people's lives but importantly to reduce trip making and overall vehicle miles travelled. In developing our mobility hub proposals, we have considered the City Region's needs carefully. The infrastructure elements of these mobility hubs would not normally be delivered by the market as commercial providers do not generally have access to capital funding streams or the relevant powers to

enable the delivery of this type of infrastructure. Coupling our modular approach to mobility hubs with the services proposed in our FMZ, underpinned by common branding, we will not only increase access but also enhance commercialisation and long-term viability.

**Dynamic Network Management** – The infrastructure elements of our dynamic network management would not be delivered by the market as commercial providers do not generally have access to capital funding streams or the relevant powers to enable the delivery of this type of infrastructure. Indeed, cases where private entities have made pre-emptive, innovation-led investment in local infrastructure are almost non-existent

In the absence of funding from DfT, we would not be able to deliver the programme as set out within this bid. While there are some smaller amount of funding available to the Combined Authority, these would not be large enough to enable us to deliver schemes with the geographic scope suggested or at the speed outlined in our delivery plan.

While our ambitions to deliver this programme remain strong, if we are not successful in being awarded the funding we would ensure that the ambition that this programme represents is reflected in our emerging Future Mobility Strategy.

### **Overview**

The Leeds City Region FMZ will transform the way people travel. In doing so it is expected make a significant positive contribution to the region's economy. In broad terms, the FMZ programme has been designed to:

- support economic growth (by reducing congestion and improving access to jobs, skills and opportunities)
- reduce economic inequality (by improving accessibility for marginalised groups)
- reduce carbon emissions from transport

Reducing carbon emissions will itself bring real economic benefits. The Stern Report in 2010 made it clear that the economic costs of climate change would far outweigh the costs of taking concerted action to limit it. The government has agreed a set of carbon values to be used in policy appraisal and evaluation.

### **Economic objectives**

The Strategic Case (Section B) sets out our five objectives for the FMZ. All are associated in some way with economic benefits for transport users and wider society, as described below:

<b>FMZ objective</b>	<b>Impact</b>
<b>Inclusive growth</b> through improving equity of access to transport / mobility services.	People need good transport and mobility to be economically active and productive. FMZ will improve transport for all, and reduce barriers to mobility for people who are currently excluded.
<b>Improving local connectivity issues</b> , particularly between deprived communities and employment / skills opportunities.	People in deprived or isolated areas will have better access to employment opportunities, whilst employers will have access to a larger potential workforce.
<b>Improving the affordability of public transport</b> (in its widest sense), particularly for low income workers, job seekers and those in areas of deprivation.	The high cost of travelling to work can be a barrier to employment. FMZ will help more people to enter work, or find better jobs, leaving them with more disposable income, benefitting themselves and the local economy.
Utilising technology and associated services to <b>enable a shift to low carbon and sustainable mobility modes, reducing transport related emissions</b> and contributing to the City Region achieving its ambition to be net zero carbon by 2038.	The climate emergency means that it is essential to reduce carbon and other emissions from transport. FMZ will make it easier and cheaper for people to access and use low-carbon modes of transport, helping to build new, more sustainable travel habits and stimulating the growth of the UK sustainable technology sector. Reducing the rate of climate change will provide huge long-term economic benefits to wider society.
<b>Ensuring digital and financial inclusion</b> is at the heart of the development of new solutions.	FMZ will ensure that people are not excluded from access to better, more sustainable transport due to a lack of familiarity with information or financial technology. This will help more people to become, and remain, economically active.

A high-level assessment of the contribution of the FMZ programme against these objectives has been undertaken. This is presented after a discussion of each of the FMZ components.

*Please refer to the FMZ bid document already submitted for further detail.*

## Commercial Case

### Details of market engagement undertaken

The FMZ bid has been developed in partnership with the districts within the City Region and with input from key stakeholders, including potential suppliers and users of the proposed FMZ programme elements.

We have undertaken pre-market engagement on the following areas of the bid, to help ensure that we have access to the most up to date evidence on the benefits of the components proposed as part of the FMZ. This has helped to inform both the economic case and monitoring and evaluation plans proposed for this bid. We have also engaged with potential suppliers to help develop the budget outlined in this bid and ensure that these costs are as robust as possible at this point.

### Pre-market engagement with MaaS providers

We have engaged with potential MaaS providers through issuing a PIN notice in the European Journal and have received a number of responses from UK and global entities, which have helped to inform our bid. We also include letters of support from several organisations including Moovit, Yorcard, PTG, Fleet

on Demand and Masabi as included in Annex 8 to this document, demonstrating their willingness to continue working with us (subject to a procurement process) to deliver our MaaS ambitions.

### **Engagement with demand responsive transport providers**

Through the West Yorkshire Bus Alliance, the Combined Authority has an ongoing dialogue with the bus industry regarding how we can best align the future mobility needs of Leeds City Region passengers with next generation technology and service development in the industry.

We are currently undertaking a procurement process to select a supplier to deliver the demand responsive transport service for East Leeds as described in this document. We have undertaken pre-market engagement (via a PIN notice and supplier day) and are currently drafting the tender documents for the service. We hope that the service will form one of the early deliverables of this fund and be launched in early 2020. Through this process we have engaged with several potential operators and have included letters of support from Arriva/ArrivaClick, First and ViaVan that demonstrate partners' enthusiasm to help deliver DRT services as part of this bid (subject to the completion of the procurement process).

For the DRT services we are considering developing a Dynamic Purchasing System which could (once established) then be used to deliver the Wakefield DRT scheme and our pipeline of other DRT projects across the City Region.

### **Other market engagement undertaken**

- As part of the mobility hub proposal, Harrogate Borough Council has engaged with a number of car club suppliers to test the viability of introducing a scheme based on small electric vehicles. **Based on an initial market viability assessment, Harrogate Borough Council has been able to secure letters of support for its proposals from their existing current car club operator, Co-wheels and Enterprise Car Club which currently deliver the West Yorkshire car club. We have also secured a letter of support from Seat to work with us to provide vehicles for the Harrogate element of the FMZ programme.**

- Appy Parking is already operational in both Harrogate and Halifax. **Appy parking and Liftshare have both demonstrated that they would be willing to work in partnership and have provided letters of support for the FMZ bid and expressed a high level of interest in the scheme. Lloyds Banking Group has also provided a letter of support for the bid and has six sites across the City Region where it would be prepared to work in partnership with Calderdale, Appy Parking and Liftshare to deliver a programme of behaviour change and promote car sharing**

- As part of the development of the mobility hub concept, Calderdale Council has already engaged with potential partners including local car club operators **Hourcar and Enterprise car club, which have both provided letters to confirm that they would support the delivery of the bid.**

- Leeds is already working with Vivacity to deliver a small-scale pilot of traffic signal optimisation in the city and **Vivacity has provided a letter of support indicating its willingness to work with both Leeds and Calderdale to develop elements of the proposed FMZ.**

- We have worked with academic partners at the Universities of Huddersfield, Leeds and York in the development of this submission. **We have received letters of support from all three institutions indicating their willingness to continue working with us to develop our plans in further detail if we are successful post-award.**

*Please refer to the FMZ bid document already submitted for further detail.*

### **Financial Case**

Table 1 below sets out the costs for both the full and core packages.

A risk/contingency figure of 20% in costs estimates and a 2% allowance for inflation.

The local / public sector contributions are from a combination of developer (Section 106) funding and Local Transport Plan allocations. We will explore the potential for third-party contributions to the programme as we develop the proposals in detail (if successful) post award. There has already been interest from a number of MaaS suppliers and DRT operators expressed through the pre-market engagement that we have undertaken and will also use the publicity around the bid submission to develop interest with potential suppliers and operators for working in closer partnership going forwards.

All of the schemes included in this programme are scalable to some extent apart from the MaaS development which covers the FMZ area. There are a number of elements that are reliant on the MaaS platform, so this has been included in both the core and full costs.

**Table 1: LCR FMZ Bid – full costs**

Scheme element	Total scheme cost (£m):	Total DfT (FMZ) funding contribution (£m):	Total public sector contribution (£m):	Total local and/or private contribution (£m):	Details of any 'contributions in kind' (e.g. operators agreeing to run a service):
Digital Demand responsive	£7.38	£4.62	£6.38	£2.76	£0.00
Mobility hubs	£7.58	£6.78	£7.58	£0.80	£0.00
Dynamic network management	£2.08	£2.08	£2.08	£0.00	£0.00
Mobility as a Service	£1.83	£1.08	£1.83	£0.75	£0.00
Mobility credits	£2.08	£2.08	£2.08	£0.00	£0.00
Monitoring and evaluation	£0.29	£0.29	£0.29	£0.00	£0.00
Marketing, Communications & Engagement	£2.50	£2.50	£2.50	£0.00	£0.00
Programme Management & Support	£2.71	£2.71	£2.71	£0.00	£0.00
Inflation (2% pa)	£0.00	£0.70	£0.70	£0.00	£0.00
Contingency (20%)	£5.29	£4.43	£5.29	£0.00	£0.00
<b>TOTAL COST</b>	<b>£31.75</b>	<b>£27.28</b>	<b>£31.45</b>	<b>£4.31</b>	<b>£0.00</b>

## Management Case

**Table E1 – FMZ delivery programme**

