

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY  
COMMITTEE**

**DATE: 27<sup>th</sup> January 2023**

**REPORT TITLE: TRANSPORT PAPER**

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### **Purpose of Report**

To provide an update to Combined Authority Committee on key Transport projects and to secure approval from Committee on key decisions and associated funding (where applicable) related to the following projects within the Combined Authority's Transport Infrastructure programme.

1. MetroWest 2 [Recommendation 1]
2. Cycle Hangars [Recommendation 2]
3. Integrated Micromobility Service Contract [Recommendation 3]

### **Recommendations**

**MetroWest Phase 2** – Recommendation to approve funding to cover stage 1 and remaining elements of the scheme. As set out elsewhere on this agenda a Full Business Case (FBC) has been produced seeking the award of £13.663m of funding (£2.6m beyond that previously awarded) for stage 1 of the project which will include the construction and opening of Ashley Down Station, secure planning approval for North Filton and Henbury stations and tender detailed design and construction works. An allocation of £6.245m from the Investment Fund (IF) is proposed for the delivery of the remaining elements of the scheme.

**Cycle Hangars** - Recommendation to approve the FBC and funding from the Transforming Cities Fund of a total of £360,661 (£289k already awarded for development) to enable the installation of at least 28 cycle hangars on Bristol City Council social housing sites.

**Integrated Micromobility Service Contract** - Recommendation that a new Integrated Micromobility Service contract be tendered and awarded to cover on-street Micromobility rental services. Recommendation that the authority to issue the tender and award the contract is delegated to the Interim Director of Infrastructure in consultation with Unitary Authority Directors. Recommendation that the authority to sign/seal the contract be delegated to the Monitoring Officer.

**Note** - There are key decisions associated with implementing and progressing the above recommendations. These are highlighted in the relevant sections below and summarised in the schedule at Appendix 1 to this paper.

### **Voting arrangements**

- Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor

### **Background / Issues for Consideration**

Building momentum and maintaining pace is one of the critical success factors in delivering our Transport portfolio. Below is a summary of the opportunities in front of us, some of the challenges we face and our approach to delivery to help achieve this.

#### **1 The Unprecedented Opportunity**

The CA are embarking on an unprecedented programme of infrastructure investment and project delivery, with over £1b of funding secured to be spent over the next seven years. Including local contributions, £620m of this is through CRSTS, £106m is for the Bus Service Improvement Programme (BSIP), £266m is planned to be invested in rail and £96m on the Bristol Temple Quarter (BTQ) programme, the latter being one of the largest regeneration schemes in Europe.

##### **1.1 Strategic Benefits**

This investment programme will support growth and productivity across the region and are critical to enabling our net zero transition. The sustainable transport corridors and walking and cycling routes create a network that will reach far across the region. This scale means we will bring more frequent and reliable bus and rail services, and better cycling and walking infrastructure, within close reach of over 440,000 people across the region – 47% of all residents.

Improving our transport network is a critical step in achieving climate transition. Transport represents 46% of the region's carbon emissions, and the level of emissions has not declined in recent decades. The region cannot achieve a sustainable pathway to net zero without significant improvements to public and low-carbon transport options, to reduce reliance on private cars

Improved links between the region's cities, towns and villages will help provide residents with faster and more sustainable travel options to key employment and education centres. Residents along these corridors will be better able to access appropriate jobs and training, raising productivity and wages. The corridors improve links for residents across the region, including Thornbury, Yate, Charfield, Avonmouth and Shirehampton, south Bristol, and the Somer Valley.

By creating better connectivity between the region's major employment centres, the programme will expand markets for businesses. Faster and more reliable connections between Bristol and Bath city centres, Severnside, and the North Fringe, will enable firms to innovate and compete more effectively. The Metrobus extension in Hengrove also provides the opportunity to link to future mass transit plans and improve connectivity to Bristol Airport and foreign markets.

Improved bus services across the region will support the growth of much-needed new housing in areas such as Hengrove Park where almost 2000 new homes are planned (30% of which will be affordable homes), as well as supporting possible future opportunities in neighbouring authorities.

## 1.2 **Portfolio Approach**

The levels of investment represent a four-fold increase in annual CA spending on project development and delivery from that in 2021/22. This dramatic increase necessitates a step change in approach to how we execute our capital works. Supply chain partners are being procured to ensure that the required resources and capability are available now, and that our projects benefit from early contractor involvement and have access to reliable and consistent delivery skills. A portfolio – rather than a project-level approach is being applied to ensure that regional capability and capacity is increased in a controlled manner and that projects are sequenced to minimise disruption and competing requirements.

## 1.3 **Timely Decisions**

The time constraints associated with the funding that the Combined Authority has received, particularly the March 2027 deadline on CRSTS, presents an equivalent challenge. Most of the larger, more complex projects in the portfolio are in early development phase and are subject to statutory or local authority processes, such as business case and planning consent approvals. Other constraints, such as access for building works, must also be factored into project development and construction timelines.

Whilst it is imperative that we explore all avenues to accelerate our schemes to mitigate unprecedented inflationary pressures, these activities impact our ability to bring projects forward and completion of some of the larger projects are likely to extend beyond current funding windows. We need to be confident we can deliver within given timescales and/or have a line of sight to funding beyond these dates at critical go/no go points. Prompt decisions and clear decision making will be critical to successful delivery, particularly in early development phases in terms of design optioneering, business case approvals and funding.

## 1.4 **Balancing Risk**

A significant proportion of the committed funding is allocated to a small number of high value/high risk projects, such as the M32 and Bristol to Bath Strategic Corridor. To ensure we do not lose the opportunity to reallocate funding, options on these projects are being worked up to ensure they are cost efficient, exploring the trade-offs between affordability, deliverability, and scope, so that optimum decisions can be evidenced and made as soon as possible. Ensuring we have cost efficient and implementable designs is critical to our success in delivery and these will inform the key decisions needed at relevant approval points.

Other projects in the Combined Authority's portfolio, such as Cycle Hangars and Walking & Cycle Paths are less complex, and their timelines are shorter and less constrained. These lower value/lower risk projects offer an opportunity to balance the portfolio and smooth Combined Authority and supply chain resource levels. They also provide a higher confidence of delivery, offer the opportunity to achieve 'quick wins', and to develop internal and external capability.

## 1.5 **Affordability Challenges**

Unprecedented inflationary pressures exacerbate the cost challenges already inherent in our ambitious scopes of work. Affordability is one of the region's major headwinds and mitigating this will be a key focus going forwards. The Department for Transport appreciate this but one of their measures of success, and a key factor in securing lines of sight to future funding, remains for us to provide confidence that we can deliver. The more we deliver, the more we will attract further funding into the region. Having a balanced portfolio of projects will help enable this alongside a relentless drive to reduce project cost at every turn.

## 1.6 **Confidence in Delivery**

Our commercial strategy will play a critical role in injecting more pace into delivery and certainty in our cost outturns. Our procurement approaches will leverage early contractor involvement and Tier 1 scale-up. This will enable us to go to market and get projects in flight sooner than previously considered. It will also enable us to achieve more cost-efficient designs, gain greater confidence in our construction costs before we commit to contracts and leverage greater economies of scale. We will test our proposed approaches with the market early in 2023 and start to build regional capability and capacity through several strategic partnerships, starting with the appointment of our Programme Delivery Partner in December 2022; and then commercial, legal, land & property and technical partners during the first half of 2023. Achieving this will provide the necessary platform for delivery and put the region on the front foot for securing further funding in the future.

**MetroWest Phase 2** – Recommendation to approve funding to cover stage 1 and remaining elements of the scheme. As set out elsewhere on this agenda a Full Business Case has been produced seeking the award of £13.663 of funding (£2.6m beyond that previously awarded) for phase 1 of the project which will include the construction and opening of Ashley Down Station, secure planning approval for North Filton and Henbury stations and tender detailed design and construction works. An allocation of £6.245m from the Investment Fund is proposed for the delivery of the remaining elements of the scheme. The Assessment Summary Table is shown in Appendix 6 and the Full Business Case is published on the Combined Authority website [link].

### **Background / Issues for Consideration**

- 2 The MetroWest 2 scheme, which includes opening of 3 new stations at Ashley Down, North Filton and Henbury, is promoted by the Combined Authority with an additional £1.995m funding contribution from North Somerset Council.
- 2.1 The key outputs MetroWest 2 will deliver are as follows:
  - Three new railway stations – Ashley Down, North Filton and Henbury.
  - Extension of existing hourly Bristol Temple Meads to Filton Abbey Wood services to Henbury Station (Calling at Ashley Down and North Filton Stations)
  - Half-hourly (increased from hourly) service from Bristol Temple Meads to Gloucester.
- 2.2 The following are the primary benefits of the scheme:
  - Metro West Phase 2 is expected to return £2 to the economy for every £1 spent.
  - 1.3 million people are expected to use the Phase 2 services each year, this will increase if MetroWest expansion continues and the connectivity of the new Phase 2 stations is further expanded.
  - Phase 2 is expected to save people 7 million minutes in travel time each year.
  - By 2030 Phase 2 is expected to be removing 3 million kilometres from the road network, based on the average petrol car today this is equivalent to over 500 tons of CO<sub>2</sub> each year.
  - The new stations will support over 8,500 thousand new homes.
- 2.3 The anticipated final cost of the project was estimated at Outline Business Case (OBC) stage in June 2019 at £54.163m. The current project anticipated final cost (AFC), including the current approved development budget, stage 1 and stage 2, is £72.613m. This represents an overall AFC increase of £18.45m.
- 2.4 The main reasons for the AFC increase are associated with, but not limited to, the following factors:
  - Market prices are greater than those previously estimated, which have been caused by, but not limited to, the following:
    - Increasing underlying inflation and material costs increases.
    - Re-design of Ashley Down Station to widen the station platforms by c. 0.5m, after adjacent landowner Sustrans agreed to transfer the land that was necessary to ensure the platforms would be fully accessible.
    - Re-design of Henbury Station car park and access to reflect emerging flood risk information shared by Environmental Agency (EA).
- 2.5 The approval of the Full Business Case (FBC) is planned to be split into two stages because an opportunity has been identified to accelerate the construction of Ashley

Down Station, which is further progressed in terms of design, compared to North Filton and Henbury and has planning approval. Accelerating the scheme allows the project to utilise a unique 16-day track blockade in June 2023 which will save the project £2m+ compared to a using typical closures of the railway to complete construction works. The proposed project staging, and associated cost forecasts, are summarised in the table below.

<b>Staging of funding</b>	<b>High-level scope</b>	<b>£M's</b>
Current development stage budget	Feasibility, optioneering, design development. Detailed design and planning approval for Ashley Down Station. SOC OBC and FBC development.	10.408
Stage 1 forecast spend	Construction and opening of Ashley Down Station, secure planning approval for North Filton and Henbury stations and tender detailed design and construction works.	£21.506
Stage 2 forecast spend	Detailed design, construction and opening of North Filton and Henbury stations	£40.7
<b>Total</b>		<b>£72.613</b>

- 2.6 It is expected that the Ashley Down Station will open for passenger use in summer 2024 and North Filton and Henbury Stations will open simultaneously in spring 2025/26.
- 2.7 **Key decisions** required over the coming months to support successful implementation of the project outputs/outcomes are as follows:
- Approval of the second stage FBC submission and award of full project funding (Programmed to be requested in January 2024).

### **Consultation**

- 3 This paper has been developed by the West of England Combined Authority in conjunction with South Gloucestershire Council, Bristol City Council and Network Rail. Other key stakeholders have been engaged through the West of England Strategic Rail Steering Board, West of England Combined Authority Directors and CEO's meetings and the regions Planning, Housing and Transport Board.

### **Other Options Considered**

- 4 Several options have been considered to resolve the current funding gap and discounted at this stage. These include securing government funding, delaying the project, significantly de-scoping the project or cancelling the project entirely.
- 4.1 The option of delaying the project has been discounted because postponing a funding decision beyond January 2023 would stop mobilisation of Ashley Down Station construction works, which would mean missing the planned 16-day track blockade in June 2023. This would mean delivering the main platform and track works in shorter, much less efficient closures of the railway, or delaying the project until an equivalent blockade could be secured. The estimate cost impact of this is £2m+.

- 5 The option to cancel the project has been discounted because by Jan 2023 the CA will have invested £8.43m of costs without delivering any of the anticipated project benefits. Also, of a total of £7.33m of revenue reversion would apply. The enhanced Bristol Temple Meads – Gloucester half-hourly service being funded under this project would also need to be funded by Charfield or another project if the proposed station is to be served by at least 1 train per hour.

### Risk Management/Assessment

- 6 If the project is cancelled, approximately £300,000 of further spend would be required to bring the project to a controlled stop. The Combined Authority are contractually committed to spending a further £3.887m of revenue subsidies agreed with GWR to support enhanced services being delivered under MetroWest 2 between Bristol Temple Meads and Gloucester.
- 6.1 A full risk register is in place for this project. The top 3 risks on Ashley Down Station project are material availability, potential delays to land transfer agreements between Network Rail, Bristol City Council and Sustrans and the potential for delays in the implementation of the required diversionary route of Concorde Way. All three risk items have the potential to delay site mobilisation and could impact the works completed in the blockade. The material availability risk will be significantly reduced if funding for Ashley Down Station is awarded in January 2023. Lead times on critical materials have been advised by suppliers. Heads of Terms for the respective land transfer agreements have been agreed by Sustrans before Christmas 2022. Diversionary route implementation works are currently under design and the suppliers responsible for the associated works have been instructed by Bristol City Council.

### Climate Change Implications

- 7 The project is a vital intervention which directly supports the move towards a decarbonised transport system and providing a viable alternative to the private car.

### Finance Implications, including economic impact assessment where appropriate:

- 8 The existing total project funding allocation approved in 2017 (At Outline Business Case stage) is £54.163m. The funding was to be provided through the following funding sources:

<b>Funding Sources:</b>	<b>£M's</b>
Local Growth Fund (LGF)	£3.2
Economic Development Fund (EDF)	£36.5
Local authority public match revenue	£1.1
Investment Fund (IF) / Transforming Cities Fund (TCF)	£11.063
Section 106 (Public Match Capital)	£2.3
<b>Total</b>	<b>£54.163</b>

- 8.1 Funding to support the estimated cost of stage 1 of the project (including project spend to date) is to be drawn from the following funding sources.

<b>Funding Sources:</b>	<b>£M's</b>
Local Growth Fund (LGF) – FULLY SPENT	£3.2
Economic Development Fund (EDF)	£13.811
Local authority public match revenue – FULLY SPENT	£1.1
Investment Fund (IF) / Transforming Cities Fund (TCF)	£13.663
<b>Total</b>	<b>£31.913</b>

- 8.2 The following increases to funding allocations are to be realised to support stage 1 of the project.

<b>Funding Sources:</b>	<b>Current approved funding (£M's)</b>	<b>Required funding for stage 1 (£M's)</b>	<b>Additional funding required (£M's)</b>
Local Growth Fund (LGF)	£3.2	3.2	£0
Economic Development Fund (EDF)	£36.5	£13.811	£0
Local authority public match revenue	£1.1	£1.1	£0
Investment Fund (IF) / Transforming Cities Fund (TCF)	£11.063	£13.663	£2.6
Section 106 (Public Match Capital)	£2.3	£2.3	£0
Great Western Railways	£0	£0.139	£0.139
<b>Total</b>	<b>£54.163</b>	<b>£31.913</b>	<b>£2.739</b>

- 8.3 The following funding allocations are required to support the current total project anticipated final cost of £72.613m.

<b>Funding Sources:</b>	<b>£M's</b>
Local Growth Fund (LGF)	£3.2
Local contribution – North Somerset Council	£0.3
Economic Development Fund (EDF)	£45.666
Local authority public match revenue	£1.1
Investment Fund (IF) / Transforming Cities Fund (TCF)	£19.908
Section 106 (Public Match Capital)	£2.3
Great Western Railways	£0.139
<b>Total</b>	<b>£72.613</b>

- 8.4 The following increases to funding allocations are proposed to be realised to support the anticipated final cost of £72.613m.

<b>Funding Sources:</b>	<b>Current approved funding (£M's)</b>	<b>Proposed new funding allocation (£M's)</b>	<b>Additional funding required (£M's)</b>
Local Growth Fund (LGF)	£3.2	£3.2	£0
Economic Development Fund (EDF)	£36.5	£45.666	£9.166
Local authority public match revenue	£1.1	£1.1	£0
North Somerset Council – local authority contribution	£0.0	£0.3	£0.3m
Investment Fund (IF) / Transforming Cities Fund (TCF)	£11.063	£19.908	£8.845
Section 106 (Public Match Capital)	£2.3	£2.3	£0
Great Western Railways	£0	£0.139	£0.139
<b>Total</b>	<b>£54.163</b>	<b>£72.613</b>	<b>£18.45</b>

- 8.5 The Combined Authority will seek to replenish the additional local authority EDF funding commitments should alternative funding sources be identified.
- 8.6 North Somerset Council have committed to identifying a funding source for their additional £0.3m local authority funding contribution detailed in section 6.3. This is in addition to their £2m funding contribution which forms part of the total project EDF funding commitment.



- 8.7 A review, and implementation, of enhanced governance for this project will be implemented to ensure oversight of project delivery and budgets going forward on the basis of the additional funding allocations.
- 8.8 The first phase funding requests includes forecast operational costs associated with the project, which are estimated to be £3.887m. The operational costs include a revenue subsidy to be paid to Great Western Railways (GWR) covering the assumed difference between the increased revenue and costs of operating the Henbury line and Gloucester line services Henbury and introducing the half-hourly Bristol Temple Meads to Gloucester services.
- 8.9 The economic appraisal of the scheme forecasts a Benefit-Cost Ratio (BCR) of 2.0:1. A BCR of greater than 2.0 represents 'High' value for money. The BCR for phase 1 standalone is 1.7:1 (with wider benefits). This includes the introduction of the enhanced Bristol Temple Meads to Gloucester services.

### **Land/property Implications**

- 9 Section 106 agreements are in place with Persimmon (Henbury Station) and YTL (North Filton). Under these agreements, the developers are obligated to provide temporary access for the railway construction works. These Section 106 agreements need to be updated in early 2023 to reflect changes to the station designs, including the layout change at Henbury, and construction methodologies/access requirements. Both developers have confirmed their agreement to the principle of the proposed changes.

**Cycle Hangars** - Recommendation to approve the FBC and funding from the TCF of a total of £360,661 (£289k already awarded for development) to enable the installation of at least 28 cycle hangars on Bristol City Council social housing sites.

### Background / Issues for Consideration

10 Encouraging cycling in Bristol is key to increasing levels of modal shift to walking and cycling. It will aid in reducing traffic congestion, improve air quality and will help encourage healthy lifestyles. This project aims to achieve this by providing 168 secure cycle spaces within 28 secure cycle hangar storage units at 16 housing sites in Bristol.

This project will mark the first cycle hangar rollout in Bristol since 2018. The project has been fast tracked due to utilise Transforming Cities Fund (TCF) funding which closes in March 2023. The project has therefore progressed straight to FBC stage. Design and procurement have taken place in parallel, with a contractor procurement framework developed by BCC which goes live in January 2023 to enable delivery of the hangars.

10.1 An agreed maximum eight-week lead time (including delivery and installation) for the new cycle hangars has been agreed with the contractor as part of the procurement framework. This will support execution of the works by the end of March 2023.

10.2 As part of the FBC development process sites were short-listed based on key weighted criteria:

- Residential sites owned by BCC – sites with more than 50 dwellings and five-storeys
- Social equity – areas in the top 10% of the indices of deprivation
- Distance from public transport routes - sites further away
- Distance to the cycle network – cycle paths close by
- Areas with low levels of car-ownership

10.3 Full site surveys were then undertaken. Based on the site surveys, the following list of shortlisted sites has been established:

Name	Location	Postcode	Hangars
Barton House	Barton Hill, Lawrence Hill	BS5 9SL	2
Phoenix House	Barton Hill, Lawrence Hill	BS5 9UH	1
Rawnsley House	Lawrence Hill	BS5 0UG	3
Beaufort House	Barton Hill, Lawrence Hill	BS5 9XG	1
Harwood House	Barton Hill, Lawrence Hill	BS5 9XD	1
Longlands House	Barton Hill, Lawrence Hill	BS5 9PS	1
Ropewalk House	St Judes, Lawrence Hill	BS2 9EG	2
Twinnell House	Easton	BS5 0QA	2
Lansdowne Court	Easton	BS5 0RY	3
Broughton House	Redcliffe, Central	BS1 6RY	1
Redwood House	Hartcliffe & Withywood	BS13 0RN	1
Francombe House	Redcliffe, Central	BS1 6TG	2
Chestnut House	Hartcliffe & Withywood	BS13 0RR	2
Oak House	Hartcliffe & Withywood	BS13 0RY	2
Willow House	Hartcliffe & Withywood	BS13 0RX	2
Rowan House	Hartcliffe & Withywood	BS13 0RS	2

## **Consultation**

- 10.4 This paper has been developed by the CA in conjunction with BCC and Sustrans. Other key stakeholders have been engaged through the West of England Regeneration, Development and Transport Board, held on Wednesday 9<sup>th</sup> November 2022.

## **Other Options Considered**

- 11 Due to mandates from BCC's Highways team for on-highways installation, such as concrete bases and bollards around the hangars, social housing sites which are off-highway and owned and operated by BCC Housing were chosen as the only viable option for delivery within the TCF funding constraints.
- 11.1 Lessons Learned from this project will be applied to a separate feasibility study which is being developed looking at the potential to design and install cycle hangars within SGC and B&NES, as well as a potential wider rollout in the BCC area.

## **Risk Management/Assessment**

- 12 A full risk register is in place for this project. The top three risks on the project include:
- Delay to delivery of the hangars beyond the funding deadline due to supply and/or construction delays. This risk has been reduced by BCC including delivery lead times in their contractor procurement framework.
  - FBC not approved at committee. TCF funding will be unspent and new funding will have to be sought.

## **Public Sector Equality Duties**

- 13 A full Equality Impact Assessment has been carried out by BCC for the scheme and is both summarised and included in the FBC submission. As a brief summary:
- 15 of the 16 sites are in the top 10% most deprived neighbourhoods in England.
  - Sites have been prioritised based on their lack of access to other public transport services.

## **Climate Change Implications**

- 14 The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision-making process. The BCC cycle hangars scheme is an important intervention as we move towards a decarbonised transport system and providing a viable alternative to the private car, and specifically maximising a shift to more sustainable forms of transport.

## **Finance Implications, including economic impact assessment where appropriate:**

- 15 Currently £289k has been awarded to cover project development costs, however only £141k is forecast to be spent. To deliver the hangars a budget of £220k is required, therefore a further award of £72k is needed (for a total award of £361k) and authorisation required to transfer £148k of development funding to the delivery fund.
- 15.1 It is requested that future funding is ringfenced to allow for Monitoring & Evaluation to be carried out on the delivered Cycle Hangar project to help inform future projects in the West of England. We propose that £5k is allocated from 23/24 Investment Fund budget, and £5k from the 24/25 Investment Fund budget to allow for Sustrans to undertake this work and compile a report to be delivered in Summer 2024.

15.2 Estimated cost summary table:

Fund Category	TCF 2022-23		IF 2023-24	IF 2024-25
	Development	Delivery	M&E	
Sustrans FBC	£48,109			
Sustrans Monitoring & Evaluation (M&E)			£5,000	£5,000
CA resource	£23,956	£8,800		
BCC resource (inc. Procurement, Engineering, Housing)	£68,867	£41,830		
ETM enablement works		£4,600		
Cycle Hangars, delivery, installation		£130,200		
Contingency		£34,200		
<b>Sub-total</b>	<b>£140,931</b>	<b>£219,730</b>	<b>£5,000</b>	<b>£5,000</b>
<b>Total</b>		<b>£360,661</b>		<b>£10,000</b>

15.3 The present value of the economic benefits of installing 28 cycle hangars, with conservative usage levels, is £875,928.62, yielding a Benefit Cost Ratio of 3.22 to 1.

**Land/property Implications**

16 As all of the sites are on BCC Housing grounds and off-highway there are no land acquisition, planning or other statutory consents required. Temporary parking bay suspensions will be used.

**Integrated Micromobility Service** - Recommendation that a new Integrated Micromobility Service contract be tendered and awarded to cover on-street Micromobility rental services. Recommendation that the authority to issue the tender and award the contract is delegated to the Interim Director of Infrastructure in consultation with UA Directors. Recommendation that the authority to sign/seal the contract be delegated to the Monitoring Officer.

### **Background / Issues for Consideration**

- 17 The CA is intending to procure an e-bike, e-cargo bike and e-scooter rental service. This will be known as the Integrated Micromobility Service (IMS) and will replace the current contract for the e-scooter trial in Summer 2023. The CA intends to issue the tender documentation in early 2023. A single operator, or joint venture, will be appointed in Spring 2023 and following mobilisation the new contract will start in Summer 2023 for a maximum period of 4 years.
- 18 The IMS scope is defined in two parts: (1) Core Service and (2) Potential Expanded Service.
  - 18.1 Core Service (1)
    - E-scooter coverage: similar geographical and fleet coverage to the existing e-scooter operation. The fleet size will be about 4,000 e-scooters.
    - E-bike coverage: slightly wider geographical area than the e-scooter coverage linking Bristol and Bath and including some peri-urban areas. The fleet size will be about 1,000 e-bikes.
    - E-cargo bike coverage: Parking hubs will be located within the core e-bike trial area. The fleet size will be trialled at about 20 e-cargo bikes.
  - 18.2 Potential Expanded Service (2)
    - The IMS can expand to wider parts of the region, following demonstrable successful delivery of the Core Service.
    - The expanded coverage and operation will be defined by mutual agreement during the contract and could include areas such as Yate, Thornbury, Midsomer Norton and parts of North Somerset.
- 19 All vehicles will need to be parked in, and rented from, prescribed parking areas. This will maintain vehicles in appropriate locations and keep the fleet tidy. Over the period of the contract some parking spaces will become more visible and formalised. A range of parking types will be used including painted bays to facilitate tidy parking and public awareness, parking racks to maintain upright vehicles, and roadside parking spaces to keep footways clear for pedestrians.
- 20 **Key decisions** required over the coming months to support successful implementation of the project outputs/outcomes are as follows:
  - Identifying the preferred bidder and award of the contract. This decision will be made by the Interim Director of Infrastructure in consultation with Unitary Authority Directors.
  - Decision on whether the service should be expanded to other areas of the region, including areas such as Yate, Thornbury, Midsomer Norton and parts of North Somerset.

## **Consultation**

- 21 The IMS scope has been developed in close consultation between the CA and UAs. We have received regular feedback from Avon & Somerset Police, Avon Fire & Rescue Service, and a formal stakeholder consultation group representing issues and requirements of other transport users.

## **Other Options Considered**

- 22 Stop or continue the e-scooter service - The current e-scooter service is reducing carbon and improving accessibility. It is supporting delivery of regional policy and therefore the service should continue.
- 22.1 Continue the current contract or tender a new service - Tendering a new contract will allow formal integration of rental e-bikes, baseline service level agreements, and secure new revenue streams.
- 22.2 Multiple operating permits - Appointing a single permit (e.g. to a single operator or a joint venture) will allow efficient and effective management of parking and operations across the fleet. A single provider will facilitate a seamless customer experience across e-bikes and e-scooters.

## **Risk Management/Assessment**

- 23 The main risk is the possibility of limited market interest leading to an uncompetitive tender process.
- 23.1 The CA has undertaken pre-market engagement with potential suppliers. A Prior Information Notice (PIN) was released on 1st November 2022 which included a supplier questionnaire. Eleven different suppliers responded with detailed feedback. This was followed up with one-to-one discussions with suppliers in November 2022 to test their level of interest. Strong market engagement has been evident and as a result we anticipate a competitive tender process.

## **Climate Change Implications**

- 24 The carbon saving from users switching from car/taxi/bus trips to e-scooter outweighs the carbon increase from those switching from walking/cycling trips to e-scooter. The trial to date has reduced carbon emissions across the region.

## **Finance Implications, including economic impact assessment where appropriate:**

- 25 The CA will raise a levy from the operator to cover the costs of managing the contract. The CA will raise this on behalf of the UAs and distribute according to the Inter Authority Agreement.
- 25.1 Additional income may be levied by the CA from the operator either through a revenue or profit share formula.
- 25.2 Should the CA / UAs wish to expand the scope of the IMS beyond the Core Service, a subsidy may be required to be paid to the operator. This is most likely to occur in locations that are not profitable but have a policy benefit.
- 25.3 As physical parking infrastructure is rolled out, the UA's may charge the operator for access to their parking infrastructure. The UAs (i.e. not the CA) will raise any parking levy directly with the operator.

**Appendices:**

Appendix 1 – Project/Programme key decision points lookahead

**Background papers:**

None.

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## Appendix 1 – Project/Programme key decision points lookahead

<b>Project</b>	<b>Decision point</b>	<b>Current programme date</b>
MetroWest 2	Approval of the second stage FBC submission and award of full project funding.	January 2024
Integrated Micromobility Service	Identifying the preferred bidder and award of the contract. This decision will be made by the Interim Director of Infrastructure in consultation with Unitary Authority Directors.	1 <sup>st</sup> Quarter FY '23/24
Integrated Micromobility Service	Decision on whether the service should be expanded to other areas of the region, including areas such as Yate, Thornbury, Midsomer Norton and parts of North Somerset.	2024 onwards