

From: Neil Baker, Cabinet Member for Highways and Transport
Simon Jones, Corporate Director, Growth Environment and Transport

To: Environment and Transport Cabinet Committee – 7 March 2024

Subject: **Mobility as a Service Pilot**

Decision Number 24/00018

Classification: **Unclassified**

Past Pathway of report: N/A

Future Pathway of report: For Cabinet member decision

Electoral Division: Dartford - Dartford East, Dartford Northeast, Dartford Rural, Dartford West, Swanscombe and Greenhithe, Wilmington
Gravesham - Gravesham East, Northfleet and Gravesend West

Summary: This report provides the Environment and Transport Cabinet Committee with information to consider the acceptance of external funding from National Highways and to use existing DfT BSIP funding to commence the procurement process to progress Kent's Mobility as a Service (MaaS) Ebbsfleet pilot scheme

MaaS and associated sustainable transport package projects are four of the nine original projects forming part of the Lower Thames Crossing National Highways Designated Funds Programme.

MaaS Ebbsfleet is one of the fifteen initiatives within Kent's Bus Service Improvement Plan (BSIP) programme

The aim of MaaS is to provide a multi-operator journey planning, booking and payment platform. It is to be piloted within the geographical areas of Ebbsfleet Garden City, Dartford and Gravesend town centres.

The pilot is being fully funded using multiple sources of external funding with no further contribution required by KCC.

Recommendations:

The Cabinet Committee is asked to consider and endorse or give recommendations to the Cabinet Member for Highways and Transport to agree to:

- (i) ACCEPT the National Highways Designated Funds grant of £2.262 million towards the Introduction of MaaS Ebbsfleet and associated sustainable transport package.
- (ii) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, after consultation with the Cabinet Member for Highways and Transport, and Corporate Director of Finance, to review and agree to the required terms and conditions to enter into the necessary grant arrangements for National Highways Designated Funds

- (iii) ACCEPT that the grant is paid monthly in arrears of spend by National Highways as part of the KCC/National Highways Lower Thames Crossing (LTC) Designated Funds Programme
- (iv) APPROVE the start of the procurement process of a MaaS partner who will be responsible for the delivery of MaaS Multimodal Transport Technology system and to operate and maintain the MaaS scheme for and on KCC's behalf
- (v) DELEGATE authority to the Corporate Director of Growth, Environment and Transport to negotiate, finalise and enter into relevant contracts to implement the required Contract Award(s) including the award of any future contract extension(s), subject to satisfactory performance
- (vi) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, to take other actions, including but not limited to entering into associated MaaS contracts including MaaS marketing and behavioural change campaign elements and National Highways funded associated sustainable transport procurements and other legal agreements, as required to implement the decision

The Proposed Record of Decision is appended to this report at **Appendix A**

1. Introduction

- 1.1 MaaS is one of the fifteen initiatives within Kent's Bus Service Improvement Plan (BSIP) programme of work. MaaS and associated projects are four of the nine projects as part of the LTC National Highways Designated Funds Programme.
- 1.2 The aim of MaaS is to provide more journey choices by offering a consistent end-to-end journey using various but integrated modes of transport. Fasttrack Bus Rapid Transit service will be an early adopter of the system.
- 1.3 The system seeks to reduce congestion and air pollution while creating capacity within the local road network. It looks to maximise the use of sustainable, shared, and public transport modes with reliable and consistent journey times.
- 1.4 It is necessary to secure a MaaS partner who will provide the technology platform, system maintenance and to operate the MaaS scheme on KCC's behalf.
- 1.5 The scheme and pilot will also need to be promoted and embedded with the delivery of a marketing and behavioural change campaign.
- 1.6 The proposed pilot will continue until March 2028 covering Ebbsfleet Garden City, Dartford and Gravesend town centre areas. **Annex 1** highlights the geographical area covered.

1.6 Kent's MaaS pilot scheme compliments:

- Framing Kent's Future
- Kent Environment Strategy (Kent & Medway ELES Action Plan),
- Kent's Bus Service Improvement Plan (Kent's Bus Strategy)
- H&T Divisional Operating Plan 23/24 and 24/25
- Emerging Kent's LTP5

2 Mobility as a Service

- 2.1 While mobility as a Service is a reasonably new concept to UK there are many established MaaS schemes in Finland, Norway and Sweden, France, Germany, Spain, Australia and America.
- 2.2 In the Nordic countries, where MaaS originated over 15 years ago, there are now plans seeking to connect the various schemes to create a wide area multiple country network to create more journey efficiencies.
- 2.3 The first MaaS scheme in the UK went live in July 21 in the Scottish Highlands called GoHi and the second MaaS scheme was led by Transport Solent with the Breeze MaaS platform and was launch during Summer 2023.
- 2.4 Transport for West Midlands, West of England Combined Authority, Nottingham Council and Transport for Wales are progressing MaaS projects. Their learning has been incorporated into the design and funding requirements of the Kent's pilot MaaS scheme.
- 2.5 As part of the pilot project, KCC is aiming to procure commercially an off the shelf product to de-risk the system development and deployment. A supplier will be sought with experience of multimodal, multi operator MaaS implementation from around the world. Various Transport operators' real-time data will be integrated into the platform to show a seamless way for customers to plan, book and pay for multimodal journeys all in one place.

3. Procurement Route

- 3.1 It will be necessary to procure:
- MaaS technology provider and operator
 - MaaS Marketing and Behavioural Change Campaign provider
 - Suppliers to provide mobility services such as bike/ebike hire schemes, DRT electric minibuses, electric car club all of which can be offered as part of the MaaS system.
- 3.2 The plan is to issue the Supplier Selection Questionnaire for a MaaS partner in Mid-March 2024 with contract award planned for September 2024. It is anticipated that the contract will run until March 2028 with options to extend if appropriate.

- 3.3 Mobilisation will commence October 2024 with the scheme due to launch in Ebbsfleet Garden City, Dartford and Gravesham urban areas during November 2025.
- 3.4 Ahead of this, Fastrack Bus Rapid Transit electric bus network will be integrated on to the system in March 2025.
- 3.4 MaaS mobilisation and delivery timeline is provided in **Annex 2**
- 3.5 MaaS Risk register summary is provided within **Annex 3**

4. Options analysis

4.1 Five options were considered:

- (i) **Do nothing** (discarded) as it perpetuates the current state of transport CO2 emissions, air pollution and travel congestion pollution in Ebbsfleet and therefore does not contribute to KCC's Environment Strategy.
- (ii) **In house service** (discarded). KCC does not have in-house expertise to operate a MaaS platform.
- (iii) **KCC full funding of MaaS** (discarded). KCC has insufficient funding. Various external funding grants have been secured to support 100% external funding for the MaaS Ebbsfleet pilot.
- (iv) **Do Maximum – external provider with roll out of MaaS Kent-wide** (discarded) This is not feasible at this time as it imports too much operational and financial risk to the authority. The preference is to test concept within controlled environment.
- (v) **External provider- MaaS Ebbsfleet pilot** (preferred) procure a commercially off the shelf proven system and MaaS provider with focus on MaaS Ebbsfleet pilot initially where journey behaviours and travel choices have not yet become embedded and established.

5. Financial Implications

5.1 The table below sets out the capital and revenue external funding sources for the roll out of the MaaS pilot.

Capital / capitalised	Status
Kent's Bus Service Improvement Plan	Secured £1.5m grant March 2023 as part of £18 Million BSIP Tranche 1 funding
National Highways LTC Designated Funds	£2.262m subject to KCC acceptance of grant £0.683m of this is towards MaaS Ebbsfleet scheme
Revenue	Status
MaaS service charge from transport operators	When start operation from April 2025
Kent Lane Rental Highways Innovation Fund	Secured – £500k grant letter in March 23

Fastrack Thameside Service Income	Secured
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- 5.2 National Highways designated funding for MaaS and associated sustainable transport package accounts for £2.262m capital of which £0.683m towards MaaS Ebbsfleet scheme.
- 5.2 DfT BSIP grant letter and BSIP grant monies was received during March 2023 for a funding award of £18.98m which is split at £12.45m capital and £6.53m revenue. The MaaS element of BSIP funding of £1.5m capital.

Funding restrictions

- 5.3 National Highways grant agreement has a funding restriction to ‘Claim in arrears of expenditure being incurred’ by end March 2025 due to the funding period for RIS2 being to the **end of March 2025**.
- 5.4 BSIP funding for MaaS and associated procurement must be ‘allocated/spent’ **by end of September 2024** which has already been extended from end March 2024 using the DfT’s change control process.

Financial modelling analysis

- 5.5 As part of due diligence and aligned to the Best Value commitment in Securing Kent’s Future financial sensitivity modelling has been carried out on high, medium, low and low-low usage scenarios:
- In all scenarios external funding from various sources will cover the MaaS Ebbsfleet pilot until at least end March 2028.
 - MaaS income from MaaS service charges to participating transport operators increases as more people use the MaaS scheme and with increased frequency of use.
 - Fastrack Thameside service will be using the MaaS platform as its Fastrack app and will contribute towards the operation of MaaS.
 - In the low-low scenario if there is not enough budget to cover the costs of running the scheme the scheme can be scaled back to fit the budget allowing further time to secure additional income. Additionally, termination/exit clauses will be included to allow and an early cessation of the pilot as necessary.

6 Equalities implications

- 6.1 A MaaS scheme EqIA has been undertaken and is in **Annex 4**
- 6.2 The pilot is expected to provide a medium to high positive impact on Kent residents and visitors. The EqIA identified minor negative impacts for age and disability which are being mitigated through education, information, focus groups, specification, and will be addressed during the design of the service.

7 Other corporate implications

7.1 A MaaS working Group has been established since August 2023 with representation from Corporate Services, Commissioning, Finance, and Communication teams.

8 Governance

8.1 Corporate Director for Growth, Environment and Transport will inherit the main delegations via the Officer Scheme of Delegation

9 Conclusions

9.1 KCC is looking to procure an external MaaS provider to provide a system that enables users to plan, book and pay seamlessly for a range of integrated transport, shared transport, and active travel modes with single- and multi-modal tickets for travel in or out of a defined geographical area.

8.2 MaaS will provide more travel choices and will seek to support a modal shift by providing sustainable end to end journeys. It will assist in reducing congestion, creating road space, and supporting Kent's aim to reduce transport CO2 emissions.

8.3 MaaS will be piloted in Ebbsfleet Garden City, Dartford and Gravesend town centres and will be operational from end March 2025 and initial run until March 2028.

8.4 The pilot is 100% externally funded and requires no financial contribution from KCC.

9. Recommendations

The Cabinet Committee is asked to consider and endorse or give recommendations to the Cabinet Member for Highways and Transport to agree to:

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10. Background documents

Appendix A – Proposed Record of Decision

Annex 1 MaaS Ebbsfleet area map – initial phase

Annex 2 MaaS Ebbsfleet scheme timeline

Annex 3 MaaS Risk Register summary

Annex 4 MaaS EQUIA Dec 23

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