



Department  
for Transport

# Future Mobility Zones Fund: Call for outline proposals

**Moving Britain Ahead**

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# 1. Introduction

- 1.1 The Future of Mobility is one of four Grand Challenges at the heart of the Government's modern Industrial Strategy. Companies across the world are currently investing billions of pounds in the expectation that we are at the dawn of a wholly new era in mobility. New technologies, modes and business models, enabled by data and connectivity, automation and electrification, are transforming how people and goods move.
- 1.2 These changes have the potential to deliver substantial benefits for society, the environment and the economy, but this will require change. Policies that worked well in the age of conventional mobility may, for example, no longer be effective in the era of autonomy.
- 1.3 As part of a wide-ranging programme of work to enable the Department to deliver on its ambitions for the Future of Mobility Grand Challenge, we want to support local leaders and industry to trial new transport innovations.
- 1.4 We are launching up to four Future Mobility Zones, with £90 million of funding. The zones will be part of the Transforming Cities Fund and will demonstrate a range of new mobility services, modes and models. They will focus on significantly improving mobility for consumers, evaluating what works, and providing an exportable template to allow successful initiatives to be replicated in other areas.
- 1.5 The Future Mobility Zones will be part of an enabling culture for new transport technologies in the UK, attracting inward investment and creating new commercial opportunities.
- 1.6 They will provide safe, innovative environments in which local and national governments and industry can plot a way through the risks and challenges to seize the great opportunities offered by future forms of mobility.

## 2. Objectives

### Creating globally significant demonstrators of new mobility services, modes and models

- 2.1 The Government has announced, as part of the Budget 2018, £90 million of capital funding, as a top up to the Transforming Cities Fund (TCF), to create up to four Future Mobility Zones (FMZs).
- 2.2 FMZs will complement the TCF, but will be managed using a separate process. They will focus specifically on trialling new mobility services, modes and models, transforming the transport offer in these areas and providing evidence of their efficacy to inform the development of future schemes.
- 2.3 £20 million of the £90m was allocated to the West Midlands last year to help develop the concept of Future Mobility Zones and capitalise on related investments in transport innovation in the region.
- 2.4 £70m capital funding will now be allocated by a competitive process aimed at identifying up to three additional areas that demonstrate the strongest case for investment in transport innovation. The precise level of funding to be allocated to each area will be determined by the Secretary of State once the proposals have been assessed.
- 2.5 **FMZs are designed to be globally significant demonstrators and should aim to provide an exportable template to allow successful initiatives to be replicated in other areas.**
- 2.6 **Individual measures will vary, but each FMZ should focus on trialling and evaluating new mobility services, modes and models at scale, and creating a functioning marketplace for mobility that combines new and traditional modes of transport.** This should lead to an improved consumer offering and experience through, for example, better service integration, increased availability of data and access to digital planning and payment options.
- 2.7 **FMZs will also explore innovative approaches to provide lower income households with access to future forms of mobility, for example, through the provision of 'mobility credits', or other low-cost options, and for delivering efficiencies through shared (dynamic) demand responsive transport.**
- 2.8 Funding will be allocated over a four-year period from 2019/20 to 2022/23.

2.9 In common with the wider TCF, the creation of FMZs supports the Future of Mobility Grand Challenge<sup>1</sup>, one of the four Grand Challenges established in the Industrial Strategy. FMZs will look for opportunities to improve customers' experiences, drive efficiency and enable people to move around more freely.

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<sup>1</sup> <https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/industrial-strategy-the-grand-challenges>

# 3. Eligibility

## Eligibility through the Transforming Cities Fund

3.1 Funding for FMZs is a top up to the TCF. This means that the following 18 areas (six Mayoral areas and 12 shortlisted TCF cities) are eligible to bid for FMZ funding:

- Cambridgeshire & Peterborough Combined Authority;
- Derby & Nottingham;
- Greater Manchester Combined Authority;
- Leicester;
- Liverpool City Region Combined Authority;
- The North East (North of Tyne Combined Authority jointly with the North East Combined Authority);
- Norwich;
- Plymouth;
- Portsmouth;
- Preston;
- Sheffield City Region Combined Authority;
- Southampton;
- South East Dorset (Bournemouth, Christchurch, Poole);
- Stoke-on-Trent;
- Tees Valley Combined Authority;
- West Midlands Combined Authority;
- West of England Combined Authority;
- West Yorkshire Combined Authority.

3.2 Funding will be awarded in grant form across the period 2019/20 to 2022/23, and will be released periodically based on progress against agreed milestones. The Department will work with successful areas on the specific spend profile for each project.

## 4. Assessment criteria

### A two-stage process to shortlist outline proposals followed by the development of final proposals

- 4.1 The award of funding for FMZs will take the form of a two-stage competition.
- 4.2 In Phase One, the 18 areas listed in paragraph 3.1 will be invited to submit outline proposals for FMZs.
- 4.3 In Phase Two, a maximum of six areas will be shortlisted. The Department will provide detailed feedback to these areas and host a FMZ workshop to provide additional information to enable them to produce more comprehensive final proposals.

### Phase one - outline proposals

- 4.4 Eligible areas who want to bid for the funds to create a FMZ will need to complete the application form attached as an Annex to this document.
- 4.5 Areas that are eligible to bid for a FMZ may have already submitted information to the TCF. Assessors for the FMZs will have access to this information and it does not need to be resubmitted. However, where areas have made progress in the last year they may submit a brief update as additional background information.
- 4.6 Applicants for FMZs will need to set out:
  - The proposed location of the FMZ, including a map of the area.
  - The strategic case for funding - how far the proposals meet the objectives of the fund to:
    - trial new mobility services, modes and models, which if successful will help the area meet its strategic transport objectives in the years ahead;
    - improve integration of services;
    - increase the availability of real-time data;
    - create a digital marketplace for mobility services in the FMZ, integrating new and traditional services and providing access to digital trip planning and payment options;
    - explore options for providing mobility credits, or other low-cost options for lower income households;

- explore options for delivering efficiencies through shared (dynamic) demand responsive transport; and
  - combine several projects to create a globally significant demonstrator of new mobility services, modes and models.
- The Financial case - an estimate of the funding needed to create the FMZ and details of any local contributions from the authority, academia, private and third sectors.
  - The management case including:
    - key milestones (a detailed project plan is not required at this stage);
    - basic governance arrangements; and
    - a short summary of the key risks to delivery and plans for managing those risks.
  - The commercial case - brief details of the proposed procurement strategy
  - Additionality - including how the proposal goes beyond what would be deliverable under the TCF, or other current transport schemes in the area.
- 4.7 Detailed guidance on completing the application form is given in Section 6.
- 4.8 Outline proposals will be judged on the strength of the strategic case, credibility of delivery plans and suitability to act as a 'global demonstrator'. Up to six areas will be chosen by the Secretary of State for shortlisting.

## Phase two - development of final proposals

- 4.9 The Department will provide detailed feedback to the short-listed areas. They will be asked to test the viability of their outline proposals and develop them more fully.
- 4.10 This work will include liaising with the Department's economists to identify the information needed to assess the value for money of each proposal, noting that certain measures will be difficult to assess in this way because of their innovative nature.
- 4.11 A key objective of the FMZs is to trial new services, modes and models, to test their effectiveness on a larger scale. Therefore, shortlisted areas will be expected to develop suitable monitoring and evaluation processes. This will include, where appropriate, social and behavioural research methods to develop insights into how the public interact with transport technology.
- 4.12 The Department intends to hold an FMZ workshop for the shortlisted areas which will include presentations from the Department's Evaluation Centre of Excellence on monitoring and evaluation, and from the economists on assessing value for money. The workshop will also include representatives from the transport technology sector who will be able to answer questions about the latest developments in transport technology.
- 4.13 Short-listed areas will then submit final proposals. This will be the revised outline proposal plus:

- a detailed project plan;
  - the value for money assessment where appropriate;
  - proposals for monitoring and evaluation of the FMZs impacts; and
  - written commitments from other contributors where appropriate
- 4.14 All proposals will be expected to demonstrate a strong strategic case, credible deliverability, value for money and rigorous and ongoing evaluation.
- 4.15 Representatives from the shortlisted areas will 'pitch' their final proposals to a Departmental panel including officials responsible for administering the TCF.
- 4.16 The Secretary of State will take a final decision on which of the proposals will receive funding and the precise level of funding to be allocated to each area.

## 5. Application process

### Application form

- 5.1 Eligible areas will be expected to apply using the application form attached as an Annex to this document.
- 5.2 A panel will moderate the final scores of each bid to ensure consistency before a decision is taken to short-list bidders.

### Submission of bids

- 5.3 All outline bids should be submitted electronically to [FutureMobilityZones@dft.gov.uk](mailto:FutureMobilityZones@dft.gov.uk) no later than 23:59 on 24 May 2019.
- 5.4 When authorities submit a bid for funding to the Department, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must publish a version, excluding any commercially sensitive information, on their own website within two working days of submitting the final bid to the Department. The Department reserves the right to deem the business case as non-compliant if this is not adhered to.

### Timescales

The timescales for the competition are as follows:

Date	Event
March 2019	Competition launched
24 May 2019	Eligible areas submit outline proposals for FMZs
June 2019	Outline proposals shortlisted
June/July 2019	DfT works with shortlisted areas to develop proposals further
July/August 2019	Final proposals submitted with areas pitching to a DfT panel
August 2019	Winners announced - exact number will depend on the quality and scope of the bids received.

### Enquiries

- 5.5 Enquiries about the fund may be directed to [FutureMobilityZones@dft.gov.uk](mailto:FutureMobilityZones@dft.gov.uk).

## 6. Guidance for completing an outline application

- 6.1 This section provides additional information on completing the application form, for an outline proposal. The application form is attached as an Annex to this document. **At phase one, the application form, alongside the map referred to in paragraph 4.6, and any additional information related to the TCF, referred to in paragraph 4.5, are the only documents that will be considered when assessing the application.**

### **The proposed area of the FMZ**

- 6.2 A map should be submitted, alongside the application form, showing the proposed area of the FMZ. Although we anticipate that a zone will form a single continuous area, we understand that certain measures may operate in part or wholly outside this area. If so, please show this clearly on the map.
- 6.3 There is no maximum or minimum size for a FMZ, but zones will need to be large enough to be impactful in demonstrating a range of innovations and small enough to allow different innovations to be unified into a coherent offering.
- 6.4 The area does not need to be wholly urban. FMZs should be able to demonstrate self-sustaining transport benefits beyond immediate urban challenges; this may include isolated peri-urban areas (the point at which town and countryside meet) and/or rural communities.

### **The strategic case**

- 6.5 FMZs should be 'globally significant demonstrators' of new mobility services, modes and models that aim to create an exportable template for other areas to copy. Proposals need to demonstrate the strategic case for funding, clearly demonstrating how far the proposals meet the objectives of the fund to:
- trial new transport services, modes and models, creating a functioning marketplace for mobility that combines new and traditional modes of transport;
  - improve integration of services;
  - increase the availability of real-time data; and
  - provide access to digital planning and payment options.
- 6.6 FMZs will foster a range of highly innovative mobility measures. This will enhance our understanding of their delivery, encourage private sector investment/participation and lead to transport and wider socio-economic benefits. One model for how this might work is a single integrated, multi-modal platform for journey-planning and payment encompassing the main modes of

passenger transport within an urban environment, enabling new ticketing and payment options.

6.7 The scope is broad and will depend on any innovative proposals included in the wider TCF bid, but schemes could include:

- investment in data (e.g. platforms, data sets, and sensor technology for harvesting and analysing data for all modes of transport);
- digital infrastructure including intelligent transport systems (e.g. smart traffic signals/traffic management);
- innovative ways of increasing the efficiency of freight movements/logistics;
- trials of new modes and mobility services as well as better service integration;
- an improved consumer offering, (e.g. a unified, digital user platform providing subscription and payment options); and
- redesign of elements of the urban realm to support future mobility goals (e.g. smart parking spaces, mobility hubs, drop off/collection points, delivery areas).

6.8 It will be important to ensure proposals consider the emerging smart ticketing landscape, build on existing investments where appropriate, and consider future requirements such as interoperability.

#### Improved living standards and access to employment

6.9 The cost and availability of public transport can be a significant barrier to employment. By facilitating the sharing economy – bike sharing, ridesharing and car sharing – new services could lead to better access to travel choices and substantial savings for those on low incomes, particularly those who are currently unable to afford a car and/or using taxis or private hire vehicles to plug the gaps in public transport provision. In addition, as new services are still being developed, a well-designed demonstrator could help to understand the potential benefits of new mobility for low income households and identify any barriers to take up.

6.10 Bids for FMZs will need to explore options for providing mobility credits, or other low-cost options for lower income households. Mobility credits could be used to pay for shared transport, including public transport and bike and car sharing schemes, or to provide concessions to specific groups, such as young people. It will be up to local areas to decide which options would be of most benefit to lower income households in the area and how to target initiatives at this group to maximise benefits.

#### Shared (dynamic) demand responsive transport

6.11 Bids will also need to explore options for delivering efficiencies through shared (dynamic) demand responsive transport. Bidders will want to keep an open mind as to what the 'right' size or capacity of a vehicle is for any particular service in order to make it as efficient as possible. What is important will be evidence of services where people, travelling along similar routes, or from similar origins and destinations, are sharing vehicles to achieve efficiencies.

#### Global significance

- 6.12 An internal review of the Department's funding for transport innovations identified that whilst it has been ambitious in funding a variety of innovations across modes, future investment needs to provide hard evidence that transport innovations work in real world environments and can improve journeys.
- 6.13 Current innovation schemes are mostly on too small a scale to make a significant difference, or to identify and test regulatory issues. There is a need for larger, more ambitious and impactful demonstrators that are delivered in real world environments and properly monitored and evaluated. Therefore, the individual schemes contained in the proposal should combine to create a globally significant demonstrator of new mobility services.
- 6.14 Bids should demonstrate how establishing the demonstrator will:
- allow the area to prepare for emerging business models;
  - engage a large cohort of users in the development of these proposals;
  - deliver measurable outputs to enable the Department, through the monitoring and evaluation process, to identify policy, commercial and regulatory measures for emerging technologies;
  - help the area understand and respond to future mobility risks and opportunities; and
  - deliver improved outcomes in local congestion, air quality and accessibility.

The demonstrator can be used to create a focal point for growth in an area.

#### **The financial case**

- 6.15 This is an estimate of the funding needed to create the FMZ and details of any local contributions.
- 6.16 The Department is looking to fund up to three FMZs, in addition to the zone being created by TfWM. Bids should specify, where possible, the maximum and minimum funding needed to create an FMZ and give some indication of scalability. The precise level of funding to be allocated to each area will be determined by the Secretary of State once the proposals have been assessed.
- 6.17 Funding has been allocated, in line with the TCF, across a four-year period from 2019/20 to 2022/23. Bids should give an indication of all the potential costs involved in the FMZ, including a breakdown of each of the schemes included. The Department will work with successful areas on the specific spend profile for each project and funds will be released using a series of 'gateway' meetings.

#### **The management case**

- 6.18 Bids need to demonstrate deliverability, but do not, at this stage, need to include a detailed project plan. The bid should include key project milestones and basic governance arrangements. Bids should also highlight the resources needed to address any technical challenges and deliver the proposal, and outline key technical risks and any mitigating actions.

#### **The commercial case**

- 6.19 Procurement of transport innovations can be very different from traditional procurement. Bids should outline any market engagement that has taken place

regarding the bid. An outline procurement strategy for the main schemes contained in the FMZ should also be included. This is to ensure that lengthy procurement processes do not delay the delivery of schemes.

### **Additionality**

- 6.20 Bid assessors will be provided with the details of any bids made to the TCF or, in the case of Mayoral Combined Authorities, investments planned from the devolved grant. FMZ bids should make clear how the additional funding would be used to extend the scope and impact of any existing innovations funded in the TCF process including how the proposal goes beyond what would be deliverable under the TCF, or other current transport innovation schemes in the area.

### **Shortlisting**

- 6.21 Outline proposals will be judged on the strength of the strategic case, credibility of delivery plans and suitability to act as a 'global demonstrator' of new mobility services. Up to six areas will be chosen by the Secretary of State for shortlisting.
- 6.22 **Additional guidance, alongside detailed feedback, will be issued to the shortlisted areas to enable them to complete a final application.**