



# Public/private partnerships in rural transport

Transport East webinar

18 March 2025

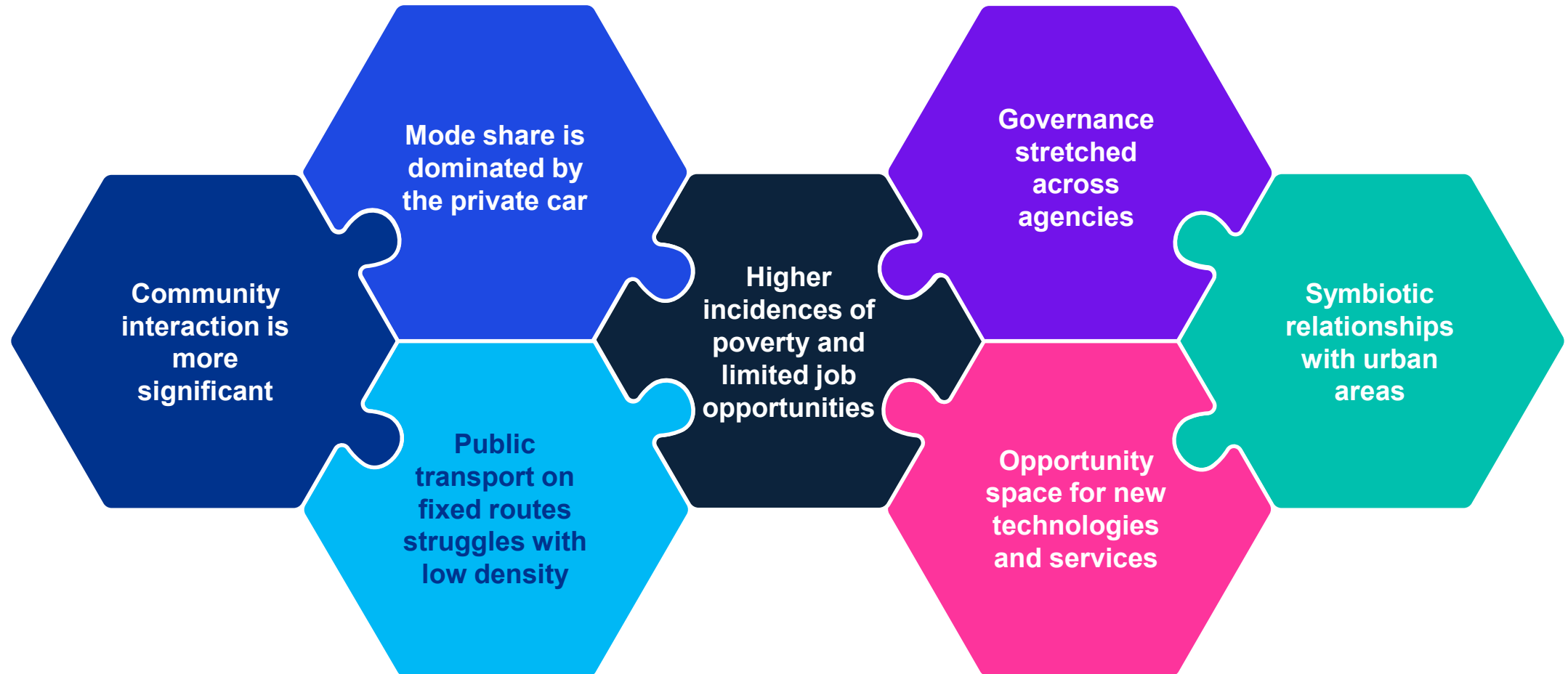
**DRAFT FOR DISCUSSION PURPOSES**

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# The specific nature of rural transport



# Mobility Hubs: Public and private sector approaches

## Different priorities and perspectives

### Public sector

Public authorities propose Mobility Hubs to manage car use, improve sustainability, and contribute to transport policy targets.

### Private sector

Private investors and developers view Mobility Hubs as a potential way to improve yield, diversify income and secure planning permissions for developments.

### Challenges

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| <ul style="list-style-type: none"> <li>• Governance</li> <li>• Long-term funding</li> <li>• Skills and experience</li> <li>• Commercial and procurement</li> <li>• Liability &amp; risk sharing</li> </ul> | <ul style="list-style-type: none"> <li>• Small / sub scale</li> <li>• Limited commonality</li> <li>• Low returns</li> <li>• High demand risk</li> <li>• Atomised governance</li> <li>• Unclear liability &amp; risk sharing</li> </ul> |
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### Key success factors

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| <ul style="list-style-type: none"> <li>• Convenience</li> <li>• Safety</li> <li>• Integration across modes</li> <li>• Digital and physical partnership</li> <li>• Place-based approach</li> <li>• Public transport backbone</li> </ul> | <ul style="list-style-type: none"> <li>• Unlocking development consents</li> <li>• Clear land ownership &amp; rights</li> <li>• Long-term demand growth</li> <li>• Profitable land-use</li> <li>• No anti-social behaviour</li> <li>• Balance of sites in a portfolio</li> </ul> |
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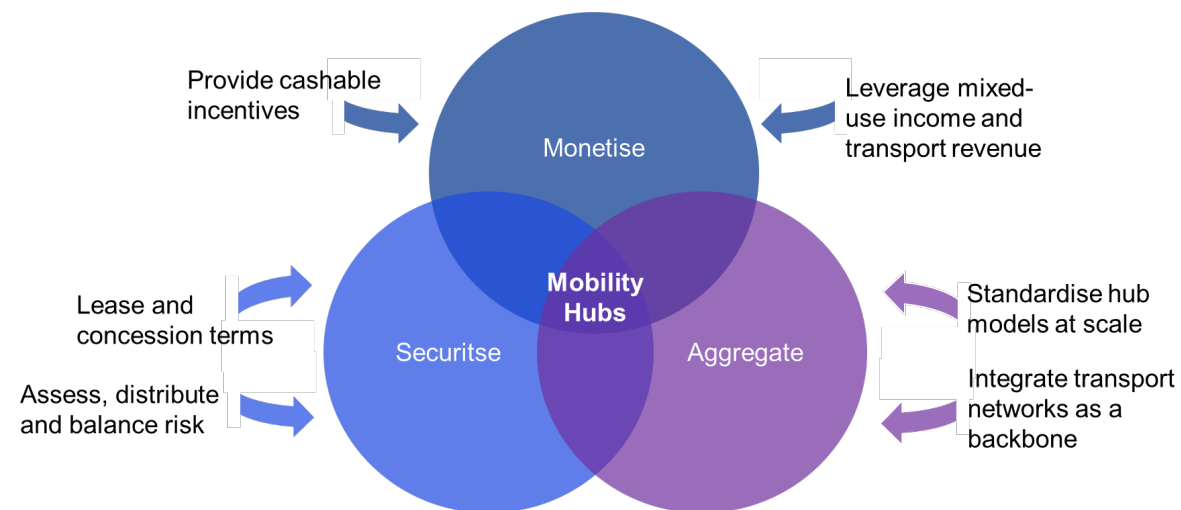
## Building workable models and solutions

To attract private sector interest in **Mobility Hubs**, tailor and augment an investment prospectus to provide information needed by private sector investors, including co-investment opportunities.

**Focus Business Case development** on how to encourage private investment and make it attractive compared to other opportunities.

**Develop shared risk and governance models** to enable long-term public/private partnerships to be established.

Explore development of a **Special Purpose Vehicle** model to deliver a standardised and scalable set of Mobility Hubs.



# Other services and potential private investment

## EV charging networks

The penetration of destination and route-based EV charging networks into rural areas.

### Challenges:

- Drivers are more likely to have off-street parking for at-home charging
- Grid connections and capacity
- Low demand in some areas

### Opportunities for private investment:

- Aggregated portfolio of sites
- Consider concession models for Chargepoint Operators
- Consider balance of risk
- Add ancillary services to turn EV chargers into proto-Mobility Hubs

## Demand Responsive Transit

The conversion of fixed-route services into dynamic and quicker services in rural areas.

### Challenges:

- Capital funding
- Operational funding
- Realistic expectations of provision based on vehicle numbers

### Opportunities for private investment:

- Combination of service types to include zonal-based and fixed route elements
- Advancing CAV technology to convert parts of routes to automated operation
- Ancillary services e.g. delivery
- Balanced risk apportionment

## Freight and logistics

The development of “green corridors” for trunk routes, balanced with local delivery routes.

### Challenges:

- Electrification of rail and road routes
- Governance and liability
- Matching growing demand over time with increasing supply

### Opportunities for private investment:

- Securitise and aggregate infrastructure to manage risk and encourage investment
- Partnership between rolling stock or HGV providers and charging/energy suppliers
- CPO concession models
- Local access, maintenance and skills

# Attracting and securing private investment

	Scale and attention	Funding and financing	Risk and governance	Lack of information
Challenge	<p>Relative size of projects:</p> <p><b>Public sector: £</b></p> <p><b>Private sector: £££££</b></p>	<p>Private investors typically seek a <b>monetary return on investment of 5%</b> per annum.</p> <p>Economic benefits which cannot be monetised are of less interest, despite sustainable credentials.</p>	<p>Nobody wants to be left “<b>holding the baby</b>”.</p> <p>Each local authority has their own Terms and Conditions.</p> <p>Policy is often developed per authority with little alignment.</p>	<p>Banks looking to invest in transport projects have to <b>understand complex constraints</b>. These projects are competing with simpler projects in other fields.</p>
Resolution	<p><b>Amalgamate schemes</b> across a whole region into a single investable portfolio.</p> <p><b>Include Mobility Hubs in new developments</b>, to be delivered by developers.</p>	<p>Consider using <b>concession agreements</b> to offer long-term certainty of revenue for investors.</p> <p>Include <b>elements of more secure revenue</b> in schemes like car parking, EV charging, residential or commercial development.</p>	<p><b>Develop a single portfolio of schemes across a whole region.</b></p> <p>Consider establishing a <b>Special Purpose Vehicle</b> or lead authority to streamline the process of attracting investment.</p>	<p><b>Provide standardised info</b> on:</p> <ul style="list-style-type: none"> <li>• Land ownership and rights</li> <li>• Development constraints</li> <li>• Available utility, power and grid connections and upgrades</li> <li>• Local demographics, traffic volumes, and nearby PT routes</li> <li>• Potential business models that could be considered</li> </ul>



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