Nottinghamshire County Council

Report to Transport & Highways Committee

8 October 2015

Agenda Item: 5

REPORT OF THE SERVICE DIRECTOR, TRANSPORT, PROPERTY & ENVIRONMENT

DFT LOW EMISSION BUS SCHEME FUND

Purpose of the Report

1. To advise Committee on the Government's Low Emission Bus Scheme Fund.

2. To seek approval to submit a bid for electric buses and associated charging infrastructure.

3. To seek approval for £ 410k match funding to support the bid.

Information and Advice

4. The Government's vision is that by 2050 almost every car and van in the UK will be an ultra-low emission vehicle (ULEV) and a high proportion of larger vehicles, with the UK at the forefront of their design, development and manufacture.

5. This is an Office for Low Emission Vehicles (OLEV) funded scheme being administered by The Department for Transport.

6. OLEV has allocated a £500m funding package between 2015-20 to help to deliver this change for local areas. In Spring 2015 the Government announced the Low Emission Bus Scheme which builds on the success of the Green Bus Fund, which ran from 2009-2013 and delivered around 1,250 low emission buses. The new scheme will be run as a competition, with £30m made available for local authorities and bus operators in England and Wales through a competitive bidding process. The Low Emission Bus Scheme has the following three primary objectives

    - increase the uptake of low and ultra-low emission buses, speeding up the full transition to an ultra-low emission bus fleet in England and Wales, and reducing the need for subsidy support;
    - support the improvement of local air quality. Buses are a significant contributor to the UK's air quality problems on some of its most polluted roads; and
    - support OLEV's commitment of attracting investment to the UK.

7. Bids will need to be submitted by the 30th October, with the awards announced in January 2016.

8. A report elsewhere on the agenda focuses on other OLEV funding opportunities related to the funding available for this promotion of ultra low emission cars and small vans.

9. Nottinghamshire County Council is monitoring the evolving technology in the field of electronic vehicles and has liaised with other local authorities who are involved with this area of work including Nottingham City Council who established an Electric Bus Partnership in 2012 with the introduction of 4 fully electric midi-buses for the free city centre bus service. The City Council currently has a fleet of 42 (55 buses by Summer 2016) electric buses in operation, comprising the largest fleet of electric buses in the UK. County Officers have liaised with City Council colleagues regarding the potential benefits of investing in alternative fuel vehicles as part of the County Council vehicle replacement programme; this has formed part of the shared services project reported to Committee on 16th July 2015.

10. The benefits of investment in alternatively fuelled vehicle are;

- Help address air quality issues and the detrimental impact on health. The burning of Diesel fuel produces particulate matter which has been linked to cancer. Also the production of NOX/NO2 has been linked to 23,500 premature deaths in the UK and a cost of £56bn to the economy*.
- This will help Nottingham City and Nottinghamshire County meet Air Quality targets set by the EU as outlined in the Transport and Highways committee report; Nitrous Oxide: Air Quality in Nottinghamshire on the 21st May 2015.
- The use of electric vehicles, using green energy, reduces co2 emissions and helps address climate change.
- Purchasing of vehicles and their provision as part of the tendering process leads to a reduction in ongoing revenue costs.
- The use of electricity in contrast to Diesel will also help reduce running costs due to a lower cost per mile.

* - Source: World Health Organisation report - Review of evidence on health aspects of air pollution – REVIHAAP PROJECT 2013.

11. Whilst alternative fuel technologies are in development, the current opportunity to bid for funding will enable the Council to enter this important area of change at a time when the technology has developed to a point where it is potentially economically viable based on current projections. A number of vehicle suppliers now offer vehicles which provide the required reliability in operation and vehicle range to meet the needs of the Council vehicle fleet including vehicle mileage range with minimal alterations to operational requirements.

Scope of the bid

12. The bid documentation favours a progressive approach over a 3 year funding period and any bid is likely to be considered more favourable if it is presented as part of a wider strategic investment in low emission buses across the Nottingham conurbations. The proposed bid has been formulated in conjunction with the City Council, whose Linkbus network will be fully electric in the near future.

13. A requirement of the bid is that the vehicles are primarily used to operate local bus services. The current tendered local bus network has been reviewed and it is considered that service 510 (Stapleford to Beeston) has the appropriate operating conditions to meet the bid requirements.

14. The vehicles currently used on this service are County Council owned and the total electric vehicle requirement and associated charging infrastructure for these routes is estimated to be between 2 and 3 vehicles. This will depend upon the manufacturer with reference to operational requirements, vehicle range and including the potential requirement for these vehicles to undertake other work including school services.

15. The County Council fleet vehicle requirements to be included in the bid are being evaluated. It is not possible to determine the actual vehicle costs outside of a procurement process, therefore the bid is requesting summary details of the vehicle type and specification, with supporting estimated costs. More than one vehicle type can be included within the bid, reflecting the fact the Council will undertake a procurement process of which the outcome is difficult to predict; especially with the technological improvements and changes likely to occur during the funding period.

16. The Infrastructure costs are also difficult to estimate due to the vehicle type determining the type of charging infrastructure required, so costs are based on comparable installation that have either been installed in the City or indicative costing from energy suppliers. These costs will be shared with the City Council, reducing costs to both Authorities.

17. The proposed locations of the charging infrastructure include the current bus depot and an on street facility at Beeston Interchange.

18. Bids will be assessed with reference to the following factors and weightings: Ambition (30%), Deliverability (10%), Air Quality (25%) categories and Value for Money 35%.

19. The total estimated cost of the project is £910k, of which the County Council will be required to contribute £410k of match funding. Approximately 90% of the price differential between a diesel and an electric bus and 75% of the infrastructure costs is met by OLEV.

20. The vehicle costs and infrastructure will be contained within existing budgets for vehicle replacement and operational budgets.

Other Options Considered

21. The County Council are actively working with local bus operators to encourage the take up and introduction of buses with alternative and low emission fuel technologies. The Government's aim is that a high proportion of larger vehicles will be an ultra-low emission vehicle (ULEV) by 2050. By making a bid to the Low Emission Bus Scheme Fund the Council hopes to secure funding to introduce low emission buses as part of an aspiration that all County Council passenger vehicles meet the Government vision, with the added benefit of reducing on-going revenue costs. If the Council does not submit a bid to the fund then the additional capital cost to introduce low emission vehicles will have to be met from Council budgets going forward, and without the availability of the funding the Council will become a slower adopter of this important new technology.

Statutory and Policy Implications

22. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service

and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Sustainability and Environment

23. The introduction of alternative fuel technologies within the Council fleet of vehicles will contribute zero fuel emissions as part of a quality bus network funded by the Council, offering lower running costs and a sustainable strategy for the future provision of public transport.

Financial Implications

24. The estimated match funding cost to the Council, should the bid be successful, is £410K.

Implications for Service Users

25. Alternative fuel technology passenger vehicles will help to promote public transport, increase patronage and improve local air quality.

RECOMMENDATION

1) Committee give approval for Nottinghamshire County Council to submit a bid to the Low Emission Bus Scheme Fund.

2) Committee give approval for £410k match funding to support the bid.

Mark Hudson
Group Manager
Transport & Travel Services

For any enquiries about this report please contact:
Pete Mathieson, Team Manager, Commissioning & Policy

Constitutional Comments (LM 30/09/2015)

26. The recommendations in the report fall within the Terms of Reference of the Transport and Highways Committee.

Financial Comments (TMR 30/09/2015)

27. The financial implications are contained in the report.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Transport and Highways Committee report ; Nitrous Oxide: Air Quality in Nottinghamshire - 21st May 2015

- Transport and Highways committee report; Shared Public Transport Services Provision With The City Council update -16th July 2015

Electoral Divisions and Members Affected

All