

 Executive 25th July 2018		Agenda Item No. 4
Title	Ultra Low Emission Bus Scheme Grant Application	
For further information about this report please contact	Marianne Rolfe, Head of Health and Community Protection. Tel: 01926 456700 Email: marianne.rolfe@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	In part - Yes Commercially Sensitive details included within the appendices	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	N/A	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No
N/A	

Officer/Councillor Approval	Date	Name
Chief Executive/Deputy Chief Executive	28 th June 2018	Chris Elliott/Andrew Jones
Head of Service	21 st June 2018	Marianne Rolfe
CMT	28 th June 2018	Chris Elliot, Bill Hunt, Andrew Jones
Section 151 Officer	28 th June 2018	Mike Snow
Monitoring Officer	22 nd June 2018	Andrew Jones
Portfolio Holder(s)	4 th July 2018	Andrew Thompson
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		
Awaiting outcome of bid		

1. Summary

- 1.1 To ask Executive to endorse the Council's funding bid to the Office of Low Emission Vehicles for the Ultra-Low Emission Bus Scheme.

2. Recommendations

- 2.1 That Executive endorses the Council's funding bid to the Ultra-Low Emission Bus Scheme (ULEBS), supported by Warwickshire County Council (WCC), Volvo Group UK and Stagecoach Midlands for a fully electrified bus route in Royal Leamington Spa noting that this Council will be the accountable body.
- 2.2 Executive notes that match funding of circa £277k would be needed if the bid was successful and should this be the case, authority is delegated to the Head of Finance and the Head of Health and Community Protection, in consultation with the respective Portfolio Holders, to agree the level and release of funding and seek as necessary consents and/or permissions.

3. Reasons for the Recommendations

- 3.1 The Council's bid to the Office for Low Emission Vehicles (OLEV) is at **Appendix A** to this report. Due to the short timeline of the bid application process, which has not aligned with the Executive reporting process, the bid has been submitted with the support of the Health and Community Protection Portfolio Holder.
- 3.2 The headline description of the bid can be seen at appendix A, however it is reproduced below for Member convenience:

"The Ultra-low Emission Bus Scheme (ULEBS) we propose for Royal Leamington Spa includes 6 Volvo 7900E electric buses on bus route 67 and 1 to 2 overhead opportunity charging points also known as pantographs, which use cutting edge technology (see Fig 1 and Appendix A for further details). The pantographs will be located mid-way along the 67-route in a highly visible area of Royal Leamington Spas town centre where nearly all bus routes cross over. This allows the pantographs to be used in future by other buses on different routes providing Warwickshire's main bus operator Stagecoach Midlands the option of introducing more electric buses into its fleet. Opportunity charging can also be used by urban distribution vehicles once the bus operations have ceased in the evenings giving 24 hour utilisation.

The Parade is Royal Leamington Spa's prosperous shopping location but shares its space with the one of the major bus routes in the district. The Parade leads on to Bath Street, which is an Air Quality Management Area (AQMA). High regency buildings four storeys high front the Parade, Bath Street and the surrounding roads and these results in vehicle emissions not being able to disperse easily into the atmosphere. According to the World Health Organisation (WHO), Royal Leamington Spa is ranked in the UK's top 40 for worst carbon dioxide (CO₂) emissions in a study carried out in 2016.

This is an exciting scheme and would be a first on-street opportunity charging installation in the UK. If delivered, this scheme could see environmental cost savings of over £17m compared to the scheme cost, which is approximately £3m. This presents a significant cost benefit ratio.

Conveniently the ULEBS would be delivered ahead of Coventry’s year of City of Culture in 2021 and Birmingham’s Commonwealth Games in the summer of 2022. Royal Leamington Spa will play a big part in both of these major events since it is an attractive tourist destination and will play host to all bowls and para-bowls events during the Commonwealth games”.

- 3.3 Members will note that the bid identifies match-funding of circa £277k. It has not been necessary to identify where that funding would come from at this time and a decision on this would only be necessary if the bid was successful. However, options for funding include this Council, WCC, Section 106 contributions, a commercial model or a combination of two or more of these. Due to the number of available options and potential contributors, it is suggested that the decision be delegated to the Head of Finance and the Head of Health and Community Protection, in consultation with the respective Portfolio Holders, to agree the most financially desirable model and release of the appropriate WDC funding.
- 3.4 In addition, in order to deliver the project should the bid be successful, various consents and/or permissions may be required. It is proposed that it is delegated to the Head of Finance and the Head of Health and Community Protection, in consultation with the respective Portfolio Holders, to seek those consents and or permissions.

4. Policy Framework

4.1 Fit for the Future (FFF)

The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end, amongst other things, the FFF Strategy contains several Key projects and the Ultra-Low Emissions Bus Scheme is one of those.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
Reduction of emissions	The electric buses will	The scheme seeks to

will impact on the health of the residents, visitors and people working within the Leamington AQMA.	reduce the emissions from buses within the district and specifically within the Air Quality Management Zone	enhance to the Electric Vehicles infrastructure. It is an innovative first of its kind project for the UK. The scheme would provide a significant investment into the district
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
Not applicable	The project improves the air quality offering for the district and in particular Leamington.	Not applicable.

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are:

- WDC Air Quality Action Plan 2015: The Air Quality Action Plan identifies actions which will improve the air quality of the district and particularly within the AQMA. One of the key actions is the promotion of low emission vehicles and supporting infrastructure to improve air quality.

Other strategies also relevant:

- Warwickshire's Sustainable Community Strategy (2009-2026);
- Coventry and Warwickshire Health Protection Strategy;
- WDC's Sustainability Approach 2016-2020;
- WDC's Health and Wellbeing Approach 2017-2021;
- WDC's Low Emission Strategy (In draft for conversion to a Supplementary Planning Document)
- WCC EV Charging Infrastructure Strategy 2017 -2026: The EV strategy sets out trialling new technologies and exploring opportunities to innovate working with the EV charge point providers and manufacturers to trial new technologies. All of the district councils are signed up to this strategy to assist in its delivery.
- WCC Local Transport Plan 2011 – 2031: The LTP seeks to reduce transport related carbon emissions and the noise effects of the transport system as well as minimising the impacts of transport on the built, natural and historic environment and improving the quality of transport integration into streetscapes and the urban environment. Improving the

journey experience of transport users and providing transport improvements to deliver growth is also set out in the LTP.

4.3 Changes to Existing Policies

Not applicable.

4.3 Impact Assessments – The impacts of the proposal are outlined in the attached appendix. There are no negative impacts identified.

5. Budgetary Framework

5.1 The bid application requires 25% match funding for the infrastructure element of the bid. This can be paid in a number of ways but a further report will be submitted to recommend how this should be funded if the bid proves successful.

6. Risks

6.1 The project risk register is attached to the appendix.

6.2 The main risk for the scheme is that the connections to the electric grid costs are too large to make the scheme financially viable and as a result would be unable to take up the grant if offered.

6.3 Whilst there are discussions taking place with emerging partners, there may be a funding gap which prevents the purchase of 6 electric buses. As a result the scheme may make the scheme financially unviable or would result in need to reduce the number of electric buses which could be delivered.

7. Alternative Option(s) considered

7.1 The Executive may decide that it is inappropriate to support the grant application and determine that it is appropriate to withdraw WDC support for the application.

7.2 The Executive may determine that the 25% match funding requirement for infrastructure should not include a contribution from Warwick District Council which may cause partner to reconsider their respective positions.

8. Background

ULEBS Funding and the Bid

8.1 The ULEBS funding is expected to support a range of bids and forms part of OLEV's long-term strategy to increase the uptake of ultra-low emission buses into fleets and tackle poor air quality.

8.2 £48m of ULEBS funding is available for the purchase of ULEBs and the infrastructure to support them between 2018/19 and 2020/21.

8.3 OLEV will contribute up to 50% (or up to 75% where the bus can operate in zero emission mode) of the cost difference between the ULEB and the standard conventional diesel equivalent of the same total passenger capacity. However, bids which request less funding will be favoured.

- 8.4 For infrastructure, OLEV will contribute up to 75% of the capital expenditure incurred as a result of its purchase and installation, and will reward bids asking for less funding. The capital cost can include surveys at the point of procuring the infrastructure provided that these are capitalised.
- 8.5 The deadline for submission of the expression of interest was the 1st May 2018 and the full bid was 16th July 2018. The submitted expression of interest for the scheme is attached at **appendix B** and the submitted bid application with associated documents are attached at appendix A.

ULEBS in Leamington Spa

- 8.6 Volvo UK, whose headquarters are based in Warwick, is keen to work with WDC, WCC and Stagecoach to deliver an ULEBS in Warwickshire. The scheme would utilise Volvo electric buses combined with opportunity charging points, something that Volvo is keen to demonstrate. Opportunity charging points as they suggest provide a charge whilst the bus has set down or has stopped for passengers to board or alight.
- 8.7 The ULEBS in Leamington Spa would deliver an all-electric bus service and charging infrastructure on route 67. The proposal consists of 1 to 2 opportunity-charging points on Parade and/or near Lower Avenue. The Parade and Lower Avenue are Stagecoach's main bus routes and installing charging points at these proposed locations provides an opportunity for Stagecoach to introduce more electric buses into its fleet in the future and meet the requirements of the grant funding.
- 8.8 The most preferred locations by Stagecoach are outside All Saints Church for southbound buses and for northbound buses a location somewhere on or near Lower Avenue. The locations have been discussed with Warwick District Council's Development Services team and All Saints Church.
- 8.9 The bus route identified as most suitable for piloting the first electric buses is the number 67 from Cubbington to Sydenham. The bus operator prefers this bus route, as it is one of their shortest, which would overcome any range anxiety for the all-electric fleet.

Benefits of the proposal

- 8.10 The proposal will offer the opportunity to showcase electric bus technology on one of the most prominent commercial bus routes within Leamington Spa. It will also help to reduce vehicle emissions in a known air quality hotspot within the town. The 67 route runs through an Air Quality Management Area around Bath Street. The use of an electric bus fleet for this route will therefore help improve air quality. Furthermore, the installation of appropriate charging infrastructure will offer the opportunity to convert other bus routes which pass through this area to electric vehicles.
- 8.11 It is calculated that making the 67 bus route electric would save 320 tonnes of carbon dioxide emissions per year, 899 kg of nitrogen oxides, 13kg of particulates and 1797kg of carbon monoxide.

Funding

- 8.12 **Vehicles:** As part of the bid Stagecoach has agreed in principal to fund the operational and maintenance costs of 6 new electric buses. The partners are in

discussions with new and emerging partners to fund the cost of purchasing the buses. Appendix A covers the financial funding contributions.

- 8.13 **Infrastructure:** The cost of the infrastructure and installation costs as part of this proposal have yet to be determined. An estimate of costs is currently being sought from the Distribution Network Operator (DNO). However these costs may not be known by the deadline for the submission due to the turnaround timescales requested by the DNO. OLEV has been made aware of these timescales and is willing to accept the bid without these costs, with these following once available.
- 8.14 The bid will be made on the basis of 75% of infrastructure and installation costs being secured from the ULEBS fund, with 25% of the costs funded locally. Options for securing the 25% include a single or combination of contributions from the following parties:
- WDC;
 - WCC;
 - Section 106;
 - A commercial EV supplier/operator
- 8.15 There is currently no funding allocated by WDC to this project.

Timescales associated and next steps

- 8.16 Subject to successful grant application the scheme is likely to be programmed for delivery during 2019/20 – The year of Wellbeing.