

Title: Clean Bus Technology Fund 2017-2019	
Author: Jacob Pryor	Job title: Senior Transport Planner
Cabinet lead: Cllr Mhairi Threlfall	Director lead: Peter Mann, Transport

Idea origin: BCC Staff
Date idea generated: 13/09/2017

Decision maker: Mayor
Decision forum: Cabinet

Timescales:
This report is to be considered at Cabinet on the 4th December. The bid will be submitted in advance of this meeting ahead of the deadline on the 17th November.

Purpose of Report:

1. On the 11th September government announced £30m of funding available to Local Authorities (LA's) to support the retrofitting of older, more polluting buses in order to bring them up to the latest environmental standards. The maximum funding available per LA is £1.5m in 17/18 and £1.5m in 18/19: £3m in total.
2. The objective of the grant is to improve air quality through deployment of one, or a combination, of Selective Catalytic Reduction Technology, Diesel/Electric Hybridisation and/or Full Electric Conversion. Depending on the level of interest from local operators (and their preferred technology option), the grant provides an opportunity to improve 30-180 buses across the region.
3. The technologies work and perform in different ways but chiefly target >90% reduction in NO₂ which is recognised as a health-harming air pollutant.
4. Bristol's bus fleet accounts for approximately 23% of NO₂ emissions and so cleaning up the most polluting services is essential if we are to meet our air quality targets. Currently approx. 1/7th of the buses operating in the West of England meet the most stringent environmental standards (Euro 6).
5. Bristol will lead a bid to government, which will be supported by West of England LA partners. The bid deadline is the 17th November with announcements on successful bids expected in Dec 2017.
6. Due to restrictive bid timescales this item has had to be brought to Cabinet retrospectively. The paper seeks permission to accept funding and deliver the project if the bid is awarded funding by the Joint Air Quality Unit (Defra/DfT)

Cabinet Member / Officer Recommendations:

1. That delegated authority be given to the Service Director for Transport in consultation with the Bristol City Council's s151 officer to accept the funding award of up to £3m through the Clean Bus Technology Fund and delivers the project over the financial years 17/18 and 18/19 should the bid be successful.

Evidence Base:
Bristol City Council has been successful in delivering a similar project in 2015/16, retrofitting 35 buses with Selective Catalytic Reduction Technology. Using tailpipe emissions monitors the project was shown to reduce NOx reduction by between 75 and 89% representing an overall improvement in the quantity of harmful air pollutants emitted by local bus services.

Revenue Cost: £	Source of Revenue Funding:
Capital Cost: £ 0.1 - 3m	Source of Capital Funding: Government Grant
One off cost <input checked="" type="checkbox"/> Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/> Income generation proposal <input type="checkbox"/>

Finance narrative:
 This proposal seeks approval for the application and acceptance of the Defra Clean Bus Technology grant funding up to the value of £3m over financial year 17/18 and 18/19. This is a joint bid led by Bristol

for buses operating cross boundaries with South Gloucestershire and B&NES. Essentially, the grant will be passed on to the bus operators to retrofit commercial buses which will reduce the levels of harmful air pollutants and contribute to bringing local NO₂ concentrations within statutory limits within the shortest possible timescale. Installation costs and costs associated with monitoring equipment are also covered by the grant. The grant will not pay for any ongoing costs (i.e. maintenance) associated with the equipment and this will need to be covered by the bus operator.

Defra advises that applicants are encouraged, wherever possible, to evidence secured match funding from other sources (e.g. the Authority and / or bus operators) to support the delivery of proposed project. Projects that have secured at least 10% match funding will be favoured. The Council aims to secure this match funding solely from the bus operators.

The grant does not cover any costs relating to project management. The project is estimated to incur c£12k revenue expenditure over all, and this will be shared with between the 3 participating Councils. The Bristol share of up to £4,000 will be met from the approved Strategic Transport Studies Budget and Clean Air Zone Budget.

Contracts with the commercial bus operators need to be developed to minimise financial risks and any potential clawbacks from Defra, if the project deliverables were not met. Inter-Authority agreement should also be developed to ensure cost recovery for project management associated with this Joint bid.

Finance Officer: Tian Ze Hao – Finance Business Partner

Risks:

The principal risk is that the retrofit technology does not deliver the expected air quality improvements. This risk is mitigated by the council committing to only work with suppliers that have Clean Vehicle Retrofit Accreditation which involves a rigorous method of testing the NO₂ reduction claims of technology suppliers.

Legal Consideration:

*It will be necessary to review the position as regards state aid once the level of interest from the undertakings in Bristol that own buses has been fully determined. Regardless of the level, it should be possible to ensure that grants do not amount to state aid. The grant application requires input to demonstrate that due consideration has been given to state aid and appropriate wording will be provided once the deadline has passed for local interest to be registered. **Nicholas Mimmack, Lawyer***

Benefits:

Improved air quality in the city resulting in improved health outcomes for residents

Consultation Details:

Discussed with bus operators and technology suppliers. Note, BCC would be in breach of the grant terms of the bid if detailed (and commercially) sensitive information were published prior to any announcement.

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Alison Comley 11/10/17	Nicki Beardmore 17/10/17	Mhairi Threlfall 25/09/17

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Exempt Information	NO