

CABINET

Request for Approval to Proceed with Grant Application to the Clean Bus Technology Fund 7 November 2017

Report of Chief Officer, Health & Housing

PURPOSE OF REPORT				
To request Cabinet approval to proceed with an application to the Clean Bus Technology Fund.				
Key Decision	X	Non-Key Decision	Referral from Cabinet Member	
Date of notice of forthcoming key decision	18 October 2017			
This report is public.				

RECOMMENDATIONS OF ANDREW WARRINER, CABINET MEMBER AND PORTFOLIO HOLDER FOR HOUSING & ENVIRONMENTAL HEALTH:

- (1) That Cabinet agrees to the city council submitting a bid to the Clean Bus Technology Fund 2017-2019 and undertakes the role of Accountable Body for the funds should the application be successful.
- (2) That the General Fund Capital Programme be updated as appropriate in 2017/18 and 2018/19 to reflect the additional expenditure and associated grant funding, subject to there being a nil impact on the council's resources.
- (3) That Cabinet delegates authority to the Chief Officer (Health & Housing), in agreement with the Section 151 Officer, to approve the making and acceptance of further external funding bids above the key threshold where:
 - a. Any such bid is for the purposes of improving air quality in the district; and
 - b. It can be contained within the budget and policy framework and would not require redirection of resources between service areas, functions or activities on an ongoing basis.
- (4) That Cabinet further delegates authority to the Section 151 Officer, in agreement with the Chief Officer (Health & Housing), to adopt the role of "Accountable Body" where appropriate, in order to support future air quality improvement initiatives in the district, subject to due diligence and any financial implications being contained within the budget and policy framework.

- (5) That the above delegations remain in place until November 2019 and be subject to review at that time.

1.0 Introduction

- 1.1 The Clean Bus Technology Fund is a scheme operated by the Department for Transport in conjunction with DEFRA to award funding to local authorities for projects to modify buses with technology that improves engine emissions.
- 1.2 A successful bid was submitted in 2015 to upgrade 17 buses that regularly travelled through the Lancaster Air Quality Management Area from Euro Standard IV to Euro Standard VI. This submission was made in conjunction with Lancashire County Council acting as the Accountable Body and Stagecoach Cumbria and North Lancashire.
- 1.3 Lancashire County Council have advised that they are no longer able to act as the Accountable Body for this latest funding round due to capacity reasons.

2.0 Proposal Details

- 2.1 The Department for Transport announced on 17 September 2017 that another scheme would be open to submissions for 2017-19. The deadline for applications is 17 November 2017.
- 2.2 The grant scheme is split across two years - £15 million in 2017/18 and a further £15 million in 2018/19.
- 2.3 Submissions that are made which meet the evaluation criteria but are unsuccessful will be rolled forward into the second year of the scheme. The scheme fund of £30 million has been halved across the two years.
- 2.4 With support from city council Legal and Procurement services, preliminary discussions with Stagecoach confirm that they would be amenable to another project to upgrade some of their vehicles operating on services in Lancaster. The approved technology provider has also been involved in these initial discussions.
- 2.5 Although specific details are yet to be worked through, the project could potentially cover a further 36 vehicles requiring a grant award of up to £600K. The vehicles to be upgraded are anticipated not only be operating in the Lancaster Air Quality Management Area (AQMA), but also the Galgate AQMA (the main service through the Carnforth AQMA (the 555 service) is already Euro VI lower emission buses).
- 2.6 The submission will broadly replicate the previous successful application mentioned in section 1.2. With this previous experience we are confident that the submission will meet the evaluation criteria.
- 2.7 The Air Quality Lead Officer, located in Environmental Health will act as project manager, with support from officers working in Finance, Procurement and Legal to ensure that the requirements for the grant award, such as financial management, procurement, outcome monitoring, etc, stipulated by

the awarding body are met throughout the delivery of the project.

2.8 The grant award is for capital only and therefore no funding can be used to cover the cost of submission preparation or project management work.

2.9 **Details of Consultation**

2.10 No formal consultation has been undertaken. Relevant council service areas have been involved in the preliminary discussions to ensure a high quality submission, smooth delivery of the project if a submission is successful.

3.0 **Options and Options Analysis (including risk assessment)**

	Option 1: Do not submit a bid for Clean Bus Technology.	Option 2: Submit a bid for Clean Bus Technology and act as Accountable Body.
Advantages	Council resources, i.e. officer time, can be utilised on other work.	Potential opportunity to reduce bus emissions in areas of poorer air quality.
Disadvantages	Lost opportunity in that bus emissions affecting areas of poor air quality will remain as they are now.	Some officer time will have to be allocated to producing a submission within a short timescale.
Risks	Council criticised for not pursuing opportunities to attract external funding.	Officer time could be spent on an unsuccessful submission.

4.0 **Officer Preferred Option (and comments)**

That a submission is made to the Clean Bus Technology Fund and the city council undertakes the role of Accountable Body. Given the experience obtained in the previous successful submission and with the initial preparatory work already undertaken, we are confident of making a high quality submission. The application will act to support the council’s corporate priorities, particularly in relation to ‘Health and Wellbeing’ and ‘Clean and Green Places’. It also supports the government’s policy and direction of tackling problems of nitrogen dioxide concentrations around roads.

5.0 **Conclusion**

5.1 A submission to the Clean Bus Technology Fund could potentially allow the upgrading of a significant number of buses that are currently operating in the Lancaster and Galgate AQMAs therefore reducing the contribution from this type of vehicle to poorer air quality.

RELATIONSHIP TO POLICY FRAMEWORK

A submission to the Clean Bus Technology Fund is aligned to both the Health and Wellbeing and Clean and Green Places priorities of the Corporate Plan.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

Reducing bus emissions supports the sustainability agenda.

LEGAL IMPLICATIONS

Legal to advise on the contents of the application, in particular with regard to any State Aid implications, and also the terms and conditions for any subsequent grant award passed onto Stagecoach.

FINANCIAL IMPLICATIONS

It is not expected that there will be any additional financial implications arising for the Council from submitting the bid and accepting any subsequent grant award if successful.

The grant is restricted to reimbursement of capital costs for retrofitting buses with Accredited Technology and monitoring equipment and is a two year grant scheme. The Grant Agreement is due to start in January 2018 and will end on 31 March 2019. Grant recipients will need to submit interim progress reports every 3 months after project inception, with a draft final report reflecting on the impact of the activities initiated by the grant funding no later than 30 September 2019.

The Council is experienced in managing external funds and any associated / ongoing monitoring requirements, as well as undertaking the role of Accountable Body. It is expected therefore that the proposal can be managed within existing staff resources.

It should be noted that any potential State Aid implications will need to be resolved prior to bid submission, although at this stage, it is not expected that there will be any arising as Stagecoach are the only operator in the District. This is currently being looked at by Legal Services, however, and as referred to under the Legal Implications section, they will advise accordingly.

If approved, the General Fund Capital Programme will need to be updated as appropriate in 2017/18 and 2018/19 to reflect the additional expenditure and grant funding, subject to there being a nil impact on the Council's resources.

For the purpose of expedience, it is further recommended that Cabinet delegates authority to officers to approve the making of and acceptance of further external funding bids (including acting as "Accountable Body" where appropriate) for the purposes of improving air quality in the District should the opportunity arise, and for this to remain in place until November 2019, to be further reviewed at that time. Should any specific financial implications arise in relation to an individual scheme, then these would be reported to Cabinet for their consideration in the usual way.

OTHER RESOURCE IMPLICATIONS**Human Resources:**

None identified

Information Services:

None identified

Property:

None identified

Open Spaces:

Included in the body of the report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no comments to add.

MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

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