

DECISION-MAKER:	CABINET		
SUBJECT:	CLEAN BUS TECHNOLOGY FUND		
DATE OF DECISION:	17 SEPTEMBER 2013		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY
Not Applicable

BRIEF SUMMARY

This report seeks to approve variations and additions to the Environment and Transport Capital Programme and approve expenditure to deliver projects pertaining to Congestion Reduction programme of delivery following the successful granting of £632,700 from the Department of Transport (DfT) Clean Bus Technology Fund (CBTF). Commercial bus operator applicants within Southampton have committed to match funding the project; they will cover 50% of overall cost at a total of £703,000.

RECOMMENDATIONS:

- (i) To accept the award from the Department of Transport Clean Bus Technology Fund (CBTF) Grant of £632,700.
- (ii) To amend the existing Environment and Capital Programme by the following capital variation and addition totalling £703,000:-
 - a) Capital variation of £70,000 of LTP government grant from the capital scheme "Congestion Reduction" to the new capital scheme "Cleaner Bus Transport Fund",
 - b) Capital addition of £633,000 of DfT Clean Bus Technology Fund (CBTF) government grant to the new capital scheme "Cleaner Bus Transport Fund",
- (iii) To approve capital expenditure of £703,000 in 2013/14 for the new Environment and Transport Capital Scheme "Cleaner Bus Transport Fund",

REASONS FOR REPORT RECOMMENDATIONS

- 1 Financial Procedure Rules require that funding is added to the capital programme and approval to spend is secured to enable the delivery of projects within the Council's Capital Programme.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. An option is not to approve the receipt of grant funding from the DfT. This would result in not being able to carry out the proposed project as outlined in the associated bid document.

DETAIL (Including consultation carried out)

3. The Department for Transport (DfT) invited local authorities in England to apply for Clean Bus Technology Fund (CBTF) grants of a maximum of £1,000,000 towards reducing oxides of nitrogen (NOx) emissions from local buses.
4. Southampton City Council works with Bus operators through the Quality Bus Partnership (QBP) to deliver service improvements. Overall the approach to projects is one of partnership delivered through the Bus Punctuality Task Force (BPTF) and involves partners contributing financially to schemes. This bid uses a contribution of 5% LTP money to lever in 95% external funding to help improve the air quality along two major public transport corridors in the City but will benefit the City overall in terms of air quality. This project builds on other recent bids which have been successful which include the Better Bus Area Fund (BBAF).
5. The City Council has worked with local bus operators to submit a bid for clean bus technology to improve the air quality along bus corridors which are heavily used by buses in the city. Currently the levels of Nitrogen Oxides (NOx) are in breach of acceptable levels so the opportunity exists through the bid to bring down the contribution made from buses to NOx levels in these areas. SCC could be subject to significant financial penalties from the EU if the air quality directive is not met by 2015. There are also significant public health concerns for several of the identified areas which shall be improved as a direct result of the preventative measures detailed in this bid.
6. The bid proposed a competition for all local bus operators to bid for funding for innovative solutions to deal with air quality issues. One potential innovative solution is that of a flywheel hybrid solution. This would include a 'Centre of Excellence' to be created within the Southampton area for installation which, if this bid is successful would be a first for the UK. A further opportunity is to prove the concept within an urban environment such as Southampton. Operators through the bidding process will be able to propose existing methods of reduction in emissions using both existing and innovative methods that meet the DfT environmental criteria and the SCC bid financial formula of a minimum 45% operator contribution.
7. This bid has been put together through consultation with all bus operators within the City and the award of funding will be through open competition.
8. If bus emissions could be reduced by 30% it could result in a tangible reduction in nitrogen dioxide annual mean and provide a significant contribution to a broader Low Emission Strategy.

RESOURCE IMPLICATIONS

Capital/Revenue

9. The new Environment and Transport Capital Scheme will be funded from £633,000 government grant funding from the DfT and £70,000 from the existing LTP government grant allocation. Cabinet approval is sought for the budget variation of £70,000 from the E&T capital scheme "Congestion

Reduction” to this new scheme “Cleaner Bus Transport Fund”. The sources of funding, budget variation and addition to capital programme are detailed in Appendix 3 and 4. Following the proposed capital variation the existing capital scheme “Congestion Reduction” will have a budget of £89,000 in 2013/14. In addition and separate a further £703,000 of private investment from commercial operators will be made. Overall the LTP contribution of 5% will lever in 50% DfT funding and Private Sector Bus Operator Contributions of 45%. The combined total of cleaner bus technology work in Southampton is estimated to be £1,406,000.

- 10. There will be no revenue resource required; all on-going costs will be met by the Operator(s).
- 11. The E&T scheme will provide funding to be made available for bus operators in the 2013/2014 financial year with installation by bus operators to be completed by 31st March 2014. Any funding not spent may be rolled forward into the 2014/2015 financial year subject to agreement by the DfT.

Property/Other

- 12. These do not impact upon any property interests as the process involves grant payments to private sector bus operators.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- 13. The project will be delivered in accordance with the Local Government Act (1974) and Transport Act (1985) and Local Transport Act (2008).

Other Legal Implications:

- 14. None

POLICY FRAMEWORK IMPLICATIONS

- 15. The City Council is a Local Transport Authority as prescribed in the Transport Act 2000 and the Council’s relevant Policy Framework is the City of Southampton Local Transport Plan (LTP3).
- 16. The project is compatible with the objectives of the Community Strategy and Economic Development Strategy.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Final CBTF Document
2.	Gyrodrive Technology
3.	Sources of Funding for the scheme
4.	Variations and additions to the Environment & Transport Capital Programme

Documents In Members' Rooms

1.	Final CBTF Document
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1. The City of Southampton Local Transport Plan	http://www.southampton.gov.uk/s-environment/transportplanning/localtransportplan3/
2. Air Quality Report	Simon.hartill@southampton.gov.uk
3. Competition Award Documents	Attached