

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	CLEAN BUS TECHNOLOGY FUND (CBTF)		
DATE OF DECISION:	17 APRIL 2018 16 MAY 2018		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	David Garney	Tel: 023 8083 3657
	E-mail:	David.Garney@southampton.gov.uk	
Director	Name:	Mike Harris	Tel: 023 8083 2882
	E-mail:	Mike.Harris@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
Not applicable.	
BRIEF SUMMARY	
<p>To consider the report of the Cabinet Member for Environment and Transport seeking approval for funding awarded to Southampton City Council (SCC) from the Department for Transport's (DfT) Joint Air Quality Unit (JAQU).</p> <p>SCC, in partnership with four bus companies, has secured £2,677,835 from the Government's Clean Bus Technology Fund (CBTF) to retrofit buses with technology that will reduce harmful emissions. Southampton is one of 20 cities from across the country who have won a share of a £40 million funding pot. This funding, that has been allocated by JAQU, is aimed specially at lowering emissions from older buses before the introduction of the Southampton Clean Air Zone.</p> <p>The total funding of £2,677,835 will be delivered over two financial years, £1,177,835 in 2017-2018 and £1,500,000 in 2018-2019, which will be allocated to the four Southampton bus operators as part of the contract agreement framework.</p> <p>As part of this project, there is £815,680 of match funding over the two years that has been secured from bus operators.</p>	
RECOMMENDATIONS:	
CABINET:	
	(i) SCC will administer and monitor the use of CBTF grant funding approved by Council to reimburse bus operators on receipt of invoices following the purchase and installation of the CBTF approved technology from their chosen suppliers to support the Council's commitment to reduce emissions and improve air quality within the Southampton area.
COUNCIL:	

	(i)	To accept funding totalling £2,677,835, awarded by the DfT for 2017/2018 and 2018/2019.
	(ii)	To approve expenditure of £2,677,835 by the end of 2018/19 by way of reimbursement to bus operators on receipt of invoices following the purchase and installation of CBTF approved technology from their chosen suppliers.
REASONS FOR REPORT RECOMMENDATIONS		
1		SCC have been successful in securing funding to help improve the air quality in Southampton by retrofitting technology to 145 identified diesel buses to reduce harmful emissions. This is a positive initiative ahead of the introduction of the Southampton Clean Air Zone by the end of 2019.
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 bid document, and therefore not contributing to the reduction of air pollution in Southampton which would be of detriment to the City.
DETAIL (Including consultation carried out)		
3		<p>What problem / opportunity is being addressed?</p> <p>The National Air Quality Plan for Nitrogen Dioxide in UK (2017) has identified Southampton as one of five UK cities, outside London, that are not expected to meet national air quality limit values by 2020. As such Southampton is mandated to establish a Clean Air Zone (CAZ) by the end of 2019. This project will form part of the SCC's Clean Air Zone Strategy and Clean Air Zone Implementation Plan (adopted in November 2016) of which the aim is to bring about compliance with the air quality objectives within the shortest possible time. At present the Council is pursuing CAZ options that could potentially include a penalty charge for non-compliant buses operating within its boundary. A recommendation of the CAZ Strategy and Implementation Plan is to introduce retrofit for buses as this is an effective mechanism for delivering direct emission reductions on a voluntary basis before the introduction of a CAZ. This CBTF funding bid addresses the priorities of the CAZ Strategy by collaborating and supporting operators to retrofit pre-Euro VI buses between now and 2019 with Selective Catalytic Reduction Technology (SCRT) and bring forward the benefits of reducing NO2 emissions while also ensuring operators are prepared for the introduction of the CAZ. SCRT technology will achieve reductions in Particulate matter pollutants from diesel exhaust gas as well as NO2. On official tests, harmful gasses such as Particulate Matter can be reduced by over 98%.</p>
4		<p>Why is it important to address this?</p> <p>The bus network in Southampton is comprehensive and is experiencing passenger growth, helping to provide an attractive alternative to the private car, thereby supporting more sustainable travel patterns. In 2016/17 there were 21.2m passenger journeys in the city on a total bus fleet of 255 vehicles. Buses in the current fleet contribute typically between 3.5 and 8.5% of the NO2 emissions by source apportionment across 9 monitored sites but rising to as high as 20% and 42% on two monitored corridors with the highest frequency bus services. Operators have advised us that by late 2018/early 2019, there will be 110 Euro VI standard buses operating on routes in and</p>

	into the city. This would mean that there would be 145 buses operating in Southampton that would not be CAZ compliant. This CBTF retrofit bid would bring all of these remaining 145 pre-Euro VI standard vehicles into compliance before the commencement of the Southampton CAZ in March 2019.
5	<p>What's the solution being proposed?</p> <p>SCC, in partnership with four bus companies currently identified as not meeting the proposed standards, has secured £2,677,835 from the Government's CBTF to retrofit buses with technology that will reduce harmful emissions. Southampton is one of 20 cities from across the country who have won a share of a £40 million funding pot. This funding, that has been allocated by the JAQU, is aimed specially at lowering emissions from buses.</p> <p>The programme of retrofitting these older buses will commence in spring 2018 and will take approximately ten months to fully retrofit all 145 identified vehicles. The bus operators will be responsible for procuring the equipment through the accredited suppliers within the overall approved funding allocation. SCC will retain the grant funding to be allocated to operators through a contractual agreement framework. This approach has previously been adopted by SCC and the operators for the Department for Transport's Better Bus Area Fund (2012) as well as other funding streams involving the bus industry and ensures compliance with EU state aid and procurement rules.</p>
6	<p>Process</p> <p>SCC has issued a Project Inception Document (PID) to all local bus operators. This sets out the process for governance of award of CBTF funds to operators, and the financial process for claiming funding.</p>
7	<p>Monitoring and evaluation.</p> <p>SCC will need the bus operators to provide evidence to demonstrate the NO2 emissions before the installation of the SCRT technology and after the installation of the technology to determine and monitor both the reduction in emissions and the success of the programme. It is anticipated that the SCRT technology will bring the pre Euro VI buses up to the equivalent Euro VI standard. This information will be used to produce an evaluation report at the end of CBTF retrofit programme for Southampton, and will assess the effectiveness and efficiency of the initiative during and after implementation.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
8	Clean Bus Technology Fund Capital Grant of £1,177,835 in 2017-2018 and £1,500,000 in 2018-2019, which will be allocated to the four Southampton bus operators as part of the contract agreement framework. The total grant to SCC is £2,677,835.
9	As part of this project, there is £815,680 of match funding over the two years that has been secured from bus operators towards vehicle and engine refurbishments, fuel additives that reduce nitrogen dioxide emissions, driver training and fuel efficiency driver aids.

<u>Property/Other</u>	
10	No conflict.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
11	Air Quality Management Areas (AQMA's) together with the associated emission standards and access restrictions are designated in accordance with the Environment Act 1995. Clean Air Zones (charging zones) are established in accordance with the Transport Act 2000. S.1 Localism Act 2011 (the general power of competence) allows a local authority to do anything it considers necessary or appropriate to deliver any of its statutory functions including those related to improving air quality within the City. This would include introducing grant and contract funding schemes to support modal shift and vehicle emission compliance to support the introduction of CAZ's and reduction of emissions.
<u>Other Legal Implications:</u>	
12	A variety of associated secondary legislation supports emission reduction and clean air zone initiatives including PPG 16 (planning policy guidance), transport and environmental legislation and regulations and guidance supporting the same. In implementing a CAZ and measures designed to improve emission standards and air quality the Council must have regard to s.149 of the Equalities Act 2010 (the public sector equality duty) to ensure the proposals put in place proactively address the need to eliminate direct and indirect discrimination (including where these have positive impacts such as improving air quality in areas where there is a high proportional of individuals having protected characteristics or where they are disproportionately affected by emission levels due to disability and health related matters etc.). In addition, the Council must ensure that the proposals have regard to the right to respect private and family life and impact on property rights etc. protected under the Human Rights Act 1998.
RISK MANAGEMENT IMPLICATIONS	
13	The participating bus operators are working with their chosen suppliers to install the retrofit technology to vehicles identified in their respective fleets. SCC have advised the four participating bus operators that they will need to meet the cost of any bus retrofit that is completed and that once the CBTF grant has been received from Government (in two payments one for each of the two financial years), they would then be reimbursed by SCC in arrears for the work completed..
POLICY FRAMEWORK IMPLICATIONS	
14	SCC 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 (LTP) 2011-2031. The proposals in this report are not contrary to the requirements of the Policy Framework.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All Southampton Wards and Communities
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Southampton City Council CBTF Bid – November 2017
2.	Equality and Safety Impact Assessment

Documents In Members' Rooms

1.	None.
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes/No Yes
This initiative will require a light touch ESIA, as there will be positive impacts arising from reduction of emissions on those having protected characteristics, and the proposals directly impact on the natural environment.	

Privacy Impact Assessment – Not applicable

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	Yes/No No
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Other Background Documents

Other Background documents available for inspection at: Strategic Transport, Transport Policy Team, Civic Centre First Floor.

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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