



Item

Report to Solent Transport

Date: 30 October 2015

Report by: Andrew Wilson

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Subject: Low Emission Bus Scheme Bid

1. **Summary**

1.1 The following decision is sought:

The Joint Committee notes that Solent Transport will be submitting a funding bid to the Department for Transport's Low Emission Bus Scheme, in co-ordination with the South Hampshire Bus Operators Association.

2. **Reason**

2.1 A successful funding bid would bring Government funding for low-emission buses to the Solent sub-region; provide significant assistance to the Solent's local authorities dealing with Air Quality Management Areas; improve the health of residents through a reduction in emissions from the bus fleet; encourage more people to use public transport as a result of a modern, attractive low-emission bus fleet; enhance the partnership working between Solent Transport and its partners add value to the improvements delivered as part of the Local Sustainable Transport Fund and Better Bus Area Fund.

3. **Other Options Considered and Rejected**
- 3.1 Taking no action – rejected as a significant funding opportunity would be missed.
4. **Conflicts of Interest Declared by the Decision Maker or Other Executive Member Consulted – None.**
5. **Dispensation granted by the Conduct Advisory Panel – None.**
6. **Reason(s) for the Matter being dealt with if Urgent – None.**

Approved by: **Date:**

**Councillor Seán D T Woodward
Chairman
Solent Transport**



Agenda Item

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Subject: Low Emission Bus Scheme Bid

1. Purpose of the Report

- 1.1 To inform Members of a funding bid that will be submitted by Solent Transport in partnership with the South Hampshire Bus Operators Association to the Department for Transport's Low Emission Bus Scheme, for funding towards the purchase of new low-emission buses for the Solent area between 2016 and 2019.

2. Recommendation

- 2.1 **The Joint Committee notes that Solent Transport will be submitting a funding bid to the Department for Transport's Low Emission Bus Scheme, in co-ordination with the South Hampshire Bus Operators Association.**

3. Introduction

- 3.1 The Department for Transport (DfT) is running a funding competition on behalf of the Office for Low Emission Vehicles (OLEV) that will provide funding towards the purchase of brand new low-emission buses. Under the Low Emission Bus Scheme, £30 million is available for local authorities and bus operators through a competitive bidding process. The scheme follows on from the Green Bus Fund which ran from 2009-2013.

- 3.2 The primary objectives of the scheme are to increase the uptake of low-emission buses in England and Wales thereby reducing the need for subsidy support for low emission vehicles; support the improvement of local air quality and support OLEV's aim to attract investment into the low vehicle emission technology industry in the UK.
- 3.3 Road transport is a major source of pollutants including nitrogen oxides, particulates, carbon monoxide and hydrocarbons. There are a number of declared Air Quality Management Areas (AQMAs) in the Solent sub-region. These include parts of Totton, Southampton city centre (particularly the western approaches), Eastleigh, Fareham town centre and Portsmouth city centre. Buses frequently pass through the majority of the Solent areas' AQMAs so any improvements that are made to the emissions from the local bus fleet will have a positive impact on the area's air quality and people's health.
- 3.4 Solent Transport has been working with the South Hampshire Bus Operators Association (SHBOA) to co-ordinate a bid that would see the operation of a number of new, low-emission buses in Southampton, Hampshire and Portsmouth between 2016 and 2019.

4. Details of the Low Emission Bus Scheme

- 4.1 The scheme will contribute a maximum of 90% of the cost difference between the low-emission bus and its standard diesel equivalent. The scheme can also fund any infrastructure required to support the operation of particular types of low-emission buses, e.g. gas powered buses where significant re-fuelling equipment would be required in bus depots. Up to 75% of capital expenditure incurred can be funded.
- 4.2 There are several types of low-emission buses available ranging from a 'Smart Accessories' package where energy is stored during braking that is subsequently used to power the vehicle's on-board electric systems, through to hybrid-engined buses, gas-powered buses and fully electric-powered buses. The scheme is technology neutral, i.e. OLEV does not favour a particular technology.
- 4.3 The closing date for bids is 30 October 2015. Bidders will be notified of the outcome during January 2016 and the funding can be drawn down from April 2016 to March 2019 as and when the new buses are purchased by the operator.
- 4.4 The three main criteria to be used in assessing bids are: Ambition (30% of total marks), Deliverability (10%), Air Quality (25%) and Value for Money (35%).

5. The Solent Transport and SHBOA bid

- 5.1 Solent Transport has a strong track record of securing Government investment in the Solent sub-region in partnership with SHBOA. The successful Local Sustainable Transport Fund and Better Bus Area Fund projects have brought over £20 million of Government investment into our local transport systems. This investment has brought in additional match funding, created new local jobs and has delivered measurable improvements to the transport network. Southampton City Council has also previously worked with bus operators through the Clean Vehicle Technology Fund to deliver lower emissions from the local bus fleet. A successful bid to the Low Emission Bus Scheme would offer the Solent area the opportunity to expand on its existing experience of developing clean vehicle technologies, and become a leader in real-world evaluation of low-emission vehicles.
- 5.2 Solent Transport and SHBOA have been working closely to co-ordinate a bid to the Low Emission Bus Scheme. The funding bid would provide funding to cover approximately 75% of the funding gap between the low-emission buses and their standard diesel equivalent. This funding would lever in further investment from bus operators who would be responsible for funding the remaining 25% of the new vehicle cost. The local authorities will seek to provide match funding where available, and where Air Quality Management Areas are directly impacted by the new vehicles.
- 5.3 The bus operator would benefit from reduced fuel costs as low-emission buses should be more fuel efficient. A further financial incentive is available as low-emission buses qualify for an enhanced rate of Bus Service Operators Grant (formerly Fuel Duty Rebate). Operators would however be taking the financial risk of operating vehicles which use new technologies with the associated uncertainties around long term operating costs.
- 5.4 The Solent bid will include a range of low-emission technologies, as each operator has a preference for a particular technology and vehicle supplier. This represents a particular strength of the Solent bid as it will enable monitoring of the performance and impact of a range of low-emission technologies in a relatively small geographical area under the umbrella of the Solent Transport Partnership.
- 5.5 Should the bid be successful, funding would be confirmed to bring brand new low-emission buses to services operating in Southampton, Totton, the Waterside, Eastleigh, Fareham, Gosport, Portsmouth and Havant. All of the buses will be operating through AQMAs, and would make a significant positive contribution to the local authorities' Air Quality Action Plans.
- 5.6 A further benefit would be that the new buses would generally replace the oldest buses in the fleet with high emissions levels.

Section 100 D - Local Government Act 1972 - background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE	LOCATION
<i>Office for Low Emission Vehicles</i>	https://www.gov.uk/government/publications/low-emission-bus-scheme

- *Low Emission Bus Scheme – Guidance for Participants*
- *Low Emission Bus Scheme – Further Information*
- *Value for Money Assessment Guidance*
- *Application Form*
- *Grant Calculator*