

<b>Bath &amp; North East Somerset Council</b>		
<b>DECISION MAKER:</b>	<b>Cllr Mark Shelford, Cabinet Member for Transport</b>	
<b>DECISION DATE:</b>	<b>On or after 24<sup>th</sup> February 2018 (for Single Member Decision)</b>	<b>EXECUTIVE FORWARD PLAN REFERENCE:</b>
		E 3026
<b>TITLE:</b>	<b>Go Ultra Low West (GULW) OLEV Fleet Electrification</b>	
<b>WARD:</b>	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b>		
Appendix A Go Ultra Low West Bid		

## **1 THE ISSUE**

1.1 This report seeks approval for the £136k identified within Go Ultra Low West (GULW) to support the purchase of up to 17 Ultra Low Emission Vehicles (ULEVs). These will replace existing petrol fuelled vehicles within the Council's fleet as they reach the end of their useful life.

## **2 RECOMMENDATION**

2.1 The Cabinet Member is asked to:

- Approve expenditure using the fully secured GULW funding of £136k for the period of the project to March 2021 which will enable the conversion of up to 17 of the Council's fleet to ULEVs. As the appropriate capital schemes come forward for approval this funding will be transferred to those programme items.

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

There are resource implications for finance and people.

### *Financial Implications*

3.1 The funding provided will cover a grant of £8k per vehicle to support the replacement of up to 17 vehicles over the period to March 2021. This will be in addition to the capital programme for those items to enable purchase, given that electric generally has a greater initial cost.

- 3.2 The funding will be transferred to the appropriate capital schemes as they come forward for approval.
- 3.3 There will be no additional revenue liability. Ongoing maintenance is covered under fleet managers existing work programme and revenue budget.
- 3.4 The GULW OLEV programme and funding runs until 31<sup>st</sup> March 2021 with the funding identified in this report covering the period until then. The planned spend for the funding over the project period is as follows: -

<b>Sub project name</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>Total £000</b>
WP4 Fleet Electrification	56.0	24.0	56.0	0.0	<b>136.0</b>

#### *People Implications*

- 3.5 Fleet managers will be responsible for procuring, branding and maintenance of the vehicles as 'business as usual' operations for managing fleet resources.

#### *Environmental Implications*

- 3.6 Option 1 (the preferred option) delivers on the Council commitment to reducing emissions, and leads from the front in meeting government targets to remove petrol fuelled vehicles from our roads by 2040.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 Overall OLEV bid proposals to encourage the uptake of ULEVs include: -

- Expanding and improving the charge point network
- Demonstration charging hubs
- ULEV car club bays
- Ultra-low emissions zone
- Match funding business charge points
- Conversion of fleet vehicles to ULEVs

- 4.2 The government's aspiration is that, by 2040, every new car in the UK will be an ultra-low emission vehicle.

- 4.3 There are three Air Quality Management Areas (AQMAs) in the council area – Bath, Saltford and Keynsham where annual average concentrations of nitrogen dioxide exceed the national objective level. Each AQMA has an action plan and the draft Bath Air Quality Action Plan includes the measure 'Retrofit Council fleet to low emission vehicles, where practical to do so and only purchase such vehicles, where available.'

- 4.4 The Getting Around Bath Transport Strategy objectives include 'improving air quality & health, reducing vehicle carbon emissions'. The Keynsham Transport Strategy also supports this objective through its inclusion within this strategy as

well. These will contribute towards the management of improved air quality within the AQMA areas in the authority.

- 4.5 Bath and North East Somerset Council were served a letter of Direction from the Department for Environment, Food and Rural Affairs (DEFRA) and Department for Transport to 'develop and implement a plan designed to deliver compliance in the shortest time possible' by reducing emissions to bring concentrations of nitrogen dioxide to below the national objective and EU limit values by 2021. Failure to achieve the necessary reductions may result in financial penalties for the Council.

## **5 THE REPORT**

5.1 GULW (OLEV) is a WoE project awarded £7m of capital funding, approximately £1.6m of which is for expenditure within B&NES. Of this £1.6m, £136k is aligned for conversion of BANES fleet to ULEVs. This package is one of a number of measures within the GULW project which are funded by the £1.6m; however this work package is the first ready to progress with implementation of funding to support replacement of fleet vehicles with electric vehicles.

5.2 Main objectives of the GULW project are: -

- Improving air quality.
- The commitment to convert 20% of the Council fleets across the West of England to ULEVs.
- Targeting a 10% higher take up of ULEV (Ultra Low Emission Vehicles) than the national average.

5.3 At the programme baseline B&NES were allocated £216k for converting fleet to ULEVs. Following restructuring, fleet managers advised that a reduction in fleet numbers necessitated a lower requirement (£136k) for conversion. Other UA's in the West of England have increased their plans fleet conversion and requested B&NES to release £80k back to the sub-region to enable this.

5.4 Procurement of vehicles will be led by fleet managers who will follow their standard process for replacing vehicles at the end of their usable life.

5.5 The timing of this funding allows us to realise this opportunity when old fleet vehicles are being replaced with new ones as a matter of process, the grant funding supports the higher purchase price of ULEVs. This allows B&NES to reduce emissions, reduce the fuel bill and demonstrate the viability of ULEVs.

5.6 Project Delivery will be led by fleet managers following their standard procurement process and operating processes for utilising the vehicles.

## **6 RATIONALE**

6.1 Option 1 (the preferred option) is to approve the secured funding towards the replacement of the vehicles.

## **7 OTHER OPTIONS CONSIDERED**

7.1 The options considered for this work package were as follows: -

- Option 1 - Approve the secured funding of £136k for the work package to cover the period of the project to March 2021.
- Option 2 - Return this funding to the sub-region or to OLEV –and replace old fleet vehicles with new petrol vehicles using identified capital funding.
- Option 3 - Return this funding to the sub-region or to OLEV and replace old fleet vehicles with new ULEV vehicles funded from Council reserves and identified capital funding.

7.2 Option 2 was rejected on the grounds that it will not satisfy the Council's commitments to reducing emissions, improving air quality, or meeting the government target to remove petrol fuelled vehicles from our roads by 2040.

7.3 Option 3 was rejected as it would have long term financial implications for the Council.

## 8 CONSULTATION

8.1 Consultation has been undertaken with Finance, Fleet Managers and the Air Quality Team. Teams such as Transport Development and Highways will continue to be key consultees throughout wider GULW programme delivery.

8.2 The Getting Around Bath Transport Strategy demonstrated through its public consultation that around three quarters of respondents (74%) supported proposals to increase facilities for electric vehicles within the city.

8.3 s151 & Monitoring Officers have had opportunity to review & input into this report.

## 9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

<b>Contact person</b>	<i>Jessica Fox-Taylor 01225 394257 / Joanna Sammons 01225 477608</i>
<b>Background papers</b>	<i>List here any background papers not included with this report, and where/how they are available for inspection.</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	