

## **Opportunity to Bid to Office of Low Emission Vehicles (OLEV) Go Ultra Low Fund Delegated Decision: Briefing Note**

### **1. Purpose**

The purpose of this report is to provide background to the recent OLEV funding opportunities, the City Council's initial proposals for bidding and provides further information relating to timescales and financial implications. The report supports the Delegated Decision.

### **2. Introduction**

In December 2014, the Office for Low Emission Vehicles (OLEV), a cross-Government policy team within the Department for Transport (DfT), announced a £500 million package for 2015 - 2020 to help deliver a step-change in the number of ultra-low emission (ULEV) cars and vans in the UK. The objectives of the package are to deliver significant air quality benefits, reduce carbon emissions and create ULEV-related growth opportunities for businesses locally and beyond.

The Fund has been split into three complementary strands:

- A. **Low Emission Bus Scheme:** A share of £30 million capital is being made available 2015 to 2018 to increase the uptake of low and ultra-low emission buses alongside required infrastructure.
- B. **Ultra Low Emission Vehicle Taxi Scheme:** Upto £20 million will be split across successful authorities to encourage the growth of ULEVs in the Hackney and Private Hire Vehicle sector.
- C. **Go Ultra Low City Scheme:** Four winning authorities will benefit from a share of £30 million capital to introduce a broad range of measures to support the uptake of private ULEVs and achieve exemplar status

Local authorities can bid into one or all three of the strands.

### **3. Bid Proposals**

Nottingham has been making significant progress towards the introduction of a low carbon transport network exemplified through the expansion of the NET Tram network due to open in summer 2015, a fleet of fully electric contracted bus services on the Linkbus network, electric car charging points at some Park and Rides and public car parks and an overnight direct line electric feed from the city's waste generator to bus depots and stations.

The City is well placed to take on the step-change and deliver a long term "electric city vision through a comprehensive package of measures which will serve to achieve the objectives set out within the D2N2 Local Enterprise Partnership Low Carbon Plan, the Nottingham Local Transport Plan and the Nottingham Climate Change and Energy Strategies.

With an exceedance of air quality Limit values above EU requirements, investment in the measures proposed have the potential to significantly improve air quality bringing them within EU targets, reduce carbon emissions and deliver health and wellbeing benefits.

Proposals being considered as part of each scheme are set out below:

- A. **Low Emission Bus Scheme:** Funding for electric bus charging infrastructure to complement the bus investment into the Linkbus network comprising charge point and induction charging. This will include connections to Robin Hood Energy. A bid of £4-5 million is proposed.
- B. **Ultra Low Emission Vehicle Taxi Scheme:** As part of a two-stage process to present a Business Case to the DfT to secure funding to undertake a review of the current Taxi and Private Hire

Vehicle fleet makeup and undertake a feasibility study into the best locations for electric vehicle charge points with a view to developing a final Bid taking on board the recommendations of the feasibility study by the end of 2015. The value of the bid is subject to the feasibility outcomes.

- C. Go Ultra Low City Scheme:** A broad package of measures including the introduction of a city centre Low Emission Zone, comprehensive electric vehicle charging network at key interchanges e.g. Park and Rides and major workplaces, enhancements to the existing Car Club scheme and a residents’ and business support package to incentivise the uptake in ULEVs. A bid of £7-£10 million is proposed.

#### 4. Bid Timescales

The timescales for each scheme varies slightly. For simplicity, Table 1 below sets out all of the activities needed to fulfil the bidding requirements of all three schemes:

**Table 1: Indicative timetable for the City, Bus and Taxi Scheme OLEV Bids**

Activity/Bid	City scheme	Bus scheme	Taxi scheme
Bid submission	By 31 <sup>st</sup> August	31 <sup>st</sup> October 2015	June 2015 (feasibility stage) January 2016 (final stage)
Bids assessed and winners announced	October 2015	January 2016	February 2016

#### 5. Financial implications

Funding for the use of consultants at the bid preparation and submission stage will be met by Local Transport Plan Integrated Transport Block 2015/16.

The OLEV funding opportunities have been developed in a way that match funding is not an essential requirement. However, as indicated in the DfT Guidance, if Local Authorities can demonstrate local contributions to the OLEV grant resource, then Bids would be looked upon favourably and thus may lead to a higher points score.

Existing expenditure that can be identified as local contributions include:

- Local Transport Plan 2015/16 – 2017/18 Integrated Transport Block Funding (buses and charging equipment, cycling and programme coordination charges)
- DfT Green Bus Fund and Workplace Parking Levy revenue towards bus purchase and grants to businesses to encourage ULEV uptake
- Local Sustainable Transport Fund revenue allocations to support promotions and events.