

## EXECUTIVE BOARD – 22 MARCH 2016

<b>Subject:</b>	Nottingham Go Ultra Low City Programme		
<b>Corporate Director(s)/ Director(s):</b>	David Bishop, Deputy Chief Executive/Corporate Director for Development and Growth Sue Flack, Director for Planning and Transport		
<b>Portfolio Holder(s):</b>	Councillor Nick McDonald, Portfolio Holder for Jobs, Growth and Transport		
<b>Report author and contact details:</b>	Rasita Chudasama, Principal Transport Planner, Transport Strategy Team <a href="mailto:Rasita.chudasama@nottinghamcity.gov.uk">Rasita.chudasama@nottinghamcity.gov.uk</a> Tel: 0115 8763938		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Total value of the decision:</b> £7.850 million			
<b>Wards affected:</b> Citywide		<b>Date of consultation with Portfolio Holder(s):</b> 1 February 2016	
<b>Relevant Council Plan Key Theme:</b>			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input checked="" type="checkbox"/>
Jobs, Growth and Transport			<input checked="" type="checkbox"/>
Adults, Health and Community Sector			<input type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>In January 2016, the Office for Low Emission Vehicles (OLEV) confirmed Nottingham as one of four national winning cities securing funding through its Go Ultra Low City Fund, following a competitive bidding process in 2015. Nottingham City Council, in partnership with Nottinghamshire County Council and Derby City Council, will benefit from £6.120m investment between 2016 and 2020 to deliver a package of measures that support the uptake of Ultra Low Emission Vehicles (ULEVs) in the local area.</p> <p>The purpose of this report is to secure approval for the Go Ultra Low City Programme. The measures identified within the programme were put forward as part of the business case bid submitted to OLEV. The funding award will enable the delivery of a series of activities across the partnership area to:</p> <ul style="list-style-type: none"> <li>• expand charging infrastructure provision, including at key public transport interchanges;</li> <li>• introduce a support package to encourage businesses to take up ULEVs;</li> <li>• convert public sector pool cars and vans to ULEVs;</li> <li>• deliver a programme of community roadshows, events and online information provision to encourage private uptake;</li> <li>• support a programme of business networking, promotion and best practice sharing as part of the D2N2 Low Carbon Transport Technology Centre;</li> <li>• introduce ULEV's into the car club scheme;</li> <li>• contribute towards the creation of a city centre Clean Air Zone;</li> <li>• contribute towards the creation of a Low Emission Corridor comprising shared Bus/ULEV lanes (linked to the Southern Growth Corridor infrastructure improvements)</li> </ul> <p>These activities will support local economic growth and help to reduce carbon and nitrogen</p>			

dioxide impacts of transport to maintain our position as one of the leaders in local integrated transport delivery. Investment in this sector will also support the Council's ambition to deliver a self-sufficient energy city.

**Exempt information:**

None

**Recommendation(s):**

- 1 To accept the external Go Ultra Low City Grant Award of £6.120 million for the delivery of the Nottingham Go Ultra Low programme 2016-2020 awarded by the Office for Low Emission Vehicles.
- 2 To approve the funding allocations to the Nottingham Go Ultra Low City programme 2016-2020, as set out in Table 1 in Appendix A to initiate the programme, and delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth, and Portfolio Holder for Jobs, Growth and Transport, to make variations to the programme.
- 3 To approve the initiation of procurement activities, as set out in Table 2 of Appendix A, and delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth, and Portfolio Holder for Jobs, Growth and Transport, to appoint preferred suppliers following the completion of appropriate procurement and tendering activity.

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 Acceptance of the £6.120 million funding to deliver a series of innovative projects submitted as part of the Go Ultra Low City bidding competition to Government will help to achieve the City Council's aspirations for becoming a Low Emission City.
- 1.2 Delivering the initiatives over the period 2016 to 2020 will support the city's ability to meet Council Plan objectives around supporting local growth, carbon reduction, air quality and energy.
- 1.3 The procurement activities to appoint external suppliers (as required) will enable the Council to commence project delivery.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 In December 2014, OLEV, a cross-Government policy team hosted by the Department for Transport (DfT) announced a £500 million package for 2015 to 2020 to help deliver a step-change in the number of ULEV buses, 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 car manufacturing and businesses locally and beyond.
- 2.2 The funding available to Local Authorities via a competitive bidding process were organised into three schemes:
  - **Go Ultra Low Bus Scheme:** Nottingham has bid for a share of £30 million to be awarded for alternative fuelled buses and associated infrastructure to build on the electric Linkbus project. The City Council has also supported Nottingham City Transport's bid to the scheme for funding to support the introduction of 80 gas buses and a refuelling depot. The decision of this bid is currently awaited.
  - **Go Ultra Low Taxi Scheme:** Nottingham is one of eight cities through to the final round of the taxi scheme competition and will bid for a share of £20 million for top up grants towards the conversion of Hackney Carriages to low emission, and grant funding for associated charging infrastructure to support hackney and private hire ULEVs. A final bid is expected to be submitted in May 2016 for an outcome later in 2016.
  - **Go Ultra Low City Scheme:** 4 winning authorities are benefiting from a share of £35 million to introduce measures that will achieve OLEV's primary aims of supporting the uptake of ULEV's in the local area and achieve exemplary status to showcase

innovation and best practice on an international scale. Nottingham submitted a partnership bid supported by Nottinghamshire County Council and Derby City Council.

- 2.3 On 25 January 2016, it was announced that the Nottingham Go Ultra Low City scheme was successful as one of the four winning Go Ultra Low City's, securing £6.120 million for the measures outlined in the bid. The other three winning cities are London, Milton Keynes and Bristol. A further four follower cities will receive seed-funding to develop specific schemes in their local areas over the fund period.
- 2.4 The funding will be used to deliver a programme of initiatives as set out in Table 1 in Appendix A across the Nottingham, Nottinghamshire and Derby areas. The measures proposed were identified as part of a series of stakeholder consultation activities during the bid development stage in 2015. The projects which delivered high value for money outcomes, showed innovation and were deliverable were put forward in the bid.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 A Portfolio Holder Decision was agreed in 2015 approving the submission of the Bus, Taxi and City Scheme Bids to OLEV to secure funding against these programmes to support the Council's Low Emission City ambitions. Two options to (1) reject the funding and (2) vary the programme proposals from those submitted in the bid were considered. The option to refuse the grant funding was rejected as it would mean the Council is unable to meet its Council Plan objectives to introduce a network of charging infrastructure and achieve the UK Air Quality Directive objectives by 2020. The option to vary the programme was rejected to ensure the City Council remains compliant with the terms and conditions of the funding award. Both options would potentially adversely affect the Council's reputation as a leader in local transport delivery.

### **4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 4.1 The Go Ultra Low City funding is a grant awarded under Section 31 of the Local Government Act 2003. A total sum of £6.000 million capital and £0.120 million revenue grant funding has been awarded to the City Council for 2016 to 2020. The DfT have issued a formal Grant Offer letter on the basis of the profile set out above. The DfT intend to award £3.120 million (comprising £3.000m capital and £0.120m revenue) upfront in 2015/16 to enable the programme to get underway. The final £3.000 capital will be awarded in the period 2016-2020 following ongoing delivery of the programme. The Grant Offer Letter is included as Appendix B.
- 4.2 The programme is supported by £1.730 million local contributions, bringing the total package to £7.850 million. The local funding is from existing local programmes and creates no additional commitment for the City Council. At the end of the fund period, when the Go Ultra Low funding ceases, alternative funding will need to be sought for projects or the activities will have to stop to prevent unfunded activities continuing. Table 1 in Appendix A sets out the funding allocations and local contributions.
- 4.3 The City Council will be expected to submit quarterly progress reports to OLEV and after 2020 a final capital grant audit declaration will need to be submitted no later than six months after the physical completion of the scheme. The details of these requirements are set out in the Grant Offer Letter.
- 4.4 It is recommended that the Go Ultra Low City scheme funding is allocated in line with the profile presented in this report to ensure that the City Council complies with the terms and conditions of the funding award. There is some flexibility within the individual projects to

adapt delivery to meet local transport priorities as long as the overall spend is in line with the profile set out in Appendix A.

## **5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

- 5.1 The City Council's Transport Delivery Board is responsible for identifying, managing and mitigating Go Ultra Low City scheme risks. These are managed in line with the corporate risk management framework and are being mitigated through effective programme management and partnership working. It will be the responsibility of the Transport Delivery Board to ensure compliance with the terms and conditions of the grant and that the grant is committed for authorised purposes.
- 5.2 As the responsible authority, the City Council will lead on relevant Go Ultra Low procurement activities on behalf of the bid partnership. The City Council has a commitment to ensure its procurement will be fair, open and transparent. New procurement to be undertaken will comply with all relevant legislation, including European and UK Procurement Regulations and will be in accordance with the City Council's Financial Regulations and Contract Procedure Rules.
- 5.3 As part of the Bid submission, State Aid implications were considered to ensure State Aid compliance. It was agreed with Legal Services that some elements proposed did not constitute State Aid. For some elements (e.g. the business ULEV grants) the aid would fall under the General Block Exemption Regulations No 651/2014; specifically, Section 7: Aid for Environmental Protection under Article 36(2)(a). In addition, the City Council will make use of De Minimis Aid exemption where possible.

## **6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)**

- 6.1 Not applicable

## **7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 The Go Ultra Low City programme has been assessed as delivering high value for money as part of the business case development. Investment in the proposed measures will help to support growth in the ULEV-related low carbon transport sector and creation of new jobs, providing skills and training opportunities. As part of the procurement strategy to appoint external suppliers, tenders will be assessed on their ability to deliver against social value outcomes which benefit Nottingham and its residents as well as contributions to the city's low carbon objectives.

## **8 REGARD TO THE NHS CONSTITUTION**

- 8.1 Not applicable

## **9 EQUALITY IMPACT ASSESSMENT (EIA)**

- 9.1 Has the equality impact of the proposals in this report been assessed?

No



The measures propose a change in alternative fuel vehicles so there are no significant benefits or disbenefits to the protected equality groups.

**10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

10.1 None.

**11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

11.1 Nottingham Go Ultra Low City Scheme Bid published at [www.nottinghamcity.gov.uk/golownottm](http://www.nottinghamcity.gov.uk/golownottm)

**12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

12.1 Maria Balchin, Finance Analyst  
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Table 1: Nottingham Go Ultra Low City Programme Allocations

Go Ultra Low project and key elements	CAPITAL (£m)	2015/16	2016/17	2017/18	2018/19	2019/20	Total
<p><b>ULEV Public Charging Infrastructure Network</b></p> <p>Investment in up to 230 fast and rapid charging units as appropriate to the site, all smartcard/Robin Hood Card compatible with preferential parking bays for added convenience and supported by enforcement activity. To include:</p> <ul style="list-style-type: none"> <li>• <b>Upto 35 rapid chargers installed at key strategic locations:</b> East Midlands Airport, Ring Road intersections with strategic routes, A52 and A453 to support commercial businesses, particularly delivery and logistics and complement OLEV taxi needs.</li> <li>• <b>Upto 115 ground/wall mounted fast charging units at public transport interchanges and key destinations.</b> Includes all tram and bus based Park and Ride sites and strategic charging hubs at key locations e.g. Eastcroft Depot, Nottingham and Derby Enterprise Zones and Nottingham Waterside Regeneration Area.</li> <li>• <b>Upto 80 wall/ground mounted fast charging units located at key destinations</b> e.g. large supermarket car parks, city centre based shopping centres, out of town retail centres, education and leisure site, local town/district centres, out of town tourist sites.</li> </ul>		0.000	0.500	0.900	0.600	0.000	<b>2.000</b>
<p><b>ULEV Business Support Programme Activities</b></p> <ul style="list-style-type: none"> <li>• <b>Establish 'GoLowNottm' Business Club</b> providing expert advice to help local employers assess the potential savings achievable by investing in ULEVs; and distribute targeted information, workplace events, advice and associated promotional activities to raise awareness of ULEVs including via local and national initiatives and promoting the benefits of business salary sacrifice schemes to offer reduced cost ULEV leasing to eligible local employees.</li> <li>• <b>Business Workplace EV Charging Grants</b> for up to 400 SMEs and WPL-liable employers to provide upto 50% match-funding to accelerate local Citycard compatible EV charging points.</li> <li>• <b>ULEV van loan scheme</b> to provide a 'try before you buy' initiative (for one week to one month duration) to offer local businesses a real-world understanding of investing in more efficient vehicles.</li> <li>• <b>Establish EV charging hubs</b> located at key business parks, where requested</li> </ul>		0.000	0.500	0.600	0.600	0.000	<b>1.700</b>

<b>Go Ultra Low project and key elements</b>	<b>CAPITAL (£m)</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
<b>Public Sector ULEV Fleet</b> <ul style="list-style-type: none"> <li>• <b>Convert City Council pool car and light vans</b> to ULEVs within the first two years of the programme. This equates to over 80 vehicles and represents 20% of the total City Council fleet.</li> <li>• <b>Introduction of associated charging infrastructure at public estates</b> (e.g. Loxley House, Woodthorpe, Byron House, Eastcroft).</li> <li>• <b>Active trialling of LEV options for larger vehicles</b> particularly gas vehicles for heavier municipal use e.g. waste collection vehicles. Potential link with the use of Nottingham City Transport's gas refuelling depot, included in their OLEV Bus bid.</li> <li>• <b>Influencing procurement and supply of ULEVs</b> for local Councils and the NHS through the City Council's lead role within the Consortia Partnership (1,000 vehicles); County Council fleet management leasing services (10 pool cars &amp; 103 light vans) providing support on procurement and commissioning to influence suppliers and contractors to adopt ULEVs for transporting goods and services in the bid area.</li> <li>• <b>Providing EV charging facilities and support to the NHS providers</b> e.g. the 4 Clinical Commissioning Groups in Nottingham, Nottingham City Care (local provider of health care centres) and Nottinghamshire, Nottingham Universities Hospitals Trust</li> <li>• <b>Review City Council corporate procurement practices</b> to include sustainability weightings for suppliers/providers to adopt ULEVs and encouraging sustainable practices through their supply chains.</li> </ul>		0.000	0.400	0.300	0.000	0.000	<b>0.700</b>
<b>ULEV Promotions and Events</b> <ul style="list-style-type: none"> <li>• <b>Annual calendar of large-scale events</b> at locations including Queens Drive Park and Ride EcoHub supported by roaming community level roadshows in partnership with local car dealerships/providers, information from industry experts and supported by a network of EV ambassadors.</li> <li>• <b>Information, videos and materials including new website</b> signposting support available and best practice dissemination. Existing digital, social media and print communications will signpost to OLEV initiatives.</li> <li>• <b>'GoLowNottm' Owners Club</b> offering online support, practical advice, blogs, testimonials and event access, including targeted marketing approaches (e.g. use of Experian's GreenAware profiling) for tone, messaging and communications.</li> <li>• <b>EV maintenance training courses for local people</b> via Central College to develop skills and employability</li> </ul>		0.000	0.100	0.100	0.100	0.100	<b>0.400</b>

<b>Go Ultra Low project and key elements</b>	<b>CAPITAL (£m)</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
<b>D2N2 Low Carbon Transport Technology Centre</b> , including: <ul style="list-style-type: none"> <li>• <b>Integrated transport festival</b> comprising business networking, events and masterclasses on low carbon transport technology, policy, and infrastructure. Including Business Low Carbon Vehicle Festival (events, talks, tours, showcases).</li> <li>• <b>Skills development and training</b> through new online and attended training courses on low carbon vehicle technologies and EV maintenance e.g. utilising the knowledge held by Central College and the two Universities. Providing opportunities via the Nottingham Employer Hub to offer apprenticeships with local employers.</li> <li>• <b>Major EV car show at Donington Park</b> linked to a Formula E showcase where the public can try out the latest EV vehicles and encouraging business investment through networking opportunities in conjunction with the Motor Industry Association introducing local suppliers to the Formula E Teams based at Donington and other businesses across the area.</li> <li>• <b>Testbed opportunities and applied R&amp;D to support innovation, trials and growth of low carbon vehicle technologies</b> through inviting testbed ideas assessed by a newly established Technology Panel of experts to trial and deploy ideas, linked to establishment of broader D2N2 Transport Technology Centre.</li> </ul>		0.000	0.050	0.050	0.050	0.050	<b>0.200</b>
<b>City Centre Clean Air Zone</b> <ul style="list-style-type: none"> <li>• <b>Contribution towards the development of a Clean Air Zone</b>, covering buses, coaches, taxis/private hire vehicles and HGV's. The scheme will be developed in line with the framework to be published by the Department for Food, Environment and Rural Affairs (DEFRA) in 2016. A feasibility study led by DEFRA will recommend the approach to be taken in Nottingham and will be subject to a full consultation prior to implementation by 31<sup>st</sup> December 2019.</li> </ul>		0.000	0.100	0.100	0.100	0.000	<b>0.300</b>
<b>Low Emission Corridor</b> <ul style="list-style-type: none"> <li>• <b>Contribution towards the Southern Growth Corridor</b> Local Growth Fund scheme to pilot the use of shared bus and electric vehicle lanes along a single cross-city corridor. The corridor will run east-west in both directions across the city centre starting at the city boundary in Colwick going across to the Nottingham (Boots) Enterprise Zone This scheme will be subject to negotiation with Department for Transport regarding special Traffic Regulation Orders, approved signage and appropriate enforcement. Provision currently being proposed is to create additional capacity through widening Daleside Road to allow new inbound and outbound bus lanes along its length as well as construct</li> </ul>		0.000	0.150	0.150	0.000	0.000	<b>0.300</b>





<b>Go Ultra Low project and key elements</b>	<b>CAPITAL (£m)</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
support for car parking management. The officers time will be a contribution to the Go Ultra Programme as the benefits of electric vehicles will be promoted to businesses engaged.							
Nottingham City Fleet Management annual programme includes funding to cover the costs of fleet management and replacement. Contributions will support the transition to ULEV fleets.		0.000	0.120	0.120	0.120	0.120	<b>0.480</b>
Nottingham Enterprise Zone Sustainable Transport Package is funded through the D2N2 Local Growth Fund between 2016/17 and 2017/18. Contributions from the funding package will contribute to the Go Ultra Low Programme activities.		0.000	0.250	0.250	0.000	0.000	<b>0.500</b>
<b>Sub-total Local Contributions</b>		<b>0.140</b>	<b>0.550</b>	<b>0.550</b>	<b>0.300</b>	<b>0.190</b>	<b>1.730</b>
<b>Grand total</b>		<b>0.140</b>	<b>2.475</b>	<b>2.905</b>	<b>1.885</b>	<b>0.445</b>	<b>7.850</b>

**Table 2: Nottingham Go Ultra Low Procurement Strategy**

<b>Project</b>	<b>Procurement Approach</b>
ULEV Public Charging Infrastructure Network	EV charging infrastructure units, implementation, back office software/systems and maintenance to be procured via competitive tendering process. Subject to full OJEU procurement to appoint charging infrastructure provider. Advice to be taken from Cenex on the Public Procurement in Action programme. Consultancy support on developing the tender specification to be sought via three quotes or dispensation depending on value.
ULEV Business Support Programme Activities	Business support activities to be delivered inhouse to support the existing Workplace Parking Levy business support and EU funded Totally Transport projects. Additional support to be commissioned via external service provider as required.
Public Sector ULEV Fleet	Public sector fleet conversion to be delivered inhouse through existing Regional Fleet Procurement Contract administered by the City Council for vehicles.
ULEV Promotions and Events	To be delivered in-house with specialist activities e.g. communications (website development), event support to be commissioned via external service providers as required.
D2N2 Low Carbon Transport Technology Centre	To be delivered in partnership with Derby City Council and the D2N2 Low Carbon Hub, with additional activities to be commissioned via external service providers as required.
City Centre Clean Air Zone	To be delivered inhouse and through existing framework contracts for highway works.
Low Emission Corridor	To be delivered inhouse and through existing framework contracts for highway works.
Electric Car Club Scheme	To be procured via new tender following contract expiry with existing provider.
Programme Coordination	To be delivered in-house. Additional staffing resource to be recruited in accordance with City Council recruitment procedures.
Programme Marketing (Full revenue element)	To be delivered in-house and with specialist communications activities/support to be commissioned via external service providers as required.