

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3463
Author:	Rasita Chudasama
Department:	Development and Growth
Contact:	Rasita Chudasama (Job Title: Principal Transport Planner, Email: rasita.chudasama@nottinghamcity.gov.uk, Phone: 01158763938)
Subject:	Acceptance of DEFRA Clean Air Funding for Electric Taxi measures
Total Value:	£997,900 (Type: Capital and Revenue)
Decision Being Taken:	<ol style="list-style-type: none">1. Accept the DEFRA Section 31 grant funding of £368,000 revenue and £629,900 capital;2. Approve the allocations of grant funding towards the electric taxi measures set out in this report; and3. Approve the initiation of the projects utilising existing frameworks or through in-house resources.
Reasons for the Decision(s)	<p>Nottingham City Council was one of five original cities tasked with developing a Local Air Quality Plan in order to deliver air quality compliance by 2020. The Plan has been approved by Government and the Council is now under Ministerial Direction to deliver the plan measures. Delivering a clean taxi fleet was a key component of the Plan, which includes the delivery of the Taxi Strategy and Age and Emissions Policy measures to achieve a minimum of 40% Hackney carriages to be Ultra Low Emission by 2020.</p> <p>Four key projects totalling £997,000 were bid for as part of the final Plan which the Council has successfully secured:</p> <ul style="list-style-type: none">£308,000 to establish a electric taxi licensing incentive scheme to remove the costs associated with acquiring vehicle licenses for those drivers who make the switch to electric.£280,000 to expand the Ultra Low Emission Vehicle taxi try-before-you buy scheme by purchasing additional vehicles to offer more drivers the opportunity to try the vehicle.£285,000 contribution to support the creation of a taxi rapid charge point hub in the City and cover the costs of installing a home charge point for those drivers who have access to off-street parking.£65,000 to investigate the feasibility of creating an Ultra Low Emission Vehicle-only taxi rank in the City Centre.£60,000 project management support to manage the portfolio of Clean Air Fund measures. <p>The attached delivery strategy describes the details of each scheme and the proposed delivery route. All projects will either be delivered in-house using existing resources or by utilising existing frameworks.</p>

Briefing notes documents:	Nottingham Clean Air Fund Electric Taxi Measures - Delivery Strategy.docx
Other Options Considered:	<p>Funding has been secured as part of the final Local Air Quality Plan submitted to Government. The Council is under ministerial direction to deliver the plan measures. Rejecting the funding would make meeting the targets for Ultra Low Emission taxi uptake difficult to meet. This would have implications on the Council's ability to achieve air quality compliance by 2020.</p> <p>The option to decline the funding has been rejected, and it is recommended to accept the grant in accordance with the grant determination letters at the full amount of the award.</p>
Background Papers:	<p>Nottingham Clean Air Fund Grant Determination Letter - capital Nottingham Clean Air Fund Grant Determination Letter - revenue</p>
Unpublished background papers:	Grant Letter - Clean Air Fund Nottingham - revenue.pdf, Grant letter - Clean Air Fund Nottingham - capital.pdf
Published Works:	<p>Nottingham City Council Taxi Strategy 2017-2020 Nottingham Taxi Age and Emissions Policy 2018 Nottingham City Council Local Air Quality Plan 2018</p>
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Consultations:	<p>Date: 29/01/2019</p> <p>Other City Council Bodies:Portfolio Holder Air Quality Strategy Group The Group is supportive of the taxi measures</p> <p>Those not consulted are not directly affected by the decision.</p>
Crime and Disorder Implications:	None.
Equality:	EIA not required. Reasons: The measures proposed will result in the uptake of alternatively fuelled vehicles to deliver clean air objectives. There are no significant benefits or disbenefits to the protected equality groups.

Social Value Considerations:	Nottingham City Council will make all known local suppliers aware of this opportunity and encourage their participation in the process to increase the amount of money being spent in the local economy, also the uptake and use of the products being procured will improve the air quality in the city.
Relates to Council Property Assets:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	28/03/2019
Advice Sought:	Legal, Finance, Procurement, Property
Legal Advice:	<p>The City Council must ensure it complies with the terms of the grant funding agreements with DEFRA. The City Council should check to satisfy itself that it can provide the works or undertake the activities identified in the Delivery Strategy in-house and claim the cost as eligible costs. Where the City Council provides financial benefits to taxi drivers it needs to ensure the benefit is not unlawful state aid - that applies even in this case where the value of the financial benefit received by the drivers is relatively small. It is likely that most taxi drivers operate as sole traders. The most simple option is to require the drivers to sign a de minimis declaration for both the home charge points and the licensing incentive. Alternatively as these measures are for Nottingham City registered taxi drivers it may be possible to argue that the impact of the funding is local only and hence not unlawful state aid - the Legal Services team will discuss with the report author the most suitable option for dealing with this issue. In addition the licensing incentive should be operated in accordance with all appropriate published licensing policies. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 04/03/2019.</p>
Finance Advice:	<p>The City Council must ensure that it complies with the Grant conditions as set out in the agreements for these sums and that the quarterly returns are submitted with all necessary information on time - the first of these is set out in the grant agreement as the 31st March 2019.</p> <p>The initiation of the projects through existing frameworks or in-house structures must be done to ensure that the Council is achieving value for money and that the best price is one of the key considerations when contracts are awarded for this work.</p> <p>There are no other funding requirements from the City Council and this places no financial pressure on the City Council Advice provided by Susan Tytherleigh (Senior Finance Manager) on 11/03/2019.</p>

Property Advice:

The City Council should satisfy itself that there is sufficient electricity supply capacity to deliver the charge point infrastructure in the intended locations. Further approvals or advice may be required to acquire any property interests necessary to accommodate the proposed central charge point location and dedicated taxi rank that should be consistent with any wider City Centre strategies. Advice provided by Peter Carroll (Portfolio and Investment Manager) on 08/03/2019.

Procurement Advice:

**Any external purchases made as a consequence of this report being approved, will be made using existing contracts already in place
Advice provided by Paul Ritchie (Lead Procurement Officer) on 22/02/2019.**

Signatures

Sally Longford (PH for Energy and Environment)
SIGNED and Dated: 21/03/2019
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 20/03/2019

Nottingham Clean Air Fund Electric Taxi Measures

Table 1: Delivery Strategy

Project	Scheme detail	Funding	Delivery approach
ULEV taxi licensing incentive	To introduce a licensing incentive for the first 240 electric vehicles (40% of all vehicles) who licence a new ULEV taxi with the authority. The incentive will offer drivers a redemption on their licensing fees covering three years. Only hackney carriage licensed drivers will be eligible for the scheme.	£308,000 revenue	The funding will be spent inhouse. Drivers currently pay taxi licensing for the costs of licensing vehicles. Driver applications will be verified by taxi licensing colleagues before applying any discounts. Funding will be held by Transport Strategy and passed via internal recharges to the Taxi Licensing team once drivers have licensed eligible vehicles.
ULEV taxi try before you buy	Purchase additional electric taxis to support the Electric Taxi Trial project. With the additional vehicles up to 116 more drivers will be supported through the trial, which offers 12 days vehicle hire for £50 inclusive of insurance.	£280,000 capital	The ULEV vehicle framework (currently being finalised) will be used to procure additional electric taxis. The management of the electric taxi trial is being conducted as part of the existing ULEV fleet experience project, via the council's sub-contractor Drive Electric.
Rapid charge point hub	To contribute towards the creation of a taxi rapid charging hub in the city. This will comprise up to five 50kW rapid chargers to provide 'in service' charging for drivers. Funding includes investigation of site options, power assessments and design.	£185,000 capital	A contract is in place with BP Chargemaster to supply, install, operate and maintain the charge point network. The supply, operation and maintenance of additional charge points will be procured via this contract. The rapid charge point hubs will be designed with internal support as required.
Home charge points	Funding will support the first 100 drivers who apply for a home charge point. To be eligible drivers must have access to private parking (driveway/garage) and evidence ownership of the property (or have authorisation from the property owner if renting).	£100,000 capital	It is proposed to procure the electric vehicle infrastructure through existing electrical frameworks. The installation of the equipment will be undertaken in-house, once value for money checks have been carried out. A Service Level Agreement will be put in place between Transport Strategy and Highways and Energy Infrastructure team.
ULEV-only taxi rank	Investigate options for a ULEV-only taxi rank in the city centre. This will include feasibility and design.	£65,000 capital	The funding will be spent in-house.
Project management support	To support the project and provide administrative support for the duration of the programme.	£60,000 revenue	The funding will be spent in-house



Department
for Environment
Food & Rural Affairs



Department
for Transport

David Bishop
Nottingham City Council
Loxley House
Station St
Nottingham NG2 3NG

Ref: NOT CAF 3498
17 December 2018

Dear David,

Clean Air Fund - Revenue

This statement is to confirm I have received clearance to make a grant payment of £368,000.00 of revenue funding to Nottingham City Council under Section 31 of the Local Government Act 2003. I attach a signed Grant Determination Form. You will also receive a separate letter, informing you of your revenue award under the same fund.

This funding is to help you support individuals and businesses who will be affected by your local plan to reach legal nitrogen dioxide compliance in the shortest possible time. The projects that are supported are listed in Annex B.

The conditions of the grant and the monitoring and reporting expectations are also outlined in Annex B. The first reporting submission is expected by 17th March 2019 and subsequent quarterly submissions. The Secretary of State may require the repayment of any part of the grant monies paid, if the evidence for funding that has been spent cannot be demonstrated or spend has not been as intended as outlined in Annex B.

Should you require to change any element of the project this must be discussed with JAQU as soon as possible, any substantial change may require a variation. If you have any questions about this, or any other aspect of the grant making process, please contact Andreas Hansen (Andreas.Hansen@defra.gov.uk) and Jonathan Woolley (Jonathan.Woolley@defra.gov.uk).

Your acceptance of the award of this grant payment will be made by electronic signature carried out in accordance with the 1999 EU Directive 99/93 (Community framework for electronic signatures) and the UK Electronic Communications Act 2000. Acceptance of the offer comprised in this Agreement must be made within 7 days from the date of this Award Letter. The Agreement is formed on the date on which the Authority communicates acceptance on the Recipient's electronic contract management system ("Bravo"). No other form of acknowledgement will be accepted. Please remember to quote the reference number in any future communications relating to this grant.

If you have any questions regarding this letter, please do not hesitate to contact me.

ANDREW JACKSON
HEAD OF THE JOINT AIR QUALITY UNIT

Annex A - Title: NO₂ PLAN CLEAN AIR FUND GRANT DETERMINATION 2018: No 31/3498.

The Secretary of State at the Department for Environment, Food, and Rural Affairs, in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1) This determination may be cited as the NO₂ Plan Clean Air Fund 2018 No31/3498.

Purpose of the grant

2) The purpose of the grant is to provide funding to local authorities in England to help them support individuals and businesses who will be affected by their local plans to reach legal nitrogen dioxide compliance in the shortest possible time.

Determination

3) The Secretary of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Treasury consent

4) Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

Signed by authority of the Secretary of State for the Department for Environment, Food, and Rural Affairs.

Andrew Jackson

Deputy Director,

Joint Air Quality Unit

December 2018

ANNEX A

ANNEX A: Revenue allocation for the 2018/19 financial year

English Local Authorities	18/19	Total
Nottingham City Council	£368,000.00	
TOTAL	£368,000.00	

Annex B: Grant Projects and Conditions

Grant Conditions

1. Monitoring and evaluation of measures in the local plan will need to be carried out in accordance with guidance which will be published on Huddle in January 2019.

Nottingham City Council will be required to submit quarterly monitoring reports detailing progress with the implementation of the local plan. The first reporting submission is expected by 17th March 2019. In addition to specific reporting on the above measures, this will include the provision of:

- Existing air quality monitoring such as diffusion tubes and continuous analysers.
- Existing and planned relevant transport monitoring such as traffic surveys.

Evidence may also be requested to support use of funding, such as contracts, contractor reports, invoices and timesheets.

2. Should you require to change any element of the project this must be discussed with JAQU as soon as possible, any substantial change may require a variation.

Grant Projects

The funding awards have been made on the basis of the information submitted as part of your Full Business Case and the Clean Air Fund addendum and we require you to deliver the measures in line with the information provided. A high-level summary of the revenue projects supported, their costs, implementation timelines, and monitoring and evaluation requirements has been included below.

Projects supported

Project	Description	Amount
Taxi licensing scheme	This measure funds the removal of the cost associated with acquiring driver and vehicle licenses for those operators who make the switch to Electric Taxis.	£308,000
Programme administration support	This funding supports the delivery of the whole portfolio of Clean Air Fund measures.	£60,000

Implementation timelines

In general, mitigation measures supported through the CAF should be in place before the measures they mitigate against go live. The timelines below are drawn from the bid Nottingham City Council submitted.

Future Measure 1: Taxi Licensing Scheme		
Scheme design	July – October 2018	Ongoing
Legal sign off on internal processes	October 2018	Ongoing
Council approval (subject to funding being awarded)	November 2018	Not started
Taxi licensing scheme launched	November 2018	Not started
Quarterly monitoring of take up (NCC licensing)	Quarterly	Not started
Scheme completion (unless funding spent)	November 2021	Not started



Department
for Environment
Food & Rural Affairs



Department
for Transport

David Bishop
Nottingham City Council
Loxley House
Station St
Nottingham NG2 3NG

Ref: NOT CAF 3499
07 January 2019

Dear David,

Clean Air Fund - Capital

This statement is to confirm I have received clearance to make a grant payment of £629,900.00 of capital funding to Nottingham City Council under Section 31 of the Local Government Act 2003. I attach a signed Grant Determination Form. You will also receive a separate letter, informing you of your revenue award under the same fund.

This funding is to help you support individuals and businesses who will be affected by your local plan to reach legal nitrogen dioxide compliance in the shortest possible time. The projects that are supported are listed in Annex B.

The conditions of the grant and the monitoring and reporting expectations are also outlined in Annex B. The first reporting submission is expected by 31st March 2019 and subsequent quarterly submissions. The Secretary of State may require the repayment of any part of the grant monies paid, if the evidence for funding that has been spent cannot be demonstrated or spend has not been as intended as outlined in Annex B.

Should you require to change any element of the project this must be discussed with JAQU as soon as possible, any substantial change may require a variation. Your acceptance of the award of this grant payment will be made by signing the below. No other form of acknowledgement will be accepted. Please remember to quote the reference number in any future communications relating to this grant.

If you have any questions regarding this letter, please do not hesitate to contact me.

Yours sincerely

ANDREW JACKSON
HEAD OF THE JOINT AIR QUALITY UNIT

NO₂ PLAN CLEAN AIR FUND GRANT DETERMINATION 2019: No 31/3499.

The Secretary of State for Transport ("the Secretary of State"), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1) This determination may be cited as the NO₂ Plan Clean Air Fund 2018 [No31/3499].

Purpose of the grant

2) The purpose of the grant is to provide funding to local authorities in England to help them support individuals and businesses who will be affected by their local plans to reach legal nitrogen dioxide compliance in the shortest possible time.

Determination

3) The Secretary of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Grant conditions

4) Pursuant to section [31(3) and] 31(4) of the Local Government Act 2003, the Secretary of State determines that the grant will be paid subject to the conditions in Annex B.

Treasury consent

5) Before making this determination in relation to local authorities in England, the Secretary of State obtained the consent of the Treasury.

Signed by authority of the Secretary of State for Transport.

Richard Bruce

Director of Energy, Technology, and Innovation


January 2019

ANNEX A


Capital allocation for the 2018/19 financial year

Authority to which grant is to be paid	Amount of grant to be paid
Nottingham City Council	£629,900.00

Signed for on behalf of Nottingham City Council

Name	DAVID BISHOP
Title	Deputy Chief Executive
Signature	
Date	10-1-19

Signed for on behalf of the Joint Air Quality Unit

Name	JENNY WARD
Title	DEPUTY HEAD OF JAQU
Signature	
Date	7/01/19

Annex B: Grant Projects and Conditions

Grant Conditions

1. Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.

2. The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of JAQU of the Department for Transport a declaration, to be received no later than by 31st March 2019, in the following terms:

“To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to NO₂ Plan Clean Air Fund: No.31/3498 have been complied with”.

3. If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Minister of State may reduce, suspend or withhold grant; or by notification in writing to the authority, require the repayment of the whole or any part of the grant.

4. Any sum notified by the Minister of State under paragraph 3(b) shall immediately become repayable to the Minister.

5. Monitoring and evaluation of measures in the local plan will need to be carried out in accordance with guidance which will be published on Huddle in January 2019.

Nottingham City Council will be required to submit quarterly monitoring reports detailing progress with the implementation of the local plan. The first reporting submission is expected by 31st March 2019. In addition to specific reporting on the above measures, this will include the provision of:

- Existing air quality monitoring such as diffusion tubes and continuous analysers.
- Existing and planned relevant transport monitoring such as traffic surveys.

Evidence may also be requested to support use of funding, such as contracts, contractor reports, invoices and timesheets.

6. Should you require to change any element of the project this must be discussed with JAQU as soon as possible, any substantial change may require a variation.

Grant Projects

The funding awards have been made on the basis of the information submitted as part of your Full Business Case and the Clean Air Fund addendum and we require you to deliver the measures in line with the information provided. A high-level summary of the capital projects supported, their costs, implementation timelines, and monitoring and evaluation requirements has been included below.

Description of measures

Project	Description	Amount
ULEV taxi try-before-you-buy scheme	This scheme is an extension of a scheme funded through the Early Measures Funding (from 5 to 10 taxis). The scheme proposes to offer drivers access to ULEV vehicles on a trial basis initially with the option to enter into a longer-term lease of the vehicle.	£280,200
ULEV taxi charging infrastructure	This scheme aims to address one of the key concerns of taxi drivers in Nottingham who are considering switching to a ULEV: presence of taxi dedicated charging points. The scheme will introduce a taxi charging hub with five rapid chargers in a commercial location south of the city centre and offer home charge grants to up to 240 drivers with off-street parking facilities.	£284,700
ULEV-only taxi rank	This scheme will establish a ULEV-only taxi rank in the city centre to create an operating environment that incentivises the purchase of a ULEV taxi.	£65,000

Timeline

In general, mitigation measures supported through the CAF should be in place before the measures they mitigate against go live. The timelines below are drawn from the bid Nottingham City Council submitted.

Future Measure 2: Expanded Taxi Try Before You Buy		
ULEV taxi specification	Summer 2018	Completed
Approval to purchase 3x LEVC taxis	August 2018	Completed
Order placed with Paul Rigby Ltd (local LEVC dealer)	August 2018	Completed
Driver booking system and internal process finalisation	September 2018	Ongoing
Vehicle delivery	End September 2018	Ongoing
Vehicle plating (NCC licensing)	September/October	Not started
ULEV vehicles soft market testing (includes ULEV taxis)	September – October 2018	Ongoing
Taxi trial launch and event (with three LEVC taxis)	October 2018	Not started

Project monitoring (Drive Electric)	Quarterly	Not started
ULEV taxi procurement approval (Commissioning and Scrutiny Committee)	October 2018	Not started
ULEV taxi procurement commences	November 2018	Not started
Procurement evaluation	January 2019	Not started
Contracts awarded	January 2019	Not started
Additional taxis purchased	January 2019	Not started
Delivery (additional 2 + 5 ULEV taxis)	End February 2019	Not started
Vehicle plating (NCC licensing)	March 2019	Not started
Expanded taxi try before you buy scheme offered (with up to 10 vehicles)	March 2019	Not started
Taxi trial phase 1 complete (for 2020 incentivisation)	31 October 2019	Not started
Future Measure 3: Charge Point infrastructure		
Site visits for potential taxi charge point locations	Summer 2018	Completed
Quotations prepared	September 2018	Completed
Council approval (pending DEFRA approval of grant)	November 2018	Ongoing
Inception meeting with Chargemaster	November 2018	Not started
Construction commences	November 2018	Not started
Construction completed	January/February 2019	Not started
Dedicated taxi rapid charging hub launch	February/March 2019	Not started
Future Measure 4: ULEV only taxi rank		
Scheme development	Summer – Autumn 2018	Ongoing
Publish experimental Traffic Regulation Order for consultation	October 2018	Ongoing
Council approval to create ULEV only taxi rank (pending grant approval)	November 2018	Not started
Project inception (tie in with charge point implementation)	November 2018	Not started

DfT approval	December 2018	Not started
Highway works commence	January 2019	Not started
Signing and lining	February 2019	Not started
Construction completed	February 2019	Not started
ULEV only taxi rank launch (linked to the charging hub opening)	February/March 2019	Not started