

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3552
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Department:	Commercial and Operations
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Subject:	Build NCC's own ULEV Centre - Nottingham Electric Vehicle Services (MOT/Servicing for internal electric light fleet, taxis and external customers)
Total Value:	Exempt (Type: Capital)
Decision Being Taken:	<ol style="list-style-type: none">1. To approve the use of prudential borrowing to fund the capital expenditure state in the value of this decision;2. Delegate authority to the Director of Neighbourhood Services to undertake a procurement and subsequently award the contracts for the works and services to construct the ULEV centre subject to the budget specified above;3. Delegate authority to the Head of Parking, Fleet and Transport to enter into contracts to provide maintenance of ULEV vehicles at the ULEV centre for third party organisations and individual owners of ULEV vehicles with the value of each contract to be subject to the existing financial limit delegated to the Head of Parking, Fleet and Transport;4. Delegate authority to the Head of Parking, Fleet and transport to set appropriate charging rates for the provision of the maintenance services;5. To note that the establishment of the Nottingham Electric Vehicles Service Centre was approved at Executive Board on 22nd May 2018.

Reasons for the Decision(s)	<p>It is proposed that Fleet Services will utilise funding through borrowing to create a ULEV Centre in Tamar Building on Eastcroft Depot which will be a dedicated garage for Ultra Low Emission Vehicles. The ULEV Centre will have specialist staff, plant and equipment utilising the latest technologies to:</p> <ol style="list-style-type: none">1. Maintain the Council's growing ULEV fleet (120 by end of 2019/20);2. Undertake work on partner organisations' ULEVs including Nottingham City Homes, Rushcliffe Borough Council and Hackney cabs;3. Undertake work for private individuals who own electric vehicles;4. Show NCC's commitment to reducing emissions in Nottingham as a response to the Ministerial Direction issued in 2017;5. Provide an exemplar to other Local Authorities on how to maintain ULEV vehicles. <p>It is estimated that the Centre will be open in Summer 2019.</p> <p>"In July 2017, DEFRA identified a number of local authorities, including Nottingham City Council, as having locations where concentrations of NO2 are above the average annual legal limit of 40µgm-3. The modelling also predicted that NO2 levels will continue to exceed the legal limit until 2023, unless additional interventions are implemented. The Council is under Ministerial Direction to produce a local plan showing how it will reduce concentrations of NO2 to within the legal limits as soon as possible". - Transport Nottingham.</p> <p>The high levels of NO2 are being tackled in a number of ways by Nottingham City Council but many of these strategies rely on an increase in the take up of ULEVs in the city. Nottingham lags behind local areas on the purchase of ULEVs and NCC is therefore proposing to become an exemplar by converting as much of its own fleet as is practicable. In addition, NCC are committed to introducing an incentive scheme to encourage the Hackney and private hire taxi fleet of 400 and 1000 vehicles respectively to shift to low emission vehicles in order to achieve 40% of Hackney and 25% of private hire to be ULEV by 2020. With the combined light fleets of NCC and cabs exceeding 1,800 vehicles, Fleet Services must have the capacity and skills to maintain large numbers of ULEVs within Nottingham in a short period of time. Furthermore, an economic appraisal undertaken as part of the OLEV Go Ultra Low City bid predicted that there will be 12,000 ULEVs in Nottingham by the end of 2020. The current garages across Nottingham are not able to handle the demand levels above and it has therefore been decided that now is a prime opportunity for Nottingham City Council to invest in a bespoke ULEV workshop which can both support the growth projected above and provide a commercial return for the Council. The ULEV Centre will provide Fleet Services with the capacity to expand in to a market which is currently under-served and on the verge of rapid growth.</p>
Briefing notes documents:	Image 01 FINAL-A.jpg, Image 02 FINAL-A.jpg, Image 09 FINAL-A.jpg, Image 12 FINAL.jpg, Image 13 FINAL-A.jpg, Image 15 FINAL-A.jpg

Other Options Considered:	<div>Option 1 Do Nothing: Not building a garage for ULEVs results in NCC having to subcontract work to the manufacturers of EVs. Cost would be far in excess of doing the work in-house. Reducing work for NCC fitters would lead to job losses & leave Fleet Services without the economies of scale, which allow Woolsthorpe to undertake work on commercial contracts.</div> <div>Option 2 Expand Woolsthorpe Workshop: Woolsthorpe Workshop currently undertakes maintenance on 20 ULEVs owned by NCC. The expected increase in ULEVs couldn't be catered for with current capacity/layout of the site. Fleet Services evaluated the option of expanding Woolsthorpe to provide capacity for ULEVs. This option may be sufficient for servicing NCC's fleet, as it would involve adding two ramps to a unit already well used by diesel vehicles. The expansion was rejected in favour of a new site, as Fleet Services don't believe a "bolt on" to existing workshops, provides the exemplar of good practice. The ULEV Centre should provide a customer experience comparable with main dealers to maximise the revenue potential; this isn't possible at Woolsthorpe. The remote location & restricted capacity to open the Woolsthorpe site to private vehicles limits the ability to provide a step change in ULEV. The aim to provide a dedicated centre for low-emission vehicle repairs, with trained mechanics, ramps, tools, flooring and other equipment required; creating the centre on a new site would allow it to be a business in its own right and for NCC to establish itself as a high-quality brand for ULEV maintenance in a city location.</div>
Background Papers:	None
Published Works:	None
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	<div>Financial Advice from NCC Finance Department. Value of decision.</div> <div>An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972</div>

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).	The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the finance advice contains information relating to the pricing structure of services and the expected cost of capital works. Disclosing this information would adversely impact the future business affairs of the authority.
Documents exempt from publication:	Exempt Appendix Build NCCs Own ULEV Centre Finance Comments.docx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	N/A
Equality:	EIA not required. Reasons: EIA not required. Reason: This proposal is to build a new ULEV centre and no significant benefits or dis-benefits to the equality groups.
Relates to Building Services:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	21/06/2019
Advice Sought:	Legal, Finance, Building Services

Legal Advice:	<p>Contracts for works and services in connection with constructing the proposed ULEV centre must be awarded in compliance with the City Council's Financial Regulations and Contract Procedure Rules.</p> <p>The City Council has power to offer services to public bodies for which it can make a profit (such as other Local Authorities) and can in addition charge for services provided to other persons who request those services (such as Hackney Cab owners and private individuals). The City Council should establish charging rates for carrying out the maintenance services for non-public bodies. Those charging rates may include a contribution to overheads but should not be based on making a profit. The City Council should keep under review the level of maintenance services provided to third parties and potential levels of revenue so that such services could be provided through a trading company in the future.</p> <p>It is advisable that the City Council should enter into contracts when providing maintenance services for ULEV vehicles including appropriate limits on the City Council's liability or damage and loss. Recommendation 4 gives delegated authority to the Head of Parking, Fleet and Transport to enter into contracts within the limits of his existing delegated financial authority - for contracts in excess of this value a separate executive authority will be required (for example this may be necessary where the City Council is asked to tender for services for maintenance of a third party's ULEV fleet)</p> <p>Advice provided by Andrew James (Team Leader Contracts and Commercial) on 04/03/2019.</p>				
Finance Advice:	<p>This advice is exempt from publication and is contained within an exempt appendix. Advice provided by Matthew Connell (Commercial Business Partner) on 21/03/2019.</p>				
Building Services Advice:	<p>There are no significant concerns with the decision being sought and Building Services are supporting this project. Advice provided by Asaad Raoof (Design Services Manager) on 28/02/2019.</p> <p>Advice provided by Asaad Raoof (Design Services Manager) on 28/02/2019.</p>				
Signatures	<table><tr><td>Adele Williams (Portfolio Holder for Adult Care & Local Transport)</td></tr><tr><td>SIGNED and Dated: 13/06/2019</td></tr><tr><td>Andy Vaughan (Corporate Director Commercial and Operations)</td></tr><tr><td>SIGNED and Dated: 30/05/2019</td></tr></table>	Adele Williams (Portfolio Holder for Adult Care & Local Transport)	SIGNED and Dated: 13/06/2019	Andy Vaughan (Corporate Director Commercial and Operations)	SIGNED and Dated: 30/05/2019
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