

Cabinet

16 February 2021

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor J O’Boyle

Director Approving Submission of the report:

Director of Transportation and Highways

Ward(s) affected:

All

Title:

All Electric Bus City and Enhanced Partnership Plan

Is this a key decision?

Yes - The proposals are likely to have a significant impact on residents or businesses living or working within two or more electoral wards in the City.

Executive Summary:

The Department for Transport (DfT) launched the All Electric Bus Town fund in February 2020, with £50 million in grant funding made available to allow one town or city within England to make the transition to a bus network operated fully by electric powered buses. The West Midlands Combined Authority, as the strategic transport authority for the West Midlands, submitted an Expression of Interest for Coventry. The EOI was developed by the City Council in partnership with Warwickshire County Council and Transport for West Midlands and covered all public bus services operating within the city and in surrounding areas of Warwickshire.

The DfT subsequently confirmed that the Coventry and Warwickshire bid had been shortlisted alongside a second bid from Oxfordshire County Council based on Oxford. In the Budget Statement on 25th November 2020, Government increased the amount of funding available for the All Electric Bus Town competition, and the DfT has confirmed, in writing to the WMCA Chief Executive, that the Coventry / Warwickshire proposal will be funded subject to the submission of a satisfactory Full Business Case.

The DfT has also confirmed that the WMCA will be the accountable body for the Coventry and Warwickshire scheme, as the strategic transport authority for the Coventry area, and that responsibility for the development and approval of the FBC is proposed to be devolved from the DfT to the WMCA. The FBC will be presented to the WMCA Board at its meeting on 19th March 2021 for approval.

City Council officers have taken a lead role in the preparation of the FBC. If successful, the bid will see around 297 new electric buses come into operation in Coventry over the next four years, meaning that by Winter 2025 every public bus service in the city will be operated by a zero-emission electric vehicle, supporting the Council’s objectives of a green economic recovery

through the de-carbonisation of the city's transport network, with an estimated annual emissions saving of around 24,000 tonnes of carbon dioxide and 55 tonnes of nitrogen dioxide.

The WMCA has also published a notice to make an Enhanced Partnership (EP) Plan for the West Midlands area, to which Coventry City Council, as a constituent authority of the WMCA, would need to be a signatory. Once made, this would enable an Enhanced Partnership Scheme to be established for the Coventry area requiring all future public bus services in the city to be operated by zero-emission buses, thereby enshrining the principles and objectives established by the All Electric Bus Town project.

Recommendations:

The Cabinet is requested to:

- 1) Authorise the Director of Transportation and Highways, following consultation with the Cabinet Member for Jobs and Regeneration and the Director of Law and Governance, to work with officers of Transport for West Midlands on the development of a Full Business Case for the All Electric Bus Town for submission to the West Midlands Combined Authority Board seeking £50 million in grant funding.
- 2) Support the Enhanced Partnership Plan for the West Midlands, recognising the benefit this could bring for the successful delivery of the All Electric Bus Town programme.
- 3) Authorise the Director of Transportation and Highways, following consultation with the Cabinet Member for Jobs and Regeneration and the Director of Law and Governance, to work with officers of Transport for West Midlands on the development of an Enhanced Partnership Plan and Scheme that would ensure that the benefit of the All Electric Bus Town investment would be maximised by ensuring the all future bus services operating in the city would be operated by zero emission buses subject to complying with the statutory preparation, notice and consultation on the Enhanced Partnership.
- 4) Authorise the Director of Law and Governance to negotiate, execute, seal and complete all necessary documentation to give effect to the above recommendations.

List of Appendices included:

Appendix 1 - Letter from Department for Transport to the WMCA dated 5th January 2021.

Appendix 2 - WMCA Enhanced Partnership Plan, November 2020.

Background papers:

None

Other useful documents

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: All Electric Bus City and Enhanced Partnership Plan

1. Context

- 1.1 The Department for Transport (DfT) launched the All Electric Bus Town fund in February 2020, with £50 million in grant funding made available to allow one town or city within England to make the transition to a bus network operated fully by electric powered buses. The West Midlands Combined Authority (WMCA), as the strategic transport authority for the West Midlands, submitted an Expression of Interest for Coventry. The DfT subsequently confirmed that the Coventry and Warwickshire bid had been shortlisted alongside a second bid from Oxfordshire County Council based on Oxford. In the Budget Statement on 25th November 2020, Government increased the amount of funding available for the All Electric Bus Town competition, and the DfT has confirmed, in writing to the WMCA Chief Executive, that the Coventry / Warwickshire proposal will be funded subject to the submission of a satisfactory Full Business Case to the WMCA Board before the end of March 2021.
- 1.2 If successful, the bid will see around 297 new electric buses, with supporting charging infrastructure, come into operation in Coventry over the next four years, meaning that by Winter 2025 every public bus service in the city will be operated by a zero-emission (at tailpipe) electric vehicle. The bid includes buses operating by the main bus companies and those operating ring and ride and other local services.

2 Options considered and recommended proposal

All Electric Bus Town

- 2.1 In May 2020, the Council, in partnership with Warwickshire County Council (WCC) and Transport for West Midlands (TfWM), submitted an Expression of Interest (EOI) to the Government's All Electric Bus Town funding competition. As the strategic transport authority for the area, the EOI was submitted on the Council's behalf by the West Midlands Combined Authority (WMCA). The bid sought £49.99 million in Government grant funding to support the transport authority, the two local authorities and local bus operators to purchase a fleet of electric-powered buses to operate bus services within Coventry and neighbouring areas of Warwickshire.
- 2.2 A total of 19 EOIs were submitted and the Department for Transport (DfT) shortlisted the Coventry / Warwickshire proposal along with a proposal based on Oxford.
- 2.3 The DfT has confirmed that this will not be a competitive process, and that funding has been provisionally allocated for both the Coventry / Warwickshire and the Oxford proposals. The DfT wrote to the WMCA on 5th January 2021 confirming their intent to devolve responsibility for the development and approval of the Full Business Case (FBC) to the WMCA. In their letter, the DfT confirms that a maximum of £50 million in capital grant funding will be provided for the All Electric Bus Town programme in Coventry / Warwickshire, and that this sum will be paid to the WMCA before the end of March 2021 subject to the WMCA Board approving the FBC.
- 2.4 A working group has been established to oversee the FBC preparation involving the City Council, Transport for West Midlands and WCC officers as well as representatives from the bus companies operating services within the city. The aim is to seek formal approval of the FBC at the WMCA Board meeting on 19th March 2021.
- 2.5 Clearly, the landscape within which the bus industry is operating has changed significantly since the submission of the original bid, with the full impacts of the decline in bus patronage resulting from the COVID-19 pandemic and associated social and economic changes now beginning to be understood. What has previously been a very commercial bus network currently requires significant public funding support, and the ability of bus operators to invest

in new buses has been compromised. One local bus company, DeCoursey, has already ceased trading.

- 2.6 Notwithstanding these challenges, it is still considered appropriate that the opportunity to secure Government investment in the improvement of the local bus fleet operating within Coventry should be pursued, and the other local authority partners both remain supportive of the bid. In addition, bus operators are also supportive of the bid proceeding with the three largest bus operators within the Coventry and Warwickshire area having already reaffirmed their support.
- 2.7 Informal feedback from DfT officials has identified that the bid will need to demonstrate how the partners will promote modal shift within their area to capitalise fully upon the investment in new, clean, buses. This could include measures such as promotion and marketing, smart-ticketing, improvements to bus stops and service information, and bus priority measures such as the bus gates already in place in various locations across the city.
- 2.8 Therefore, it is recommended that the Council supports the development of the FBC for submission to the WMCA Board in line with DfT requirements, as set out in their letter to the WMCA (see Appendix One).

Enhanced Partnership Plan

- 2.9 The West Midlands Combined Authority (WMCA) has issued a notice to make an Enhanced Partnership Plan (EPP) following public consultation and this has successfully passed the statutory operator objection period. The EPP provides a strategic context for joint working between bus operators and local authorities that could be beneficial for the All Electric Bus Town scheme should the City Council and its partners be successful in the bid outlined above.
- 2.10 The EPP will, if approved, cover the entire WMCA area, excluding the areas within the existing Advanced quality Partnership Schemes (AQPS) for Birmingham and Wolverhampton city centres and Solihull town centres, and will provide the strategic context for contributing towards the nine strategic objectives set out in the *Strategic Vision for Bus* and the overall vision for a “world-class integrated, reliable, zero-emission, transport system providing inclusive travel for all across the West Midlands...”. The EPP provides the strategic context for future schemes that could set out operator requirements and the facilities and measures to be taken by partners to fulfil the objectives of the EPP. Such future schemes could include operator requirements for zero-emission buses and complementary measures, such as those proposed for Coventry through the All Electric Bus Town bid.
- 2.11 The EPP will be reviewed annually by the West Midland Bus Alliance through a Reference Group which includes representation from each constituent authority of the WMCA, including the City Council.
- 2.12 The benefit of the EPP for the City Council is that it provides a legislative framework for future improvements to bus travel within Coventry. An Enhanced Partnership Scheme (EPS) could then be proposed that would be a legally binding partnership between the Council, the WMCA, and bus operators covering requirements such as vehicle specification (including zero-emission requirements), branding, ticketing, measures to enhance bus service reliability, and improvements to bus passenger facilities within all or part of the city. An example would be for the All Electric Bus Town bid, where an EPS would require all bus operators operating within Coventry to use a zero-emission vehicle, with the Council and WMCA in turn committing to certain measures supporting the attractiveness and reliability of bus services.

3 Results of consultation undertaken

- 3.1 No public consultation has been undertaken on the All Electric Bus Town submission. Transport for West Midlands has undertaken consultation on the Enhanced Partnership Plan for the West Midlands with both the public and qualifying local bus operators.
- 3.2 The public consultation for the proposed EP Plan ran for 10 weeks from Monday 6th July to Sunday 13th September 2020. A total of 347 responses were received to the online questionnaire, with a further 14 responses received by email. Among the 347 responses received via the online questionnaire 68% of respondents either agreed or strongly agreed with the vision laid out in the EP Plan, 11% of respondents either disagreed or strongly disagreed with the vision in the EP Plan, and 17% neither agreed nor disagreed.
- 3.3 All qualifying local bus operators have been formally consulted and no objections were received to the EPP.

4 Timetable for implementing this decision

- 4.1 The timetable for implementing the All Electric Bus Town is dependent upon the timing of the funding award, but delivery is expected to take place between April 2021 and March 2025, with all buses operating in the city being electric buses by the end of 2025.

5 Comments from Director of Finance and Director of Law and Governance

5.1 Financial implications

The West Midlands Combined Authority will be the accountable body for the grant funding of £50 million. The remaining scheme costs will be borne by the bus companies, the WMCA, and Warwickshire County Council. The City Council will contribute towards the cost of measures to enhance bus services, such as bus gates and other similar measures on key corridors to improve the resilience, and attractiveness of bus services. These measures will be funded through existing project budgets, such as the Air Quality Action Plan grant for Foleshill Road and for Spon End and S106 contributions from developers, and therefore no additional budget is required from the City Council to successfully deliver this project.

5.2 Legal implications

The Enhanced Partnership Plan provides powers for the WMCA, and City Council, to enter into a legally binding Enhanced Partnership Scheme requiring the bus companies operating bus services within the city to do so only with electric, or zero emission, buses. The Bus Services Act 2017 sets out the legislative framework for the development of an EPP and its implementation.

The obligations that the City Council will take on under any Enhanced Partnership agreement all relate to existing functions in respect of which the City Council already has statutory powers.

6 Other implications

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

These proposals support the Council's core aims, as set out in the Council Plan, by:

- improving the quality of life for Coventry people – by creating an attractive, cleaner and greener public transport system operating within the city;

- creating an attractive, cleaner and greener city by investing in an enhanced, attractive zero-emission bus fleet to operate within the city, and;
- making the city more accessible for businesses, visitors and local people through the provision of more attractive bus services using zero-emission, modern, accessible vehicles.

6.2 How is risk being managed?

The most significant risks identified for this project relate to the current situation that the bus industry finds itself in, due to the significant reduction in patronage, and therefore passenger revenue, resulting from the impact of the COVID-19 pandemic. This has meant that a largely financially commercial bus network in Coventry has become more reliant upon public subsidy as an interim measure. This has in turn impacted upon the ability of the bus companies to continue with their previous levels of investment in new buses.

In response to this position, TfWM are identifying alternative models for the procurement of the new electric buses and these will be developed further and agreed with project partners prior to the submission of the full business case to the Government.

6.3 What is the impact on the organisation?

There is no impact on the organisation, as all resources required to deliver the All Electric Bus Town will be funded through the grant received from Government and from funding already received for specific infrastructure schemes.

6.4 Equality Impact Assessment (EIA)

The investment in a new, modern fleet of vehicles to operate the bus network in Coventry will improve access to bus services, and easier movement around the city, for all residents, as the new buses will be fully accessible in line with current design standards.

6.5 Implications for (or impact on) climate change and the environment

The All Electric Bus Town project will result in every bus operating public bus services within the city being zero-emission, which will have a beneficial impact upon climate change through a reduction in emissions from the bus fleet. It is estimated that the transition of the fleet to electric buses will result in an annual saving of around 23,996 tonnes of carbon dioxide, 55 tonnes of nitrogen dioxide, and 1 tonne of particulates. This will also complement the Local Air Quality Action Plan which was agreed by Cabinet at its meeting in July 2020 and which is currently being implemented.

6.6 Implications for partner organisations?

The All Electric Bus Town project will result in major investment in upgrading the fleet of vehicles operating bus services within the city of Coventry and adjoining areas of Warwickshire. This will also benefit the bus companies operating those bus services, by supporting them in advancing the investment in modern, zero-emission, buses to ensure that high quality services can be provided within the area.

The Enhanced Partnership Plan will also benefit partner organisations by providing the framework through which a formal EPS for standards on the electrification of the bus fleet can be developed.

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