

Report of: Team Leader Environmental Advisory

Report to: Chief Officer Highways and Transportation

Date: 11th April 2017

Subject: Clean Air Zone & Air Quality Improvement – Consultancy Support

Capital Scheme Number : 32749

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: 10.4 (3) Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Leeds City Council has been named in the UK Governments Plan to improve Air Quality as requiring a Clean Air Zone in order to reduce public exposure to emissions from transport.
2. Work between Leeds City Council and a joint DEFRA/DfT Air Quality Unit (JAQU) is progressing with scoping work to determine the location, classification and size of the Clean Air Zone (CAZ) that Leeds will need to be implemented in order to be compliant with the government's targets for Air Quality.
3. Leeds City Council has received confirmation from JAQU that three business case applications for Capital Grants to fund assistance from specialist consultants to assist in completing vital areas of associated work have been successful. These funding requests amount to a total value of £237,864 and have been accepted by DEFRA for the following purposes;
 - £25,000 to be awarded to fund Leeds City Council's consultant partner Mouchel to support the work required to progress detailed traffic emission calculations and air quality concentration modelling to complete the Clean Air Zone Scoping Study.
 - £152,864 to be awarded to fund both internal resource and external consultancy support to build up the required detailed business case using the Treasury's Five

Case Model for introducing a Clean Air Zone in Leeds to the requirements set out by JAQU.

- £60,000 to be awarded to fund the appointment of consultancy support to undertake a detailed Alternative Fuel Feasibility Study for the Leeds Area. This work will look to assess the potential air quality benefits in Leeds of switching key fleets to alternative lower emission fuel technology and identify the most suitable locations to locate the required refuelling infrastructure.
4. To meet the very tight deadlines that the authority is working to, DEFRA has accepted that Leeds can utilise the existing framework partnership contract with Mouchel to obtain the necessary support to complete the air quality modelling process rather than follow a competitive tender process. This is also beneficial to Leeds City Council due to the iterative nature of modelling the various CAZ scenarios.
 5. The appointment of consultant support to complete the CAZ business case and undertake the alternative fuel feasibility study will be done using a suitable competitive procurement process.

Recommendations

6. The Chief Officer Highways and Transportation is requested to:-
 - i. Approve the request to utilise Mouchel to assist in modelling the air quality requirements of the CAZ;
 - ii. Approve consultancy support to assist the Council to complete the detailed business case for implementing a CAZ in Leeds;
 - iii. Approve the appointment of a consultant to undertake an Alternative Fuel Feasibility Study for the Leeds area;
 - iv. Approve the use of internal resources to liaise with the external consultants as necessary to ensure effective and timely progression of the work; and
 - v. Approve the injection of £238,000 into the Highways and Transportation capital programme, fully funded by Government Grant; and
 - vi. Authorise expenditure of up to £237,864 to be funded via the DEFRA air quality capital grant award to cover the cost of the external consultancy support as itemised above.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to incur expenditure of up to £237,864 which will be funded via a DEFRA Capital Grant award to support activities related to a scoping study for the future implementation of a Leeds CAZ.
- 1.2 To commence a procurement exercise to appoint consultancy support to assist the Council to complete the required business case for implementation of a CAZ in Leeds.
- 1.3 To commence a procurement exercise to appoint a consultant to undertake an alternative fuel feasibility study for the Leeds District.

- 1.4 To appoint Mouchel to assist the Council to complete the necessary detailed emission and air quality modelling required to inform the scope and scale of the required CAZ in Leeds.
- 1.5 Leeds City Council has 7 breakthrough projects; one of which is 'Cutting Carbon and Improving Air Quality'. Work has been undertaken over the last 18 months to identify opportunities to reduce emissions from Transport activities within the authorities own fleet and beyond.
- 1.6 Work has been undertaken to review the authorities own fleet, support bus and taxi operators in considering low emission vehicles, and identify opportunities to improve public health through delivering projects that encourage active travel.
- 1.7 Leeds has been mandated by central government to introduce a Clean Air Zone (CAZ) in the city that will further encourage a transition towards lower emission vehicles being operated by commercial fleets, including HGV's, LGV's, buses and taxi and private hire vehicles.
- 1.8 In order to accurately complete analysis work to model the required CAZ interventions, detailed modelling of vehicles emissions, source apportionment and air quality impacts of alternative interventions are required to ensure robust and accurate recommendations for the scope of the CAZ are determined.
- 1.9 Implementation of a CAZ within Leeds will have impacts on those who own non-compliant vehicles. In order to minimise those impacts and cause the least amount of disruption a study is to be undertaken to understand the potential additional air quality benefits that could be achieved through transitioning certain sectors of local fleet on to lower emission alternative fuels.
- 1.10 DEFRA also require Leeds to present a detailed business case following the Treasury Five Case Model framework. The council currently does not have the expertise or capacity to undertake this level of detailed business case within the required timescale without specialist assistance from external consultants.
- 1.11 There are a number of work streams required as part of the CAZ feasibility work required in Leeds. Due to the limitations in time and in-house resource, it is necessary to obtain the support of specialist consultants to complete the work within the tight time scales.
- 1.12 Leeds City Council has obtained grant funding from DEFRA to the sum of £237,864 specifically to fund three work streams. These are for the progression of the traffic emission and air pollution modelling work to complete the CAZ scoping study; the creation of a business case for introducing the CAZ using the HM Treasury Five Case Model¹ for Public Sector business cases. This model considers the evidence that the case makes under strategic need, best public value, commercial viability, affordability and how achievable the project is; and finally, funding to appoint a consultant to undertake a detailed Alternative Fuel Feasibility Study for the Leeds area. This will entail the evaluation of the benefits of switching fleets to alternative fuels and the identification of potential sites for fuel storage and related infrastructure.

¹ HM Treasury (2013) Public sector business cases, using the five case model, green book supplementary guidance on delivering public value from spending proposals. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/469317/green_book_guidance_public_sector_business_cases_2015_update.pdf Accessed 29/3/17

1.13 Table 1 below summarises the cost breakdown of the £237,864 grant funding for the three work streams.

1.14 Table 1- Breakdown of grant allocation

Amount	Description
£25,000	Consultancy support provided by Mouchel on vehicle emission and pollutant dispersion modelling.
£152,864	Appointment of a consultant to create a business case using the HM Treasury's Five Case Model.
£60,000	Appointment of a consultant to undertake an Alternative Fuel Feasibility study.

1.15 Consultation and Engagement

1.15.1 The scoping work for a Clean Air Zone is being delivered across service areas with officers reporting to the Low Emission Zone Board. Engagement with key stakeholders with fleet services has been initiated.

1.15.2 The Chief Officer Highways and Transportation has been consulted and is fully aware of the immediate requirement to procure the data collection exercise and additional supportive data and system upgrades as quickly as possible.

1.15.3 Engagement with the Director of Resources and Housing and the Executive Member for Environment and Sustainability has been undertaken to ensure senior officer and member support for the feasibility and scoping work.

1.16 Equality and Diversity / Cohesion and Integration

1.16.1 An equality, diversity and cohesion screening document has been undertaken and it is not considered that the content of this report or the recommendations made will have any impact on any specific group or individuals.

1.17 Council policies and City Priorities

1.17.1 The outcomes from the procurement provided for by this report will contribute to the Councils business plan through spending money wisely and supporting healthier lifestyles through encouraging cleaner transport modes.

1.18 Resources and value for money

1.18.1 The budget for this tender is being provided entirely through funding secured from DEFRA by successful bids for Air Quality Grants for consultancy support.

1.18.2 The air quality emission and dispersion modelling work by Leeds City Council's partners Mouchel is to be delivered via an existing framework contract that has been established in order to ensure best value is achieved for the authority.

1.18.3 The appointment of consultant support to complete the CAZ business case and undertake the alternative fuel feasibility study will follow a suitable competitive procurement process.

1.18.4 DEFRA requires that the submitting authority (Leeds City Council) must demonstrate value for money and that appropriate options appraisals and procurement processes are demonstrated before funding is awarded.

1.18.5 The estimated costs of this scheme are £237,864 which are fully funded by Government Grant.

1.18.6 Budget profile and funding :

Funding Approval :	Capital Section Reference Number :-						
Previous total Authority to Spend on this scheme	TOTAL	TO MARCH	FORECAST				
			2016	2016/17	2017/18	2018/19	2019/20
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH	FORECAST				
			2016	2016/17	2017/18	2018/19	2019/20
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	237.9			237.9			
TOTALS	237.9	0.0	0.0	237.9	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH	FORECAST				
			2016	2016/17	2017/18	2018/19	2019/20
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Government Grant	237.9			237.9			
Total Funding	237.9	0.0	0.0	237.9	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1.19 Legal Implications, Access to Information and Call In

1.19.1 This is classified as an administrative delegated decision. No call in period applies.

1.20 Risk Management

1.20.1 The risk to the authority if this is not actioned is the failure to complete the necessary work within the required timelines being mandated by DEFRA. This would risk impacting on the authorities' ability to deliver and implement a Clean Air Zone before 2020 as mandated by central government.

- 1.21 Approval is sought from the Chief Officer (Highways and Transportation) to commence and execute the required procurement exercises as outlined above on behalf of Leeds City Council.
- 1.22 Approval is sought to incur expenditure of up to £25,000, on consultancy support from Mouchel to progress traffic emission calculation and concentration modelling to be funded via the DEFRA Air Quality Grant funding.
- 1.23 Approval is sought to incur expenditure of up to £60,000 to appoint consultants to undertake a detailed alternative fuel feasibility study for Leeds to be funded via the DEFRA Air Quality Grant funding.
- 1.24 To approve the expenditure of up to £152,864 to fund internal resource and external consultancy support to build a detailed business case for introducing the CAZ following the format set by JAQU to be funded via the DEFRA Air Quality Grant funding.
- 1.25 The Chief Officer (Highways and Transportation) is requested to:-
- i. Approve the request to utilise Mouchel to assist in modelling the air quality requirements of the CAZ;
 - ii. Approve the appointment of consultancy support to assist Council complete the detailed business case for implementing a CAZ in Leeds;
 - iii. Approve the appointment of a consultant to undertake an Alternative Fuel Feasibility Study for the Leeds area;
 - iv. Approve the use of internal resources to liaise with the external consultants as necessary to ensure effective and timely progression of the work; and
 - v. Approve the injection of £238,000 into the Highways and Transportation capital programme, fully funded by Government Grant; and
 - vi. Authorise expenditure of up to £237,864 to be funded via the DEFRA air quality capital grant award to cover the cost of the external consultancy support as itemised above.

2. ²None

² The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.