



**Report of the Senior Project Officer, SEAQ
Report to the Chief Officer, SEAQ**

Date: 10 October 2019

Subject: Award of Modal Shift Grant.

The information contained within confidential Appendix 1 to this report is designated as exempt from publication in accordance with paragraph 10.4(3) of the Access to Information Rules and Schedule 12A(3) of the Local Government Act 1972 on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

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:10.4(3) Confidential information: Appendix 1.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. This report makes the Chief Officer Sustainable Energy & Air Quality aware of the process that was followed to identify the most suitable recipients of the modal shift competition grant funding and recommends payment be made to bidders who met the requirements.
2. The modal shift competition was developed following approval from central government to vary the basis on which funding was secured for a 'city dressing/modal shift' early measures scheme.

Recommendations

- The Chief Officer Sustainable Energy & Air Quality is recommended to approve the award of the Modal Shift grants up to a total of £150k to bidders highlighted in Appendix 1.

1 Purpose of this report

- 1.1 The purpose of this report is to give the background to the modal shift competition, the evaluation process used to select the successful applicants, and the final outcome of the process.

2 Background information

- 2.1 In September 2015, the Department for Environment, Food and Rural Affairs (DEFRA) released their public consultation document, which stated that currently Leeds will be one of six locations in England that will not meet the EU air quality standards by 2020. A stretch of 2.7km of the Leeds inner ring road has been identified as being at risk of being non-compliant in terms of NO₂ levels after 2020. The government proposed that in order for Leeds to be compliant with EU limit values by 2020 it should seek to implement a Clean Air Zone (CAZ). The CAZ area has been agreed and work is ongoing on the installation of the ANPR cameras around the boundary and the dispensation of grants and loans to assist businesses in adapting to the CAZ charges.

- 2.2 In 2018 government provided grant aid of £2.8 million of Early Measures funding for delivery of a cohesive programme of projects and schemes that sought to deliver air quality benefits through a range of activities prior to the implementation of the Clean Air Zone in 2020. Each of the measures proposed *'focuses either on producing modal shift to 'cleaner' transport modes, facilitating the uptake of Ultra Low Emission Vehicles (ULEVs), and/or delivering behaviour change through increased access to alternative travel options'* (from original submission).

- 2.3 The funding was split into several streams one of which was the City dressing/car sharing and modal shift promotion which included:

- Signpost public to existing public transport infrastructure, reducing the number of car journeys
- No idling signs at schools and key areas
- Variable signs to display key air quality messages
- Increase awareness of exposure to pollutants and public knowledge around air pollution.
- Develop car sharing across West Yorkshire, reducing the number of single-person car journeys.

- Voucher scheme to target city centre car users to achieve modal shift

The voucher scheme was problematic to implement and so a different approach was designed which would give the same output of modal shift but through a modal shift competition open to businesses and organisations for a grant of up to £150,000.

- 2.3 This grant funding was targeted to applicant(s) who submitted the best proposals to utilise either a proportion or all of this funding to encourage modal shift towards more sustainable modes of transport amongst their staff and/or service users, or removing the need to travel altogether. This meant that the final grant award could be allocated to one business, or multiple businesses depending on bids received.
- 2.4 The Council envisaged that applications would contain plans to cut travel in the city by diesel and petrol cars, as these vehicles are the most polluting and least sustainable mode of transport available to individuals. There were a number of potential avenues which companies could employ to achieve these aims which included initiatives such as:
- Purchasing electric vehicles or electric bicycles for staff use during the working day as opposed to taxis.
 - Purchasing an electric or hybrid bus for the mass transport of staff.
 - Staff reception facilities to allow for in-work parcel deliveries (avoiding high-volume failed parcel delivery journeys to empty homes).
 - Installation of smart working technology (such as video conferencing, etc.)
- 2.5 Applicants were asked to describe their business in outline and provide a costed summary of their proposal.

3 Main Considerations and Reasons for Award of Grants

- 3.1 The Authority to Spend decision for the Early Measures Funding Phase 2 which included the city dressing project was made on 20 March 2018.
- 3.2 JAQU were requested to effect the change to the modal shift competition and gave their permission on 14 June 2019.
- 3.3. The competition was opened on 16 July and closed on 7 August. The evaluation commenced on 7 August and was completed on 13 September 2019.
- 3.4 24 competition entries were received and evaluated by officers from the Sustainable Energy and Air Quality team, 6 of those submissions were declined for not meeting the requirements, leaving 18 in scope for funding.
- 3.5 The submissions were scored by assessing how much nitrogen dioxide would be saved by implementing the project over a maximum of a five year period. A methodology was then applied to determine cost benefit of the proposal. This process resulted in applicants being ranked by cost benefit. Once ranked, the proposal was then considered from a 'Deliverability' perspective. All proposals that met the Deliverability threshold formed the

basis of the final rank. The rank was used to determine which organisations would receive a grant according to their position within a £150,000 maximum funding envelope.

- 3.6 The outcome of the evaluation and a brief summary of the proposals is shown in Appendix 1. Bidders 1-13 will receive a grant (bids total c£135k). Bidder 14 could not be fully funded (funding remaining equated to approx. 6% of their total bid) and subsequently dropped out of the process. Therefore, Bidder 15 has qualified for their project to be virtually fully funded (nominal price difference). Bidders 16-18 have failed to receive a grant upfront due to their position in the ranking.
- 3.5 In keeping with the aim of the Early Measures funding scheme the proposals need to be implemented by the proposed go live of the CAZ in mid-2020.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Executive Member for Environment and Sustainability and the Executive Member for Regeneration, Transport and Planning, have been briefed on the modal shift competition.
- 4.1.2 There have been ongoing consultations between officers from Joint Air Quality Unit (JAQU) and SEAQ on the alteration to the grant.
- 4.1.3 SEAQ delivered a presentation to launch the scheme at the launch event of the “Big Leeds Climate Conversation” on 6 August 2019.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This award will not have any adverse impact on equality and diversity or cohesion and integration. Conversely, the schemes that have been approved offer benefits which may have a positive impact on certain protected characteristics / demographics.

4.3 Council Policies and City Priorities

- 4.3.1 The importance of air quality as an issue is reflected in the Council’s vision under our Best Council Plan. Our vision is for Leeds to be a healthy city in which to live, work and visit and we are working with partners to reduce emissions which will bring about health and wellbeing benefits including reducing premature deaths, improving health, promoting physical activity and reducing obesity levels
- 4.3.1 Completion of the projects which the council is going to fund will lead to reductions in emissions of nitrogen dioxide which aligns with the council’s policy of improving air quality particularly in the lead up to the start-up of the CAZ.

4.4 Resources and Value for Money

- 4.4.1 The funding envelope is up to £150,000 and is coming from the Early Measures Fund which has been received from government.
- 4.4.2 Officers from SEAQ have been assigned to manage the grant process.

4.5 Legal Implications, Access to Information and Call In

4.5.1 As the grant award is valued at £150,000 the spend is a Significant Operational Decision that is not subject to call in.

4.5.2 Successful applicants will be required to enter into a Grant Agreement. This document is legally binding and sets out the conditions on which the funding is to be provided. The success of the scheme will be monitored and evaluated by the SEAQ team.

4.6 Risk Management

4.6.1 Officers from SEAQ will review the progress of the funded projects in line with the monitoring and evaluation plans that have been submitted by the successful applicants. This will ensure that they remain within scope and on time and that the benefits of nitrogen dioxide reduction and modal shift is achieved.

5.0 Conclusion

5.1 The modal shift competition has concluded following a robust evaluation process resulting in funding awards recommended of up to £150k to at least 13 businesses.

6.0 Recommendations

- The Chief Officer Sustainable Energy & Air Quality is recommended to approve the award of the Modal Shift grants up to a total of £150k to bidders highlighted in Appendix 1.

7. Background documents¹

7.1 None.

¹ 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.