

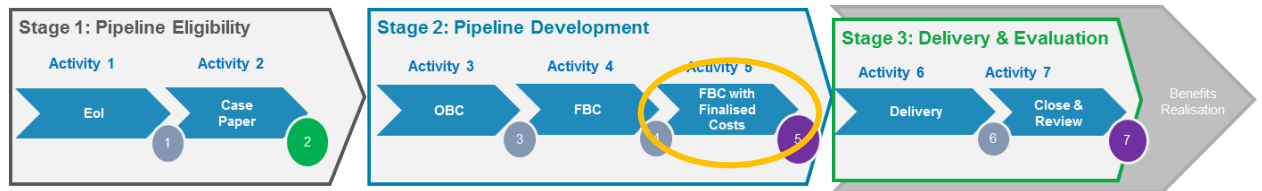
Section A: Scheme Summary

Name of Scheme:	ULEV Taxi Scheme
PMO Scheme Code:	DFT-ULEV-001
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	Huw Oeppen
Lead Promoter Contact:	Mark Auger
Case Officer:	Chris Dunderdale
Applicable Funding Stream(s) – Grant or Loan:	Local Transport Plan (LTP)
Growth Fund Priority Area (if applicable):	N/A
Approvals to Date:	DP2 – June 2017
Forecasted Full Approval Date (Decision Point 5):	September 2018
Forecasted Completion Date (Decision Point 6):	31/03/2020
Total Scheme Cost (£):	3.18 million
Combined Authority Funding (£):	LTP – 1.2 million
Total other public sector investment (£):	OLEV Grant 1.98 million
Total other private sector investment (£):	Possible private sector contribution (market dependent), that would reduce the extent of LTP Combined Authority investment. Revenue: 30 pence per charging event agreed to be paid by appointed supplier to partner councils to cover operating costs.
Is this a standalone Project?	Yes
Is this a Programme?	No

Is this Project part of an agreed Programme?

No

Current Assurance Process Activity:



Scheme Description:

The Secretary of State for Transport has awarded West Yorkshire Combined Authority a capital grant on 30 March 2017 to deliver its Ultra-low Emission Vehicle (ULEV) Taxi Infrastructure proposals, for the low uptake scenario. The Combined Authority is named as delivery lead, and financial accountable body for the Office for Low Emissions (OLEV) grant funding.

The OLEV grant is for 88 taxi only rapid charge point sites (more can be delivered if the maximum funding allocation allows), as follows:

- The £1.98 million OLEV grant is limited to 75% per site, and capped at £22,500 per site. Discussions can be held with OLEV on a site-by-site basis, if costs are greater.
- An approved allocation of £1.2 million Local Transport Plan (LTP) capital funding has been made as match funding.

Local Variation to the OLEV Grant Requirements

Initial market engagement has indicated that taxi-only charge points will not be an attractive proposition to the charge point supplier market. Also, the taxi-only charge points may not be used much at first, until more ULEV taxis are in operation. The project board has recommended providing two bays per site, such that two cars could charge at the same time, and one bay would be for taxis only. OLEV officers have agreed in writing that this is a sensible approach.

In June 2018, the Combined Authority's Investment Committee recommended that the Combined Authority's Managing Director approve the following:

- The ULEV Taxi Scheme project proceeds through decision point 4 and work commences on Activity 5 (FBC+).
- An indicative approval to the Combined Authority's contribution of £3.18 million which will be funded through £1.20 million from the LTP fund and £1.98 million from the OLEV grant given with full approval to spend being given once the scheme has progressed through the assurance process to decision point 5 (FBC with finalised costs).
- Approval to the additional £200,000 development costs to allow advance site preparation tasks to commence, taking the total development costs for the project to £380,000.

- Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 4 through a delegation to the Combined Authority’s Managing Director following a recommendation by the Combined Authority’s Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

This scheme has now progressed directly from decision point 2 to this full business case (Activity 4). It is necessary to review the detailed procurement strategy, and the tolerances at this stage.

Business Case Summary:

Strategic Case

Taxis (hackney carriage and private hire vehicles (PHV)) in West Yorkshire are predominantly diesel cars or vans with an average vehicle age of 6.5 years. The majority of journeys are within town and city centres and therefore contribute to local air pollution issues.

This taxi scheme will support and help to promote low carbon, zero emission taxi and private hire operation across West Yorkshire through the required charging infrastructure. The inclusion of public charging bays increases the effectiveness of this scheme in improving air quality.

The Leeds City Region Strategic Economic Plan (SEP)

The Leeds City Region Strategic Economic Plans vision for ‘good growth’ in our economy that includes the objective of creating quality places and environments. Unfortunately, West Yorkshire’s urban areas have some of the highest levels of air pollution in the UK. Public Health England estimates that 1 in 20 deaths in West Yorkshire are attributable to air pollution. Road transport is the biggest contributor to air pollution and cars (including taxi and private hire vehicles) are the largest source of those emissions. This project aims to remove a key barrier to the uptake of Ultra-Low Emission Vehicles (ULEVs) in West Yorkshire, by providing 88 rapid EVCPs across West Yorkshire.

The West Yorkshire Transport Strategy

The West Yorkshire Transport Strategy supports delivery of the SEP objectives and recognises the role transport has to play in improving air quality and creating healthy places to live and work, and supporting a local carbon economy. Transport Strategy policy proposals include supporting uptake of ULEVs including plug-in electric by creating a charge point network. This project can take a first step in providing a charge point network in West Yorkshire.

The West Yorkshire Low Emission Strategy (WYLES)

The West Yorkshire Low Emission Strategy – adopted by the Combined Authority in March 2017 – supports delivery of a low carbon and clean environment as stated in the SEP and Transport Strategy. It makes a series of recommendations and proposals on how local authorities will support reductions in transports contribution to poor air quality. WYLES proposals include delivery of a charge point network.

Commercial Case

The Combined Authority undertook initial market engagement with the potential EVCP suppliers / operators. This indicated that this project is an attractive proposition, as long a public charging bays are included within the project scope. Further to this, six compliant tenders were submitted for evaluation as part of the recent tender exercise, further demonstrating market acceptability. A preferred bidder has been accepted and is currently awaiting award.

<p>Economic Case</p>	<p>DfT WebTAG economic appraisal of the scheme is not considered to be a proportionate approach to option appraisal, given the scale and nature of this project.</p> <p>The preferred option was appraised by OLEV as part of their decision to award the grant funding. The bid was supported by the following feasibility studies:</p> <ul style="list-style-type: none"> • The 'ULEV Taxi Scheme Feasibility Study' by the Energy Savings Trust dated 1 March 2016 (Appendix B) • 'EV Rapid and Fast Charge Feasibility Study' by Zero Carbon Futures, dated 7 December 2016. <p>In addition, added value can be derived (but not quantified) from:</p> <ul style="list-style-type: none"> • Overall reductions in NO2 from this project will be much higher than the original predictions for taxis, as a public vehicle charging bay is now included alongside each taxi charging bay. • Reduced travel costs: <ul style="list-style-type: none"> ○ ULEVs have cheaper whole life costs than petrol or diesel vehicles. ○ Operators of ULEV taxis will not have pass on the proposed cost of entering the Leeds Clean Air Zone to customers. ○ The preferred bidder is offering free electricity to all users for the first three years.
<p>Financial Case</p>	<p>The total estimated outturn capital cost is £3.18 million. There will likely be a contribution from the private sector that reduces the Combined Authority contribution to the scheme (LTP funding)</p> <p>There is no revenue funding from OLEV or the Combined Authority. The procurement strategy has agreed a 30 pence per charge fee to be paid to partner councils to cover ongoing revenue costs.</p>
<p>Management Case</p>	<p>Pending tender award (currently in "stand still" period), a single EVCP supplier will be procured on a framework. Combined Authority partner councils will call-off installation of EVCP sites from this framework. This approach allows for ongoing identification and development of EVCP sites, and is based on similar approaches taken by Nottingham City Council and Transport for London. The EVCP supplier will be required to design, build, own and operate the assets at the end of the call-off contracts.</p> <p>No Quantified Risk Assessment has been carried out. This project is a trial of something that has not been done before, so it would be difficult to be able to judge the likelihood of a particular risk occurring. Instead, a contingency of 15% has been added to the capital costs, based on the advice from the project board.</p>