

CARDIFF ELECTRIC BUS SCHEME: PRE-DECISION SCRUTINY

Purpose of the Report

1. To give Members the opportunity to support the allocation of grant funding from the Welsh Government and to consider the proposed development and Implementation grant, prior to its consideration by Cabinet at their meeting on 20 October 2022.

Structure of the Papers

2. To facilitate Members' scrutiny, the following appendices are attached to this report:
 - **Appendix 1 – Cabinet Report**

Scope of Scrutiny

3. At their meeting on 20 October 2022, the Cabinet will consider proposals to develop and implement the Cardiff Electric Bus Scheme grant from the Welsh Government.

Background

4. Cardiff Bus released 36 new electric buses in January 2022 following a successful bid by Cardiff Council & Cardiff bus to the Department of Transport's Ultra Low Emissions Bus Scheme of £5.7m. However, this represents a small percentage of their fleet of approximately 250 buses delivering local services in Cardiff. Welsh Government are making up to £8m is available to the Council to boost the availability of electric buses within its boundaries.
5. Consultation with bus operators will take place during October 2022, this will inform the development of the grant criteria and application process.

6. The Welsh Government 'Net Zero Wales' targets to decarbonise the bus fleet by 2035 are noted in **point 7**, and are:
 - The whole Traws Cymru bus fleet to be zero tailpipe emission by 2026
 - The most polluting 50% of service buses to be replaced by zero-tailpipe emission bus fleet by 2028: and
 - The remaining 50% of the service bus fleet to be zero emission by 2035
7. This approach is allied to the Councils policies and the need to improve air quality in areas across the city, which following consultation there was considerable support for replacing the most polluting buses and retrofitting the other most polluting busses to ensure they meet the most recent emissions standards.
8. **Point 12** notes key actions contained in the 'One Planet Cardiff Strategy as:
 - Move to 100% low emission taxis and buses by 2027
 - Work with local bus operators, including Cardiff Bus and local taxi companies to facilitate the shift to low emission taxis and buses
 - Help deliver charging infrastructure across the city to ensure businesses have the confidence to make the shift in line with the most recent Electric Vehicle Strategy
9. The desire to accelerate the transition to zero tailpipe emissions in advance of 2028 for buses and taxis is supported by the Stronger Fairer Greener Strategy, published in July 2022.

Issues

10. The allocation of the grant needs to ensure value for money is achieved while guaranteeing it applies equally and fairly to **all** bus operators.
11. Funding to support 'infrastructure' however, the primary objective of the grant is to increase use of electric buses in Cardiff.
12. Officers have been collaborating with colleagues in Newport to develop a consistent approach to consulting and engaging bus companies, as they have also received funding and they also have a municipal bus company.
13. The agree time scales for delivery of the scheme are detailed in **point 19**:
 - Consultation period with bus operators. – September/October 2022
 - Undertake legal and technical due diligence on proposed scheme – November 2022.

- Funding application period – Jan 2023.
 - Assessment – February 2023.
 - Make grant awards and commitments to operators - March 2023.
 - Make payments in accordance with funding awards, to allow for the payment of deposits and final acquisition costs having regard to lead time of vehicle acquisition by October 2023.
14. The 'subsidy' matters that the Council must consider in relation to the scheme are outlined in **point 22** along with the responses in relation to the scheme.
15. **Point 24** indicates the need for bus operators to communicate at the earliest opportunity with their parent company and/or board to secure support, as the award of any grant will be dependent on this.
16. Issues to be considered in building the scheme are noted in **point 25**.
17. **Point 26** highlights additional issues that will need to be addressed collaboratively between successful bidders and the Council
18. **Point 27** notes that as a Cardiff wide issue no consultation with local members is needed.

Financial Implications

19. It is noted that any grants awarded will need to comply with the Welsh Government terms and conditions and that further financial guidance will be sought in relation to developing the scheme, including the implications of matched funding and Public Subsidy advice.

Legal Implications

20. It is noted in **points 30 and 31** that further legal advice will be sought as the grant scheme is developed and that Welsh Government terms and conditions must be adhered to as well as subsidy and competition law. It is also noted that as Cardiff Council own Cardiff Bus, who may apply for funding, consideration needs to be given to make sure there is no conflict of interest and to ensure compliance with the Transport Act 1985.
21. Duties in relation to the Equalities Act 2010 are noted in **point 32**.
22. In addition, duties in relation to the Wellbeing of Future Generations (Wales) Act 2015 are noted in **points 33 – 36**.

23. The requirement to meet obligations under the Welsh Language (Wales) Measure 2011 and the associated standards are noted in **point 37**.

HR Implications

24. None are noted in **point 38**

Property Implications

25. None are noted in **point 39**

Proposed Recommendations to Cabinet

26. The report to Cabinet contains the following recommendations:

- *'Note that the Welsh Government has allocated £8m of grant funding to support the transition to electric bus on the Cardiff Network'*
- *'Delegate Authority to the Director of Planning, Transport and Environment, subject to consultation with the Cabinet Member for Transports & Strategic Planning, s151 Officer and Director Governance and Legal Services, to prepare the scope and method of allocating Welsh Government grant funding to increase the use of electric buses serving Cardiff and to determine, approve and implement the Cardiff Electric Bus Scheme'*

Way Forward

27. Councillor Dan De' Ath (Cabinet Member – Transport & Strategic Planning) will be invited to make a statement and answer questions. Andrew Gregory (Director of Planning, Transport and Environment), and Jason Dixon (Operational Manager – Transport Development and Network Management) will also attend to answer Members' questions.

Legal Implications

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are

implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to:

- i. Consider the information in this report, its appendices and the information presented at the meeting;
- ii. Determine whether they would like to make any comments, observations or recommendations to the Cabinet on this matter; and
- iii. Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

7 October 2022