

Agenda Item: 13

Meeting: Executive

Date: 23 June 2009

Subject: Developing Ultra Low Carbon Vehicles in Central Bedfordshire

Report of: Portfolio Holder for Sustainable Development

Summary: The report responds to the Executive for information and approaches to develop electric vehicles in Central Bedfordshire and suggests how the Sustainable Communities Act could facilitate the growth and delivery of this technology at local level.

Advising Officer: Gary Alderson, Director of Sustainable Communities
Contact Officer: Liz Wade, Assistant Director Economic Growth & Regeneration
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision: No
Reason for urgency/
exemption from
call-in
(if appropriate): Not applicable

RECOMMENDATIONS:

- 1. That the Executive notes the information provided on the activities across Central Bedfordshire engaged in developing ultra low carbon vehicle technologies including electric cars.**
- 2. That the Executive provide comment on the actions being undertaken to support the development of ultra low carbon vehicle technologies, including those possible under the Sustainable Communities Act.**

Reason for Recommendations: Report is at the request to the Director of Sustainable Communities at the Executive meeting held on the 12 May 2009.

National Background

1. The Government has already put into place a strategy for the development of ultra low carbon vehicles in the UK. This includes £250m of funding, the majority of it will be used to support consumers purchasing electric or plug in hybrid cars, with £20m used to provide financial support for cities to invest in

infrastructure. The Technology Strategy Board has already run a competition (Dec 08 – Jan 09) to invite consortia to demonstrate ultra low carbon cars. This will put around 200 ultra low carbon demonstrator cars on Britain's roads over the next 18 months.

2. The Department for Transport's low carbon vehicle procurement programme is a £20m programme to support the demonstration and use of lower carbon vehicles in the public sector. The programme, which is managed by Cenex, is initially focussed on vans. Cenex is the Centre of Excellence for low carbon and fuel cell technologies. The 10 companies short listed to bid to supply both lower carbon (more fuel efficient) and all-electric vans to the public sector are
 - a. lower carbon van: Ford; Mercedes Benz; Citroen; Ashwoods; Land Rover
 - b. all electric van: Modec; Smiths; electric Vehicles; LDV; Nissan; Allied Vehicles
3. Local authorities in Liverpool, Newcastle & Gateshead, Coventry, Leeds and Glasgow have been selected by DBERR (Department of Business, Regulation and Reform) to participate in the first phase of the programme. All have been selected following a fully competitive UK-wide process. These local authorities are added to the existing six initial public sector organisations involved in the programme which have already been announced and are: Royal Mail; HM Revenue & Customs; Metropolitan Police; Transport for London; Environment Agency; Government Car and Despatch Agency.

Local Activities

4. The international Cenex annual event was hosted at Millbrook in November 2008. EEDA (East of England Development Agency) sponsored part of the event. Millbrook is an international asset, owned by General Motors, but operated at arms length as a separate unit. The future of the company is being challenged by the recent sale of GM Europe activities. Millbrook is an important anchor in our local economy and it is vital do all that is possible to offer support for the activity to remain in Central Bedfordshire.
5. The Millbrook open innovation and shared technology park already attracts a small presence from a range of the global vehicle manufacturers as well as the capacity both currently and future to expand this facility. This includes applications and testing of hydrogen fuels as well as electricity and the first production hydrogen fuelled London buses were tested at Millbrook. It is seeking to gain recognition from the Government as the Test Bed UK centre for electric and low carbon vehicles.
6. Cranfield already has a number of research connections to Millbrook and is a leader in research into ultra capacitors and other advanced technologies.
7. Cranfield University's Department of Automotive engineering has been working with innovators from across the country on alternative drive vehicles, in addition to being part of the UK consortium involved with the Lifecar, which also included Oxford University, OSCar Automotive and QinetiQ.

8. As well as offering testing facilities and capabilities applicable all the way through the design process, the Cranfield team – led by Prof Nick Vaughan and Dr James Marco – provides companies developing alternative-fuelled vehicles with a ‘power management strategy’, an interface between the driver and the powertrain hardware, or engine to the less engineering minded.
9. Cranfield has been doing work with the Advanced Lead Acid Battery Consortium – an umbrella organisation which looks after the interests of companies in the battery industry, trying to centralise and automate the research of a number of organisations throughout the world.
10. The University also launched a new Masters in Science (MS) programme last year in Auto Technology Management. The MS, which is a part-time programme geared toward mid and early mid-career engineers working in the industry, has been attracting quite a lot of interest.

Local Car Production

11. In Flitwick the Electric Car Corporation (ECC) is assembling the Citroen C1 ev'ie. David Martell is the ECC chief executive and founder of travel data firm Trafficmaster based at Cranfield. The Citroen C1 is the UK's first four-seater electric car.



The C1 ev'ie can be fully charged in 6-7 hours from a domestic 13 amp socket at a cost of around 90p and it has a range of 60-70 miles.

12. The electric Citroën expects to beat the rival Mitsubishi MiEV to the market by about six months. The compact four-seater electric Japanese car is expected to go on sale here in the autumn, costing about £20,000. Only 50 will be available in the UK in the first year.

Sustainable Communities Act – Actions and Options

13. The previous Executive paper of the 12th May outlined to members the process and function of the Sustainable Communities Act (Appendix A). The Local Strategic Partnership (LSP) network officers are seeking to convene a citizen's panel to debate the options for using the Sustainable Act to request Secretary of State to allow a policy change to stimulate low carbon vehicle development.

14. Under the Act any idea will need to be supported by a citizen panel and will be short listed initially by the LGA using the 2 criteria below:-
- (i) It must promote sustainable communities as defined in the Act (i.e. promotion of local economies, environmental protection, social inclusion and democratic participation)
 - (ii) It must be something that *central government* can do (and is not doing already) to help and assist communities and councils promote sustainable communities
15. The deadline for submissions of proposals from communities and councils is 31 July, a second round is expected begin in October 09.
16. Examples to the types of ideas from other areas that could be debated and investigated could include the following:-
- Introduce levy on long term car parking to invest in stimulating the public infrastructure that will be required to operate electric vehicles
 - Use of S106 to build and commit a local enterprise fund to support low carbon entrepreneurs and offer a bursary to masters qualifications to Bedfordshire residents
 - Request Secretary of State to enable Central Bedfordshire to offer discretionary business rate relief for a period of up to 5 years for those businesses engaged in low carbon technology
 - Seek Homes and Community Agency (HCA)/Developer interest to pilot new housing development to sell houses with an electric car in the garage or shared car pool.
17. Next Steps to support ultra low carbon vehicle technologies
- Take expert advice from leading partners including Millbrook, Cenex, DBERR, Cranfield University and Electric Car Corporation.
 - Write to the LGA to indicate our interest in taking forward the Sustainable Communities Act and convene with the leading representatives as a citizen panel in the area to discuss ideas to promote under the Sustainable Communities Act.
 - Explore the local businesses in the potential supply chain in advanced manufacturing and engineering that could or are supporting this type of development and actively seek to attract others to relocate.
 - Consider wider partnering with neighbouring authorities who could add to the development.
 - Formally engage EEDA and HCA in our development plans.
 - Investigate opportunities for European ERDF funds to support this agenda.

- Convene task group reporting to the existing LAA Carbon Reduction Group to lead and develop a business case and proposal for council.
- Increase public support for the retention and expansion of Millbrook facilities.
- Lobby politicians to promote Central Bedfordshire as a UK centre for this technology and establish the recognition of Millbrook as the Test Bed UK location.
- Be an early adopter of the technology by introducing and piloting cars/vans/buses into the public fleet.

18. Other incentives that could be considered include the following:-

- Allowing electric vehicles to use bus/taxi lanes.
- Allowing electric vehicles free park and ride facilities (install charging point at Park & Ride sites). Offer free short term shopping parking.
- As the large public employer we could introduce staff incentives to purchase and use electric vehicles – ‘Free charge-up? Enhanced mileage rates/car allowances for low carbon cars.
- Introduce car loan scheme match public GO subsidy (£5-6k per car) to purchase first say 50 cars.

CORPORATE IMPLICATIONS

Council Priorities:

This contributes to corporate priority 3, Managing Growth Effectively by boosting the local economic potential for job growth and directly reducing carbon emissions.

Financial:

Any further action will need to be resource neutral or income generating ideas by securing external funding.

Legal:

The proposal is considered under the well being powers of local authorities granted by the Local Government Act of 2000 and the Sustainable Communities Act that received royal assent on the 23rd October 2007. Any public sector support for a private company will need to consider State Aid rules and competition rules.

Risk Management:

Each proposal and project will be required to undertake a risk assessment as part of business plan

Staffing (including Trades Unions):

No extra staff anticipated at this stage.

Equalities/Human Rights:

The composition of any Citizen Panel needs to be representative of local people and should include people from 'under represented groups'.

Community Safety:

No crime or disorder implications are raised at this stage.

Sustainability:

This proposal seeks to positively contribute to reducing carbon usage in transport and develop the local economy through low carbon enterprises.

Appendices:

Appendix A – Briefing Note from Director of Sustainable Communities

Background Papers (open to public inspection)

None

Briefing Note from Gary Alderson, Director of Sustainable Communities

Sustainable Communities Act 2007

Background

The Sustainable Communities Act enables local authorities to make a case to Central Government for the acquisition of new powers or the taking on of activities previously provided by Central Government or another public body.

The Government has issued an invitation to all local authorities to put forward new ideas for policy and powers to deliver sustainable communities e.g. reduction in business rates for those businesses meeting recycling targets or provision of local public transport or broadband for training purposes to assist employers to employ local people, especially younger people who may move away from the area for work. All requests must be made by July 2009.

Any request must show that the outcome is as a result of engagement with local communities. Ideas will originate locally and must be agreed between councils and local panels. The Act leaves the exact composition of these panels open and does not specify how many there should be. Councils can use existing neighbourhood or consultative bodies, set up different panels for different issues or form a new one to deal with ideas that emerge. The hope is that such latitude will enable councils to prevent panels being captured by unrepresentative groups. Only the local authority can put ideas forward, town and parish councils can be included in the process by representation on a consultative group.

Agreed ideas will then go to the Local Government Association which will act as a 'selector' (a role defined by the Act) filtering and consolidating requests and deciding on which will go to CLG. Ministers will then accept, modify or reject bids and must explain their reasons for their decision.

There are four main limbs to the areas for consideration: -

Business
Environment
Social Exclusion
Accessible Services

Requests can come from a single authority or a region, but they must be able to show engagement with the local community, they can also be tied in to LAA's and LSP's.

Making use of the provisions of the Act

A local authority can use the Act to involve local communities in sustainability, quality of life and wellbeing.

Any request to the LGA must fall under one of the four main arms:

Local business
Environment
Social Inclusion
Democratic Input.

The LGA will initially evaluate and analyse submissions, they will consider, has the idea been identified as a local requirement or is there a need for decisions to be made locally? What will the impact of the change be? Is it something idiosyncratic to a local area or can it be rolled out nationwide and still meet local needs? Can consistency of provision be achieved by different local providers of a service currently being nationally provided?

Should Central Bedfordshire wish to take advantage of the provisions of the Act, before making any proposals Regulation 4 must be complied with that is:-

- Establish or recognise a panel.
- Consult the panel about any proposal
- Try to reach agreement with the panel about proposals.
- Representation on the panel must reflect the local community

Members should consider that there will be a short period of time to make a request having complied with Regulation 4 and that if we are successful in any request, resource will be transferred from the current provider, but will that require further resource from the authority to manage and will it be sustainable.

To ensure local communities are better informed about public spending in their area **Local Spending Reports** will be published by central government.

By the 23 April 2009 expenditure by all authorities exercising public functions will have to be reported to central government.

These returns will allow public spending to be mapped locally and provide information on the public spending flowing into a local area.

The purpose of these reports will be: -

- To better inform local communities on the overall pattern of public spending in their area, and
- To allow agencies and communities to take local decisions to promote sustainable communities

The area covered will broadly be a local authority area or a part thereof.

The breakdown of expenditure will provide information to local communities about who is spending it; this will include defence, NHS, spending by a local authority on services outside their areas etc. So the breakdown may show

35% by local authorities
35% by Dept. Work & Pensions (20% benefits, 15% pensions)
20% Health expenditure
Grant expenditure (area based in a ring fence)
Dedicated schools grants

All government departments are required provide data. The requirement to provide information will be countrywide and not just subject to those authorities which choose to opt into the provisions of the Act.

This information will tie in with the information being collected by the audit Commission for CAA. It is unlikely that the information for 2009 will be complete and may initially be for pilot areas and this will then be expanded to all local areas.

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