

REPORT TO: CITY DEVELOPMENT COMMITTEE - 27 FEBRUARY 2012

REPORT ON: GREEN BUS FUND

REPORT BY: DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 81-2012

1 PURPOSE OF REPORT

- 1.1 This report seeks the approval of Committee to use Sustainable Transport funds to support a bid by National Express Dundee to secure funding worth approximately £272k from the Scottish Government's Green Bus Fund 2.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee approves the proposal to award National Express Dundee the equivalent of £5,000 per vehicle in the event that they are successful in securing Green Bus funding from the Scottish Government (up to a maximum of £50,000).

3 FINANCIAL IMPLICATIONS

- 3.1 The City Development Department has funding available in the current financial year to support investment in greener buses through its Sustainable Transport Air Quality Budget.

4 BACKGROUND

- 4.1 In Financial Year 2010/11, the Scottish Government made £4.4m available to the bus industry to invest in low carbon buses. This has helped to deliver an additional 48 low carbon buses across Scotland. None of these will operate in the Dundee area.
- 4.2 In January 2012, the Scottish Government, through Transport Scotland, made a further £2m available to the bus industry to invest in low carbon buses.
- 4.3 The key assessment criteria used by the Scottish Government will be the amount of grant requested per bus. The lower the grant per bus, the higher chance bidders have of being successful.
- 4.4 Green Bus Fund 2 will pay a maximum grant per bus of 80% of the difference between the cost of the low carbon bus and the cost of its standard diesel equivalent.
- 4.5 Following dialogue with local bus operators, it became apparent that having invested significantly in their fleet in the last 3-4 years, Stagecoach East Scotland were not looking to invest in new vehicles or apply to the Green Bus Fund 2. National Express Dundee were considering a submission.
- 4.6 It was further agreed that the National Express Dundee submission could be supported by Dundee City Council and given a greater chance of success if the Council contributed funding and thus reduced the level of grant per bus being sought.

- 4.7 Dundee City Council would seek agreement from National Express Dundee that the vehicles would be operated on local bus services in Dundee for a minimum of 5 years before releasing funding.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.
- 5.2 Investment in low carbon vehicles will assist the council in achieving its objectives as set out in its Air Quality Action Plan.

6 CONSULTATIONS

- 6.1 The Chief Executive, Depute Chief Executive (Support Services) and Director of Finance have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 www.transportscotland.gov.uk/public-transport/Buses/Bus-Fund.

Mike Galloway
Director of City Development

Neil Gellatly
Head of Transportation

NHG/JB/KM

3 February 2012

Dundee City Council
Dundee House
Dundee