

Current and future work programme overview

This paper outlines current and proposed future work programme priorities for the Bus Working Group. Ideas and input on priorities are welcomed. The group is specifically asked to consider:

1. Which projects in section 3 are considered priorities?
2. Which projects listed in section 4 do you value most highly?
3. Are there any further projects you would wish to see LowCVP take forward?

1 Background

LowCVP traditionally agrees its annual work programme in the first quarter of each calendar year. This involves initial discussion with working groups, finalisation within the Steering Group and sign off by the Board. For 2009-10 the process has been brought forward in response to a request from BERR/DfT to provide an outline programme in September. Initial ideas were discussed at the October 2008 BWG. Since then Government Department's have indicated LowCVP must budget for £100-£150k of cuts in 2009-10 and requested revisions to the programme. A revised programme was agreed by the Steering Group at its January meeting but can be adjusted going forward.

This paper outlines key issues for consideration and outlines possible work programme areas and projects. The outline programme is more extensive than the resources that are available for delivery and the Steering Group is therefore being asked to advise on priorities.

To balance the breadth of interests across the Partnership, the overall annual work programme should comprise of activities which:

- Develop the market for low carbon vehicles – 30%
- Develop the market for low carbon fuels – 30%
- Encourage commercialisation of low carbon technologies and create business opportunities for UK companies – 20%
- Examine pathways and progress to low carbon transport solutions – 20%.

The programme should include a mix of practical initiatives and policy advice and include items at each stage of the policy-development lifecycle: research (c20%), policy development (c30%), policy implementation (c30%) and monitoring and review (c20%).

For 2009-10 LowCVP has agreed 5 work programme themes:

- Stimulating market development of low carbon vehicles and fuels
- Improving consumer information (including support for the Act on CO2 campaign)
- Identifying barriers and designing solutions to the development and commercialisation of low carbon technologies
- Supporting policy development
- Monitoring and evaluation of low carbon strategies and programmes

Activities within the BWG need to sit within this overall framework. In finalising the programme the BWG needs to ensure its activities complement others in the sector such as the EST, Carbon Trust, Cenex and Campaign for Better Transport and new entrants in the sector including TSB and ETI.

2 2008-9 work programme

Since the cancellation of EST's proposed Low Carbon Bus programme in 2006, the Bus Working Group (BWG) has focused its activity on the feasibility of procuring low carbon buses and successfully lobbying for amendments to the fiscal framework governing buses in order to achieve the Government's targets for low carbon buses, expressed in the Powering Future Vehicles Strategy.

During 2008/9 the BWG's commissioned a feasibility study into procuring low carbon buses outside London which helped identify key barriers and delivered a performance specification for low carbon buses. In addition the BWG has been working closely with DfT officials to understand how the Bus Service Operators Grant (BSOG) should be amended to provide an incentive for low carbon buses. The announcement in the Pre-Budget Report that BSOG would be amended to provide an incentive for low carbon buses marks an important achievement for the Partnership and determines the focus of activity for the BWG in the coming year.

2.1 Completed projects

The 2008-9 programme has been disrupted by changes in staff within the Secretariat and time required in taking forward the creation of the new member-owned company but LowCVP has completed the:

- Responded to the 'Local Bus Service Support – BSOG Review' consultation and responded to specific DfT questions in relation to the review of BSOG,
- Commissioned the 'Low carbon bus procurement feasibility study' which determined the requirements to make LCBs feasible outside London,
- Developed a low carbon bus performance specification in conjunction with key stakeholders.
- Promoted the performance specification as a common low carbon bus specification with other groups and in particular COMPRO.

2.2 Projects underway and proposed to commence

2.2.1 Survey of interest in procurement of low carbon buses

This project was seen as a natural extension of the Low Carbon Bus Procurement Feasibility Study, in that it would assess the level of interest from bus operators, Passenger Transport Authorities (PTAs) and local authorities in low carbon buses and in participating in a Low Carbon Bus Procurement group. The approach would be to survey bus operators and PTAs and Local Authorities separately through a telephone survey.

The BWG input to the a project brief in November however, due to resource constraints and the creation of the Bus Subsidy Advisory Group, which was seen as a priority for the LowCVP, this project has been put on hold. See Annex 1 for Terms of Reference and draft brief.

2.2.2 Bus Subsidy Advisory Group

Geoff Hoon, the Secretary of State for Transport, announced in December that DfT would be revising BSOG to introduce incentives for use of low carbon buses and link future increases in BSOG to fuel efficiency improvements, along with other measures. LowCVP has played a

critical role in advising DfT on the issues relating specifically to low carbon buses and has been invited to sit on the working group DfT has set up to advise them on the forthcoming revisions.

In February the BWG has set up a sub-group to provide input as and when required to this Bus Subsidy Advisory Group (BSAG), the Terms of Reference for this sub-group are attached in Annex 2. It is anticipated that the Group's main work would be completed by Q2 although there will be on-going activity throughout 2009-10.

These projects have commenced. BWG members are asked to consider whether or not they wish it to proceed? Any amendments to the proposed scope? Whether they wish to participate in any sub-groups leading the activity?

3 Projects proposed for 2009-10

The following projects have been proposed as the basis for the BWG's work plan for the coming year. It should be noted that the Bus Subsidy Advisory Group and the Survey of interest in low carbon bus procurement are intended to continue into the new FY.

The draft LowCVP work programme being considered by Government includes a number of projects to be undertaken by the BWG as listed below. Members are asked to consider the level of priority they would assign to each project.

Low carbon bus local transport policy toolkit

The "low carbon bus procurement feasibility study" commissioned by the LowCVP in 2008 identified the need for incentives for low carbon buses to be integrated into the terms and conditions of Quality Partnerships and Contracts entered into by local transport authorities and bus operators regionally, and for appropriate KPI's in bus service and supply agreements. The BWG will develop a tool kit incorporating standard T&Cs for inclusion into these legal agreements which can be used as a template by local transport authorities, bus operators and bus suppliers.

Low carbon bus procurement

A key barrier to low carbon buses in the form BSOG will be removed during 2009. In preparation of the revision in BSOG, anticipated by LowCVP to be in the autumn of 2009, the BWG will seek to facilitate the development of a consortium to undertake a Low Carbon Bus Forward Commitment outside London. This may extend to the formation of a sub-group with specific interest in implementing a Forward Commitment for low carbon buses. A key element will be to seek Government commitment to provide kick start funding for such a project through either the Low Carbon Vehicle Procurement Programme or through the TSB.

Bus Subsidy Advisory Group (continuing)

To advise the Secretariat on input to the DfT's Bus Subsidy Advisory Group in reviewing BSOG. It is expected this project will complete during 2009.

Survey of interest in low carbon bus procurement (continuing)

A survey of bus operators and PTAs and Local Authorities separately to determine the level of interest in procuring low carbon buses and participating in a low carbon bus procurement group.

Promotion of the low carbon bus specification (continuing)

The BWG will continue to promote the it's low carbon bus specification and to develop it in conjunction with the COMPRO consortium of European cities with the objective being to promote agreement on a common low carbon bus specification as widely as possible in the UK and across Europe.

4 Other LowCVP projects with BWG input

BWG members are asked for their views on the following cross-cutting projects that are proposed to commence in 2009-10 and would require varying amounts of input from the BWG

4.1 Alternative metric to tailpipe CO2

The development of policy and regulation in reducing climate change impact of transport is increasingly throwing up the constraints of existing metrics in framing objectives and setting policy. It is proposed that LowCVP undertake a study to assess the existing metrics and their basis in regulation and develop proposals for improving metrics which are more appropriate.

4.2 Local authority low carbon vehicle network

Local authorities are an important stakeholder group in creating demand for low carbon vehicles and fuels and providing a local policy framework, they are an important part of the LowCVP membership but have lacked a focal point in the Partnership to date. It is proposed that this is corrected by establishing a forum specifically for local authority views on low carbon vehicles and fuels to be focused which will lead on policy issues and also provide support to public sector fleets.

4.3 Electric Vehicle Stakeholder Group (currently on hold)

In 2008/9 it was proposed that LowCVP undertake activity to develop recommendations from the King Review on electric vehicles to assess how they could be implemented in the UK. This activity was overtaken events with increasing interest in electrification of transport as a means of reducing CO2 emissions in the UK. It is proposed that the LowCVP create a forum in which stakeholders from the automotive and power generation industries can exchange views and input to Government policy thinking in developing a UK strategy in this area. This is subject to Government Departments confirming LowCVP is the most appropriate forum for this activity once Government policy direction in this area becomes clear.

Annex 1:

Survey of interest in procurement of low carbon buses Draft Terms of Reference

This project is to assess the level of interest from bus operators, Passenger Transport Authorities (PTAs) and local authorities in low carbon buses and in participating in a Low Carbon Bus Procurement group. A sub-group is to be established to:

- Define the project brief as a basis for an invitation to tender
- To assess tenders received by LowCVP
- To provide a steering group for the project
- To advise whether the deliverables fulfilled the brief

The sub-group would only be formed for a limited period of time and would be dissolved once the report had been reported to the full BWG.

Survey of interest in procurement of low carbon buses Draft Project Brief

Aim

- To undertake a survey of stakeholders in order to establish more clearly the extent of market demand for low carbon buses.
- Stakeholders to include:
 - PTAs and local transport authorities
 - Large bus operators
 - Sample of smaller bus operators

Objective

- Establish more clearly the extent of market demand for low carbon buses in the UK, to provide evidence of demand.
 - Discussion with funding bodies
 - Supporting evidence for discussions with manufacturers
- Determine potential members of a low carbon bus procurement group.
 - Basis for consortium to approach Low Carbon Vehicle Procurement Programme and/or TSB
- Identify local authorities, PTAs and bus operators interested in developing the concept of a low carbon bus procurement and in particular key tools:
 - Strategic Quality Partnership framework supportive of LCBs
 - Develop KPIs for contracting

Issues to be addressed

Potential over reporting of interest

- Methodology needs to be designed to minimise potential bias to insure credibility

Quantitative information

- Which PTAs and local transport authority are prepared to procure LCBs on tendered routes and numbers?

- Which PTAs and local transport authorities are prepared to introduce Strategic Quality Partnerships or other measures to create a market demand for LCBs?
- Which bus operators are prepared to trial / procure LCBs in what volumes and what cost?

Qualitative information

- The survey will need to address both policy and operational view points with in organisations
- The survey should provide supporting evidence in the form of public commitments or activity e.g. corporate policy statements or activity in this area.
- The survey should assess the level of commitment the organisation is prepared to make in developing the market for LCBs
 - to enter into a consortium to trial LCBs
 - to participate in developing tool kit

Approach

- Establish sub-group to steer project
 - Develop full project brief and invite tenders
 - Assess tenders on basis of quality

Deliverables

- Presentation to IWG
- Written report
- List of organisations and named individuals to develop tool kit
- List of organisations and named individuals to basis for a consortium to bid for funding to trial LCBs

Annex 2:

LowCVP Bus Subsidy Advisory Group Draft terms of reference

<i>Draft terms of reference to be confirmed by the Bus Working Group.</i>

The sub-group will be established to provide input to the DfT's revision of BSOG via the LowCVP Secretariat. LowCVP has been invited to participate on the Bus Subsidy Advisory Group (BSAG), established by the DfT, to advise them on the implementation of the changes to Bus Service Operators Grant which include:

- introduction of incentives in the form of differential BSOG rates, or a distance based subsidy, for use of low carbon buses;
- a review by 2011 with the intent of using a fuel efficiency cap or differential rates of BSOG in the future to further incentivise a switch to lower emission vehicles;
- introduction from April 2010 of incentives in the form of differential BSOG rates for buses equipped with smartcard readers and GPS systems;
- replacement of BSOG for operators in the Transport for London (TfL) contracted network by payment of an equivalent sum passed direct to TfL;
- as with London, BSOG funding would be devolved where a Quality Contract (franchising) is in place outside London;
- funding of a SAFED (Safe and Fuel Efficient Driving) demonstration project to encourage fuel efficient driving in the bus and coach sector; and,

The sub-group will provide input to and advise the LowCVP Secretariat on its role on the BSAG. The Secretariat will provide regular updates to the Bus Working Group and brief the sub-group as and when required.

The sub-group will be formed in February 2009 and will remain in place until the work of the BSAG or LowCVP's role on it has come to an end, thought to be by the end of 2009.

Annex 3: List of proposed LowCVP projects 2009-10

WG	Theme	Project	Sector	Phase	Scale	Time	Budget
BWG	Market Development	Survey of interest in low carbon bus procurement	Commercialisation	Research	Typical	5	15
BWG	Market Development	Low carbon bus local transport policy toolkit	Vehicles	Development	Typical	10	15
BWG	Market Development	Promotion of the low carbon bus spec	Vehicles	Implementation	Typical	10	5
BWG	Market Development	Low carbon bus procurement	Vehicles	Implementation	Typical	10	0
BWG	Policy Development	BSOG Revision - DfT working group	Pathways	Development	Large	10	0
FWG	Market Development	Stimulating opportunities for UK in advanced biofuels	Fuels	Implementation	Large	20	20
FWG	Monitoring and evaluation	Impact of the RTFO on UK businesses	Fuels	Monitoring	Large	20	30
FWG	Policy Development	Implementation of the RED and FQD	Fuels	Development	Large	40	30
FWG	Policy Development	Development of an indirect land use factor	Fuels	Development	Large	20	30
IWG	Barriers and solutions	International Experience and Supply Chains	Commercialisation	Research	Typical	10	15
IWG	Barriers and solutions	Securing investment in SMEs	Commercialisation	Development	Large	20	15
IWG	Market Development	Maintaining technology road mapping	Commercialisation	Implementation	Typical	10	5
IWG	Market Development	Support for emerging businesses	Commercialisation	Development	Large	20	30
IWG	Barriers and solutions	Engaging with OEMs	Pathways	Research	Large	20	15
BWG	Consumer Information	Environmental label pilot project for used cars	Vehicles	Development	Typical	10	10
BWG	Consumer Information	Best practice for environmental marketing - vehicles and fuels	Vehicles	Implementation	Typical	20	15
BWG	Consumer Information	Act on CO2 stakeholder events	Vehicles	Implementation	Typical	10	0
BWG	Consumer Information	Improved consumer information for cars and vans - Best Buy	Vehicles	Development	Large	20	15
BWG	Market Development	Policy development for low carbon vans	Vehicles	Development	Large	20	30
BWG	Market Development	Low Carbon Fleet Declaration	Vehicles	Implementation	Large	20	15
BWG	Monitoring and evaluation	Car buyer and dealer survey	Vehicles	Monitoring	Typical	10	15
BWG	Monitoring and evaluation	Car advertising survey	Vehicles	Monitoring	Typical	10	30
BWG	Policy Development	Best practice dissemination of UK to inform the review of Labelling Directive	Vehicles	Development	Large	20	0
SG	Consumer Information	Act on CO2 Partnership Initiatives	Pathways	Implementation	Large	20	0
SG	Consumer Information	Act on CO2 Govt Initiatives	Pathways	Implementation	Large	20	0
SG	Consumer Information	Smart driving industry initiative	Pathways	Implementation	Large	20	0
SG	Market Development	Local authority low carbon vehicle network	Vehicles	Development	Large	20	0
SG	Monitoring and evaluation	Evaluation of Govt low carbon programmes	Pathways	Monitoring	Large	20	0
SG	Policy Development	EV Stakeholder Group	Pathways	Development	Large	20	0
SG	Policy Development	Alternative metric to tailpipe CO2	Pathways	Research	Large	20	15