

Using Offset Contributions to support Low Emission Buses

Report produced by Merseytravel as part of the LES Regional Groups Initiative for the Liverpool City Region

The Brief

Output 3

The aim is to determine if a practicable scheme for using offset contributions, received through the adoption of Low Emission Strategies (LES) in planning policies, to support low emissions buses can be developed. In order to do this consideration will need to be given to the following points:

- What technologies would be supported
- Whether demonstrator projects or actual services should be supported
- Could this be used to support / promote Quality Bus Partnerships
- The legal / financial aspects of using offset contributions in this way
- Would local authorities support this approach

Close liaison will be maintained with the group working on Output 1 (Planning Policy Note for Development Control) to ensure that the development of each project is informed by the development of the other. As proposals are developed the wider steering group will be periodically circulated, particularly with regard to whether authorities would be prepared to engage with such a process.

Merseytravel have considerable experience in the deployment of alternatively fuelled public transport and they will lead this project.

Technologies

Hybrid

- Purchasing and vehicle choice should be based on information from other trials and experience from the Green Bus fund
- Suitable for both Air Quality Management Area (AQMA) and carbon reduction
- Could be introduced as trial or a proper service due to trials elsewhere already being done.
- Be aware of initial cost and battery replacement potentially after 5 years.

Biofuel used cooking oil

- Dependant on blend perhaps suitable in AQMA's in a blend between 20 and 30 though needs further research.
- Available elsewhere outside of AQMA.
- Trial already happening so would be proper service.
- Can come at a cost to bus companies as its can be more expensive than diesel and has potential higher tax but 20p tax break is extended to 2012. BSOG removed advantage for biodiesel in 2011.
- Biofuel tank network would be a key part of this and is linked to LSTF work.
- Requirement for minor retrofitting of components

Biofuel - biomethane

- Not yet used on buses in Merseyside so trials may be needed (similar CNG trial in Southport)
- Local Production and storage would need to be looked at.
- Very few emissions so can be used anywhere on Merseyside and addresses waste issues
- Requirement for retrofitting
- Maintenance cost unknown due to lack of use on Merseyside
- Proved very attractive at recent event!!

Electric vehicles

- Electric buses currently used in St Helens but stopped in Birkenhead so some experience. setting up a network may have benefits for both transport and developments
- Needs suitable route and locations for charging points
- Other areas have tried larger electric buses so wider advice is available.
- Links to e-live and LSTF work
- Can go anywhere that an accessible network is available no tailpipe emissions so perfect for AQMA and low carbon

Eco manager

- Fuel efficiency reducing carbon and pollutants, the introduction of these does have benefits to the bus companies and a realistic payback so preference to other technologies would be more suited but the data capture may provide useful to developers asking if their money is actually making a difference.

Particulate filters

- Traps pollutants has pros and cons but in AQMA's where air quality takes priority over carbon saving could well be an option.

A clear understanding between Merseytravel, the planning Authority and the developer as to which technology is appropriate to their development. This would be according to the size of the development, its location and the related transport and air quality impacts.

Demonstrator projects or actual services?

This would depend on the technology and how it has been trialled or used not only across the UK but also in our region.

More importantly if our local bus companies would be willing to use them. Consultation would be required with the service providers to see what technologies would be used (possibly ranking them) and where in order to get the best positive results for Merseyside. The ranking may depend on the developments air quality impact and where it is. The larger

the development size within an AQMA means more impacts on air quality leading to potential for large scale projects such as bus fleet adaptation or new low emission services.

Some would be ready to go straight into service such as, hybrids, eco manager and particulate traps. It would possibly be preferable to pump prime services with these technologies. It would have to be easily demonstrated that the contribution asked for is relative to the emissions created and relative to the area the development is in. Depending on developers views this could be within a local authority boundary though probably to ensure contributions are fully understood and transparent perhaps better relating to the nearest corridor or area to be impacted.

Pump priming would ensure that there is a financial gain for an active travel plan. For example if a developer can prove that after a set period car use has decreased then a developer could stop paying towards the maintenance of technologies such as particulate traps. It needs to be noted that hybrids would need battery changes after 5 years and particulate traps would need replacing after a certain period of time.

Others such as biomethane and full electric may need to be trialled. Electric buses, hybrids and biomethane are long term options and require further market shifts to bring down the price. The Governments Green Bus fund and TfL's trials has helped such a shift and is now being supported by leading service operators around the country.

Biomethane, biodiesel, electric buses would need a logistical network to support vehicles. The LES package could provide and help understand and implement where these networks would be helping the introduction of potential services. Current possible LSTF bids are looking at helping develop these networks so any infrastructure placement could relate to possible areas of high development in an AQMA.

It is important to note the LTP guidance on creating a clean and low carbon transport system. LTP3 stipulates that in AQMA's air quality takes priority over carbon saving meaning any carbon saving measures must not jeopardise air quality i.e. very high blend biodiesel.

Could these be used to support/promote Quality Bus Partnerships?

Certainly could and in some cases SBQS could be more suited to help deliver benefits of contributions. It lays down an agreement between bus service providers, local authorities and the PTE which each must adhere to. LES things could be used if they all agreed on the measures. Service providers would certainly be more forthcoming with funding.

Sadly there are very few SBQP's and are proving quite tricky in some areas where there are lots of different service providers. So there is geographical limitations as to where developer contributions can be obtained and spent in relation to SBQP's.

Supported services/community services subsidised by Merseytravel also offer a chance to introduce more influence through the tender process. Contributions may be able to help make these even more sustainable and have in the past been used as a test bed for new low emission technologies.

The legal/financial implications of using off set contributions in this way

Legally services can be provided through s106 contributions , planning conditions or legal agreements as part of an offsetting. Very rarely done by Merseytravel but has been in the past for a development in Sefton. In the past it has been done ad-hoc and the majority of s106 infrastructure done directly by the developer. Due to this there is not a policy within Merseytravel to support receiving and spending planning contributions. The Transport SPD adopted across Merseyside does give clear guidance as to when s106 agreements may be used and what measures developers may be requested to contribute towards. Links to low emission services could be made with this guidance. Merseytravel would be willing to explore the opportunities of developing such a policy but have concerns over possible maintenance and liability of the services would need to be discussed with partners in terms of how enforcement from a local authority will ensure service provision.

Contributions from planning obligations

Circular 05/05: Planning Obligations states that, “where an asset is intended for wider public use, the costs of subsequent maintenance and other recurrent expenditure associated with the developer's contributions should normally be borne by the body or authority in which the asset is to be vested. Where contributions to the initial support (“pump priming”) of new facilities are necessary, these should reflect the time lag between the provision of the new facility and its inclusion in public sector funding streams, or its ability to recover its own costs in the case of privately-run bus services, for example. Pump priming maintenance payments should be time-limited and not be required in perpetuity by planning obligations.”

This would include a retro fit to bus services. Pump priming local services until the subsequent emissions where rectified by the developer, perhaps through evidence of an active travel plan, or until the bus companies can commercially support them. Where transport impacts dictate a new service there is a chance for low emission buses.

Pooling resources

Circular 05/05: Planning Obligations states that, “Where the combined impact of a number of developments creates the need for infrastructure, it may be reasonable for the associated developers' contributions to be pooled, in order to allow the infrastructure to be secured in a fair and equitable way. Pooling can take place both between developments and between local authorities where there is a cross-authority impact.”

This may be an option for an area of high development within an AQMA especially if these areas are related to transport corridors and/or cross district boundaries. Section 106 agreements are more successful the more transparent they are in relation to a development's air quality impact. For this reason it may be best that any pooling of resources is based around transport corridors within, or closely tied to AQMA's.

Merseytravel's role

Merseytravel is not a statutory body within the planning system but is classed as a partner/third party. Circular 05/05: Planning Obligations states that, "The role of independent third parties is to facilitate or contribute to the negotiation process, not to arbitrate. Responsibility for agreeing the outcome of a planning obligation negotiation remains with the parties involved, and responsibility for the final determination of the application remains with the local planning authority." As a non-statutory consultee of the planning process means that Merseytravel would not decide how to spend contributions but would with good will of the planning authority and developer to advise locally and provide advice on wider networks to support goal 2 of LTP 3.

Neither does Merseytravel have any enforcement powers so the local authority would be responsible for this. Merseytravel would only provide expertise and co-ordinate spending once the full amount of the contribution has been received from the local authority. Once the obligation has been fulfilled it is then the local authority that must maintain the asset though Merseytravel will provide advice and support as a partner where necessary.

However while the councils are the planning authority and highways authority, Merseytravel is the integrated transport authority / passenger transport executive with responsibility for the Local Transport Plan and public transport. Therefore any contributions to buses and public transport services would need to come via Merseytravel from the developer via the planning authority. But it is the planning authority that has to make the demands of the developer via s106 agreements, planning obligations, legal agreements and planning conditions to mitigate any adverse impacts relating to transport or air quality etc. Likewise the planning authority are responsible for enforcing these demands.

In the future

Before such a low emission tariff mechanism as proposed here can be applied, it needs to be backed up in planning policies like the Core Strategy in each local authority currently this is not the case. General policy in Core Strategy with more detail in an SPD like with the Transport SPD (need policies in the 5 Core Strategies and therefore 5 SPDs so likely to be some differences between each council) or put it entirely in a single Joint Development Plan Document like the Joint Merseyside Waste DPD. A simple guidance note will not have much material consideration in the planning process so has limited value.

We also have to be careful not to overload too many unjustifiable costs onto developers as this may affect viability of development and be seen as unreasonable. This is often a major concern of councils who are always keen to attract investment and jobs. So any contributions requested have to be very carefully justified in terms of the direct impacts of the development, linkages with the AQMA and then be proportionate. If applied to bus services then again justification is required and application tied to the development site, AQMA and key transport corridors or areas where the development is impacting adversely.

Option 1

Contributions from the planning system are passed to Merseytravel from the local authorities. Merseytravel then pool the contributions from different developments that impact the same transport corridors. Merseytravel would advise the developers, service providers and planning authorities on implementation of low emission services in accordance to the scale and area of the developments air quality impact. This would include providing evidence of the emission implications of the development. The obligation would be delivered through pump priming with an agreed period of time and monitoring procedures.

This would include the technologies discussed above introduced through pump priming in order to encourage a more sustainable switch to low emissions in Merseyside. The technologies would be dictated by the size and location of the development. Only large developments with large air quality impacts may be asked to introduce a completely new low emission service but evidence would be required to make it transparent to the developer/s.

Once the contribution has been received Merseytravel would then co ordinate the introduction of the planning obligation. It is important that any continuing costs related to maintenance or monitoring is retrieved from the local authority either as part of the obligation. Even though Merseytravel would co ordinate the planning obligation the planning authority will be responsible for its continual delivery with advice and help from Merseytravel.

The policies are not present at the moment to support this but could be explored by Merseytravel and the district partners to set up such a scheme. It may be best to trial such a proposal with one local authority to check its feasibility.

Option 2

Contributions are kept by individual authority and Merseytravel as part of a Low Emissions Strategy Group help co-ordinate the development of low emission bus fleets. Merseytravel remain a partner in the process but help through recommendations for local and regional bus fleet changes.

Merseytravel would advise the developers, service providers and planning authorities on implementation of low emission services in accordance to the scale and area of the developments air quality impact. This would include providing evidence of the emission implications of the development. The obligation would be delivered through pump priming with an agreed period of time and monitoring procedures.

This would include the technologies discussed above introduced through pump priming in order to encourage a more sustainable switch to low emissions in Merseyside. The technologies would be dictated by the size and location of the development.

The system would be the same as that is already used for planning obligations but would be co-ordinated in a partnership approach in order to get the best low emission services for the region. Merseytravel would in good will co-ordinate the group made up of service providers, local authorities, ourselves and where necessary the developer.