

Report – Finance Committee

Capital Funding – Bid for Reprioritisation: Electric Vehicle Replacements to Comply with the Ultra-Low Emission Zone

To be presented on Thursday, 18th July 2019

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY

1. The Court of Common Council is asked to approve additional budgetary provisions of up to £3m to provide internal loan funding for loan funding for electric and other low emission vehicle replacements in order to comply with the Mayor of London's Ultra Low Emissions Zone (ULEZ) and the City Corporation's 'Transition to a Zero Emission Fleet' policy, which was endorsed by your Policy & Resources Committee. This comprises:
 - £2.3m from the general reserves of City Fund for Police and other City Fund vehicles;
 - £0.7m from the general reserves of City's Cash for City's Cash vehicles;
2. This request followed on from Members of your Policy & Resources Committee and Resource Allocation Sub-Committee, agreeing that a loan should be approved to progress the project outside of the Fundamental Review.
3. Following that decision, your Finance Committee was required to approve a revision to the Corporation's budget of up to £3m to facilitate the loan. In-year budget adjustments of this nature are required to be considered by the Finance Committee, which is responsible for making subsequent recommendations concerning budget adjustments to the Court.
4. Since that Paper was agreed, officers have been building up a comprehensive analysis of the fleet requirements. As ULEZ continues to be rolled out, it is envisaged that the cost of funding replacements will eventually reach approximately £3m, hence the request for a combined loan from the general reserves of City Fund and City's Cash.
5. Officers are keen to confirm this funding so as to ensure the fleet is fully compliant by the time the second, broader ULEZ enters into force.
6. Before a vehicle replacement loan is granted to any department, detailed scrutiny of vehicle need, technology choice, lease or buy options, and value for money will be applied by the inter-departmental Transport Coordination Group, chaired

by the Commercial Director, before proceeding through the appropriate governance route.

RECOMMENDATION

Members are asked to:

- approve an additional budgetary provision of up to £3m, to provide internal loan funding to be drawn from the general reserves of City Fund and City's Cash; and
- agree that these loan facilities will be available from 2019/20 onwards, to be drawn down as required over the life of the projects subject to other relevant approvals.

All of which we submit to the judgement of this Honourable Court.

DATED this 21st day of May 2019.

SIGNED on behalf of the Committee.

Jeremy Paul Mayhew
Chairman, Finance Committee