

REQUEST FOR DMPC DECISION – PCD 185

Title: Hydrogen Fuelled Vehicles

Executive Summary:

This paper seeks approval for the MPS to join a consortium bidding for an EU grant to contribute towards the cost of the purchase and running of a number of hydrogen fuelled vehicles.

Recommendation:

The DMPC is asked to

1. Approve the MPS joining consortium bidding for an EU grant to contribute towards the cost of purchase and running of hydrogen fuelled vehicles.

Deputy Mayor for Policing And Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature *Edna Hudson*

Date *10/4/17*

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. The MPS is part of a consortium that is bidding for EU grant funding to contribute towards the cost of the purchase and running of a number of hydrogen fuelled vehicles. The consortium partners include organisations based in Paris and Brussels. The lead partner is Hydrogen London and Element Energy. The project is being funded by Fuel Cells and Hydrogen Joint Undertaking, a Horizon 2020 project.

2. Issues for consideration

- 2.1. The environmental benefits of the MPS's involvement in the bidding consortium include supporting the draft Fleet Services Air Quality Strategy. The EU funding provides the MPS with the opportunity to obtain funding towards the total cost of the zero emissions projects.

3. Financial Comments

- 3.1. The grant funding will be up to £17,391 per vehicle, based on 10 vehicles the maximum value of the grant funding would be £173,910. The full cost of the 10 vehicles before supplier discount is estimated at £600,000.

4. Legal Comments

- 4.1. The MOPAC Scheme of Consent and Delegation paragraph 4.8 requires approval from the Deputy Mayor of Policing and Crime must approve all bids for grant funding made and all offers of grant funding.
- 4.2. The grant agreement will be published under the Elected Local Policing Bodies (Specified Information) Order 2011.

5. Equality Comments

- 5.1. There are no direct equality or diversity implications arising from this report

6. Background/supporting papers

- 6.1. Report.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred ? NO

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rational for non-publication.

Is there a **part 2** form – No

If yes, for what reason:

ORIGINATING OFFICER DECLARATION:

Head of Unit: The Head of Strategic Finance and Resource Management has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Head of Strategic Finance and Resource Management has been consulted on this proposal.	✓
Equalities Advice: No Equality and Diversity issues identified.	✓

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature R. Lawrence

Date 6/4/17



**REQUEST FOR PERMISISON TO JOIN A CONSORTIUM BIDDING FOR AN EU GRANT TO
CONTRIBUTE TOWARDS THE COST OF THE PURCHASE AND RUNNING OF HYDROGEN
FUELLED VEHICLES**

Investment Advisory Board on 6 April 2017

**Report by Commercial Director and Director of Operational Support Services on behalf of
the Commissioner**

EXECUTIVE SUMMARY

The Metropolitan Police Service (MPS) has been approached by our GLA partner Hydrogen London and Element Energy to join a consortium bidding for an EU grant to contribute towards the cost of the purchase and running of hydrogen fuelled vehicles. The consortium includes organisations from London, Paris and Brussels.

Based upon a Business Justification paper due to be presented to Portfolio and Investment Board (PIB) in May and Investment Advisory Board in June, the MPS is anticipating purchasing 10 vehicles and, as part of the project, the grant funding offers the MPS up to a maximum of €20,000 (£17,391) per vehicle.

The project supports the Fleet Services Air Quality Strategy, which is the MPS response to the Mayor's vision for a cleaner London. This project is one of a number under the banner of the Zero Emission Hydrogen Propulsion Projects, which is the subject of the Business Justification paper.

A. RECOMMENDATIONS - That

- 1. The Deputy Mayor for Policing and Crime approves the Metropolitan Police Service joining a consortium bidding for an EU grant to contribute towards the cost of the purchase and running of hydrogen fuelled vehicles.**

B. SUPPORTING INFORMATION

- 1. The Metropolitan Police Service was approached by Hydrogen London and Element Energy last month to join a consortium bidding for an EU grant, which will contribute towards the cost of the purchase and running of a number of hydrogen fuelled vehicles. The MPS subsequently met Element Energy on 27 March 2017 to discuss the benefit of the project and to gather the information required to seek DMPC approval for the bid.**
- 2. The project will involve a range of organisations in London, Paris and Brussels including:-**
 - Green Tomato Cars – operators of taxis in London
 - STEP – taxi operators in Paris
 - STEP Brussels – taxi operators in Brussels
 - ITM Power – operator of hydrogen refuelling stations in London
 - Air Liquide – operators of hydrogen refuelling stations in Paris and Brussels

Not Protectively Marked

- Data and dissemination – a dedicated data analysis partner will be invited (this is likely to be CenEX)
 - Fuel Cell and Electric Vehicle vehicle suppliers will be invited to join the project as observer partners
3. The EU project is being funded by Fuel Cells and Hydrogen Joint Undertaking (FCH JU), a Horizon 2020 project and the grant funding will be up to £17,391 per vehicle and the MPS will purchase 10 of these vehicles. Horizon 2020 is an EU research and development programme with €80 billion of funding available over a seven year period. The bid is being managed by FCH JU specialists Element Energy with Hydrogen London funding the London portion of the bid writing and project management costs.
 4. The project supports the Fleet Services Air Quality Strategy, which is the MPS response to the Mayor's vision for a cleaner London
 5. A Business Justification paper is on the forward planner for presentation to PIB in May and IAB in June seeking approval for the progression of the Zero Emission Hydrogen Propulsion Projects and the grant funding from the EU is one element of the paper. However, the deadline for submitting a bid to the EU for the grant funding is 26 April 2017 and thus a decision regarding the MPS participation in the consortium needs to be made prior to the Business Justification paper for the purchase of the vehicles being considered at PIB and IAB.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact (mandatory)

1. There are no equality and diversity issues as a result of the MPS participating in this consortium.

Financial Implications / Value for Money (mandatory)

1. The grant funding will be up to £17,391 per vehicle and the MPS is expected to purchase 10 vehicles. The grant funding is spread over the lifetime of the project (2017/18 to 2021/22) and is loaded towards the beginning of the project with 30% payable in year 1, 40% in year 2 and 10% in years 3, 4 and 5.
2. The estimated maximum cost of the 10 hydrogen vehicles is £600,000 although this is without any manufacturer discount that is currently being negotiated. The maximum grant from the EU is £173,910. Although the EU grant bidding timings require approval to join the consortium bid prior to DMPC approval being secured for the purchase of the vehicles, there is no obligation on MOPAC/MPS to formalise the arrangement until October 2017. There are no contractual or financial risks to being part of the bidding consortium as if the bid is successful and the DMPC does not approve the subsequent business justification paper, the grant for the 10 vehicles could be allocated to new partners.
3. Fleet Services and Property Services are carrying out work to determine the full cost including opportunity cost of the Zero Emission Hydrogen Propulsion Projects, which will be included in the PIB/IAB paper. However, the EU funding affords the opportunity for the MPS to obtain funding towards the total cost of the zero emission projects.

Legal Implications (mandatory)

1. This report seeks MOPAC's approval for the MPS to join a consortium bidding for an EU grant to contribute towards the cost of the purchase and running of hydrogen fuelled vehicles.
2. Para 4.8 of the MOPAC Scheme of Consent and Delegation provides the DMPC with delegated power to approve any bid for grant funding.
3. The grant agreement will be published under the Elected Local Policing Bodies (Specified Information) Order 2011.

Consultation undertaken (mandatory)

1. Consultation has taken place with Hydrogen London, Element Energy, Territorial Policing, who will use the vehicles, and the Property Services Department, who will be responsible for installing the infrastructure to support the vehicles.

Risk (including Health and Safety) Implications (mandatory)

1. This is an opportunity to bid for EU grant funding to contribute towards the cost of the purchase and running of 10 vehicles and the project supports the Fleet Services Air Quality Strategy, which is a response to the Mayor's vision for a cleaner London. Failure to join the bid will result in a loss of funding towards the cost of these vehicles, which will probably need to be purchased in any case as part of Strategy.

Report author: David Jones, Senior Commercial Manager, and Harvey Pitchford, Commercial Manager, Third Party Contracts Team

Background papers:

