

**NORTH LINCOLNSHIRE COUNCIL**

**CABINET**

**HOME TO SCHOOL BUS CONTRACTS:  
EURO III EMISSION STANDARDS**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 During 2012, we carried out a soft market testing exercise on the procurement of public and home to school transport. One of the recommendations was that we should consult local bus and coach operators on a proposal to require Euro III emission standards on school contract services starting in 2014.
- 1.2 The consultation is now over. We propose that the Council adopts the Euro III standard.

**2. BACKGROUND INFORMATION**

- 2.1 During the last 20 years, legislation has driven improvements in the quality of buses.
- The PSV Accessibility Regulations 2000 require that medium size and big buses providing local services have low floors and wheelchair access by various dates between 2015 and 2017.
  - Successive Euro emission standards have reduced the level of pollutants from bus engines. Details are given in Appendix 1.
- 2.2 Very few low floor buses are of less than Euro III standard and none are more than 18 years old. Operators will be unable to use other buses on local bus services within the next few years. Consequently, emission standards are not an issue for local bus service contracts.
- 2.3 However, the Council has 41 school bus contracts, most of which are not registered as local bus services. Though we assess each operator's safety record before permitting them to bid, we do not specify the age of the vehicle or emission standards. As a result, contractors use vehicles which can be up to or over 30 years old. Some of these buses were built before the introduction of any emission standard.

### 3. **OPTIONS FOR CONSIDERATION**

- 3.1 **Option 1:** Specify no emission or age requirement. This is our current practice.
- 3.2 **Option 2:** Set an age limit for vehicles on school contract services.
- 3.3 **Option 3:** Specify Euro III standard vehicles as a minimum requirement on school contracts, starting with those due in 2014.

### 4. **ANALYSIS OF OPTIONS**

- 4.1 With regard to option 1, it is important to recognise that an old bus is not necessarily an unsafe bus. However, they do not comply with recent emission standards and may give a poor impression to users, parents and the general public.
- 4.2 With respect to option 2, setting an age limit at the start of the contract of, say, 20 years from first registration would gradually reduce reliance on the oldest vehicles. However, it's a blunt instrument – there would be no opportunity to extend the lives of older vehicles by fitting exhaust filters. (See paragraph 4.5 below).
- 4.3 By adopting option 3, the quality of exhaust emissions from the buses used on our school contracts will improve year by year. It is likely that the oldest vehicles will no longer be used on school services. This would be in line with the Council's own commitment to reduce emissions from its own vehicles. Our current target is a 33% cut by 2014.
- 4.4 The policy could work as follows:
  - We would require Euro III vehicles as a minimum standard on school contracts starting with those due for tender in 2014.
  - We would do this every year up to 2017. By September 2017 all our school contract buses would be at least Euro III standard. (See Appendix 2).
  - We would consider whether we could offer contracts of up to 7 years. Longer contracts will encourage investment and may reduce the daily price. However, we also need flexibility to respond to changes in numbers of scholars travelling. Offering a longer contract then terminating it some years before expiry will undermine operators' trust.
  - We would not require retrospective application of the Euro III standard. It would not apply to any bus running under an existing contract.
- 4.5 It is also possible to improve emission standards by fitting an exhaust filter. The advantage of these filters is debated but it is likely to help to achieve the required standard.

## **5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

### **5.1 Finance -**

If we require operators to use more modern vehicles, the price of contracts may rise. However, there are other issues to take into account:

- Though old buses are cheaper to buy, they may also require a lot of money to refurbish and maintain.
- There is a general view amongst operators that recent school contract prices in North Lincolnshire are very low and probably unsustainable. Consequently, any price rise may not be due exclusively to an emission requirement.

5.3 We expect to invite prices for the next batch of home to school services by e-auction during spring 2014. If prices appear high due to our Euro III condition, we have the option of running the e-auction again with no emission requirement.

5.4 There are no staffing, property or IT implications to consider.

## **6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (If Applicable)**

6.1 The IIA demonstrates that there are environmental benefits from cuts in pollutants. This fits in with the Council's policy for its own vehicles. There is no adverse effect.

## **7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

7.1 We wrote to 15 bus and coach operators to invite their views on our Euro III proposal. Seven replied.

7.2 Two misunderstandings arose in some responses. Firstly, that we would require the Euro III standard to apply to all school buses on existing contracts from 2014. Secondly that we would not accept any vehicle which was more than 15 years old at any time. Neither of these was in our proposal.

7.3 Four replies supported Euro III, one opposed it and another expressed no clear view. The seventh said we should allow older vehicles which met Euro III because they had exhaust filters fitted.

7.4 Lincolnshire County Council has required Euro III standards for school bus contracts let since 2011. They have not seen an increase in contract prices attributable to the Euro III requirement, nor have operators ceased to bid for this reason. However, they do say that there were a lot of

questions from operators about the need to do this and technical arguments, particularly around the used of exhaust filters, were complex.

- 7.5 A North Lincolnshire school bus operator has recently purchased three Euro III compliant vehicles for current home to school services. This indicates that suitable vehicles are available and suggests that the costs of purchase and operation are not prohibitive.

## **8. RECOMMENDATIONS**

- 8.1 That Cabinet agrees to the proposal to specify as a minimum, the Euro III emission standard for home to school buses and coaches on contracts starting from September 2014.
- 8.2 That Cabinet agrees that achieving this emission standard via the fitting of exhaust filters is acceptable.

## **DIRECTOR OF PLACES**

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### **Background Papers used in the preparation of this report:**

- Correspondence with bus operators and others on file 12/1420.

## Appendix 1: Euro Emission Standards

Standard	Vehicles Entering Service After:	Vehicles Manufactured:	Pollutants in g/kwh			
			CO	HC	NOx	PM
EU Dir 88/77	1 October 1990	1988 – 1992	11.2	2.4	14.4	-
Euro I	1 October 1993	1992 – 1995	4.5	1.1	8.0	0.36
Euro II	1 October 1996	1995 – 1999	4.0	1.1	7.0	0.15
Euro III	1 October 2001	1999 – 2005	2.1	0.66	5.0	0.10
Euro IV	1 October 2006	2005 – 2008	1.5	0.46	3.5	0.02
Euro V	1 October 2010	2008 – 2012	1.5	0.46	2.0	0.02
Euro VI	1 January 2013	2012 -	1.5	0.13	0.4	0.01

CO: Carbon monoxide, HC: Hydrocarbons, NOx : Nitrogen Oxide, PM: Particulates.

Source: Croner's Coach & Bus Operations

## Appendix 2: Home to School Bus & Coach Contract Expiries/Renewals

Date	Number of Contracts
September 2014	10
September 2015	18
September 2016	0
September 2017	11