

Department for Transport Zero Emission Bus Regional Areas scheme (ZEBRA 2)

Briefing Report for Publication



I. EXECUTIVE SUMMARY

Plymouth City Council are leading a bid to the Department for Transport's Zero Emission Bus Regional Areas Scheme (ZEBRA 2), in partnership with Plymouth Citybus Ltd (part of The Go-Ahead Group Ltd) and Cornwall Council.

If successful the bid will see the introduction of 50 zero emission, electric, double decker buses on routes operating in Plymouth and the Rame Peninsula as well as the necessary associated electric charging infrastructure at the Plymouth Citybus depot, Milehouse.

The acquisition of the electric buses will not only enhance the routes which they will operate on but will also allow the cascade of existing Euro 6 diesel buses displaced from the electrified routes onto other services in Plymouth and South-East Cornwall, thereby modernising the entire Plymouth Citybus fleet operating in the Plymouth Travel to Work Area.

Improvements to the quality of public transport in Plymouth and our Travel to Work Area will support the delivery of equality outcomes. These will be delivered through increased accessibility of the buses funded by the bid, improvements in the quality of transport to places of work, education, leisure and healthcare and improvements in air quality.

The operation of zero emission buses will also strongly support Plymouth City Council's Climate Change ambitions as articulated in the Net Zero Action Plan ([NZAP Transport | PLYMOUTH.GOV.UK](https://www.plymouth.gov.uk/nzap-transport)) and on the Climate Connections website ([Travel - Climate Connections Plymouth](https://www.plymouth.gov.uk/travel-climate-connections)). This is evidenced by the Climate Impact Assessment supporting this Decision.

The value of the bid to be submitted to the DfT is circa £34,231,079. Of which £14,246,139 is sought from the Department for Transport. The remaining £19,984,940 of funding is being provided by Plymouth City Council, Plymouth Citybus / The Go-Ahead Group and Cornwall Council.

The financial contribution by Plymouth City Council, which is being funded from the Community Infrastructure Fund levy, is £750,000. This is a fixed financial contribution.

2. BACKGROUND

The Department for Transport (DfT) have launched an opportunity to apply for Zero Emission Bus Regional Area funding (ZEBRA 2).

ZEBRA 2 provides £129 million to support the introduction of Zero Emission Buses (ZEBs) in financial years 2023/24 and 2024/25. It is a single-stage funding competition to award funding over both financial years.

The DfT will contribute up to 75% of the cost difference between a ZEB and an equivalent standard conventional diesel bus of the same total passenger capacity.

Buses funded by the grant, in accordance with the National Bus Strategy, must provide an enhanced level of accessibility. The buses funded through this project will therefore:

- be compliant with the [Public Service Vehicles Accessibility Regulations 2000 \(PSVAR\)](#)
- be compliant with the [Accessible Information Regulations](#)
- provide an induction loop to aid direct communication between drivers and passengers who use a hearing aid.
- provide an additional flexible space in addition to the mandatory wheelchair space – this space can either be suitable for a second wheelchair user or at least 2 unfolded pushchairs or prams.

These requirements represent a betterment in the quality of the vehicles which the electric buses will replace.

For infrastructure, the DfT will contribute up to 75% of the total capital expenditure incurred as a result of its purchase and installation.

Local Transport Authorities (LTAs) can also request grant funding to cover up to 50% of total contingency costs, for vehicles and infrastructure with the DfT assuming a 20% contingency budget in the absence of a quantified risk register.

£25 million is reserved for proposals to introduce ZEBs in rural areas which Plymouth City Council are ineligible to apply for. However, the DfT have advised that they *'want to help LTAs and bus operators that have little to no experience with ZEBs benefit from this funding. Therefore, LTAs that did not receive ZEBRA 1 funding will be prioritised ahead of LTAs that did'*. An application from Plymouth City Council would therefore be in the second priority bidding category.

Funding will only be awarded to Local Transport Authorities that have made an enhanced partnership or have begun following the statutory process to decide whether to implement franchising. Plymouth complies with this requirement, following the formation of the Plymouth Enhanced Bus Partnership in April 2023.

The DfT funding therefore provides a transformational opportunity to modernise Plymouth's bus fleet, significantly advance the Council's commitment to decarbonise transport and boost bus patronage through a multi-million investment, by members of the Plymouth Enhanced Partnership, in Zero Emission Buses (ZEBs).

The bid must be led by the Council, as the Local Transport Authority, and in doing so demonstrates our corporate value of co-operation and, if successful, deliver greener transport, a priority within the Corporate Plan.

3. PLYMOUTH ZEBRA 2 BID SUMMARY

3.1 Plymouth ZEBRA 2 Bid

The Plymouth bid is a joint submission by Plymouth City Council, Cornwall Council and Plymouth Citybus.

If successful the bid will see the introduction of 50 zero emission, electric, double decker buses on routes operating in Plymouth and the Rame Peninsula as well as the necessary associated electric charging infrastructure at the Plymouth Citybus depot, Milehouse.

The bid will improve public transport in Plymouth and the Travel to Work Area. However, in addition it has the potential to provide wider community benefits through providing opportunities linked to the maintenance of commercial electric vehicles, with Plymouth Citybus committed to exploring opportunities such as apprenticeships and training both in the use of the new ZEBs and their maintenance. The bid also supports Plymouth's wider transport decarbonisation work. This is because there is scope for the charging infrastructure to be used by other transport modes, such as community transport and school minibuses, at such time as these fleets are electrified; a proposal which Plymouth Citybus are supportive of.

All bus operators in the statutory Plymouth Enhanced Bus Partnership were notified of the intention of the Council to submit a bid to the ZEBRA 2 Fund and provided the opportunity to partner with the Council. However, only Plymouth Citybus choose to participate in the Plymouth submission.

Cornwall Council are keen to partner the Plymouth bid because a number of routes which operate into South-East Cornwall start and end in Plymouth, with the buses on these routes garaged at the Milehouse bus depot.

Due to the costs involved in electrifying the vehicles, and providing the necessary charging infrastructure, it is uneconomical just to electrify the buses operating from Plymouth into Cornwall. However, it does make sense to include them as part of a bigger package (the urban Plymouth ZEBRA 2 bid) and their inclusion also strengthens the Plymouth submission by adding an element of rurality to the proposals.

Were the bid to be successful, for the local contribution element, the intention is that Go-Ahead predominantly fund the cost of the electric buses, with a contribution from Cornwall Council for those needed for the subsidised services on the Rame Peninsula, and the Local Transport Authorities (Plymouth City Council and Cornwall Council) predominantly funding the charging infrastructure at the Citybus depot, with a minor infrastructure contribution, from the Go-Ahead Group.

The contributions from the Local Transport Authorities will be fixed with the Go-Ahead Group accepting liability for cost increases over and above those set out in the bid. This agreement will be formalised through a collaboration agreement between Plymouth City Council, Cornwall Council, Plymouth Citybus Ltd and The Go-Ahead Group.

3.2 Plymouth ZEBRA 2 Bid; alignment with Corporate Priorities

The Council's mission, as set out in the [2023 Corporate Plan](#), is to '[make] Plymouth a fairer, greener city, where everyone does their bit' and public transport has a key role to play in achieving this ambition.

In Plymouth, 24.9 per cent of households are without access to a car or van. Furthermore, 15 per cent of men and 31 per cent of women do not have a driving licence. The bus is therefore crucial to enable

residents to access school and work, healthcare and shops, friends and family as well as enabling visitors to travel to, from and within Britain's Ocean City.

As a green mass transit solution, buses also have a key role to play in our response to the city's climate emergency declaration and supporting Plymouth's sustainable growth. This is why the Council's vision, as set out in the 2023 Bus Service Improvement Plan, is *'to create a thriving bus network where everyone can be connected to important people and places, by services that are frequent, reliable, fast, affordable, safe and clean, which will also help Plymouth to achieve its net zero goals by 2030'*.

In order to realise this vision, buses need to be both tools of inclusion and the transport of choice and to do that we know that we need to provide better bus services. Investment in Zero Emission Buses will deliver a better bus service for Plymouth and directly supports the aspirations of both the Corporate Plan and Plymouth Plan.

Links to the Corporate Plan: -

Investment in zero emission buses directly supports the city's mission to '[make] Plymouth a fairer, greener city where everyone does their bit.'

As lead for the submission of the ZEBRA 2 bid, we are taking **responsibility** for the improvement of Plymouth's bus services. However, the development of the bid is **co-operative**, involving Plymouth Citybus, the Go-Ahead Group and Cornwall Council and hence we are working closely with Plymouth's public transport providers, and one of our neighbouring authorities, to deliver a bus network which helps to make Plymouth a great place to grow up and grow old.

Links to the Plymouth Plan: -

The submission of the ZEBRA 2 bid supports the delivery of the strategy set out within the Plymouth Plan and in particular policies HEA6 (Delivering a safe, accessible, sustainable and health enabling transport system) and GRO4 (Using transport investment to drive growth, and commitment to facilitate the use of sustainable transport modes).

The Plymouth Plan seeks to help deliver a transport system that enables and encourages sustainable and active travel choices, provides good accessibility for the city's population to jobs and services, and supports a healthy environment. Through the ZEBRA 2 programme, were our bid to be successful, we will actively support the Plymouth Plan policy commitments to: -

- HEA6(1) [Use] the planning process to: - address air quality, carbon emissions and noise pollution.
- HEA6(2) [Design] transport infrastructure projects to take full account of the needs of all users, the wider community and place shaping needs of the area, whilst also helping to minimise air quality, carbon emissions and noise pollution.
- HEA6(7) [Invest] in and promot[e] the growth of an electric vehicle charging network and encouraging electric vehicle take-up and use.
- HEA6(10) [Work] with regional partners, agencies and public transport operators to deliver an integrated transport system across all modes covering key locations within and adjoining the Plymouth Travel to Work Area

- GRO4 (1) Continuing to support the High-Quality Public Transport Network and improve public and sustainable transport services through, where appropriate, subsidies and new infrastructure and
- GRO4(15) Developing and delivering targeted infrastructure interventions, consistent with the long-term vision and objectives for transport set out in the [Joint Local Plan](#).

The ZEBRA 2 project also positively supports the delivery of the commitments within the Plan to help deliver targeted integrated transport measures to help support the sustainable growth of Plymouth, in accordance with the vision, objectives and policies of the Plymouth and South West Devon [Joint Local Plan](#). Specifically: SPT9 (6), which seeks to get the most out of our existing network and encourage behavioural change, and SPT9(9) (delivering transport projects which provide a safe and effective transport system).

The ZEBRA 2 programme also allows the achievement of the aspirations of the [Plymouth Bus Service Improvement Plan](#) which is a delivery plan of the Plymouth Plan.

3.3 Plymouth ZEBRA 2 Bid; alignment with the Bus Service Improvement Plan

The vision for Plymouth's buses, as articulated in the 2023 Bus Service Improvement Plan, is to create a thriving bus network where everyone can be connected to important people and places, by services that are frequent, reliable, fast, affordable, safe and clean, which will also help Plymouth to achieve its net zero goals by 2030.

Nine passenger priorities underpin the BSIP and more than 1800 people, in response to the summer 2023 passenger priority survey told us that their priorities for bus services, in order, were: frequent, reliable and fast, affordable, direct and connected, accessible, safe, simple and understandable, modern and clean.

If successful the Plymouth ZEBRA bid will deliver against four of the nine passenger priorities, frequency, accessibility, simple and understandable and modern, demonstrating the Plymouth Enhanced Partnership's commitment to improving Plymouth's bus services and delivering against what's important for Plymouth's bus passengers.

The introduction of zero emission buses will also allow the delivery of projects set out with the 2023 BSIP including 'introduc[ing] Zero Emission Buses (ZEBs), initially on the 6 core [BSIP] corridors before rolling out ZEBs to the entire fleet, in conjunction with neighbouring authorities' and "facilitating the replacement of all of our community transport vehicles with five new electric minibuses and associated charging infrastructure'. This bid achieves the latter ambition, in part, through the provision of charging infrastructure at the Citybus depot. The infrastructure will be available to use during the day, when the ZEBs are in service, and Plymouth Citybus are supportive of community transport, and school, minibuses, utilising the infrastructure.

3.3 Plymouth ZEBRA 2 Bid; alignment with the Net Zero Action Plan and Air Quality Action Plan

Securing funding from the DfT's ZEBRA 2 Fund supports the Plymouth [Net Zero Action Plan](#) (NZAP), as demonstrated by the Climate Impact Assessment accompanying this Decision.

Cutting carbon emissions from travel is a top priority for the city. Transport accounted for the largest part of our city's CO₂e emissions in 2019 (29%) and transport as a sector is not decarbonising at the necessary pace to make Plymouth carbon neutral by 2030, a pledge made by the Council unanimously in 2019 when Plymouth declared a Climate Emergency.

Tackling city transport emissions will require a shift in the uptake of active travel and public transport, and to that effect, the council made a triple commitment to:

- Provide a local policy framework that facilitates the decarbonisation of the transport system. (NZAP T4)
- Provide public infrastructure needed to meet the city's low carbon transport needs. (NZAP T5)
- Co-produce decarbonisation plans and initiatives with partners from across the transport system. (NZAP T6)

The approach to reaching net zero in Plymouth by 2030, outlined on the [Climate Connections website](#), encourages policy makers and service providers to work in partnership to make all the elements of the city's transport system interact well together, including park and ride, public transport, walking and cycling options and parking policies, with public transport, particularly buses, being recognised as having a key role in the net zero transition.

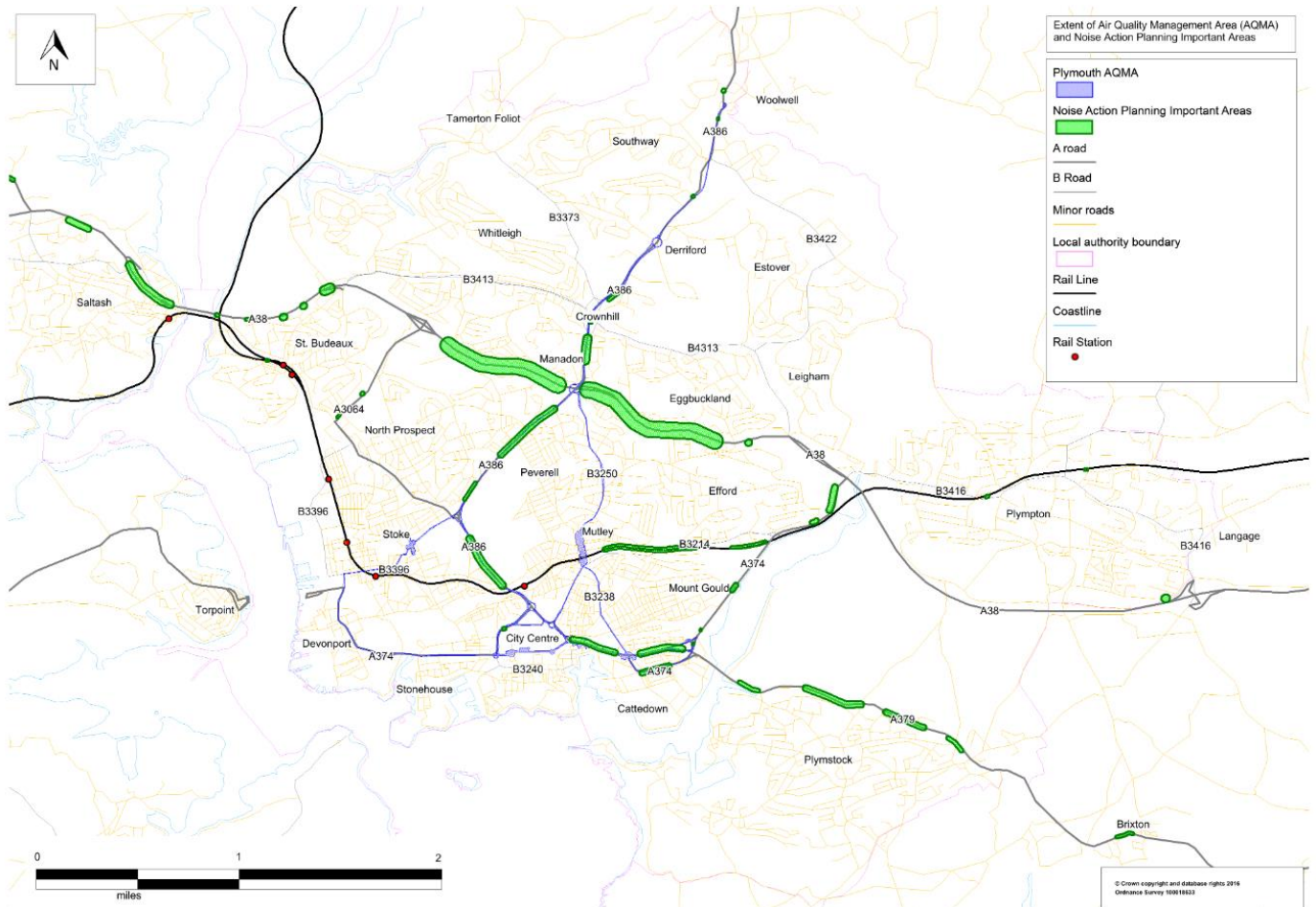
Securing funding to decarbonise buses, benefitting both routes in Plymouth and our wider travel to work area, will make a significant contribution to reducing transport emissions and supports both the Council's and partners efforts towards tackling climate change. The Plymouth ZEBRA 2 bid therefore satisfies all three commitments set out in the NZAP.

Decarbonising 50 double decker buses also supports the Council's air quality aspirations, both directly, through the operation of zero emission vehicles and indirectly through encouraging modal shift away from the private car, due to the introduction of modern, higher quality vehicles on local bus routes.

Plymouth has as a single city-wide Air Quality Management Area (AQMA), Figure One. This has been in place since 2014 due to levels of nitrogen dioxide that exceeded national objectives mainly due to road traffic emissions. This AQMA includes Exeter Street, Mutley Plain, Stoke Village, Royal Parade and Tavistock Road, all of which are bus routes, and their connecting roads.

Securing funding from the ZEBRA 2 fund will therefore not only support our work on climate change, but it will also improve air quality, in turn delivering associated public health benefits.

Figure One: Air quality management area declared for Plymouth and noise important areas identified by Defra.



4. ALTERNATIVE OPTIONS

The following alternative options for the ZEBRA 2 fund were considered and rejected:

1. To not submit a bid to the Department for Transport Zero Emission Bus Regional Areas scheme (ZEBRA 2)

The bid represents a transformational opportunity to modernise Plymouth’s bus fleet, significantly advance the Council’s commitment to decarbonise transport and boost bus patronage through a multi-million investment, by the members of the statutory Plymouth Enhanced Partnership, in Zero Emission Buses (ZEBs).

The bid must be led by the Council, as the Local Transport Authority, and in doing so demonstrates our corporate value of co-operation and, if successful, delivers greener transport, a priority within the Corporate Plan. Therefore, not submitting a bid has been rejected.

2. To submit a smaller scale bid to the Fund.

The Plymouth bid which has been prepared is scalable. This is a requirement of the Fund. However, submitting a lower value bid has been rejected in anticipation that, should funding be secured from

ZEBRA 2 it is unlikely Plymouth would be eligible to apply for additional zero emission bus funding again in the short to medium term. This assumption is based on the guidance for ZEBRA 2, where applications from LTAs who haven't previously secured funding, will be prioritised over those who have.

3. *To submit an infrastructure only bid.*

Plymouth City Council could submit a bid for infrastructure only. This would ensure that the infrastructure is in place to allow zero emission buses to be introduced in the future. However, this approach has been rejected on the basis that Plymouth Citybus / The Go-Ahead Group and Cornwall Council are in a position to partner the bid and hence there is an opportunity to secure funding for both vehicles and infrastructure, allowing zero emission buses to start operating in Plymouth much sooner than if an infrastructure only submission were to be made.

4. *To exclude the delegation of the grant acceptance and authority to take all such action as necessary to implement the project, should the application be successful, from this Decision.*

Consideration was given to this Decision solely relating to the submission of the bid, rather than including actions, should the bid be successful. However, this has been rejected in order to strengthen the bid submission through being able to demonstrate that all necessary approvals for delivery of the bid proposals, are in place. Prior to submission.

5. FINANCIAL IMPLICATIONS AND RISK

The Department for Transport (DfT) have launched an opportunity to apply for Zero Emission Bus funding (ZEBRA 2).

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The financial contribution by Plymouth City Council, which is being funded from the Community Infrastructure Fund levy, is £750,000. This is a fixed financial contribution.

Should the bid be successful, but the costs exceed those set out in the submission, then under the terms and conditions of the Fund cost exceedances would need to be covered by local contributions. However, Local Transport Authorities (LTAs) can also request grant funding to cover up to 50% of total contingency costs, for vehicles and infrastructure. The Plymouth submission therefore includes a contingency funding of £5,705,19, to reduce this risk with the Go-Ahead Group agreeing to cover any costs over and above those – for both vehicles and infrastructure – which are not covered by the bid.

6. TIMESCALES

Figure one sets out the ZEBRA 2 timeline, from bid submission to project delivery, should the bid be successful.

Figure Two: ZEBRA 2 timeline

Deadline to submit application	4pm 15 December 2023
DfT reviews and makes funding decisions	March 2024
Funding for 23/24 financial year awarded to successful LTAs	By March 2024
Order placed for Zero Emission Buses	By 31 January 2025
Funding for 24/25 financial year awarded to successful LTAs	By March 2025
All buses to come into service within 2 years of initial funding being awarded	By March 2026

7. RECOMMENDATIONS

It is recommended that the Leader:

1. Approves the submission of a Plymouth bid to the Department for Transport's Zero Emission Bus Regional Areas scheme (ZEBRA 2)
2. Approves the business case supporting the bid.
3. Grant authority to the Service Director for Strategic Planning and Infrastructure to approve the application to be submitted to the Department for Transport's Zero Emission Bus Regional Areas scheme (ZEBRA 2), where they do not already have authority to do so.
4. Grant authority to the Service Director for Strategic Planning and Infrastructure, in consultation with the Cabinet Member for Strategic Planning and Transport, to accept all ZEBRA 2 funding (from both the Department for Transport, (the grant funder) and Cornwall Council (a funding bid partner)), should the application (in part or full) be successful, where they do not already have authority to do so.
5. Grant authority to the Service Director for Strategic Planning and Infrastructure, to take all such action as necessary to implement the project (including funding decisions) following grant award by the Department for Transport, should the application be successful (in part or full), where they do not already have authority to do so.