

# CAPITAL INVESTMENT BUSINESS CASE

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



### EXECUTIVE SUMMARY

*The Executive Summary is a short summary of the Business Case and should be the last section you complete; this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.*

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/net-zero-action-plan)) and on the Climate Connections website ([Travel - Climate Connections Plymouth](https://www.plymouth.gov.uk/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 £34,231,079. This consists of £28,525,900 of 'core' costs and a further £5,705,179 of contingency funding.

Of the £34,231,079 project cost, £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.

The key risk to the project is costs exceeding those included in the bid. This is being mitigated for by a contingency sum being included within the bid. The risk of costs

exceeding the budget, for the Council's contribution, is being further managed by the Council's contribution being fixed at £750,000.

The delivery of the project, including the financial arrangements, will be managed through a collaboration agreement between Plymouth City Council, as the accountable body for the bid, Cornwall Council, Plymouth Citybus and the Go-Ahead Group.

The Go-Ahead Group will own and operate the vehicles and instal and own the charging infrastructure. The buses will remain on the Plymouth & Cornwall routes for at least five years.

The Council's role is to write and submit the bid to DfT and disburse the funds, should the bid be successful.

## SECTION I: PROJECT DETAIL

<b>Project Value (indicate capital or revenue)</b>	£34,231,079 (including the contingency) £28,525,900 (excluding the contingency) Capital	<b>Contingency (show as £ and % of project value)</b>	£5,705,179 (17%)
<b>Programme</b>	Transport	<b>Directorate</b>	Place
<b>Portfolio Holder</b>	Cllr Mark Coker, Strategic Planning and Infrastructure	<b>Service Director</b>	Paul Barnard, Service Director for Strategic Planning and Infrastructure
<b>Senior Responsible Officer (client)</b>	Philip Heseltine, Head of Transport	<b>Project Manager</b>	Rosemary Starr, Sustainable Transport Manager
<b>Address and Post Code</b>	Strategic Planning and Infrastructure Plymouth City Council Ballard House West Hoe Road Plymouth PL1 3BJ	<b>Ward</b>	Citywide

**Current Situation:** *(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)*

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 provide a contribution towards both the cost of Zero Emission Buses and the necessary associated infrastructure. 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. For infrastructure, the DfT will contribute up to 75% of the total capital expenditure incurred as a result of its purchase and installation.

Bids must be led by Local Transport Authorities and funding will only be awarded to Local Transport Authorities that have made an Enhanced Bus 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, in accordance with the Plymouth Bus Service Improvement Plan, significantly advance the Council's commitment to decarbonise transport and boost bus patronage through a multi-million investment in modern, zero emission, vehicles.

The proposal is therefore for Plymouth City Council, in partnership with Cornwall Council, Plymouth Citybus and the Go-Ahead Group to make an application to ZEBRA 2 for the introduction of 50 electric double decker buses, and the required electric vehicle charging infrastructure, for operation in Plymouth and the Rame Peninsula.

**Proposal:** *(Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) and (What would happen if we didn't proceed with this scheme?)*

The Plymouth bid is a joint submission by Plymouth City Council, Cornwall Council and Plymouth Citybus /The Go-Ahead Group.

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; the electric double decker buses are a higher quality than the buses they will replace and, furthermore, one of the routes to be electrified will benefit from an enhanced frequency.

Improvements to the quality of public transport in Plymouth will support the delivery of equality outcomes. These will be delivered through increased accessibility of the buses funded by the bid (the Department for Transport requires all buses funded through this bid to meet enhanced accessibility standards<sup>1</sup>), improvements in the quality of transport to places of work, education and healthcare and improvements in air quality of the citizens of Plymouth and the Rame Peninsula. 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](#)) and on the Climate Connections website ([Travel - Climate Connections Plymouth](#)).

<sup>1</sup> The Department for Transport requires the vehicles funded through the ZEBRA fund to: (1) be compliant with the Public Service Vehicles Accessibility Regulations 2000 (PSVAR), (2) be compliant with the Accessible Information Regulations (3) provide an induction loop to aid direct communication between drivers and passengers who use a hearing aid and (4) provide an additional 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. In addition operators must ensure that the buses can be safely and comfortably used by passengers using wheelchairs. They must also ensure that a wheelchair user can easily move between the boarding ramp or lift and the wheelchair space and position themselves appropriately according to the restraint system in use.  
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However, in addition to the direct benefit to public transport the project 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.

If the bid is not submitted, or if the bid is unsuccessful, these benefits will not be realised, and electric buses will not be brought into service in Plymouth in the foreseeable future.

**Why is this your preferred option:** *(Provide a brief explanation why this option is preferred) and (Explain why this is a good capital investment and how this would be an advantage for the Council) and (explain how the preferred option is the right balance between the risks and benefits identified below).*

The submission of a partnership bid between Plymouth City Council, Plymouth Citybus/The Go-Ahead Group and Cornwall Council is the preferred approach because, if successful, it will allow the introduction of zero emission buses to routes operating in Plymouth and the Rame Peninsula, as well as the necessary associated charging infrastructure.

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 members of the statutory Plymouth Enhanced Partnership, in Zero Emission Buses (ZEBs).

Submitting a smaller bid, either through looking to fund fewer zero emission buses or the submission of an infrastructure only bid is not the preferred approach because, 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 and a joint infrastructure and vehicle bid is considered to be better than an infrastructure only submission because, should funding be secured it will allow zero emission buses to start operating in Plymouth much sooner than if an infrastructure only submission were to be made.

The preferred option is felt to be the right balance between the risks and benefits. Whilst as a result of the bid Plymouth Citybus/The Go-Ahead Group will own and operate the vehicles and the charging infrastructure, the buses will remain on the Plymouth & Cornwall routes for at least five years and there is scope for the infrastructure at the Citybus depot to be used for wider community benefits as well.

Plymouth City Council's financial contribution to the project total is fixed at £750,000 (2% of total project cost). This means that for every £1 of investment by the Council circa £45 of external investment is secured.

**Option Analysis:** *(Provide an analysis of 'other' options which were considered and discounted, the options considered must be a 'do Nothing' and 'do minimum' and 'viable alternative' options. A SWOT – Strength, Benefit, Opportunity, Threat analysis could be attached as an appendix).*

<b>Do Nothing Option</b>	Not submitting a bid to the Department for Transport Zero Emission Bus Regional Areas scheme (ZEBRA 2).
<b>List Benefits:</b>	Plymouth City Council would not need to spend £750,000.
<b>List Risk / Issues:</b>	<p>Funding would not be secured to allow routes in Plymouth currently using 50 diesel buses to be decarbonised.</p> <p>No benefits to air quality and or reduction in carbon emissions would be achieved from the replacement of 50 diesel buses with 50 electric buses operating either wholly, or in part, in Plymouth.</p> <p>There is no certainty that future funding, either from the DfT, Cornwall Council and / or the Go-Ahead Group, would be available at a future time and hence there's a risk that buses in Plymouth would not be decarbonised in the period of the Council's Climate Emergency declaration, should this funding opportunity not be pursued.</p>
<b>Cost:</b>	<p>£0</p> <p>Lost opportunity cost - £33,481,078.80 (Total project cost (£34.2M) less the PCC contribution to the bid of £750,000 which would not be required in this scenario)</p>
<b>Why did you discount this option</b>	<p>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 members of the statutory Plymouth Enhanced Partnership, in Zero Emission Buses (ZEBs).</p> <p>Whilst Plymouth City Council's financial contribution is not insignificant, making a fixed investment of £750,000 has the potential to secure an additional £33,481.079 of external investment in public transport.</p>
<b>Do Minimum Option</b>	Submitting a bid to the Department for Transport Zero Emission Bus Regional Areas scheme (ZEBRA 2) for 25 electric buses, and the associated infrastructure.
<b>List Benefits:</b>	The cost for this option would be half the cost of the full bid (50 electric buses and the associated infrastructure) and hence Plymouth City Council's costs would be 50% less than in the full bid.
<b>List Risk / Issues:</b>	<p>Only half of the air quality and vehicle modernisation benefits are realised.</p> <p>Perceived lack of ambition / commitment by the DfT and the Plymouth Enhanced Partnership in the Council's commitment to enhance public transport, contrary to what is set out in the Plymouth Bus Service Improvement Plan.</p> <p>Risk that funding, either from the DfT, the Go-Ahead Group or Cornwall Council, would not be available at a future time to decarbonise the additional 25 vehicles proposed to be included in the bid and hence there's a risk that the additional 25 buses</p>

	would not be decarbonised in the period of the Council's Climate Emergency declaration, should this funding opportunity not be pursued.
<b>Cost:</b>	Circa £17,115,539.50
<b>Why did you discount this option</b>	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.
<b>Viable Alternative Option</b>	To submit an infrastructure only bid.
<b>List Benefits:</b>	Reduced total project costs; although cost savings to Plymouth City Council would not be achieved as, under the current proposals, Plymouth City Council are only providing a funding contribution towards the infrastructure costs.
<b>List Risk / Issues:</b>	Plymouth City Council would be investing in infrastructure at the Plymouth Citybus depot with no guarantee that electric buses would ultimately be procured and operate from the site.
<b>Cost:</b>	£3,699,478.80  The cost to Plymouth City Council would remain £750,000
<b>Why did you discount this option</b>	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 discounted 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.

<b>Strategic Case:</b>	
<b>Which Corporate Plan priorities does this project deliver?</b>	an efficient transport network
	a green sustainable city that cares about the environment
	reduced health inequalities
	<p>The Council's mission, as set out in the <a href="#">2023 Corporate Plan</a>, 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.</p> <p>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.</p> <p>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</p>

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.

	<ul style="list-style-type: none"> <li>• HEA6(7) [Invest] in and promot[e] the growth of an electric vehicle charging network and encouraging electric vehicle take-up and use.</li> <li>• 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</li> <li>• GRO4 (I) Continuing to support the High-Quality Public Transport Network and improve public and sustainable transport services through, where appropriate, subsidies and new infrastructure and</li> <li>• GRO4(15) Developing and delivering targeted infrastructure interventions, consistent with the long-term vision and objectives for transport set out in the <a href="#">Joint Local Plan</a>.</li> </ul> <p>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 <a href="#">Joint Local Plan</a>. 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).</p> <p>The ZEBRA 2 programme also allows the achievement of the aspirations of the <a href="#">Plymouth Bus Service Improvement Plan</a> which is a delivery plan of the Plymouth Plan.</p>
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Milestones and Date:		
Contract Award Date	Start On Site Date	Completion Date
1 April 2024	31 July 2024	31 March 2026

SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS				
<b>Risk Register:</b> <i>The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).</i>				
Potential Risks Identified		Likelihood	Impact	Overall Rating
Risk	Cost increases: 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	Medium	High	High



	would need to be covered by local contributions.			
<b>Mitigation</b>	Local Transport Authorities (LTAs) can 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 £5,705,179, 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	Medium	Medium	Medium
<b>Calculated risk value in £ (Extent of financial risk)</b>	£5,705,179	<b>Risk Owner</b>	Go-Ahead Group	
<b>Risk</b>	Cost increases for the charging infrastructure which is being funded, in part, by Plymouth City Council; 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.	Medium	High	High
<b>Mitigation</b>	The Plymouth City Council financial contribution to the project is fixed at £750,000. The Go-Ahead Group have agreed to cover any costs over and above those – for both vehicles and infrastructure – which are not covered by the bid's contingency fund.	Low	Low	Low
<b>Calculated risk value in £ (Extent of financial risk)</b>	£0	<b>Risk Owner</b>	Plymouth City Council	
<b>Risk</b>	The grant funding secured from the Department for Transport is less than the amount sought.	Medium	High	High
<b>Mitigation</b>	The Plymouth bid is scaleable. This is a requirement of the Fund. Therefore, the scope of the project would be reduced in order to reflect the size of the grant award.	Medium	Low	Medium
<b>Calculated risk value in £ (Extent of financial risk)</b>	£0	<b>Risk Owner</b>	Plymouth City Council	
<b>Risk</b>	There is a delay in the zero emission buses entering service, due to the demand for ZEBs, in part created by the DfT ZEBRA 2 fund. This means the zero emission buses are not in operation within 2 years of the grant funding being awarded (March 2026), a condition of the grant, thereby creating a risk	High	High	High

	that the DfT look to recover some of the grant funding awarded.			
<b>Mitigation</b>	The Executive Decision which this business case supports includes Decisions to allow the prompt commencement of the project, should funding be awarded. Furthermore, the buses will be procured by The Go-Ahead Group, allowing the national Group to liaise with the bus manufacturers, rather than Plymouth Citybus, achieving scale benefits.	Medium	High	High
<b>Calculated risk value in £ (Extent of financial risk)</b>	Estimated £17,115,539 (50% of the project total)	<b>Risk Owner</b>	The Go-Ahead Group	

### Outcomes and Benefits

#### List the outcomes and benefits expected from this project.

(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)

(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)

#### Financial outcomes and benefits:

£34,231,079 investment in public transport serving Plymouth and the Travel to Work Area.

#### Non-financial outcomes and benefits:

50 electric, double decker buses serving routes in Plymouth and the 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](#)) and on the Climate Connections website ([Travel - Climate Connections Plymouth](#)).

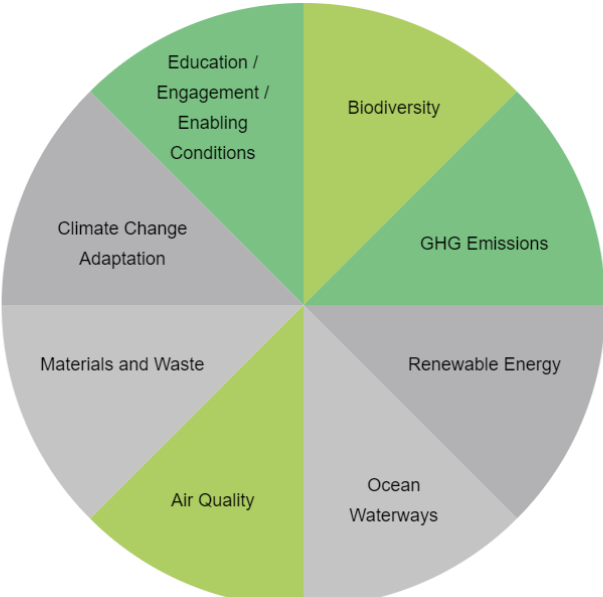
The acquisition of the electric buses will not only enhance the routes which they will operate on but will also allow the cascade of existing Euro 6 diesel buses displaced from the electrified routes onto other services in Plymouth and South-East Cornwall, thereby

	<p>modernising the entire Plymouth Citybus fleet operating in the Plymouth Travel to Work Area. In addition, the project 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.</p>
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**SECTION 3: CONSULTATION**

<p><b>Does this business case need to go to CMT</b></p>	<p>No</p>	<p><b>Date business case approved by CMT (if required)</b></p>	
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**Climate Impact Assessment**

<p><b>Upload Climate Impact Wheel</b></p>	 <p>The diagram is a circular wheel divided into eight equal segments. Starting from the top and moving clockwise, the segments are: Education / Engagement / Enabling Conditions (green), Biodiversity (light green), GHG Emissions (green), Renewable Energy (grey), Ocean Waterways (grey), Air Quality (light green), Materials and Waste (grey), and Climate Change Adaptation (grey).</p>
<p><b>Summary of the anticipated impact of the proposal on the climate (including any proposed mitigations and impacts beyond 2030)</b></p>	<p>The introduction of up to 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 will have a positive climate impact, particularly with regard to reducing greenhouse gas emissions and providing education and enabling conditions to encourage positive climate change behaviours amongst others. No adverse climate change impacts are expected from this project.</p>

<b>Have you engaged with Procurement Service?</b>		Yes
<b>Procurement route options considered for goods, services or works</b>	As part of a proposed grant agreement the operator / parent company will be required to competitively procure the acquisition of the 50 zero emission buses and the undertaking of the associated charging infrastructure.	
<b>Procurements Recommended route.</b>	Not applicable	
<b>Who is your Procurement Lead?</b>	Not applicable	
<b>Is this business case a purchase of a commercial property?</b>		No
<b>If yes then provide evidence to show that it is not 'primarily for yield'</b>		

<b>Which Members have you engaged with and how have they been consulted (including the Leader, Portfolio Holders and Ward Members)</b>	<p>Councillor Mark Coker, Cabinet Member for Strategic Planning and Transport – consultation at a Portfolio Holder meeting (28.11.23)</p> <p>Councillor Kevin Sproston – Plymouth City Council Bus Champion – face to face consultation (28.11.23)</p> <p>Councillor Tom Briars-Delve, Cabinet Member for Environment and Climate Change – consultation via email (28.11.23)</p>	
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<b>Confirm you have taken necessary Legal advice, is this proposal subsidy control compliant, if yes please explain why.</b>	<p>Yes</p> <p>A relevant opinion will be submitted with application to the Department for Transport.</p>	
<b>Who is your Legal advisor you have consulted with?</b>	Karen Trickey	

<b>Equalities Impact Assessment completed (This is a working document which should inform the project throughout its development. The final version will need to be submitted with your Executive Decision)</b>	Yes
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## SECTION 4: FINANCIAL ASSESSMENT

**FINANCIAL ASSESSMENT:** *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole. Exact amounts only throughout the paper - not to be rounded.*

### CAPITAL COSTS AND FINANCING

Breakdown of project costs including fees	Prev. Yr.	23/24	24/25	25/26	26/27	27/28	Future Yrs.	Total
		4						

<b>surveys and contingency</b>	£	£	£	£	£	£	£	£
Core project costs			£14,262,950	£14,262,950				£28,525,900
Contingency costs				£5,705,179				£5,705,179
<b>Total capital spend</b>			£14,262,950	£19,968,129				£34,231,079

<b>Provide details of proposed funding: Funding to match with Project Value</b>								
<b>Breakdown of proposed funding</b>	<b>Prev. Yr. £</b>	<b>23/24 £</b>	<b>24/25 £</b>	<b>25/26 £</b>	<b>26/27 £</b>	<b>27/28 £</b>	<b>Future Yrs. £</b>	<b>Total £</b>
DfT Grant funding			£7,123,070	£7,123,069				£14,246,139
Local contribution – excluding Plymouth City Council funding			£9,617,470	£9,617,470				£19,234,940
Plymouth City Council funding			£375,000	£375,000				£750,000
<b>Total funding</b>			<b>£17,115,540</b>	<b>£17,115,539</b>				<b>£34,231,079</b>

<b>S106 or CIL</b> (Provide Planning App or site numbers)	CIL-various
<b>Which alternative external funding sources been explored</b>	Various sources of capital funding for the Plymouth City Council financial contribution were explored including the reallocation of funding from capital projects such as the Transforming Cities Fund programme; no alternative funding sources were identified.
<b>Are there any bidding constraints and/or any restrictions or conditions attached to your funding</b>	<p>Plymouth City Council's financial contribution towards the project is being funded by CIL. CIL was introduced through the Community Infrastructure Levy Regulations 2010 and currently operates in the Plymouth administrative area. It is a charge which local authorities can place on certain development types to help fund infrastructure improvements in their areas. CIL can finance measures to mitigate both cumulative and direct impacts of development which might otherwise have been sought through the Section 106 planning obligations process. Approval to spend CIL is a delegated decision by the Council.</p> <p>The funding allocated to this project can only be used to fund the charging infrastructure, not the vehicles.</p>
<b>Tax and VAT implications</b>	The Council will not be receiving a direct supply of goods or services in return for its funding contribution of £750,000 and so the transaction will be outside the scope of VAT. The Council therefore will not incur any VAT in connection with the project and so there will no impact on the Council's partial exemption position.

	<p>PCC will be the accountable body for the project and will receive the capital grant from the Department for Transport and Cornwall Council's contribution towards the project. The onward transfer of this funding to The Go-Ahead group at key project milestones and in accordance with a grant / collaboration agreement will also be outside the scope of VAT.</p> <p>In terms of revenue, the Council will incur VAT of about £5,000 on the procurement of consultancy services but since this cost will not be attributable to a VAT-exempt activity, again there will be no impact on the Council's partial exemption position.</p>
<b>Tax and VAT reviewed by</b>	Sarah Scott
<b>Will this project deliver capital receipts?</b> <i>(If so please provide details)</i>	No

### REVENUE COSTS AND IMPLICATIONS

#### Cost of Developing the Capital Project (To be incurred at risk to Service area)

<b>Total Cost of developing the project</b>	£25,000
<b>Revenue cost code for the development costs</b>	6217
<b>Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria</b>	No
<b>Budget Managers Name</b>	Debbie Newcombe

#### Ongoing Revenue Implications for Service Area

	Prev. Yr.	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Future Yrs.
<b>Service area revenue cost</b>							
<b>Other</b> (eg: maintenance, utilities, etc)			£0	£0			
<b>Loan repayment</b> (terms agreed with Treasury Management)			£0	£0			
<b>Total Revenue Cost (A)</b>			£0	£0			
<b>Service area revenue benefits/savings</b>							
<b>Annual revenue income</b> (eg: rents, etc)			£0	£0			
<b>Total Revenue Income (B)</b>			£0	£0			

<b>Service area net (benefit) cost (B-A)</b>			£0	£0			
<b>Has the revenue cost been budgeted for or would this make a revenue pressure</b>	There are no revenue implications associated with this project; the ZEBRA 2 Fund is a capital fund and Plymouth City Council's financial contribution to the project is a fixed sum of £750,000 (capital).						
<b>Which cost centre would the revenue pressure be shown</b>	Not applicable	<b>Has this been reviewed by the budget manager</b>			No		
<b>Name of budget manager</b>	Not applicable						
<b>Loan value</b>	£0	<b>Interest Rate</b>	%	<b>Term Years</b>		<b>Annual Repayment</b>	£
<b>Revenue code for annual repayments</b>	Not applicable						
<b>Service area or corporate borrowing</b>	Not applicable						
<b>Revenue implications reviewed by</b>	Emma White (27.11.23)						

**Version Control:** *(The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)*

<b>Author of Business Case</b>	<b>Date</b>	<b>Document Version</b>	<b>Reviewed By</b>	<b>Date</b>
Rosemary Starr	24/11/2023	v 1.0		00/00/2020
Rosemary Starr	26/11/2023	v 2.0	Philip Heseltine and Emma White	27/11/2023
Rosemary Starr	28/11/2023	v 3.0	Karen Trickey	28/11/2023
Rosemary Starr	29/11/2023	v 4.0	Lynn Walter and Sarah Scott	29/11/2023

## SECTION 5: RECOMMENDATION AND ENDORSEMENT

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.

<b><i>Councillor Mark Coker, Cabinet Member for Strategic Planning and Transport</i></b>		<b><i>Service Director – Paul Barnard, Service Director for Strategic Planning and Infrastructure</i></b>	
<b>Either email dated:</b>	30.11.23	<b>Either email dated:</b>	28.11.23
<b>Or signed:</b>		<b>Signed:</b>	
<b>Date:</b>		<b>Date:</b>	