

**Department for Transport Zero Emission Bus Regional Areas scheme
(ZEBRA 2): Addition to the Capital Programme
Briefing Report for Publication**



I. EXECUTIVE SUMMARY

Plymouth City Council led 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. The bid was successful.

The Plymouth ZEBRA 2 project 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/travel-climate-connections)). This is evidenced by the Climate Impact Assessment supporting this Decision.

The value of the Plymouth ZEBRA 2 project is £31,873,110. This consists of £30,218,498 of 'core' costs and a further £1,654,612 of contingency funding.

£10,342,976 is being provided by the Department for Transport. The remaining £21,530,134 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 financial contribution by Cornwall Council, which is being funded from Carbon Neutral Cornwall (CNC) fund is £1,188,048. This is a fixed financial contribution.

The financial contribution by The Go-Ahead Group, including a contingency sum, is £19,592,086.

2. BACKGROUND

The Department for Transport (DfT) launched an opportunity in September 2023 to apply for Zero Emission Bus Regional Area funding (ZEBRA 2). Through the Fund the DfT would contribute up to 75% of the cost difference between a Zero Emission Bus (ZEB) and an equivalent standard conventional diesel bus of the same total passenger capacity and for infrastructure, the DfT would contribute up to 75% of the total capital expenditure incurred as a result of its purchase and installation. Local Transport Authorities (LTAs) could also request grant funding to cover up to 50% of total contingency costs, for vehicles and infrastructure.

Buses funded by the grant, in accordance with the National Bus Strategy, had to provide an enhanced level of accessibility and hence deliver a betterment in the quality of the vehicles which the electric buses will replace.

Funding would only be awarded to LTAs that had made an enhanced partnership or had begun following the statutory process to decide whether to implement franchising. Plymouth complied with this requirement, following the formation of the Plymouth Enhanced Bus Partnership in April 2023 and submitted a bid to the Fund in December 2023, in partnership with Plymouth Citybus Ltd (part of the Go-Ahead Group) and Cornwall Council. This bid was successful.

3. PLYMOUTH ZEBRA 2 PROJECT SUMMARY

3.1 Plymouth ZEBRA 2 Project

The Plymouth ZEBRA 2 Project is a collaboration between Plymouth City Council, Cornwall Council, Plymouth Citybus and the Go-Ahead Group.

It 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 project will improve public transport in Plymouth and the Travel to Work Area. It also 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 project 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 were 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 was uneconomical just to electrify the buses operating from Plymouth into Cornwall. However, it did make sense to include them as part of a bigger package (the urban Plymouth ZEBRA 2 project) and their inclusion was felt to strengthen the Plymouth submission by adding an element of rurality to the proposals.

Through the project, Go-Ahead will 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) will predominantly fund the charging infrastructure at the Citybus depot.

The contributions from the Local Transport Authorities are 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 Project; 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 Plymouth ZEBRA 2 project, we are taking **responsibility** for the improvement of Plymouth's bus services. However, the delivery of the project 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 Plymouth ZEBRA 2 project 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 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) [Continue] 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) [Develop and deliver] 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 Project; 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.

The Plymouth ZEBRA 2 project delivers 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.

3.4 Plymouth ZEBRA 2 Project; 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 approximately half of the Plymouth Citybus fleet based in Plymouth, 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 project 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. The Plymouth ZEBRA 2 project will therefore not only support our work on climate change, but it will also improve air quality, in turn delivering associated public health benefits.

4. ALTERNATIVE OPTIONS

The following alternative options were considered and rejected:

To not add the funding awarded by the Department for Transport's Zero Emission Bus Regional Areas scheme (ZEBRA 2), for the Plymouth ZEBRA project, to the Capital Programme.

This option has been rejected because it would prevent the Plymouth Zero Emission Bus Area Project (as described in [Executive Decision L32 23/24](#)) to be delivered.

The project 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) and hence needs to be delivered.

To not add the funding contribution for the Plymouth ZEBRA 2 project, from Cornwall Council to the Capital Programme.

Cornwall Council are a partner to the Plymouth ZEBRA programme and have committed £1,188,048 towards the delivery of the project. However, Plymouth City Council are the programme lead and as such are the accountable body for all aspects of the project. The Council therefore needs to receive and subsequently administer the financial contribution from the partnering Local Transport Authority.

5. FINANCIAL IMPLICATIONS AND RISK

Plymouth City Council have been awarded £10,342,976 of capital funding from the Department for Transport's Zero Emission Bus Regional Area 2 (ZEBRA 2) fund of which £9,515,670 is core funding and a further £827,306 is contingency funding.

The Department for Transport will retain the contingency fund to be drawn down if and when risks in the quantified risk assessment, included as part of the bid submission, materialise.

The £10,342,976 will be profiled as follows: £7,472,897 in FY23/24 and £2,870,079 in FY24/25, subject to placement of orders for buses no later than January 2025. The contingency fund can be drawn down on a 50/50 proportional basis as and when quantified risks materialise.

The agreed funds will be issued to the Authority as non-ringfenced grant payments under Section 31 of the Local Government Act, for capital expenditure as agreed in the bid.

The total value of the Plymouth ZEBRA 2 programme is £31,873,110.

£10,342,976 is being provided by the Department for Transport. The remaining £21,530,134 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 financial contribution by Cornwall Council is £1,188,048. This is a fixed financial contribution.

Should costs exceed those set out in the bid to the DfT's ZEBRA 2 fund, then under the terms and conditions of the Fund cost exceedances will need to be covered by local contributions. However, Local Transport Authorities (LTAs) were able to request grant funding to cover up to 50% of total contingency costs, for vehicles and infrastructure. The Plymouth submission therefore included a contingency fund, 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.

Figure One: 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 addition of £10,342,976 to the Capital Programme awarded to Plymouth City Council by the Department for Transport from the Zero Emission Bus Regional Area 2 Fund;
2. Approves the addition of £1,188,048 to the Capital Programme to be paid to Plymouth City Council by Cornwall Council for the delivery of the Plymouth Zero Emission Bus Regional Area 2 Fund project;
3. Approves the addition of £750,000 Community Infrastructure Levy funding to the Capital Programme for the delivery of the Plymouth Zero Emission Bus Regional Area 2 Fund project.