

CAPITAL INVESTMENT BUSINESS CASE

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



EXECUTIVE SUMMARY

Plymouth City Council led a successful 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 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 Plymouth ZEBRA 2 project 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.

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

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£31,873,110 (including the contingency) £30,218,498 (excluding the contingency) Capital	Contingency (show as £ and % of project value)	£1,654,612 (5%)
Programme	Transport	Directorate	Place
Portfolio Holder	Cllr Mark Coker, Strategic Planning and Infrastructure	Service Director	Paul Barnard, Service Director for Strategic Planning and Infrastructure
Senior Responsible Officer (client)	Philip Heseltine, Head of Transport	Project Manager	Rosemary Starr, Sustainable Transport Manager
Address and Post Code	Strategic Planning and Infrastructure Plymouth City Council Ballard House West Hoe Road Plymouth PL1 3BJ	Ward	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)*

Plymouth City Council led, in partnership with Cornwall Council, Plymouth Citybus and the Go-Ahead Group, a bid to the Department for Transport’s (DfT) Zero Emission Bus Regional Area (ZEBRA 2) fund.

ZEBRA 2 provided £129 million to support the introduction of Zero Emission Buses (ZEBs) in financial years 2023/24 and 2024/25 with the DfT providing a contribution towards both the cost of Zero Emission Buses and the necessary associated infrastructure. Through the Fund the DfT would 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 would contribute up to 75% of the total capital expenditure incurred as a result of its purchase and installation.

Bids had to be led by Local Transport Authorities with funding only being awarded to Local Transport Authorities that had made an Enhanced Bus 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 2024 (as detailed in [Executive Decision L32 23/24](#)).

The Plymouth bid was successful and the DfT awarded the Council £10,342,976 for the delivery of the Plymouth ZEBRA 2 programme; this Decision concerns the addition of the capital funding awarded by the DfT, and the financial contribution from Cornwall Council, to the Plymouth City Council Capital Programme.

The Plymouth ZEBRA 2 project is 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 project will see the introduction of 50 electric double decker buses, and the required electric vehicle charging infrastructure, in Plymouth and the Rame Peninsula.

Proposal:

This Decision concerns the addition of the capital funding awarded by the DfT from the Zero Emission Bus Regional Area 2 (ZEBRA 2) Fund, and the financial contribution from Cornwall Council, to the Plymouth City Council Capital Programme, in order to enable the delivery of the Plymouth ZEBRA 2 project.

The Decision is required following the successful bid, by Plymouth City Council, in partnership with Cornwall Council and Plymouth Citybus /The Go-Ahead Group for funding from the DfT's ZEBRA 2 Fund. The 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 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 standards¹), improvements in the quality of transport to

¹ 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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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](#)).

In addition to the direct benefit to public transport the project will 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.

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.

Plymouth City Council, as the accountable body for the funding, are responsible for overseeing the project and disbursing the funds. Adding the Funding from the DfT and Cornwall Council, to the Plymouth City Council Capital Programme, is therefore fundamental to discharging this responsibility, allowing the project to proceed and subsequently allowing electric buses to be brought into service in Plymouth.

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 addition of the DfT ZEBRA 2 funding and the Cornwall Council contribution to the Plymouth ZEBRA 2 project is the preferred option in order to allow the ZEBRA 2 project to be delivered; Plymouth City Council are the accountable body for the DfT funding and hence the funding must be added to the Council's Capital Programme in order for the project (subject to compliance with subsidy control rules) to be delivered. Furthermore, as the lead and accountable body for all aspects of the project the Council needs to receive and subsequently administer the financial contribution from Cornwall Council as well.

The project 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.

It 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).

The preferred option is felt to be the right balance between the risks and benefits. The DfT funding will be paid to the Council and hence must be added to the Capital Programme, in order for the project to be delivered and adding the contribution from Cornwall Council to the Capital Programme will mean the Council are best placed to make payments to Plymouth Citybus / The Go-Ahead Group, at key milestones in the project, as set out in the draft collaboration agreement for the project, thereby allowing the efficient delivery of the programme.

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 £41 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).

Do Nothing Option	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.
List Benefits:	Plymouth City Council would not need to spend £750,000.
List Risk / Issues:	<p>The funding awarded by the DfT from the ZEBRA 2 Fund would need to be returned and the Plymouth ZEBRA 2 project would not be delivered.</p> <p>This would mean that 50 Zero Emission Buses would not enter service in Plymouth on routes within the City and Rame Peninsula.</p> <p>No benefits to air quality and or a 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>
Cost:	<p>£0</p> <p>Lost opportunity cost - £31,123,110 (Total project cost (£31.9M) less the PCC contribution to the bid of £750,000 which would not be required in this scenario)</p>
Why did you discount this option	<p>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.</p> <p>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</p>

	Plymouth Enhanced Partnership, in Zero Emission Buses (ZEBs) and hence needs to be delivered.
Do Minimum Option	To not add the funding contribution for the Plymouth ZEBRA 2 project, from Cornwall Council to the Capital Programme.
List Benefits:	This option would reduce the resource cost, to Plymouth City Council, of invoicing Cornwall Council for the required funding contribution and managing said Funds on payment.
List Risk / Issues:	There is a risk of delayed payments to Plymouth Citybus / Go-Ahead Group at key project milestones as the funding contribution from Cornwall Council would need to be received by the Council, prior to a payment being made to Plymouth Citybus / Go-Ahead.
Cost:	£0
Why did you discount this option	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.
Viable Alternative Option	As per the 'Do Minimum' option
List Benefits:	
List Risk / Issues:	
Cost:	
Why did you discount this option	

Strategic Case:	
Which Corporate Plan priorities does this project deliver?	an efficient transport network
	a green sustainable city that cares about the environment
	reduced health inequalities
	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 **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.

	<ul style="list-style-type: none"> • 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. <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 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).</p> <p>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.</p>
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Milestones and Date:		
Contract Award Date	Start On Site Date	Completion Date
1 April 2024	30 June 2024	31 December 2025

SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS				
Risk Register: <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 costs exceed the funding secured then under the terms and conditions of the Fund cost exceedances would need to be covered by local contributions.	Medium	High	High
Mitigation	Local Transport Authorities (LTAs) could request grant funding to cover up to 50% of	Medium	Medium	Medium

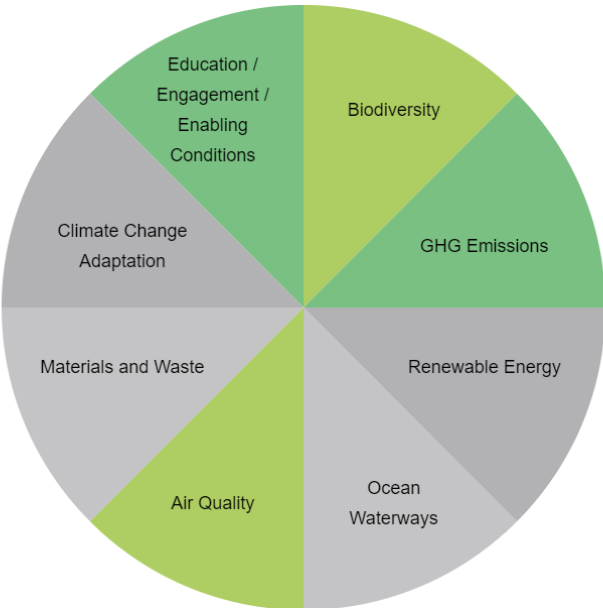
	total contingency costs, for vehicles and infrastructure. The Plymouth submission therefore included a contingency funding of £1,654,612, to reduce this risk with the Go-Ahead Group agreeing to cover any costs over and above those – for both vehicles and infrastructure – which are not covered by the bid			
Calculated risk value in £ (Extent of financial risk)	£1,654,612	Risk Owner	Go-Ahead Group	
Risk	Cost increases for the charging infrastructure which is being funded, in part, by Plymouth City Council; should 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
Mitigation	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
Calculated risk value in £ (Extent of financial risk)	£0	Risk Owner	Plymouth City Council	
Risk	A subsidy will arise to Plymouth Citybus on receipt from the Council of the ZEBRA 2 funding. This means that a valid subsidy exemption will be required, which in this case will need to be the Council reasonably satisfying itself of compliance with each of the Subsidy Control Principles in Schedule 1 of the Subsidy Control Act 2022 ("the Act") as well as those applicable in Schedule 2 of the Act (namely the supplementary Energy & Environmental Principles) and the CMA's informal view will need to be obtained before the new subsidy may finally be awarded.	High	High	High
Mitigation	PCC have sought independent Legal advice regarding the subsidy control process and the advice received is that "there is every reason to suppose the CMA obligation can be delivered reasonably quickly and with minimum difficulty given that the CMA has already considered and processed a similar ZEBRA award for Warrington Borough Council earlier this year."	Low	High	Medium
Calculated risk value in £ (Extent of financial risk)	£31,123,110: Opportunity cost of all external funding	Risk Owner	Plymouth City Council	

Risk	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 that the DfT look to recover some of the grant funding awarded.	High	High	High
Mitigation	The Executive Decision which allowed the submission – and delivery of any successful bid (Executive Decision L32 23/24) - included 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
Calculated risk value in £ (Extent of financial risk)	£8,980,082 (Vehicle grant amount)	Risk Owner	The Go-Ahead Group	

Outcomes and Benefits	
List the outcomes and benefits expected from this project. <i>(An outcome is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)</i> <i>(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)</i>	
Financial outcomes and benefits:	Non-financial outcomes and benefits:
£ investment in public transport serving Plymouth and the Travel to Work Area.	<p>50 electric, double decker buses serving routes in Plymouth and the Travel to Work Area.</p> <p>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.</p> <p>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).</p>

	<p>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. 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			
Does this business case need to go to CMT	No	Date business case approved by CMT (if required)	

Climate Impact Assessment	
<p>Upload Climate Impact Wheel</p>	 <p>The diagram is a circular wheel divided into 10 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), Climate Change Adaptation (grey), and two unlabeled segments (grey and light green).</p>
<p>Summary of the anticipated impact of the proposal on the</p>	<p>The introduction of up to 50 zero emission, electric, double decker buses on routes operating in Plymouth and the Rame</p>

climate (including any proposed mitigations and impacts beyond 2030)	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.
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Have you engaged with Procurement Service?		Yes
Procurement route options considered for goods, services or works	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.	
Procurements Recommended route.	Not applicable	
Who is your Procurement Lead?	Not applicable	
Is this business case a purchase of a commercial property?		No
If yes then provide evidence to show that it is not 'primarily for yield'		

Which Members have you engaged with and how have they been consulted <i>(including the Leader, Portfolio Holders and Ward Members)</i>	<p>Councillor Mark Coker, Cabinet Member for Strategic Planning and Transport – consultation at a Portfolio Holder meeting (28.11.23) regarding the ZEBRA 2 bid and by email (11.04.24) regarding this Business Case and associated Executive Decision.</p> <p>Councillor Kevin Sproston – Plymouth City Council Bus Champion – face to face consultation (28.11.23) regarding the ZEBRA 2 bid and by email (11.04.24) regarding this Business Case and associated Executive Decision.</p> <p>Councillor Tom Briars-Delve, Cabinet Member for Environment and Climate Change – consultation via email (28.11.23) regarding the ZEBRA 2 bid and by email (11.04.24) regarding this Business Case and associated Executive Decision.</p>
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Confirm you have taken necessary Legal advice, is this proposal subsidy control compliant, if yes please explain why.	<p>Yes</p> <p>A relevant opinion was submitted with application to the Department for Transport.</p>
Who is your Legal advisor you have consulted with?	DWF Law LLP

Equalities Impact Assessment completed <i>(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)</i>	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 surveys and contingency	Prev. Yr.	23/24	24/25	25/26	26/27	27/28	Future Yrs.	Total
	£	£	£	£	£	£	£	£
Core project costs			£13,322,729	£13,322,729			£3,573,040	£30,218,498
Contingency costs				£1,654,612				£1,654,612
Total capital spend			£13,322,729	£14,977,341			£3,573,040	£31,873,110

Provide details of proposed funding: Funding to match with Project Value

Breakdown of proposed funding	Prev. Yr.	23/24	24/25	25/26	26/27	27/28	Future Yrs.	Total
	£	£	£	£	£	£	£	£
DfT Grant funding			£4,757,835	£5,585,141				£10,342,976
Local contribution –Go-Ahead Group			£7,595,870	£8,423,176			£3,573,040	£19,592,086
Local contribution – Cornwall Council			£594,024	£594,024				£1,188,048
Local contribution - Plymouth City Council funding			£375,000	£375,000				£750,000
Total funding			£13,322,729	£14,977,341			£3,573,040	£31,873,110

S106 or CIL (Provide Planning App or site numbers)	CIL-various
Which alternative external funding	Various sources of capital funding for the Plymouth City Council financial contribution were explored including the reallocation of

sources been explored	funding from capital projects such as the Transforming Cities Fund programme; no alternative funding sources were identified.
Are there any bidding constraints and/or any restrictions or conditions attached to your funding	<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>
Tax and VAT implications	<p>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 be no impact on the Council's partial exemption position.</p> <p>PCC are 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>
Tax and VAT reviewed by	Sarah Scott
Will this project deliver capital receipts? <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)

Total Cost of developing the project	£25,000 (Estimated)
Revenue cost code for the development costs	6217
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	No
Budget Managers Name	Debbie Newcombe

Ongoing Revenue Implications for Service Area


	Prev. Yr.	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Future Yrs.
Service area revenue cost							
Other (eg: maintenance, utilities, etc)			£0	£0			
Loan repayment (terms agreed with Treasury Management)			£0	£0			
Total Revenue Cost (A)			£0	£0			
Service area revenue benefits/savings							
Annual revenue income (eg: rents, etc)			£0	£0			
Total Revenue Income (B)			£0	£0			
Service area net (benefit) cost (B-A)			£0	£0			
Has the revenue cost been budgeted for or would this make a revenue pressure	<p>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).</p> <p>However, as part of the delivery of the ZEBRA 2 project some revenue costs may be incurred if technical, consultancy, support, is required as part of the project delivery. An estimated £25,000 of revenue expenditure has therefore been included above. This would be fully funded by grant funding with no revenue budget pressure for PCC.</p>						
Which cost centre would the revenue pressure be shown	Not applicable		Has this been reviewed by the budget manager			No	
Name of budget manager	Not applicable						
Loan value	£0	Interest Rate	%	Term Years	Annual Repayment	£	
Revenue code for annual repayments	Not applicable						
Service area or corporate borrowing	Not applicable						
Revenue implications reviewed by	Emma White						

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)				
Author of Business Case	Date	Document Version	Reviewed By	Date
Rosemary Starr	31/03/2024	v 0.1		
Rosemary Starr	04/04/2024	v 0.2	Philip Heseltine, Emma White, Capital Accountants Team Sarah Scott, Karen Trickey	
Rosemary Starr	08/04/2024	V 0.3	Philip Heseltine Wendy Eldridge	
Rosemary Starr	10/04/2024	V 0.4	Philip Heseltine Wendy Eldridge Karen Trickey	

SECTION 5: RECOMMENDATION AND ENDORSEMENT

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.

Councillor Mark Coker, Cabinet Member for Strategic Planning and Transport		Service Director – Paul Barnard, Service Director for Strategic Planning and Infrastructure	
Either email dated:	11.04.24	Either email dated:	
Or signed:		Signed: 	
Date:		Date: 18.04.2024	