

# EXECUTIVE DECISION

made by a Council Officer



## REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL COUNCIL OFFICER

Executive Decision Reference Number – COD28 24/25

Decision	
1	<b>Title of decision:</b> Department for Transport Zero Emission Bus Regional Areas scheme (ZEBRA 2): Subsidy Award to Plymouth Citybus Limited
2	<b>Decision maker (Council Officer name and job title):</b> Paul Barnard (Service Director for Strategic Planning and Infrastructure)
3	<b>Report author and contact details:</b> Rosemary Starr (Sustainable Transport Manager) (T) 01752 305514 (E) <a href="mailto:rosemary.starr@plymouth.gov.uk">rosemary.starr@plymouth.gov.uk</a>
4a	<b>Decision to be taken:</b> It is recommended that the Service Director for Strategic Planning and Infrastructure:-  Approves the payment of a subsidy of up to £12.3m to Plymouth Citybus Limited to secure the delivery of the Plymouth ZEBRA 2 project comprising: <ul style="list-style-type: none"> <li>• The acquisition of a fleet of 50 zero emission double decker buses which will cover specified bus routes within Plymouth and to/ from the Rame Peninsula, South East Cornwall; and</li> <li>• The provision of related charging infrastructure to support the use of the zero emission buses.</li> </ul>
4b	<b>Reference number of original executive decision or date of original committee meeting where delegation was made:</b>  L32 23/24 Department for Transport Zero Emission Bus Regional Areas Scheme (ZEBRA 2)
5	<b>Reasons for decision:</b>  Approval is needed to allow the public funding available for the Plymouth ZEBRA 2 project, to be awarded to Plymouth Citybus Limited, the commercial bus operator partner for the Project, in order to allow the project to be delivered.  The public funding consists of the Department for Transport ZEBRA 2 grant and contributions from Plymouth City Council and Cornwall Council. These funds were added to the Council's Capital Programme in April 2023 (Executive Decision L66 23/24).  Without the proposed subsidy the project would not progress, and the significant decarbonisation of bus transport and air quality benefits intended by the ZEBRA 2 Fund would not be realised for Plymouth and the Rame Peninsula.


<p><b>6</b></p>	<p><b>Alternative options considered and rejected:</b></p> <p><i>1. To not award the subsidy of up to £12.3 million, for the Plymouth ZEBRA project, to Plymouth Citybus.</i></p> <p>This option has been rejected because it would prevent the Plymouth Zero Emission Bus Area Project (as described in <a href="#">Executive Decision L32 23/24</a> and <a href="#">Executive Decision L66 23/24</a> ) 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 Plymouth Enhanced Partnership, in Zero Emission Buses (ZEBs) and hence needs to be delivered.</p> <p><i>2. To award a lower subsidy for the delivery of the Plymouth ZEBRA 2 project, to Plymouth Citybus.</i></p> <p>Following receipt of the Report of the Subsidy Advice Unit dated 23 October 2024, the Council has reviewed its assessment of its proposed subsidy to Plymouth Citybus Ltd. For the reasons set out in the accompanying report, it is considered that the proposed subsidy of up to £12.3 million is compatible with the Subsidy Control Act 2022, satisfying the subsidy control and energy and environmental principles; and as such it is appropriate for the Council to award the proposed grant, subject to compliance with the relevant subsidy transparency rules and expiration of the relevant challenge period.</p>
<p><b>7</b></p>	<p><b>Financial implications and risks:</b></p> <p>The Council is proposing to provide a subsidy of up to £12.3m to a commercial transport operator Plymouth Citybus Limited to secure the delivery of a project comprising:</p> <ul style="list-style-type: none"> <li>(a) The acquisition of a fleet of 50 zero emission double decker buses (the "ZEBs") which will cover specified bus routes within Plymouth and to/ from the Rame Peninsula, South East Cornwall; and</li> <li>(b) The provision of related charging infrastructure to support the use of the ZEBs.</li> </ul> <p>The subsidy is financed from Department for Transport’s (“DfT”) Zero Emission Bus Regional Area (ZEBRA) 2 Fund (84%); and from the Council (6%) and Cornwall Council (10%) which are the relevant local transport authorities for Plymouth and the Rame Peninsula.</p> <p>As per <a href="#">Executive Decision L66 23/24</a> the financial contribution by Plymouth City Council, to the Project, and hence subsidy, is £750,000. This is a fixed financial contribution being paid from the Community Infrastructure Fund Levy.</p> <p>The financial contribution by the Department for Transport is £10,342,976 and the contribution by Cornwall Council is £1,188,048. The Department for Transport and Cornwall Council’s contributions are also fixed. Furthermore the DfT element includes £827,305 of contingency funding, which will only be paid in the event of quantified project risks materialising. In the absence of such, the proposed subsidy award by the Council to Plymouth Citybus is limited to a maximum of £11.5m.</p> <p>Payment of any part of the subsidy is subject to detailed financial requirements as set out in a legally binding Collaboration and Grant Agreement dated 3 September 2024, between the Council, Plymouth Citybus, Cornwall Council and Go Ahead Group (the parent company of Plymouth Citybus) and any payment will only be made after the expiration of the challenge period following publication of the proposed subsidy on the subsidy database, maintained by the Department for Business and Trade (DBT), in order to provide legal certainty that the subsidy cannot be challenged on subsidy control grounds.</p>

8	<p>Is the decision a Key Decision? (please contact <a href="#">Democratic Support</a> for further advice)</p>	Yes	No	<p>Per the Constitution, a key decision is one which:</p> <p>in the case of <b>capital</b> projects and contract awards, results in a new commitment to spend and/or save in excess of <b>£3million</b> in total</p> <p>in the case of <b>revenue</b> projects when the decision involves entering into new commitments and/or making new savings in excess of <b>£1million</b></p> <p>is <b>significant</b> in terms of its effect on communities living or working in an area comprising <b>two or more</b> wards in the area of the local authority.</p>
8b	<p>If yes, date of publication of the notice in the <a href="#">Forward Plan of Key Decisions</a></p>	N/A		
9	<p>Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:</p>	<p>Investment in Zero Emission Buses which the payment of the proposed subsidy to Plymouth Citybus enables, directly supports both the Corporate Plan and Plymouth Plan.</p> <p><b>Links to the Corporate Plan: -</b></p> <p>Investment in zero emission buses directly supports the city's mission to '[make] Plymouth a fairer, greener city where everyone does their bit.'</p> <p>As the accountable body for the Plymouth ZEBRA 2 project, we are taking <b>responsibility</b> for the improvement of Plymouth's bus services. However, the delivery of the project is <b>co-operative</b>, involving Plymouth Citybus / The Go-Ahead Group and Cornwall Council, hence the Council are working closely with Plymouth's public transport providers, and neighbouring Local Transport Authorities, to deliver a bus network which helps to make Plymouth a great place to grow up and grow old.</p> <p><b>Links to the Plymouth Plan: -</b></p> <p>The 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).</p> <p>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: -</p> <ul style="list-style-type: none"> <li>• HEA6(1) [Use] the planning process to address air quality, carbon emissions and noise pollution.</li> </ul>		

		<ul style="list-style-type: none"> <li>• 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.</li> <li>• HEA6(7) [Invest] in and promot[e] the growth of an electric vehicle charging network and encouraging electric vehicle take-up and use and continuing to work with partners to harness the benefits of alternative fuel technologies in both land and marine environments.</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 (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</li> <li>• GRO4(15) [Develop] and [deliver] 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>
<p><b>10</b></p>	<p><b>Please specify any direct environmental implications of the decision (carbon impact)</b></p>	<p>Cutting emissions from travel is a top priority for the city. Transport accounted for the largest part of our city’s CO<sub>2</sub>e emissions in 2019 (29%) and transport as a sector is not decarbonising at the necessary pace to make Plymouth carbon neutral by 2030.</p> <p>Public transport, particularly buses, plays a key role in the net zero transition and the delivery of the City’s Bus Service Improvement Plan, in which the provision of zero emission buses feature, is a cornerstone of our city’s net zero strategy.</p>

		<p>The Plymouth ZEBRA 2 project will see the introduction of 50 Zero Emission Buses operating on routes either solely, or partly, within Plymouth. It will also improve the environmental performance of other bus routes in the city, which will not be served by the zero emission buses, through the cascade of more modern vehicles from those routes which are served by the zero emission buses.</p> <p>The project will reduce carbon emissions and improve air quality both directly, from the operation of the ZEBs; and indirectly from the electric buses displacing the current 33 Euro VI type diesel buses and 17 Euro V operating on the routes the ZEBs will operate, whilst, at least, maintaining the level of service enjoyed on the bus routes to be decarbonised.</p> <p>The investment in modern zero emission buses will not only have direct carbon benefits it is also anticipated that the investment in modern vehicles, a priority for Plymouth passengers as evidenced by the autumn 2023 passenger priority survey, will encourage modal shift away from the private car, thereby further reducing carbon emissions.</p>		
<b>Urgent decisions</b>				
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, please contact <a href="#">Democratic Support</a> for advice)
		No	X	(If no, go to section 13a)
12a	Reason for urgency:			
12b	Scrutiny Chair signature:		Date	
	Scrutiny Committee name:			
	Print Name:			
<b>Consultation</b>				
13a	Which Cabinet Member's portfolio does this decision relate to?	Councillor Mark Coker (Cabinet Member for Strategic Planning and Transport)		
13b	Date Cabinet Member consulted	31 October 2024		
13c	Are any other Cabinet members' portfolios affected by the decision?	Yes	X	
		No		(If no go to section 14)
13d	Which other Cabinet member's portfolio is affected by the decision?	Councillor Tom Briars-Delve (Cabinet Member for Environment and Climate Change)		

<b>13e</b>	<b>Date other Cabinet member(s) consulted</b>	31 October 2024						
<b>14</b>	<b>Has any Cabinet member declared a conflict of interest in relation to the decision?</b>	<b>Yes</b>		If yes, please discuss with the Monitoring Officer				
		<b>No</b>	X					
<b>15</b>	<b>Which Corporate Management Team member has been consulted?</b>	<b>Name</b>	Karime Hassan					
		<b>Job title</b>	Interim Strategic Director for Growth					
		<b>Date consulted</b>	05 November 2024					
<b>Sign-off</b>								
<b>16</b>	<b>Sign off codes from the relevant departments consulted:</b>	<b>Democratic Support (mandatory)</b>	DS67 24/25					
		<b>Finance (mandatory)</b>	DJN.24.25.119					
		<b>Legal (mandatory)</b>	LS/ 2960(24)/JP/051124.					
		<b>Human Resources (if applicable)</b>	Not applicable					
		<b>Corporate property (if applicable)</b>	Not applicable					
		<b>Procurement (if applicable)</b>	Not applicable					
<b>Appendices</b>								
<b>17</b>	<b>Ref.</b>	<b>Title of appendix</b>						
	A	Plymouth ZEBRA 2 – Subsidy Award briefing report for publication						
	B	ZEBRA 2 Equalities Impact Assessment						
	C	ZEBRA 2 Climate Impact Assessment						
	D	Subsidy Advice Unit Report on the proposed subsidy to Plymouth Citybus Limited – Referred by Plymouth City Council – 23 October 2024						
	E	Plymouth City Council response to the Subsidy Advice Unit Report on the proposed subsidy to Plymouth Citybus Limited – 31 October 2024						
<b>Confidential/exempt information</b>								
<b>18a</b>	<b>Do you need to include any confidential/exempt information?</b>	<b>Yes</b>		If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in <b>18b</b> below.				
		<b>No</b>	X					
		<b>Exemption Paragraph Number</b>						
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>

18b	<b>Confidential/exempt briefing report title:</b>							
<b>Background Papers</b>								
19	<p>Please list all unpublished, background papers relevant to the decision in the table below.</p> <p>Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</p>							
<b>Title of background paper(s)</b>		<b>Exemption Paragraph Number</b>						
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
Collaboration and Grant Agreement in respect of the funding of and acquisition of zero emission buses and provision of charging infrastructure in Plymouth, Devon and The Rame Peninsula, Cornwall				X				
Plymouth City Council's assessment of the proposed subsidy to Plymouth Citybus Limited – as submitted to the Subsidy Advice Unit – 6 September 2024				X				
<b>Council Officer Signature</b>								
20	<p>I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached.</p>							
<b>Signature</b>				<b>Date of decision</b>	06 November 2024			
<b>Print Name</b>	Paul Barnard (Service Director for Strategic Infrastructure and Growth)							