

## **NORTH SOMERSET COUNCIL DECISION**

**DECISION OF:** COUNCILLOR HANNAH YOUNG. THE EXECUTIVE MEMBER FOR HIGHWAYS AND TRANSPORT



**WITH ADVICE FROM:** DIRECTOR OF PLACE AND S151 OFFICER

**DECISION NO:** 24/25 DP 408

**SUBJECT:** ZERO EMISSIONS BUS REGIONAL AREAS 2 FUNDING GRANT AGREEMENT

**KEY DECISION:** NO

**REASON:** Key decision approved at Executive meeting 18/10/2023 ref Bus Service Improvement Plan Update, recommendation 4.

### **BACKGROUND:**

1. Following approval by the Executive on the 18/10/2023 the council compiled a joint bid with First West of England Limited to partially convert the Weston-super-Mare bus depot to accommodate 24 electric double deck buses. The bid was successful with an award of £2,186,821 of DfT funding which was matched by direct funding of £12,800,000 from First West of England Limited and outline terms of the grant were accepted in February 2024 between the DfT and North Somerset council.
2. This project represents a significant commitment to the local bus network delivering the next generation of low carbon zero emissions reliable buses to the local network significantly in advance of the 2035 target in the Local enhanced partnership. The investment also represents a growing confidence in the partnership working between the council and First West of England limited and the Bus service improvement plan program that has now been underway for since 2023.

### **DECISION:**

1. To accept the DfT ZEBRA 2 Scheme funding of £2,186,821 to introduce 24 electric double deck buses and associated charging infrastructure by Spring 2025.
2. To adopt and sign a Zero Emissions Bus Regional Areas (ZEBRA) Scheme 2 grant Agreement between North Somerset Council and First West of England Limited.

### **REASONS:**

1. The conditions of the bid mandated that grant agreement is prepared and agreed between North Somerset council and First west of England Limited prior to the buses being introduced into service meeting the following DfT mandated pre-conditions;
  - The Grant Recipient having confirmed and provided evidence to the Accountable Body that the Grant Recipient has (and continues to have) sufficient funding including match funding (whether from its own resources or otherwise) to complete the Project.

- The funding provided to the grant recipient is for the delivery of the ZEBRA 2 project as set out in the ZEBRA 2 Application form and associated annexes.
- The grant recipient, in line with ZEBRA 2 funding award requirements, is to maintain and operate all vehicles and infrastructure delivered as a result of this funding for a minimum of 5 years following commencement of live operation.
- All other costs associated with delivering the project, as described in the ZEBRA 2 application form, and all other costs related to maintaining the fleet and infrastructure delivered through this funding for 5 years following commencement of live operation are to be paid for by the Grant Recipient.
- The Grant Recipient fully co-operates in future partnership work to expand and increase the number of zero emission vehicles in the North Somerset Council area in line with the area wide BSIP and Enhanced Partnership aspirations to deliver 100% zero emission vehicles by 31/12/2035

#### **OPTIONS CONSIDERED:**

The are no alternative options, failure to progress the grant agreement will result in abortive works and a return of the grant funding.

#### **FINANCIAL IMPLICATIONS:**

The bid is entirely funded from the DfT ZEBRA 2 capital grant, revenue costs such as officer resources have been delivered within funded revenue posts and BSIP phase 1 funding. The long term impacts of introducing EV buses into the region will mean more reliable buses with at least 4% lower engineering costs and higher reliability. This should result in more cost effective bus routes for residents when compared to the relatively unreliable diesel bus route despite the relatively low mileage and age of the fleet.

#### **Costs**

Description	Cost
Total grant amount	£2,186,820
Local transport authority funding:	N/A
Other public sector funding: N/A	N/A
Bus operator funding:	£12,817,508
Other private funding:	N/A
Vehicle grant amount:	£1,226,820
Infrastructure grant amount:	£960,000
Total number of buses:	24
Infrastructure capital cost:	£3,183,728
Vehicle capital cost:	£11,820,600
<b>Total capital cost:</b>	<b>£15,004,328</b>

## **Funding**

The project is entirely funded from a specific DfT capital grant of £2,186,820

## **LEGAL POWERS AND IMPLICATIONS**

The proposed grant agreement has been subject to thorough research and advice in partnership with First West of England, the West of England Combined Authority (who are subject to their own separate award from ZEBRA 2) and with advice from the CMA and Legal. The agreement is now considered fit for purpose.

## **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

The use of zero emissions buses are evidenced to be less carbon intensive than an equivalent combustion engine asset by at least a third over the life of the asset, despite the initially higher embedded carbon of manufacturing. The other benefits include significantly less complex engineering costs to maintain the assets, resulting in significant improvements to local bus journeys and reliability which in turn will result in higher levels of confidence in bus usage and patronage by our residents. The introduction of ZEBS in North Somerset at this stage will enable the rest of the local fleet to rapidly transition much earlier than anticipated. The buses will be used on the A370 and A369 corridors, with buses making up just 4% of trips on these roads but carrying circa 20% of all people, freeing up valuable road space and reducing congestion.

## **CONSULTATION**

N/A

## **RISK MANAGEMENT**

The ZEBRA 2 bid and Grant agreement has been verified to comply with advice from the Consumer and Marketing Authority guidance, along with advice from procurement that it complies with state funding legislation. The grant agreement also ensures the outline DfT grant terms are complied with.

## **EQUALITY IMPLICATIONS**

Have you undertaken an Equality Impact Assessment? No

## **CORPORATE IMPLICATIONS**

None

## **APPENDICES**

N/A

## **BACKGROUND PAPERS**

Bus Service improvement plan update, 18<sup>th</sup> October 2023 Executive.

SIGNATORIES:

DECISION MAKER(S):

Signed:  . Executive Member for Highways and Transport

Date: 23 December 2024

WITH ADVICE FROM:

Signed:  . Director of Place

Date: 20 December 2024

Signed:  . S151 Officer

Date: 20 December 2024