

Norfolk County Council

Record of Individual Cabinet Member Decision

Responsible Cabinet Member: Councillor Martin Wilby (Cabinet Member for Highways, Infrastructure and Transport)

Background and Purpose:

In 2021, The Department for Transport (DfT) announced that funding was being made available to local authorities to apply for funding from the Zero Emission Bus Regional Area (ZEBRA) fund. The scheme is a two-stage competition comprising an initial Expression of Interest (EOI), followed by a Business Case, should applications be shortlisted from the EOI stage. Bids are to be developed in close partnership with local bus operators and other partners and up to £50m is available. Applications should set out how proposals will improve air quality and provide evidence of existing transport plans to tackle air quality and greenhouse gas emissions. Under this scheme, DfT will provide a funding contribution towards the cost of new vehicles and associated infrastructure needed for zero emission vehicles to operate. If funding is awarded in March 2022, zero emission buses should come into service no later than March 2024.

The report sets out the discussions that have been held with local bus operators and the content of the EOI from Norfolk.

Decision:

To agree the submission of an Expression of Interest for the Zero Emission Bus Regional Area (ZEBRA) fund as set out in the report.

Is it a key decision?

No

Is it subject to call in?

Yes

If Yes – Deadline for Call in

4pm, Thursday 15 July 2021

Impact of the Decision:

As set out in the attached report.

Evidence and reason for the decision:

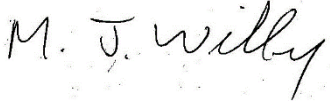
As set out in the attached report.

Alternative options considered and rejected:

As set out in the attached report.

Financial, Resource or other implications considered:

As set out in the attached report.

Record of any conflict of interest: None.	
Background Documents: None.	
Date of Decision:	8 July 2021
Publication date of decision:	8 July 2021
Signed by Cabinet member: I confirm that I have made the decision set out above, for the reasons also set out <div style="text-align: center;">  </div> Signed: Print name: Cllr martin Wilby Date: 08 July 2021	
Accompanying Documents: <ul style="list-style-type: none"> • Individual Cabinet Member Decision Report 	

Once you have completed your internal department clearance process and obtained agreement of the Cabinet Member, send your completed decision notice together with the report and green form to committees@norfolk.gov.uk

Individual Cabinet Member Decision Report

Decision making report title:	Zero Emission Bus Regional Area (ZEBRA) Expression of Interest
Responsible Cabinet Member:	Cllr Martin Wilby (Cabinet Member for Highways Infrastructure and Transport)
Responsible Director:	Tom McCabe (Executive Director, Community and Environmental Services)
Is this a key decision?	No

Executive Summary

In 2021, The Department for Transport (DfT) announced that funding was being made available to local authorities to apply for funding from the Zero Emission Bus Regional Area (ZEBRA) fund. The scheme is a two-stage competition comprising an initial Expression of Interest (EOI), followed by a Business Case, should applications be shortlisted from the EOI stage. Bids are to be developed in close partnership with local bus operators and other partners and up to £50m is available. Applications should set out how proposals will improve air quality and provide evidence of existing transport plans to tackle air quality and greenhouse gas emissions. Under this scheme, DfT will provide a funding contribution towards the cost of new vehicles and associated infrastructure needed for zero emission vehicles to operate. If funding is awarded in March 2022, zero emission buses should come into service no later than March 2024.

The report sets out the discussions that have been held with local bus operators and the content of the EOI from Norfolk.

Recommendation

- 1. To agree the submission of an Expression of Interest for the Zero Emission Bus Regional Area (ZEBRA) fund as set out in this report.**

1. Background and Purpose

1.1. The Zero Emission Bus Regional Areas (ZEBRA) 2021-2022 scheme is a place-based scheme that allow areas, led by local transport authorities, working in close partnership with bus operators, to bid for funding to purchase zero emission buses and the infrastructure needed to support them.

1.2. The Zero Emission Bus Regional Areas scheme has the following key aims:

- To support the government's commitment to decarbonisation and to reduce the transport sector's contribution to CO2 emissions;
- To support the roll-out of the 4,000 Zero Emission Buses that the government committed to in February 2020;

- To support bus manufacturers in the development of zero emission bus technology;
 - To support partnership working between Local Transport Authorities, bus operators, and other local stakeholders as set out in the National Bus Strategy;
 - To understand better the challenges of introducing zero emission buses and supporting infrastructure to inform future government support for Zero Emission Buses
- 1.3. The scheme is a two-stage competition comprising an initial Expression of Interest (EOI), followed by a Business Case, should applications be shortlisted from the EOI stage.
- 1.4. Applications should set out how proposals will improve air quality and provide evidence of existing transport plans to tackle air quality and greenhouse gas emissions.
- 1.5. Under this scheme, DfT will provide a funding contribution towards the cost of new vehicles and associated infrastructure needed for zero emission vehicles to operate. If funding is awarded in March 2022, zero emission buses should come into service no later than March 2024.

2. Impact of the Proposal

- 2.1. This proposal will allow for the replacement of 15 Euro 3 single decker vehicles in the Greater Norwich area on a 'like for like' basis with 15 single decker fully electric buses. There will not therefore be an increase in vehicle numbers due to the move to electric vehicles. First Bus are working with the UK bus manufacturer, Arrival, to deliver their new generation of purpose built electric single deck vehicles.
- 2.2. The routes chosen for this bid will operate in Greater Norwich and are based on the ability to operate single deck vehicles, from a capacity perspective, and the ability to operate the associated mileage, from a battery range perspective. All routes and vehicles will operate through the city centre, which is currently declared an Air Quality Management Area. Replacement of existing diesel buses with zero emission buses will reduce tail-pipe emissions and improve the air quality.
- 2.3. The power supply upgrade that will be needed to charge the buses will be future proofed to allow a full depot conversion to electric vehicle (EV) in the future.
- 2.4. First Bus is bidding for a total of 193 new electric vehicles across 5 areas of the UK where they operate, with Norwich being one of these areas. This proposal should be seen as one element of a single wider package and this total volume of orders (193) is required to achieve the necessary scale economies and therefore pricing required for a commercially viable bid. Additionally, this will also deliver the first year launch order for Arrival, kick-starting their UK bus manufacturing with the establishment of a new mini-manufacturing site in the UK.
- 2.5. All new zero emission vehicles would be operational within the required ZEBRA timeline of 2 years from funding award (March 2024). The completion of infrastructure works will be synched to the expected vehicle availability. As a guide, it

is expected that electrical power upgrades would be completed 6-10 months from placing order, with all site works completed within 12 months of the funding award.

3. Evidence and Reasons for Decision

- 3.1. The proposal will bring in a next generation, lower cost, electric bus to Norfolk and to the wider UK bus market, reinforcing the bus manufacturing sector in the UK and kickstarting the electrification of buses in the Greater Norwich area. Conventional diesel engine buses will be removed from the most congested and polluted areas of Norwich, improving local air quality.

4. Alternative Options

- 4.1. Discussions have been held with all bus operators in Norfolk. Having considered the technical challenges of having zero emission vehicles with sufficient operational range and seating capacity to adequately cover bus routes each operator provides, as well as the level of funding required to match any grant funding for vehicles and infrastructure, only First Bus were in a position to partner with the Council in an application. This does not rule out other bus operators being involved in future funding applications.

5. Financial Implications

- 5.1. Up to £50m is available as capital funding, which will be allocated to successful applicants during financial year 2021-22. There is no minimum or maximum size for bids.
- 5.2. Under the ZEBRA scheme, the DfT will:
- contribute up to 75% of the cost difference between a zero emission bus and a standard conventional diesel bus equivalent of the same total passenger capacity;
 - contribute up to 75% of the capital expenditure incurred for infrastructure as a result of its purchase and installation.
- 5.3. This scheme would be funded by a combination of capital grant funding from the DfT, as well as local capital funding from First. A summary of this is outlined in **Table 1** below. There is no requirement for funding from the County Council.

Table 1: Summary of funding sought

Total Funding	DfT Funding Sought			Third Party Funding		
	Total	Buses	Infrastructure	Total	Buses	Infrastructure
£6,854,100	£3,239,325	£2,025,000	£1,214,325	£3,614,775	£3,210,000	£404,775

- 5.4. Electrical infrastructure upgrade costs have been provided by UK Power Networks and energy consultants based on a review of the specific requirements needed for the First Bus depot at Roundtree Way in Norwich. A summary of these costs is outlined in **Table 2** below.

Table 2: Summary of infrastructure costs

Distribution Network Operator (DNO) costs	Costs of charging equipment	Civils costs
£787,500	£367,500	£464,100

Note: a 5% inflation rate has been applied to the infrastructure costs outlined in Table 1 and 2 above, reflecting that these costs are likely to be incurred in Year 2.

- 5.5. To further enhance and support this bid, reducing overall costs, First Bus submitted a separate bid to OFGEM's Green Recovery Fund to support the upgrading of electrical grid connections. The Green Recovery programme is designed to kickstart shovel-ready green energy infrastructure projects by making investments in the electricity network to create new capacity that will significantly reduce the cost of connecting green infrastructure projects. First Bus are awaiting clarity on the size of any funding award, but it is hoped that up to 50% of the electrical grid upgrade costs can be met through this fund. More information on this will be included should our submission reach the business case development stage.

6. Resource Implications

6.1. Staff:

County Council staff will co-ordinate and submit the EOI and any subsequent business cases. Should funding be awarded, the Council will manage the allocation of funding to partners for the delivery of the scheme.

6.2. Property:

None for the Council. Any infrastructure works would be carried out at premises owned and managed by bus operators.

6.3. IT - None.

7. Other Implications

7.1. Legal Implications

Local transport authorities are required to confirm they have received advice on legal requirements in relation to procurement, subsidy control and state aid. This advice has been sought and will be summarised in our application. All necessary requirements will be adhered to.

7.2. Human Rights implications - None.

7.3. Equality Impact Assessment (EqIA)

As set out in the National Bus Strategy, buses funded by Government will need to provide an enhanced level of accessibility. Therefore, buses funded by this scheme must meet enhanced accessibility standards, which go beyond that required by the Public Service Vehicles Accessibility Regulations 2000 (PSVAR). In addition to facilities required by PSVAR, vehicles are expected to provide induction loops, visual and audible announcements regarding the route, upcoming bus stops and information

related to any diversions and additional flexible space suitable for a second wheelchair and/or at least two unfolded pushchairs and prams.

Bus services provide a vital role in providing residents and visitors with essential and vital transport links to access employment, education, retail and leisure facilities. The provision of higher quality and more accessible buses will benefit a wide range of existing and potential bus users.

An Equality Impact Assessment will be developed throughout the application process.

7.4. Health and Safety implications

Vehicles and infrastructure procured through this scheme will meet all relevant health and safety regulations. Replacement of existing diesel buses with zero emission buses will reduce tail-pipe emissions and improve the air quality, particularly in the most polluted areas of the city centre where these buses will operate.

7.5. Sustainability implications

Modal shift from private cars to public transport will reduce tail-pipe emissions, improving the air quality of Norwich. This will be further enhanced by the introduction of electric buses.

7.6. Any other implications - None

8. Risk Implications/Assessment

- 8.1. Monitoring and evaluation of the project delivery will seek to identify risks, their impacts and appropriate mitigation. A risk register will be maintained.

9. Select Committee comments - N/A

10. Recommendation

- 10.1 1. To agree the submission of an Expression of Interest for the Zero Emission Bus Regional Area (ZEBRA) fund as set out in this report.

11. Background Papers - None

Officer Contact: If you have any questions about matters contained in this paper, please get in touch with:

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