

North Yorkshire Council

Environment Executive Members

24 November 2023

Application to Department for Transport Zero Emission Bus Regional Area (ZEBRA 2) scheme

Report of the Assistant Director for IPT, Licensing, Public Rights of Way and Harbours

1.0 PURPOSE OF REPORT

- 1.1 To recommend that the Executive Member for Highways & Transportation following consultation with the Corporate Director of Environment and Corporate Director, Resources agrees to making a submission to the Department for Transport ZEBRA2 funding scheme.

2.0 BACKGROUND

- 2.1 In March 2021 the Department for Transport (DfT) announced the Zero Emission Regional Areas Scheme (ZEBRA) to support bus operators to invest in zero emission buses rather than diesel vehicles. DfT stated that submissions should be led by local transport authorities, working in close partnership with bus operators to bid for funding to purchase zero emission buses (ZEBs) and the infrastructure needed to support them.
- 2.1 In 2022 North Yorkshire County Council was successful in a joint bid with Transdev in Harrogate to the previous funding round. This project will enable Transdev's Harrogate operation to become fully electric, replacing existing diesel 39 buses with electric vehicles and providing charging infrastructure.

3.0 ZERO EMISSION BUS REGIONAL AREA FUNDING SCHEME 2

- 3.1 In September 2023, the Government announced a second round of funding for zero emission buses called ZEBRA2, with a total fund of £129m. An expression of interest was required by 20th October from any authority interested in bidding with the final submission deadline being 15 December 2023.
- 3.2 Bids must be led and submitted by a local transport authority (LTA), working in partnership with bus operators. We contacted all bus operators asking if they were interested in submitting a bid to ZEBRA2 with the result that one operator, East Yorkshire Motor Services (EYMS), were keen to bid to convert their Scarborough based operation, focused on their Scarborough town bus routes. No other operators were interested in a submission to this funding round.
- 3.3 ZEBRA2 will use the same funding formula as the previous scheme:
- DfT will contribute up to 75% of the cost difference between a ZEB and a standard conventional diesel bus equivalent of the same total passenger capacity.
 - For infrastructure, DfT will contribute up to 75% of the total capital expenditure incurred as a result of its purchase and installation.

- Bidders can also request grant funding to cover up to 50% of total contingency costs, for vehicles and infrastructure.
- There is no minimum or maximum size for bids. However, DfT reserves the right to require any LTA to submit a separate, scaled-down or scaled-up proposal.

- 3.4 Unlike earlier rounds of funding, DfT has provided a structured application form and a spreadsheet for technical data to reduce the amount of work required by bidding authorities.
- 3.5 Initial discussions have taken place with EYMS who understand that, as with our previous ZEBRA bid, the remaining funding will be met by the bus operator, with no financial contribution from local authority. They will also provide the technical data required for the submission.
- 3.6 DfT have stated that they will be prioritising bids from local authorities who weren't successful with earlier rounds of funding as follows:
- 1: Proposal to introduce ZEBs in rural areas, submitted by LTAs that have not previously received funding from ZEBRA scheme.
 - 2: Proposal to introduce ZEBs in any area, submitted by LTAs that have not previously received funding from ZEBRA scheme.
 - 3: Proposal to introduce ZEBs submitted by LTAs that have previously received funding from ZEBRA scheme.
- 3.7 It is understood by officers and EYMS that a bid from North Yorkshire Council will be looked at in the third priority category but we still feel that it is worth developing and submitting a bid for future rounds of funding if we are unsuccessful in this bid.
- 3.8 We have gained good experience from our earlier zero emission fund bid which will inform this application and have already developed the necessary grant agreements and legal documents should our bid be successful.
- 3.9 Any local transport authority submitting a bid to ZEBRA2 must have set up an Enhanced Partnership. North Yorkshire Council has done this.

4.0 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The alternative would be not to apply. Although we are in the third priority category this remains a good opportunity to deliver climate improvements through de-carbonising bus services in Scarborough.

5.0 FINANCIAL IMPLICATIONS

- 5.1 Should a bid to the ZEBRA 2 scheme be successful, all capital costs will be met by the DfT grant allocation and the bus company. The bid will include contingency funding. The council is not providing a funding contribution to the proposal and will not bear the risk for any increased costs or any ongoing maintenance costs.
- 5.2 The bid to the ZEBRA 2 fund is estimated at £3,500,000 capital funding with all other funding met by the bus company. Figures will be confirmed when final supplier quotes are received prior to submission of the application.
- 5.3 No additional staff are required and work on the bid will be managed through existing staff. As such there will be no additional costs to salary budgets.

5.4 A successful bid will require legal agreements to be put in place with the bus company. Suitable agreements have already been developed by Freeths, our external lawyers, during the first ZEBRA project.

5.5 Further financial implications will be worked up should be the bid be successful prior to a decision to accept the funding, this will include understanding the financial terms and conditions of the funding.

6.0 LEGAL IMPLICATIONS

6.1 Advice has been provided by the North Yorkshire Legal Team regarding Subsidy Control regulations and further advice will be sought as the detailed bid is developed.

6.2 The Grant will be subject to the Subsidy Control Rules (formerly State Aid Regulations). The Subsidy Control Rules will apply in how the Council spends the Grant. Subsidy Control Rules do not apply in the Council's receipt of the Grant. If the Council spends the Grant pursuant to its own Contract and Procurement Rules, then it is unlikely that Subsidy Control Rules will apply, as they will be inviting bids for paid services. However, if the Grant monies are intended to be awarded to a third party via a grant or similar, then Subsidy Control Rules may apply upon which further advice will be obtained from legal.

7.0 EQUALITIES IMPLICATIONS

7.1 Consideration has been given to the potential for any adverse equality impacts arising from this decision (see Appendix A). It is not expected that this decision will lead to adverse impacts and a successful bid is likely to deliver benefits for a number of groups of people with protected characteristics. A full Equalities Impact Assessment is not required.

7.2 One of the requirements of developing the full bid includes consulting with relevant stakeholders that represent people from protected characteristic groups which will be done prior to final submission.

8.0 CLIMATE CHANGE IMPLICATIONS

8.1 This proposal will improve air quality and reduce carbon based emissions through replacing current diesel buses with zero emission electric buses. There will also be emission savings from road tanker diesel delivery as this will no longer be required. It supports the council's climate strategy and progress towards net zero.

8.2 Consideration has been given to the potential for any adverse climate impacts arising from this decision and a Climate Change Impact Assessment (CCIA) screening has taken place. It is not felt appropriate to progress to a full CCIA (see Appendix B).

9.0 REASONS FOR RECOMMENDATIONS

9.1 Submitting a bid to the ZEBRA2 scheme gives an opportunity to make a significant improvement to bus services in Scarborough, delivering new buses that will reduce carbon based emissions and encourage more people to use public transport.

10.0 RECOMMENDATION

That the Executive Member for Highways & Transportation, following consultation with the Corporate Director of Environment and Corporate Director, Resources, agrees to making a submission to the Department for Transport ZEBRA2 funding scheme and also notes that, should the bid be successful, a further report will be brought to the Council's Executive to formally accept the funding.

APPENDICES:

Appendix A – Equalities Impact Assessment screening form
Appendix B – Climate Change Impact Assessment

BACKGROUND DOCUMENTS:

none

PAUL THOMPSON: Assistant Director for IPT, Licensing, Public Rights of Way and Harbours.

Report author: Andy Clarke, Public and Community Transport Manager

Initial equality impact assessment screening form			
This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
Directorate	Environment		
Service area	Integrated Passenger Transport		
Proposal being screened	Zero Emission Bus Regional Areas (ZEBRA2) grant		
Officer(s) carrying out screening	Andy Clarke		
What are you proposing to do?	Submit an application to the Dept. for Transport ZEBRA2 scheme for funding to replace existing diesel buses with zero emission electric buses and provide associated infrastructure.		
Why are you proposing this? What are the desired outcomes?	A successful bid will provide government funding for East Yorkshire Motor Services to invest in electric buses and charging infrastructure to operate in the Scarborough area.		
Does the proposal involve a significant commitment or removal of resources? Please give details.	No. If the bid is successful the bus company will meet all vehicle and infrastructure costs not covered by the grant award.		
Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics			
As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? 			
<p>If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your Equality rep for advice if you are in any doubt.</p>			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		X	
Disability		X	
Sex		X	
Race		X	
Sexual orientation		X	
Gender reassignment		X	
Religion or belief		X	
Pregnancy or maternity		X	
Marriage or civil partnership		X	
People in rural areas		X	
People on a low income		X	
Carer (unpaid family or friend)		X	

Are from the Armed Forces Community		X	
Does the proposal relate to an area where there are known inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.	This grant will provide additional funding to convert local bus services in Scarborough to new electric vehicles. Bus services are often relied on by older, disabled or lower income groups.		
Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	no		
Decision (Please tick one option)	EIA not relevant or proportionate:	<input checked="" type="checkbox"/>	Continue to full EIA:
Reason for decision	Applying for this grant will meet a significant part of the cost to convert bus services in Scarborough to new zero emission electric vehicles. As well as improving air quality and reducing carbon based emissions it will provide new investment into public transport which will make services more attractive and financially sustainable. Maintaining and improving bus services, which are often relied on by older, disabled and low income groups, will help to avoid any adverse impact to groups of people with protected characteristics.		
Signed (Assistant Director or equivalent)	Paul Thompson		
Date	07.11.2023		

Climate change impact assessment

The purpose of this assessment is to help us understand the likely impacts of our decisions on the environment of North Yorkshire and on our aspiration to achieve net carbon neutrality by 2030, or as close to that date as possible. The intention is to mitigate negative effects and identify projects which will have positive effects.

This document should be completed in consultation with the supporting guidance. The final document will be published as part of the decision making process and should be written in Plain English.

If you have any additional queries which are not covered by the guidance please email climatechange@northyorks.gov.uk

Please note: You may not need to undertake this assessment if your proposal will be subject to any of the following:

Planning Permission
Environmental Impact Assessment
Strategic Environmental Assessment

However, you will still need to summarise your findings in in the summary section of the form below.

Please contact climatechange@northyorks.gov.uk for advice.

Title of proposal	Department for Transport Zero Emission Bus Regional Area (ZEBRA 2) scheme
Brief description of proposal	To agree to submit a bid to the ZEBRA2 funding scheme to fund the replacement of diesel buses in Scarborough with electric vehicles.
Directorate	Environment
Service area	Integrated Passenger Transport
Lead officer	Andy Clarke
Names and roles of other people involved in carrying out the impact assessment	None
Date impact assessment started	27 October 2023

Options appraisal

Were any other options considered in trying to achieve the aim of this project? If so, please give brief details and explain why alternative options were not progressed.

No other funding opportunities currently exist for upgrading commercial bus fleets to zero emission buses.

What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Cost neutral. Should a bid to the ZEBRA 2 scheme be successful, all capital costs will be met by the DfT grant allocation and the bus company. The bid will include contingency funding. The council is not providing a funding contribution to the proposal and will not bear the risk for any increased costs or any ongoing maintenance costs.

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where relevant)</p>	<p>No impact (Place a X in the box below where relevant)</p>	<p>Negative impact (Place a X in the box below where relevant)</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>	
<p>Minimise greenhouse gas emissions e.g. reducing emissions from travel, increasing energy efficiencies etc.</p>	<p>Emissions from travel</p>	<p>X</p>			<p>A successful bid will replace around 15 ICE buses with zero emission electric buses significantly reducing carbon based emissions in Scarborough. It will also remove the need for diesel fuel to be transported to the bus garage. Estimated carbon impact of each internal combustion vehicle to be replaced as part of this proposal is an</p>	<p>n/a</p>	

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where relevant)</p>	<p>No impact (Place a X in the box below where relevant)</p>	<p>Negative impact (Place a X in the box below where relevant)</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>	
					<p>average 1282g CO₂ per km compared to 438g per km for a battery electric vehicle.</p>		
	Emissions from construction		X		No impact.		
	Emissions from running of buildings		X		No impact.		
	Other						
<p>Minimise waste: Reduce, reuse, recycle and compost e.g. reducing use of single use plastic</p>		X		No impact.			
<p>Reduce water consumption</p>		X		No impact			
<p>Minimise pollution (including air, land, water, light and noise)</p>	X			<p>This will replace existing ICE buses producing tailpipe emissions such as NO_x with cleaner electric buses. Electric buses are also significantly quieter in operation. It will also remove the need to transport and store diesel fuel at the bus garage.</p>			

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where relevant)</p>	<p>No impact (Place a X in the box below where relevant)</p>	<p>Negative impact (Place a X in the box below where relevant)</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
<p>Ensure resilience to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers</p>		X		<p>No impact anticipated</p>		
<p>Enhance conservation and wildlife</p>		X		<p>No impact anticipated</p>		
<p>Safeguard the distinctive characteristics, features and special qualities of North Yorkshire's landscape</p>		X		<p>No impact anticipated</p>		
<p>Other (please state below)</p>		X		<p>No impact anticipated</p>		

Are there any recognised good practice environmental standards in relation to this proposal? If so, please detail how this proposal meets those standards.

N/A

Summary Summarise the findings of your impact assessment, including impacts, the recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

Submitting a bid to the DfT ZEBRA2 fund gives an opportunity to replace around 15 diesel buses with new zero emission electric buses. This will reduce carbon based emissions and tailpipe pollutants in Scarborough. Investment in new, green buses will also encourage modal shift from private car to bus, further reducing emissions from travel.

Sign off section

This climate change impact assessment was completed by:

Name	Andy Clarke
Job title	Public & Community Transport Manager
Service area	Integrated Passenger Transport
Directorate	Environment
Signature	<i>Andy Clarke</i>
Completion date	30/10/2023

Authorised by relevant Assistant Director (signature): Paul Thompson

Date: 07.11.23