

Brighton & Hove City Council

Strategy, Finance & City Regeneration Committee

Agenda Item 76

Subject: Zero Emissions Buses (ZEBRA2) grant application

Date of meeting: 5th December 2023- Transport & Sustainability Committee
7th December 2023- Strategy Finance & City Regeneration Committee

Report of: Executive Director Economy, Environment & Culture

Contact Officer: Name: Owen McElroy
Tel: 01273 2939693
Email: owen.mcelroy@brighton-hove.gov.uk

Ward(s) affected: All

For general release

Note: Reasons for urgency

The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the Local Authority intends to apply for a grant funding opportunity in partnership with local bus operators and there is a very short timescale. Applications need to be submitted by 15th December 2023, but will require prior sign off by the Section 151 Finance Officer.

1. Purpose of the report and policy context

- 1.1 To approve in principle an application by the Council for grant funding from the Zero Emissions (ZEBRA2) fund towards investment in new zero emissions buses and charging infrastructure in the City. This will also contribute positively towards carbon reduction and air quality targets as well as provide jobs and training in green technology in the City.
- 1.2 To identify a significant funding contribution whilst noting that the bulk of the funding is to come from Central Government and bus operators.
- 1.3 A substantial financial stake in the bid would enable the Local Transport Authority (LTA) to take joint ownership of the investment, badge vehicles and publicise prominently to that effect. It would enhance the Council's reputation as an LTA and a beacon authority in terms of transition to carbon net zero and improved air quality.

2. Recommendations

Transport & Sustainability Committee

- 2.1 That Committee notes the report and supports the bid for ZEBRA 2 funding for buses and charging infrastructure.

- 2.2 That Committee endorses a match funding contribution towards the bid as detailed in the Part Two report, subject to identification of resource and recommends approval to Strategy, Finance and City Regeneration Committee.

Strategy, Finance & City Regeneration Committee

- 2.1 That Committee notes the report and supports the bid for ZEBRA 2 funding for buses and charging infrastructure.
- 2.2 That Committee approves a match funding contribution towards the bid as detailed in the Part Two report, subject to identification of resource.

3. Context and background information

- 3.1 There is a need to reduce the UK's transport sector contribution to CO2 in order to meet carbon neutral targets. In 2022 transport accounted for 34% of UK territorial carbon dioxide emissions, compared to 30.9% in 2020, the largest majority of these emissions (91%) are from road transport (source 2022 HM government statistical release).
- 3.2 Brighton & Hove City Council were recently named a global leader for climate action by Carbon Disclosure Project (CDP) alongside 118 other cities across the globe. The CDP is an independent assessor of local government environmental action, offering cities guidance towards net zero and helping focus efforts to accelerate climate action. CDP's Cities A List have achieved the highest score for their environmental action.
- 3.3 Brighton and Hove City Council has declared a climate emergency and investing in cleaner bus fleets is a good way to achieve results.
- 3.4 It will help achieve air quality targets by removing diesel emissions from the City centre and from communities.
- 3.5 This will also lead to improved passenger experience from new buses with all the latest features, reduction in vibration, noise and more accessibility.
- 3.6 The Department for Transport (DfT) launched ZEBRA 2 in October 2023, which provides £129 million to support the introduction of zero emission buses in financial years 2023 to 2024 and 2024 to 2025. This is a single-stage funding competition to award funding over both financial years. Successful bidders will be awarded the majority of their funding in financial year 23/24.
- 3.7 Brighton and Hove City Council as the LTA propose to make a bid in partnership with Brighton & Hove Buses, who are the majority operator in the city. If successful, the bid would see the delivery of sixteen battery electric buses, together with the required infrastructure to replace diesel buses on routes within the City of Brighton & Hove.

- 3.8 Support for bus operators in the decarbonisation of fleets is a part of the Government's National Bus Strategy "Bus Back Better" announced in February 2020 and is one of the Council's commitments in its Bus Service Improvement Plan.
- 3.9 The DfT will provide up to 75% of the cost difference between a Zero Emission Bus and a standard conventional diesel bus and up to 75% of the cost of supporting infrastructure.
- 3.10 A local contribution of at least 25% is expected from bus operators and the LTA. Contributions greater than 25% will score higher.
- 3.11 Grants will be awarded in a competitive bidding process and assessed/scored for their benefit/cost ratio considering the strategic case, value for money, grant funding per bus and deliverability.
- 3.12 Exact details of the bid are commercially sensitive and are set out in Part 2 of the report which is exempt from public disclosure.
- 3.13 The closing date for bids is the 15th December 2023 but bids need to be ready for sign off by the Council's Section 151 Finance Officer by 8th December.

4. Analysis and consideration of alternative options

- 4.1 Options appraisal has been carried out looking at alternative fuels to the electric option but there is no practical alternative. For example, there is currently no identified site for hydrogen production or storage in the City.
- 4.2 The bus routes identified are the optimum in terms of operational efficiency and in having the greatest benefit to cost ratio.
- 4.3 Another option would be not to apply for this grant funding opportunity but then the Council would forgo the potential economic and environmental gains.

5. Community engagement and consultation

- 5.1 Stakeholder engagement took place in early November consisting of an email to a list of transport and accessibility stakeholders and along with feedback from the bus operators has informed an Equalities Impact Assessment.
- 5.2 Positive feedback was received from the Brighton & Hove Business Improvement District who felt it could support tourism and retail by encouraging bus patronage, Bricycles said it would encourage active travel by contributing to better air quality, Brighton & Hove BusWatch said that it was important for government to support operators in the purchase of Zero Emission Buses as otherwise the extra cost could result in higher bus fares. No negative comments were received from any stakeholder.

- 5.3 The Enhanced Bus Partnership were consulted and are supportive. The Big Lemon initially wanted to join in with the bid, but withdrew for business reasons. Compass Travel and Stagecoach said that although they did not want to be part of the BHCC bid they supported the involvement of other operators.

6. Conclusion

- 6.1 Buses are a fundamental and highly used part of the city's public transport network. Prior to the Covid-19 pandemic, Brighton & Hove experienced considerable growth in bus use over a number of years. This resulted in the city having the highest bus use outside of London with 172 bus trips per head in 2018-19. This compared to a combined figure of 39 for local authority areas in the Southeast, 247 for London and 77 for England as a whole. Passenger numbers are continuing to recover following the pandemic and the Bus Service Improvement Plan (BSIP) sets out ambitious plans to see passenger numbers increase 15% on the 2018-19 baseline by 2030. A successful ZEBRA 2 bid could deliver a transformational development for the local bus fleet that could further advance the positive perception of and active use of buses in the City.

7. Financial implications

- 7.1 The Financial implications are commercially sensitive and form part 2 of the report.

Name of finance officer consulted: John Lack Date consulted 23/11/23

8. Legal implications

- 8.1 The legal implications are commercially sensitive and form part 2 of the report.

Name of lawyer consulted: David Fairfield Date consulted: 29.11.23

9. Equalities implications

- 9.1 Electric buses acquired through the scheme will have higher levels of accessibility for passengers ensuring they will be compliant with the Public Service Vehicles Accessibility Regulations 2000 (PSVAR). They will be compliant with the Accessible Information Regulations and provide an induction loop to aid direct communication between drivers and passengers who use a hearing aid. There will be an additional flexible 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. The measures will benefit people with disabilities, elderly and infirm passengers and parents and guardians with young children.

- 9.2 An EIA has been carried out and is attached as Appendix A

10. Sustainability implications

- 10.1 The Brighton & Hove City Council Carbon Neutral Programme refers to a 2018 estimate that “Over a third of Brighton & Hove’s carbon emissions come from transport, which includes estimates for shipping and plane flights by Brighton & Hove residents”. The document sets out that a shift to public transport and a switch from internal combustion engine vehicles to zero emission vehicles are important steps in achieving carbon emission reductions and improving air quality.
- 10.2 A successful Zebra 2 bid would secure considerable investment for the city and the potential benefits, namely the reduction in air pollution and carbon emissions through a switch to zero emission buses on a key route that runs through the city centre Air Quality Management Areas (AQMA), could be critical in helping to realise the Brighton & Hove City Council goal of the City becoming Carbon Neutral by 2030.

11. Other Implications

Social Value and procurement implications

- 11.1 The bid will support new training and job opportunities in the maintenance of electric vehicles in the City.
- 11.2 At least two engineer apprenticeship posts will be created and sustained during the lifecycle of the project.
- 11.3 The bus operator will donate one bus to community/charity use.
- 11.4 The procurement business partner has been consulted and since procurement of the vehicles and the charging infrastructure will be carried out by the bus operator in accordance with the grant application guidelines there are no procurement implications for the Council.
- 11.5 The implications for subsidy control are set out in the legal implications section.
- 11.6 Grant funding does not fall under Procurement rules and the competitive process is not a legal requirement under the current regulations.

Crime & disorder implications:

- 11.7 There are no crime and disorder implications.

Public health implications:

- 11.8 The proposal offers potential for improved air quality, reducing the risk of health impacts throughout life as a result of air pollution.

- 11.9 A large proportion of the proposed route operates in the City centre Air Quality Management Areas and therefore would potentially contribute to a reduction in air pollution in key areas of the city.
- 11.10 Reduction in noise pollution from electric vehicles. The proposed route operates within the City centre and key corridors and therefore residents and visitors of all ages could potentially benefit from quieter vehicles and environments.

Supporting Documentation

1. Appendices

1. Appendix A Equalities Impact Assessment

2. Background documents

1. DfT Zebra2 Guidance and Application Form [Apply for zero emission bus funding \(ZEBRA 2\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672222/Apply_for_zero_emission_bus_funding_ZEBRA_2_-_GOV.UK.pdf)