

WEST NORTHAMPTONSHIRE COUNCIL CABINET

11 JUNE 2024

CABINET MEMBER FOR HIGHWAYS AND TRANSPORT – COUNCILLOR PHIL LARRATT

Report Title	ZEBRA 2 Grant Update
Report Author	James Povey, Transport Strategy and Development Manager, james.povey@westnorthants.gov.uk

List of Approvers

Monitoring Officer	Catherine Whitehead	22/05/24
Chief Finance Officer (S.151)	Martin Henry	22/05/24
Other Director	Stuart Timmiss	17/05/24
Communications Lead/Head of Communications	Becky Hutson	22/05/24

List of Appendices

None

1. Purpose of Report

- 1.1. To update Cabinet on the Zero Emission Bus Regional Allocation round 2 (ZEBRA 2) grant West Northamptonshire Council (WNC) has been awarded and to seek Cabinet approval for WNC to enter into a form of grant agreement with the bus operator.

2. Executive Summary

- 1.2. The report updates Cabinet on the ZEBRA 2 funding grant we have been awarded totalling £9,365,523, with match funding of up to £21.95m, by the bus operator. This will contribute to

the delivery by our partner, Stagecoach, of 51 Zero Emission Buses which will operate on 11 routes in Northampton. The capital grant will also support the installation of vehicle charging infrastructure at the Stagecoach depot in the town. Orders will be placed in 2024 to enable the vehicles to be operational before the end of 2026.

- 1.3. The project will support a reduction in transport carbon emissions and improve air quality. The new modern bus fleet will also improve journey experience and encourage an increase in bus use.
- 1.4. WNC will administer the allocation of funding to the bus operator and a funding agreement is being drawn up to clarify the terms of this and ensure adherence to the grant funding terms and our obligations. The Council has contributed a small amount of revenue funding to develop the original funding bid for the grant and to cover some of the costs to administer the funding allocation, but is not contributing any of its own capital funding to the project and any risks identified through non delivery will be held by the bus operator.

3. Recommendations

3.1 It is recommended that the Cabinet:

- Note the update provided on the ZEBRA 2 grant.
- Delegate authority to the Executive Director of Finance to approve any and all documentation (including entering into a form of grant agreement with the bus operator) to administer the allocation of the grant funding and ensure adherence to the Department for Transport (DfT) grant funding terms and obligations.

4. Reason for Recommendations (NOTE: this section is mandatory and must be completed)

- The future Council (or customers) will receive the maximum benefit from the option proposed
- To contribute to the implementation of the Local Transport Plan as well as assisting in the improvement of air quality and the Councils sustainability objectives
- Delegating authority to the Executive Director of Finance would ensure compliance with the Constitution and the terms of the grant funding from DfT granted to WNC.

5. Report Background

5.1 DfT formally announced that WNC had been successful in their bid for the second round of Zero Emission Bus Regional Areas (ZEBRA 2) funding on 22 March 2024. The original bid was submitted in mid-December and this forms the basis of the project now being delivered. The grant was awarded via a competitive process with other local authority areas in England. The bid was submitted in partnership with Stagecoach and was devised by WNC following an initial scoping

exercise to determine an attractive investment proposition, that would maximise our chances of a successful bid.

- 5.2 The £9,365,523 of capital grant we have been awarded was one of the largest ZEBRA 2 allocations made. In summary the project is for the electrification of the urban bus fleet in Northampton in line with the grant criteria. This entails the introduction of 51 Zero Emission Buses (ZEBs) operating on 11 routes in Northampton. The ZEBs will be deployed from the Stagecoach depot in Main Road, Far Cotton, Northampton, which will have 23 chargers installed. The project will be primarily delivered by Stagecoach. Stagecoach will be responsible for procuring and operating the zero-emission bus (ZEB) fleet and its associated infrastructure. All assets purchased as part of the project will belong to Stagecoach.
- 5.3 Vehicle and infrastructure orders are being placed in 2024 to enable the new bus fleet to be deployed by the end of 2026. The current age profile of the Stagecoach fleet in Northampton is 8-12 years old. The new buses will help reduce carbon emissions from our transport system and improve air quality in Northampton, where there are already six Air Quality Management Areas. Later this year, the Council will also legally be required to declare a new Air Quality Management Area in the Bradshaw Street area near to the existing bus exchange in Northampton. The project is expected to save 76,708 tonnes of carbon dioxide emissions and reduce nitrogen oxides emissions by 27 tonnes over a 17-year period.
- 5.4 The new bus fleet will meet the latest accessibility standards set out by the DfT, including additional wheelchair and pushchair space, and induction loops for those with hearing loss. The modernised bus fleet will be attractive to passengers and will contribute to our targets to grow bus patronage. The grant will require all of the buses purchased as part of this grant to be operated in Northampton for at least 5 years.
- 5.5 Delivery of the project will support delivery of the our Local Transport Plan which is being developed for consultation commencing in July. The project will also support delivery of our Air Quality Action Plan and Environmental Policy. By improving air quality in Northampton and improving transport provision we are also contributing positively to our Anti-Poverty Strategy and public health objectives.

6. Issues and Choices

- 6.1 As part of the grant funding, WNC have signed up to the grant conditions and memorandum of understanding with the Department for Transport. WNC will be responsible for administering the drawdown of funding, scrutinising the bus operator's adherence to funding conditions, and discharging its commitments in relation to monitoring and evaluation. Other than revenue funding spent in 23/24 on the bid development and BSIP revenue grant being spent in 24/25 on administration associated with the ZEBRA grant allocation which together total less than £80k, WNC are not investing any of their own resources into the project, beyond officer time.

- 6.2 Before the bus operator can draw down the grant funding now held by the council, both parties will need to sign the funding agreement. Discussions are ongoing to finalise this agreement, which reflects the terms we have agreed with the DfT.
- 6.3 We have established a project board comprising officers from transport, legal, finance, procurement and communications, as well as representatives from Stagecoach which will maintain oversight of the project through to delivery. Project update reports will be provided to the DfT as and when required, as well as to the Enhanced Partnership. The Enhanced Partnership is chaired by the WNC Assistant Director Highways and Transport, and the Cabinet Member for Highways and Transport is a member.
- 6.4 An Equality Impact Assessment Screening for the project was submitted as part of the funding bid. This concluded the overall impact of the project would be positive.

7. Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 As stated in para 6.1, the council is not investing any of its own resources into the project delivery beyond officer time. Some revenue resource was spent on the initial bid in 2023/24, and some is supporting work on the funding agreement and administration of the grant in 24/25. The funding agreement will reflect this, and clarify responsibility for any cost overruns lies with the bus operator.
- 7.1.2 There are no resources or financial implications arising from the proposals.

7.2 Legal

- 7.2.1 The Council has power under Section 1(1) of the Localism Act 2011 to do anything which individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles (the 'general power of competence'). Section 111 of the Local Government Act 1972 also permits the Council to do anything whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The recommendations in this report are in accordance with these powers, as the Council may exercise its general powers of competence for the benefit of others.

As the Council has signed up to the grant conditions and Memorandum of Understanding (MOU) with the DfT, it will be responsible for ensuring compliance with the terms and conditions of that grant and the MOU. Further, the obligations and requirements imposed on the Council should be mirrored and passed down via documentation between the Council and the bus operator.

The Council is currently taking external legal advice on the form of grant agreement with the bus operator, ensuring its alignment and compliance with the DfT funding bid, funding terms, subsidy control regime and any other obligations.

Any grant funding agreement entered into between the Council and the bus operator will need to be sealed on behalf of the Council.

7.2.2 There are no specific legal implications arising from the proposals.

7.3 **Risk**

7.3.1 Initial risk register was submitted alongside the funding bid. This has been updated and will be maintained by the ZEBRA project board and reported on to the Enhanced Partnership and DfT.

7.4 **Consultation and Communications**

7.4.1 A communications plan will be developed for the project overseen by the Project Board. This will adhere to communications and branding terms provided by the DfT. It will also include engagement with internal teams with an interest in the project including Public Health, the Sustainability Team and the air quality officer.

7.5 **Climate Impact**

7.5.1 The project will have a positive impact on our efforts to reduce transport carbon emissions and support the council carbon reduction aims.

7.6 **Community and Poverty Impact**

7.6.1 The project being funded will benefit the communities of Northampton, which has the highest proportion of residents living in the top 20% deprived areas, by contributing to reduced vehicles emissions and improved air quality. They will also benefit from access to new modern buses according to the latest accessibility standards. Through the delivery of vehicle charging infrastructure at the Stagecoach depot, the project increases the potential for the rest of the Stagecoach fleet to become fully electric in the future benefitting communities beyond the Northampton urban area.

8. **Background Papers**

8.1 None.