



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.2

Zero Emission Bus Regional Areas (ZEBRA) Phase 2

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	28 July 2021
Public report:	Yes
Lead Member:	Mayor Nik Johnson
From:	Paul Raynes Director of Delivery and Strategy
Key decision:	No
Forward Plan ref:	Not applicable
Recommendations:	The Combined Authority Board is recommended to: <ul style="list-style-type: none">a) Note the contents of this paper.b) Delegate authority for the Director of Delivery and Strategy, in consultation with the Chair of the Transport Committee, to prepare, submit and publish a business case to the Department for Transport (DfT) for the ZEBRA Phase 2 application for alternative fuel buses and necessary infrastructure.
Voting arrangements:	A simple majority of all Members present and voting.

1. Purpose

- 1.1 This paper seeks authority to submit a fast track Phase 2 application to the Department for Transport's Zero Emission Bus Regional Allocation (ZEBRA) grant competition for funding of alternative fuel buses. The Authority's initial Expression of Interest was one of six out of 11 fast track applications to be progressed to the second competitive round. Because of the DfT's timescales, it will be necessary to submit the application between this Board meeting and the next.
- 1.2 DfT notified the Authority that we were being invited to prepare a second round submission at the end of June. The schedule for development and submission of the business case is set out in the table below:

Activity	Date
Submit first draft of Business Case	30/07/21
Submit final draft of Business Case	12/08/21
Submit Final Business Case Application	20/08/21
Publish Final Business Case	24/08/21

2. Background

- 2.1 On 21 May, the Combined Authority submitted an expression of interest (EOI) to DfT's ZEBRA fund.
- 2.2 The scheme has a fast track and a standard application process. Eleven authorities including the Combined Authority applied under the Fast-Track; 6 were invited to take part in Phase 2.
- 2.3 The EOI proposed that the Combined Authority would support operators to acquire 30 new zero emission buses to enter service in early 2022, together with the necessary infrastructure. This would form the initial phase of a continuous programme to make all buses in the area suitable by 2030. This would create a route for the Combined Authority to implement the recent recommendation of the Cambridgeshire and Peterborough Independent Climate Commission on decarbonising the bus fleet.
- 2.4 The EOI proposed one-for-one replacement of 30 diesel buses by electric buses. This would be supported by charging infrastructure at a bus depot, and facilities for opportunity charging to extend vehicle range.
- 2.5 The scale of the bid is determined by the DfT's requirement for the proposal to be deliverable by 2022. A larger and more ambitious bid would be likely to take longer to deliver, and involve more risks and uncertainties. It is also likely to be far more challenging to seek financial commitment from bus industry partners to a very large programme at the current uncertain time in the market, while the domestic supply chain for vehicles is also limited.

- 2.6 The EOI, and the stage 2 bid, have been developed in partnership with the Greater Cambridge Partnership, the Greater South East Energy Hub, Cambridgeshire County Council and Cambridge City Council. Bid development has also involved commercial bus operators and power suppliers who have been supportive. All these partners have a potential role in delivery.
- 2.7 Between now and the 20 August deadline, a joint team is working to express the proposal described at paragraphs 2.3-2-6 into a Green Book compliant five-case business case document which meets the DfT's guidance for the ZEBRA exercise. The business case is expected to follow the key points set out above and on that basis, and in the light of DfT's exacting timetable, delegated authority is sought through this paper to prepare the document and make the submission to DfT in August between Board meetings.

3. Financial Implications

- 3.1 The bid will be based on a contribution to the project costs from local government sources. At the EOI stage this was forecast at £4.5m, with GCP informally indicating that they would joint-fund this 50:50 with the CPCA if the bid were successful.
- 3.2 The development of the business case will establish in more detail the costs of the project, and thus the amount required from local government sources. By progressing with the business case development and submission, the CPCA are inherently indicating support for the project; however, there is currently no budget provision for this.
- 3.3 Following the completion of the business case for submission to DfT, the case will form the basis of a paper to the September CPCA Board in line with the Assurance Framework, and a parallel one to the GCP, requesting the required funding. This request will be outside of the current MTFP, but will be reported at the same time as the outcome of the current reprioritisation process so the Board will be able to take a holistic view across its portfolio.

4. Legal Implications

- 4.1 There are no significant implications.

5. Other Significant Implications

- 5.1 None

6. Appendices

- 6.1 None

7. Background Papers

- 7.1 None