

<b>Title</b>	Go North East Zero Emission Buses – Levelling up Fund and Zero Emission Bus Regional Areas 2
<b>Report of:</b>	Head of Transport Programmes
<b>Portfolio:</b>	Transport

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## Report Summary

The purpose of this report is to seek the enactment of the delegation provided to the Chief Executive at the July meeting of the North East Combined Authority (North East CA) Cabinet, to enter into a Grant Funding Agreement with Bus Operators for the provision of Zero Emission Buses, associated with £17.6m of Levelling up Fund and Zero Emission Bus Regional Areas funding which is provided to the region by the Department for Transport.

This Delegated Decision, specifically, requests that the Chief Executive, enters into a Grant Funding Agreement with the Bus Operator Go North East for the purchase of 29 Zero Emission Vehicles and associated infrastructure totalling £9.08m

## Recommendations

In line with the delegation provided at the June meeting of the North East CA Cabinet, the Chief Executive is recommended to:

- Enter into a Grant Funding Agreement with Go North East to the value of £9.08m to deliver 29 Electric Buses and associated infrastructure.

## A. Context

- 1.1 Prior to the formation of the North East CA, the North East Joint Transport Committee co-ordinated and submitted bids to both the Levelling up Fund and the Zero Emission Bus Regional Areas 2 programmes, on behalf of the region, and in partnership with the three major Bus Operators in the region Go North East, Stage Coach and Arriva.
- 1.2 In January 2023, Government announced that the North East would be awarded £19.59m of Levelling up Funding, including £16.29m for the delivery of 52 Zero Emission Buses and associated infrastructure (18 of which are for Go North East), in December 2023 a Memorandum of Understanding was signed between the Joint Transport Committee and Government for the release of funding, to date, £8.8m has been received, with further staged payments anticipated in January 2025 and July 2025.
- 1.3 In March 2024, the Joint Transport Committee was awarded £7.4m from the Zero Bus Regional Areas 2 fund, for the provision of a further 43 Zero Emission Buses (11 of which are for Go North East), to date the region has received grant funding totalling £5.8m, with a remaining payment of £1.59m anticipated in January 2025.
- 1.4 In February 2024, the Joint Transport Committee entered into a grant funding agreement with Stage Coach totalling £6.03m of funding for the provision of 20 Zero Emission Buses.

- 1.5 This decision will allow the Combined Authority to enter into a Grant Funding Agreement with Go North East to the value of £9.08m for the provision of in total 29 Electric Buses and associated infrastructure. With a further agreement with Arriva to follow in due course.
- 1.6 Grant Funding Agreements (GFA) have been developed, prepared, and approved by Newcastle City Council Legal. Clear roles and responsibilities have been established concerning the design and development of the infrastructure required to facilitate the operation of the Zero Emission Buses, including ensuring compliance with Health and Safety and CDM regulations.
- 1.7 Independent Subsidy Control Advice has been secured alongside a subsidy principles assessment. The subsidy is considered to be below the threshold for mandatory referral and does not require voluntary referral. It is adjudged that the subsidy is for a required need and is the minimum level of subsidy necessary without onward market distortion. Control mechanisms have been implemented in the contract including caps on funding to ensure the minimum subsidy is provided and that the vehicles and infrastructure provided will be used for their intended purposes for a minimum of 5 years in line with Grant Funding Conditions from the Department for Transport.

## **B. Impact on North East Combined Authority Objectives**

The programme of activity delivered by Levelling up Fund and Zero Emission Bus Region Areas supports the strategic aspirations of the North East CA, as detailed in the North East Devolution Deal signed in December 2022 and the Deeper Devolution Deal agreed at the June meeting of the North East CA Cabinet. The benefits that will be realised through the delivery of enhanced zero carbon public transport options, will assist in delivering a fairer and greener North East.

## **C. Key risks**

Approval and agreement of the proposals outlined within this report aid in the delivery of the Levelling up Fund and Zero Emission Bus Regional Areas programmes, the main risk associated with this report relates to delivery within timescales required by the Department for Transport as grant funder, with vehicles required to be operational by March 2026.

## **D. Financial and other resources implications**

The total amount of funding associated with this delegated decision report is £9.08m, supported by an additional £8.2m in match funding from Go North East.

The profile of expenditure is as follows:

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Total Grant (£)	£0.00	£1,816,075.49	£7,264,301.96	£9,080,377.45
Total Match Contribution (£)	£0.00	£1,641,392.43	£6,565,569.72	£8,206,962.15

## **E. Legal implications**

Comments of the representative of the Monitoring Officer are included in the body of the report.

## **F. Equalities implications:**

The North East CA follows the [Public Sector Equality duty](#) and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024 the North East CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader. In relation to this activity buses are designed to be accessible in their design. In addition, additional social and added value has been secured through the contract including the use of the local supply chain, apprenticeships and volunteer activity.

**G. Consultation and engagement**

Both the Levelling up Fund and Zero Emission Bus Regional Areas programme has been consulted on and considered through Heads of Transport of the LA7 constituent authorities, through the Joint Transport Committee and funding was approved at the July meeting of the North East CA Cabinet.

**H. Background papers**

Confirmation of Levelling up Funding award can be found at the following website: [Levelling Up Fund Round 2: successful bidders - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/levelling-up-fund-round-2-successful-bidders)

North East Combined Authority Agenda pack July 2024: <https://www.northeast-ca.gov.uk/downloads/2709/neca-cabinetagenda-11-june-2024.pdf>

Joint Transport Committee agenda January 2024: <https://www.northeast-ca.gov.uk/downloads/632/tne-jtcagenda-16jan24.pdf>

**I. Contact officers.**

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**J. Glossary**

North East CA	North East Combined Authority
JTC	Joint Transport Committee
ZEBRA	Zero Emission Bus Regional Areas 2
DfT	Department for Transport
LUF	Levelling up Fund Round 2

**K. Sign-off**

1) Cabinet Member: Yes	2) Director: Yes	3) Director of Finance and Investment: Yes	4) Monitoring Officer: Yes
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