

Title: Arriva Northumbria Limited Zero Emission Buses – Levelling up Fund
Report of: Head of Transport Programmes
Portfolio: Transport

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 Arriva Northumbria Limited for the purchase of 14 Zero Emission Vehicles and associated infrastructure totalling £3.96m.

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 Arriva Northumbria Limited to the value of £3.96m to deliver 14 Electric Buses and associated infrastructure.

A. Context

Prior to the formation of North East CA the North East Joint Transport Committee co-ordinated and approved a bid to the Levelling up Fund, on behalf of the region, and in partnership with the three major Bus Operators in the region Go North East, Stage Coach and Arriva.

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 (14 of which are for Arriva), 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 by end January 2025 and July 2025.

In February 2024, the Joint Transport Committee entered into a grant funding agreement with Stage Coach, and in November 2024 North East CA entered into a grant funding agreement with Go North East. This decision will allow the Combined Authority to enter into the final outstanding Grant Funding Agreement with Arriva Northumbria Limited to the value of £3.96m for the provision of in total 14 Electric Buses and associated infrastructure.

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.

Subsidy Control advice was previously undertaken by the Department for Transport concluding it was permissible subsidy with the subsidy published in December 2023 on the Subsidy Database.

B. Impact on North East Combined Authority Objectives

The programme of activity delivered by Levelling up Fund 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 programme, 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 £3.96m, supported by an additional £3.9m in match funding from Arriva.

The profile of expenditure is as follows:

	2023/24	2024/25	2025/26	Total
	£	£	£	£
Total Grant	-	792,860.34	3,171,441.34	3,964,301.68
Total Match Contribution	-	780,000.00	3,120,000.00	3,900,000.00

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

The Levelling up Fund programme was agreed and developed through the former Joint Transport Committee. The programme has been consulted on and considered through Heads of Transport of the LA7 constituent authorities. The North East CA cabinet approved funding at its July 2024 meeting.

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

CDM	Construction (Design and Management) Regulations.
North East CA	North East Combined Authority
JTC	Joint Transport Committee DfT Department for Transport
LUF	Levelling up Fund Round 2

K. Sign-off

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