



Department  
for Transport

# Zero Emission Bus Regional Areas Scheme – 2021 to 2022 Application Form

## Call for Expressions of Interest

### Applicant Information

Local transport authority:	<b>CAMBRIDGESHIRE &amp; PETERBOROUGH COMBINED AUTHORITY (CPCA)</b>
Area within authority covered by bid:	<b>CAMBRIDGE</b>
Bid Manager Name and position:	<b>OLIVER HOWARTH, BUS STRATEGY MANAGER</b>
Contact telephone number:	<b>07923 218438</b>
Email address:	<a href="mailto:oliver.howarth@cambridgeshirepeterborough-ca.gov.uk">oliver.howarth@cambridgeshirepeterborough-ca.gov.uk</a>
Postal address:	<b>CPCA, 72 Market Street, Ely, Cambs, CB7 9HX</b>

### Submission of proposals:

Proposals must be received no later than 17:00 on the following days:

- **Fast track process** - 5pm on 21<sup>st</sup> May 2021
- **Standard process** – 5pm on 25<sup>th</sup> June 2021.

You will receive confirmation that we have received your proposal within 1 working day.

An electronic copy only of the bid including any supporting material should be submitted to [buses@dft.gov.uk](mailto:buses@dft.gov.uk).

Please include “**ZEBRA (Fast track Process) Local Transport Authority name**” in the subject line of the email if you are applying under the fast track process.

## SECTION A: Mandatory Questions

Areas must satisfactorily answer all of the questions in this section to be eligible to progress to Phase 2 of the scheme. If you would like further information, please contact the Department for Transport at [buses@dft.gov.uk](mailto:buses@dft.gov.uk).

Areas must provide the information requested in questions A1-A5.

### A1. In total, how many new zero emission buses will your proposal deliver?

We seek to acquire 30 new zero emission buses to enter service in early 2022 (to fit with power and infrastructure completion). These will form the initial phases of a rolling programme to replace all suitable buses by 2030.

### A2. Total DfT funding sought (£m)

*While there is no minimum or maximum size for bids the department is interested in supporting at least three areas across the ZEBRA scheme as a whole, so we expect to see schemes that are approximately £25m – £35m. This is designed to encourage a wide range of bidding areas to come forward and to ensure DfT are able to fund at least three areas across the whole scheme.*

Total DfT funding sought is £4.215m.

### A3. Third party funding contributions (£m)

Commitment has been obtained from a bus operator for £6.9M + VAT of TP funding for Yr 1 delivery.

### A4. Funding from other government schemes (£m)

The Cambridgeshire & Peterborough Combined Authority and the Greater Cambridge Partnership have jointly agreed to provide £4.8M of funding for this project (of which £300,000 is VAT).

### A5. Total cost of the proposal (£m):

*This should include DfT funding as specified in A2, any third party contributions as specified in A3 and any funding from other government schemes as specified in A4.*

£15,615,000

**Areas must be able to answer yes to question A6-A12 to be able to progress to Phase 2.**

**A6. If your bid is successful, are you able to invest DfT funding within the time outlined by your scheme?**

**YES.**

**A7. If your bid is successful, are you able to capitalise DfT grant funding?**

**YES**

**A8. Have you considered whether additional zero emission buses are needed to replace existing buses?**

**YES** – we intend to carry out a one-for-one replacement of diesel buses by electric buses through a process of opportunity charging to extend vehicle range. The total peak vehicle requirement for these services will rise by one bus from 28 to 29 and under this scheme 30 vehicles (make not yet agreed) will be acquired. Two EVs already owned will provide additional maintenance cover.

**A9. Have you provided a breakdown of infrastructure costs for your proposal?**

**YES**

**A10. Does your proposal have the support of bus operator(s) in the area?**

**YES**

**A11. Have you spoken with any energy companies when preparing your proposal?**

**YES** – Formal budget estimate asked for, and received, from UK Power Networks, for a suitably sized metered service. (This estimate is an attached appendix.)

**A12. Does your proposal comply with the accessibility requirements set out in the scheme guidance?**

**YES** – all vehicles purchased will be specified with the PSVAR additional equipment listed by DfT on this form

## SECTION B. Defining the place

- Cambridge is one of the most complex cities in Britain for public transport to serve. Its mediaeval centre, which contains the core of the University, lies inside a semicircle of the River Cam, which blocks vehicular access to the core from the North and West, whilst the main railway station is over a kilometre southeast of the CBD. The city is the fastest growing in Britain, a centre of world-leading innovation with a vibrant economy, rapid population growth and a series of consequential transport challenges including heavy congestion and air quality issues.
  - The defined area for this bid is the City of Cambridge as marked by the boundary of the Cambridge City Council but with extensions beyond that boundary to our five park & ride sites at Milton, Newmarket Road, Babraham Road, Trumpington and Madingley. Our defined area does not cover any of the rest of Cambridgeshire nor the City of Peterborough.
  - Within this defined area there are two significant bus operators and three small operators.
  - Stagecoach East have 130 buses based at their Cambridge depot and another 70 of their buses run into the city from other depots. They run eight Citi routes which run at medium-high frequencies between the city's suburbs and its central core; and they run five commercial park & ride services at ten minute frequencies. In addition they run into the city from St Neots, Royston, Haverhill, Newmarket, Ely and from St Ives and Huntingdon. The last two towns benefit from the extensive guided busway linking them to Cambridge on reserved track. Stagecoach's market share of passenger journeys in the defined area is [REDACTED]
  - Whippet Coaches run around 20 buses on tendered bus services and 20 coaches on Flixbus express services. Their biggest route is the Universal, run with 10 buses on behalf of Cambridge University, connecting colleges with lecture halls and research facilities. Whippet's share of passenger journeys in the defined area is around [REDACTED]
- [REDACTED] An hourly service linking estates east of the central core, five mornings a week is provided by A2B Travel Group. On Saturday mornings the same service is run by Starcabs. On Fridays a short local link is provided by Myalls Coaches. Three mainly rural operators provide infrequent tendered services into the city - [REDACTED]
- Our proposal is to convert the five Park & Ride services in order to reduce the number of cars entering the city core; and to convert cross-city service Citi 2 linking Cambridge North rail station to Addenbrookes via Chesterton, City Centre and Romsey. This is part of **our strategic proposal to improve air quality by concentrating zero emission buses into our principal AQMZ in order to maximise the health benefits.**
  - In a typical daytime hour, Stagecoach operate 106 departures from central Cambridge, Whippet 12 departures and other operators <1. Under these proposals, the number of departures from the city core run by ZE buses will rise from 2 to 38 - or around 32%.

## SECTION C: Ambition

### C1. Public transport ambitions

The Combined Authority ambition is to decarbonise the bus fleet across the LTA area. This bid would deliver on that ambition by forming the first year of the rolling programme to replace all diesel buses with zero carbon buses. This ambition is supported by the report of the Independent Cambridgeshire and Peterborough Commission on Climate, chaired by Baroness Brown, in March 2021, which recommended the bus fleet should be zero emission on all routes by 2030.

Cambridge City is a vital intellectual and economic national asset, generating more patents per head than anywhere else in the UK, and it competes on a global stage. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) described the role of the University as one of the global top ten, and the life sciences, bio-tech and technology sectors clustered in and around the city as a model of sustained growth. To support these sectors the adopted Local Plans for the area allocate significant employment and housing growth that is seeing the City grow by a third over the period to 2031.

Our Local Transport Plan sets out the agenda for tackling that transport infrastructure requirement, supported by the City Deal. The LTP focuses on increasing modal shift to passenger transport, to accommodate that growth, whilst giving measurable improvements in air quality, accessibility, and public health. In light of the Independent Commission report, CPCA is refreshing the LTP to go even further in the response to climate change (and Covid-19 impacts). An Alternative Fuelled Vehicle Strategy is part of that refresh.

The GCP's sustainable transport programme will provide extensive new public transport and active travel infrastructure to support modal shift. In addition, the GCP's city access programme includes several projects supporting improvements to air quality including additional access restrictions for private vehicles, a freight consolidation pilot, development of a new parking strategy to encourage use of sustainable transport, new sensor technology at traffic signals to better prioritise bus and cycle trips, and electric DRT as part of developing MaaS.

Overall there are around 350 buses operated on the urban and interurban bus network across the CPCA area and in this bid we are looking to replace 10% of that fleet. This bid fits into our vision of **a rolling programme** to replace 30-35 buses a year across the combined authority in order **to decarbonise the entire network affordably, progressively and systematically.**

In the last eighteen months we have built new strong links with our bus operators, with regular partnership meetings with them, which we are formalising under an independent (academic) chairperson ready for the National Bus strategy. This has been of great benefit in delivering on Better Deal 4 Buses where the grant funding has delivered four new bus services, three of them of strategic network importance across the Authority area.

In April 2021 CPCA brought in house the Cambridgeshire and City of Peterborough bus teams to centralise and re-energise our policies such as reintroducing bus stop information and integrated through fares.

## **C2. Community benefits**

We see ZEBRA as a transport, climate change and public health policy. The newly-elected Mayor places strong emphasis on public health, bus market reform, and tackling climate change. Through harnessing ZEBRA, BSIP and bus market reform we want to rapidly get to the stage of declaring that all new buses in the CPCA Area will in future have to be zero emissions vehicles. As a comparatively poorly funded shire county we need to use the ZEBRA scheme to kick start this process.

### **Local Transport Plan**

Our LTP is very clear that we want to build a transport system of the highest quality on a global stage, which meets the needs of residents, businesses, and visitors; and which will support the delivery of future economic and housing growth across the region that enhances overall quality of life, supports the transition to a net zero carbon economy and protects or enhances the environment.

As part of this our LTP is also clear that our bus network should support access to jobs, services and education for all, irrespective of income, age, ability, location, or access to a car – “access for all” – and this will be a key community benefit that will stem from our BSIP. The overarching requirement of our Vision For Bus is “Access For All”.

### **CPIER**

The Cambridgeshire and Peterborough Independent Economic Review (CPIER) published its final report in September 2018, which was developed by the Cambridgeshire and Peterborough Independent Economic Commission (CPIEC).

The report evidences the very fast rate of economic and employment growth in the region, and highlights the importance of planning now to ensure that strong growth will be sustainable and more inclusive. CPIER’s KEY RECOMMENDATION #7 states “A package of transport and other infrastructure projects to alleviate the growing pains of Greater Cambridge should be considered the single most important infrastructure priority facing the Combined Authority in the short to medium term.” This bid is a key part of meeting this requirement by delivering zero emission bus services which are targeted primarily at motorists to create modal shift whilst reducing emissions in our major Air Quality Management Zone (AQMZ) in the very heart of Greater Cambridge.

This proposal will tackle major concerns about air quality and public health. By targeting the zero emission buses into the AQMZ on short, cross-city services, 32% of bus departures will be zero emission. By banning the cascade of any existing Euro 6 buses to outside the CPCA area, further health benefits can be realised through the elimination of Euro 4 and Euro 5 buses. If this ZEBRA is successful, the CA intends to use bus market reform to ban new diesel buses from our bus routes from next year.

## **C3. Support for your proposal and wider vision**

We have engaged with many different bodies as part of this ZEBRA bid.

Bus operators – we have engaged with our principal bus operators, specifically with all those able to fund new diesel vehicles themselves and with a history of fleet investment.

These are

Cambus Ltd trading as Stagecoach East

[REDACTED]  
[REDACTED]

Stagecoach have stated that, should they be preferred after our procurement process, they are committed to buying up to 30 doubledeckers for this bid, putting in £230,000 per vehicle – a gross funding offer of £6.9 million + VAT. Letters of support are attached from Darren Roe, MD of Cambus Ltd, and Martin Griffiths, CEO of Stagecoach UK.

[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

Power suppliers – we are in direct talks with our local DNO which is UK Power Networks and also with their trading arm, UK Power Networks (Services) Ltd, whom we are engaging as electric power consultants for this project. No other DNO has a significant power line in the Cambridge area and connectivity is the issue we have been seeking to solve. By committing to UKPN, they have been extremely helpful, shortening a 90 day turnaround to 3 days.

To establish the charging needs of electric vehicles and the price of various options we have spoken in some detail directly with [REDACTED]. For the business case we would go out to procure vehicles from all potential suppliers..

CPCA is the Accountable Body for the Greater South East Energy Hub which works collaboratively with LEPS and member local authorities across the greater south east to coordinate and support the development of priority projects to investment readiness. The decarbonisation of large engines and the associated zero emission infrastructure is a priority project, the Energy Hub is working with KTN Innovation Exchange (iX) to bring together innovators and commissioners to develop novel solutions for Net Zero places.

We have had talks with two suppliers of hydrogen to establish its viability – Ryse and Air Products – and have determined that at present H2 is too bulky to deliver to Cambridge in the quantity we would require, in an environmentally acceptable manner.

NEC AAP Public Partnership – we have engaged closely with Greater Cambridge Planning Services and their team working on the North East Cambridge Area action Plan to investigate the merits of different bus depot sites. We have confirmed that Cowley Road will remain a bus depot for at least 5-10 years.

GCP – The Greater Cambridge Partnership are developing various concepts for public transport within their City Deal and as part of this are redeveloping one of the Park & Ride sites. This involves negotiations on the siting of bus opportunity charging capacity.

Cambridgeshire County Council own and run the five Park & Ride sites and therefore we are working closely with CCC which all parties recognise is a vital opportunity for the city and county.

City of Cambridge Council declared an emergency AQMZ in 2004 but only with ZEBRA has an opportunity arisen to tackle the root of the problem. The City Council is very keen to deliver the ZEBRA bid and is working hard to support it. A letter of support is included.

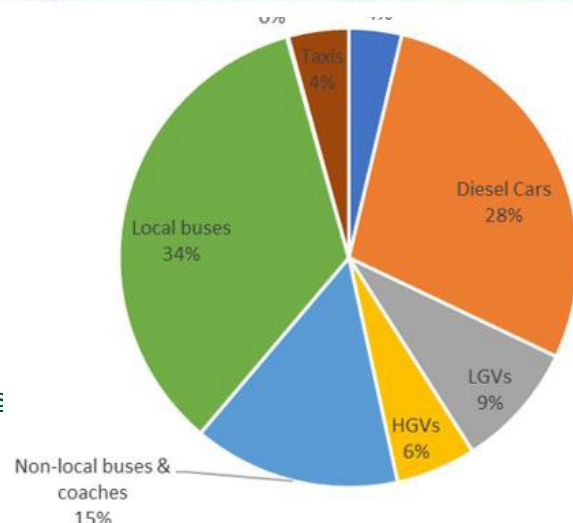
## SECTION D: Air Quality

Cambridge City has air quality issues with areas exceeding legal limits in the last five years. Over 100 deaths in Greater Cambridge are attributable to air pollution each year. Buses are the largest single contributor to emissions.<sup>1</sup> Without action, air quality is predicted to deteriorate with planned growth. The zero emission buses will be focused on running 32% of hourly departures in the air quality management area.

2004 saw high levels of pollution, particularly Nitrogen Dioxide, leading to an Air Quality Management Area being declared for central Cambridge (see Appendix) which remains in place today.<sup>2</sup> Proactive intervention alongside improvements in vehicle technologies has reduced instances of breaches of UK air quality objectives. Measures have included physical restrictions on private vehicles; extensive Park&Ride and Busway systems; an electric taxis policy, and the UK's highest cycling mode share. However, with economic success and high levels of growth the air pollution situation remains close to exceedance of UK Standards with some monitoring locations between 35 and 40 $\mu\text{g}\cdot\text{m}^{-3}$  for annual mean Nitrogen Dioxide, with a high risk of deterioration without further intervention. None of the city is compliant with World Health Organisation standards for particulate concentrations.

Analysis shows that buses account for 49% of NO<sub>x</sub> emissions within the city centre and a high

Annual average NO<sub>2</sub> concentrations, central Cambridge, 2017,  $\mu\text{g}\cdot\text{m}^{-3}$



<sup>1</sup> <https://consultcambs.uk.engagementhq.com/1836/documents>

<sup>2</sup> [https://uk-air.defra.gov.uk/aqma/details?aqma\\_ref=311](https://uk-air.defra.gov.uk/aqma/details?aqma_ref=311)



correlation between concentrations of NOx and the Cambridge bus station and bus routes. Current planned urban growth of 30% for Cambridge is predicated on a three-fold increase in public transport. This would lead to a considerable worsening of air quality within the historic centre without adoption of zero emissions vehicles.

A Clean Air Zone Feasibility Study<sup>3</sup> published by the GCP demonstrates that, without intervention, this growth means a risk of continued exceedances for the next decade, with some areas seeing worsening air quality.

The EV buses would operate on routes through the AQMA which are currently served by Euro VI buses. With 32% of departures being zero emission and the released Euro VI buses replacing Euro IV and V on other AQMA routes represents a reduction in bus emissions in the city centre/AQMZ by 40-45%.

Plans to tackle air quality are set out in the Combined Authority's LTP as well as the Air Quality Action Plan.<sup>4</sup> This includes the GCP's sustainable transport programme which will provide extensive new public transport and active travel infrastructure to support modal shift.<sup>5</sup> In addition, the GCP's city access programme includes several projects supporting improvements to air quality including additional access restrictions for private vehicles, a freight consolidation pilot, development of a new parking strategy to encourage use of sustainable transport, and new sensor technology at traffic signals to better prioritise bus and cycle trips.

## SECTION E: Value for Money

This section will seek evidence how you meet the Value for Money criteria, as set out in the guidance. Areas are also required to submit a separate value for money proforma that has been published alongside the application form. This spreadsheet requests basic information about the proposed investment to enable the value for money to be assessed using the Department's "**Greener bus model**".

**Provided in same email**

## SECTION F: Deliverability

### F1. Method of delivery and timescale for implementation

We aim to complete a business case by July in order to enable us to run a short competitive exercise to allocate funding – which we believe is necessary under the new Subsidy Control Framework - over the late summer. Buses would be purchased by the operator and charging infrastructure installed during the autumn and winter to allow the new buses to be running in the first quarter of 2022.

This timetable carries a high degree of confidence. The Combined Authority has an established track record of preparing robust business cases and funding competitions at

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<sup>3</sup> <https://consultcambus.uk.engagehq.com/1836/documents/2050>

<sup>4</sup> Air Quality Action Plan [Executive summary \(cambridge.gov.uk\)](#)

<sup>5</sup> <https://www.greatercambridge.org.uk/greater-cambridge-sustainable-travel-programme>

pace (we have cut times in half compared to the area's pre-CA performance). We have willing operators, with a good supply chain relationship, fully committed to the project (subject to the requirement for a funding competition) and a robust partnership with other local transport and energy organisations.

The services we aim to decarbonise are the five Cambridge Park & Ride routes and the Citi 2 service. The proposal involves purchasing 30 electric double-decker buses and deploying them from one depot to operate on two groups of short city routes. We have worked closely with Stagecoach to establish that their depot is suitable, operationally, technically and in terms of scale and type of electricity supply. However we are open to other bids and have had discussions about decarbonising Cambridge University's Universal service, run for them by Whippet Coaches.

### **Park & Ride**

The five park & ride services run commercially by Stagecoach into central Cambridge are essential to keep traffic moving in the city. Together they contribute 3,500 car parking spaces. To run these services Stagecoach allocates 22 modern Euro6 double deck buses to these services. Each park & ride service has 4-5 buses painted in a distinctive colourscheme which remain permanently on that route. Part of our solution is to interwork the five routes with buses in one colourscheme with colour identification of each route delivered by full colour destination blinds. By interworking the five ten-minute services, the 22 buses will operate on all five routes several times a day. We intend to fit two bus charging towers into Babraham Park & Ride site in south east Cambridge. Babraham is being reconfigured shortly to install solar panels over the car park spaces as an electrical power generator. Investigations have confirmed that there is sufficient power to rapid-charge a bus. The second tower will act as back up to avoid a single point of failure. All the new buses will have roof rails supporting a contact system for rapid-charging without human intervention. With this intervention every 3 hours 40 minutes, we believe a 170 mile operating day for each bus is attainable without extra vehicles.

### **Citi 2 service**

Citi 2 is a 10 minute frequency bus service running from Addenbrookes Hospital, south of the city, serving Romsey then through the city centre and on to Chesterton before terminating at Cambridge North station. This northern terminus is around 300 metres from the Stagecoach depot in Cowley Road allowing opportunity charging to be carried out by driving a bus into the depot, and driving out a recharged one. With a fairly short route employing 6 buses, it is expected that the hourly changeover of one bus will increase the peak vehicle requirement by one.

### **Fleet strategy**

Our fleet strategy is to support the replacement of 10% of the bus stock per year, cascading ZEBs through the system and achieving full fleet replacement within the decade. The ZEBRA fund will kick that off, protecting the taxpayer by retaining the option of funding the remaining conversions through operators' balance sheets, encouraged by future franchising rather than upfront subsidy. The rationale for this replacement strategy is that it allows us to take advantage of developing technology, and

1) it does not commit us irrevocably to a single moment's technology

- 2) it spreads the mid-life battery replacement risks and costs so as to improve the trading position;
- 3) it is deliverable within incremental and affordable improvements to electricity supply;
- 4) it caps the risk of over-investing in infrastructure at a bus depot which, may need to be relocated by the end of the decade due to economic regeneration.

The Greater Cambridge Partnership and Stagecoach jointly funded two ADL 400MMC-EVs that entered service in January 2020 but they have proved not to have sufficient battery capacity for a full day's mileage. The remedies are a better sized electrical feed to the Cowley Road depot and opportunity charging during the day. With these in place there will be 32 EV double-deckers available, 22 for park & ride; 7 for the Citi2; and 3 providing 10% spare for breakdowns, RTAs and servicing.

### **Depots & power**

We have undertaken a wide-ranging review of bus depots and potential depots in and around Cambridge. Only one is suitable to house 30 buses and their electrical charging equipment, at Cowley Road. The main depot site is owned by Stagecoach although the northern-most part is leased to give additional capacity – itself an indication of the strength of the Cambridge bus market pre-Covid. As the site is an existing bus depot, planning permission is not required.

Extensive engagement with power engineers and the bus manufacturers has sized the requirement at 1.5 MW of power required overnight and the initial budgeting work from UKPN has offered 1.5MW for 5.5 hours each night (2300-0430) at an infrastructure/wiring cost of £57,000, which is a lower than expected figure. However we understand that there are other costs: see appendix. After extensive investigation, we can state the infrastructure price should not exceed £1,500,000 to run 32 doubledeckers.

We are aware of the need to factor in battery life and electricity costs but believe that needs to wait for the Business Case stage.

### **Timescale**

Our aim is to put the 30 new buses into service in Q4 of 2021/22. This is consistent with the power connections identified and civils work required both at Cowley Road and Babraham. A project plan will be supplied in the Business Case.

## **F2. Monitoring and evaluation**

The Combined Authority's approach to monitoring and evaluation (M&E) is governed by our assurance framework and our annually refreshed M&E framework that (under the terms of the devolution deal) is shared with government for approval each year.

The assurance framework requires project managers to identify, at the initiation stage, what their project is to deliver; with all projects developing a logic model detailing the inputs, outputs, outcomes, and impact to be achieved. The M&E framework has a tiered approach to monitoring and evaluation; this project would be classified as tier C, funded outside of core devolution deal funds *“the project [has been] identified as one where significant learning is available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered ‘pilots’. If so*

*evaluation work in this case would be either be commissioned independently or carried out locally within the public sector”.*

The Combined Authority has strong links with best practice in M&E through the ‘What Works Centre for Local Economic Growth’ (LSE) and partner work with Cambridge University. We employ a dedicated monitoring and evaluation manager who will oversee the development of the logic model and the M&E plan for the delivery of the 60 zero emissions buses. The reporting arrangements for monitoring work would be to the CPCA Transport Committee (with additional input from the relevant scrutiny panel) and to the Climate Change Working Group (a sub-committee of the board) which is monitoring our delivery of carbon reduction following the report of our Independent Commission on Climate Change. At present the outline M&E plan for zero emissions buses has three stages.

Stage one will be a process evaluation looking at the implementation of the first 30 new buses (by September 2022) and carrying forward the learning into the next phase. Issues to be considered would largely be technical, organisational, and financial. Stage two will be an interim assessment on the progress toward achieving the desired outcomes for the project and is likely to focus on a detailed analysis of the impact on air-quality (compared to a base-line report on data collected pre-implementation). Stage three would be conducted up to five years after implementation and focus on the achievement on desired impacts including on public health.

The Combined Authority is committed to sharing this learning from evaluation with the Department of Transport and other local authorities and operators. It is expected that there will be considerably early interest in the stage one report as it will provide considerable learning around the implementation of a zero emissions fleet. Stage two and three will be shared in line with the wider reporting arrangements for the devolution deal; we expect the findings to feature as part of our future gate-way government evaluation demonstrating that the authority remains effective at delivery and securing future benefits.

### **F3. Procurement, State Aid and subsidy rules**

CPCA’s Procurement Team review all projects on a case by case basis to determine and assess the nature of the expenditure, its contractual value and the optimal means by which to achieve a value for money compliant process. This includes market engagement, risk analysis and a review of best practice.

CPCA is familiar with the UK Subsidy Control regime.

EU State Aid Rules ceased to apply to UK Law on 1.1.2021 and is replaced by (a) Public International law obligations under WTO subsidy control mechanisms; (b) A UK domestic subsidy control regime (pending) and (c) EU/UK Trade and Co-operation Agreement (“TCA”) incorporated into UK Law by section 29 European Union (Future Relationship) Act 2020 .

CPCA is cognisant of the BEIS published guidance (on 31.12.2020) for public authorities, Complying with the UK’s international obligations on subsidy control: guidance for public authorities which it has regard to when providing subsidies and the 5 steps that CPCA (as a public authority) must consider when awarding subsidies from 1 January 2021:

CPCA acknowledges that the TCA's subsidy control provisions (Chapter 3 of Title XI-which applies to goods and services) are of direct relevance to subsidies it grants and are required to meet the terms of all of the 'principles' set out in the TCA ( or expose itself to a risk of challenge by way of judicial review). TCA defines a 'subsidy' by way of its four-fold test all four elements of which need to be established.

CPCA is familiar with the transparency obligations of publishing details of all subsidies it grants or maintains on its official website to enable any "interested party" to assess compliance.

CPCA will not grant a subsidy "where it has or could have a material effect on trade or investment between the Parties", (germane in relation to how CPCA intends to allocate any grant funding received to operators should its bid be successful) and ensures compliance with TCA by having in place an effective system of subsidy control determining that the granting of an individual subsidy respects the six principles.

CPCA actively avoids the grant of any prohibited subsidy (prohibited per se-Article 3.5 of Title XI). The lawfulness of any other subsidy would be actionable only where it has, or could have, a negative effect on UK/EU trade and investment. The threshold of negatively affecting UK/EU trade and investment is unlikely be met in most cases by the award of a grant per se but the risk that it may distort competition within the UK may be increased particularly where given to only some economic actors in a particular geographic region such as CPCA Transport Authority area. CPCA intends to mitigate any such risk by awarding grants, resulting from any successful bid for ZEBRA funding, to local bus operators only after the conclusion of an open, transparent, competitive bidding exercise, run and managed by CPCA's procurement team, for the award of any such subsidy.

## **APPENDICES**

All word counts checked.

**All but one of the appendices are in the attached folder. They include the Authority bus map; designated area bus map; proposed ZEB bus map; list of infrastructure outline costs; letters of support.**

Appendix 1) Air Quality Management Zone map (below

Supporting information to section D (Air Quality)

Map - Designated Air Quality Management Area

