

**Divisions Affected – N/A**

**DELEGATED DECISIONS BY CABINET MEMBER FOR  
INFRASTRUCTURE AND DEVELOPMENT STRATEGY**

**22 February 2024**

**Zero Emissions Zone Contracts Procurement and Award**

**Report by Corporate Director of Environment and Place**

**RECOMMENDATION**

1. The Cabinet Member is **RECOMMENDED** to:
  - a) Delegate authority to the Corporate Director of Environment and Place in consultation with the Head of Legal and Deputy Monitoring Officer and Section 151 Officer to negotiate, complete and enter into all contracts and agreements which are required in relation to the expanded Zero Emission Zone (ZEZ) scheme in Oxford.

**Executive Summary**

2. Oxfordshire County Council is committed - subject to consultation and final scheme approvals - to implementing an expanded Zero Emission Zone (ZEZ) in the centre of Oxford.
3. The key decision will enable the ZEZ expansion scheme development and assessment supplier to be commissioned. On finalisation of the scheme definition and approval to proceed to implementation stage, the civil works, the Automatic Number Plate Recognition (ANPR) camera equipment, the IT solution, the monitoring and evaluation and the communication and engagement activities will be planned and procured.
4. This report seeks to ensure authority is in place to enter into all forthcoming contracts and other such agreements for the ZEZ scheme in Oxford.

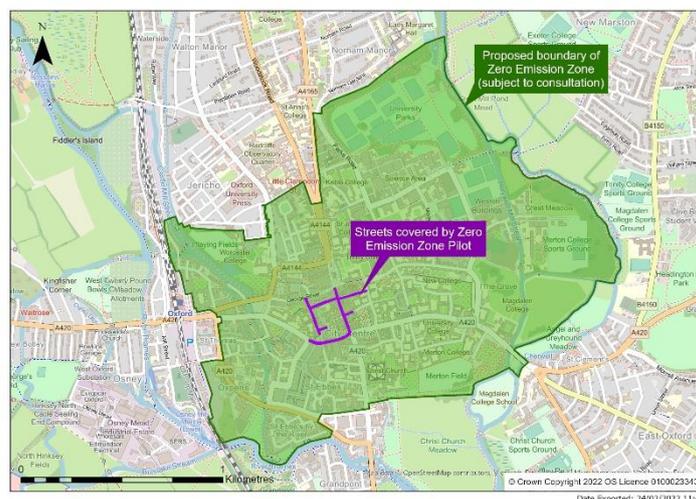
**Background**

5. Vehicle emissions are one of Oxford's most significant causes of air pollution. They are harmful to human health and contribute to climate change. The county council's Local Transport and Connectivity Plan and Central

Oxfordshire Travel Plan include proposals for a Zero Emission Zone in Oxford city centre to encourage people to switch to zero and lower emissions vehicles and make other positive changes in their travel behaviour.

6. In Oxford, a ZEZ Pilot scheme, covering a small number of city centre streets, was introduced in February 2022 to test the back-office systems before introducing an expanded scheme.
7. A ZEZ covering a larger area of the city centre (see Figure 1) is proposed. This will be informed by experience from the ZEZ Pilot, albeit with changes to the scheme including charges, exemptions and discounts (subject to detailed technical work and the outcomes of consultation).
8. The scheme would be implemented using powers available under the Transport Act 2000 and is proposed to help accelerate the transition to zero and lower emission vehicles as well as encouraging modal shift from private car to public transport, walking and cycling.
9. The scheme will generate income that would be used to pay back scheme development and implementation costs. And with remaining income available to fund supporting measures, for example, vehicle charging infrastructure, freight consolidation, improvements to public realm and walking and cycling routes, and public transport services.

**Figure 1 – Zero Emission Zone proposed expansion**



10. ZEZ is an area where zero emission vehicles (such as fully electric motorcycles, cars and vans) can be used without incurring a charge but where other motor vehicles may be charged. It is being introduced in two phases. The first phase is a small pilot area which became operational on 28 February 2022.

11. The second phase will see the ZEZ expanded to cover approximately the whole of Oxford city centre. Expansion of the ZEZ will take place - if decided by the county council's cabinet at a future meeting - following assessments, engagement with residents, businesses and other interested parties, and public consultation.
12. In preparation of implementing the ZEZ expansion scheme, the Council requires the procurement of various services, goods and works contracts. The ZEZ scheme has the potential to significantly affect communities living or working in Oxford City and Oxfordshire and some contracts could potentially exceed the £1m threshold for capital expenditure therefore necessitating Key Decision to allow the Council to enter into these contracts.

## **Corporate Policies and Priorities**

13. The ZEZ expansion will support the council's nine priorities and in particular:
  - Put action to address the climate emergency at the heart of our work.
  - Prioritise the health and wellbeing of residents.
  - Invest in an inclusive, integrated and sustainable transport network.
  - Work with local businesses and partners for environmental, economic and social benefit.
14. In July 2022, Oxfordshire County Council adopted its new Local Transport and Connectivity Plan (LTCP) which sets a clear vision to deliver a net-zero transport system that enables Oxfordshire to thrive, protects the environment and makes the county a better place to live for all residents. This includes ambitious targets to:
  - replace or remove 1 in 4 car trips in Oxfordshire by 2030
  - deliver a net-zero transport network by 2040, and
  - have zero, or as close as possible, road fatalities or life-changing injuries by 2050.
15. The ZEZ is one of the Central Oxfordshire Travel Plan (COTP) actions to build a more sustainable, reliable transport system.

## **Key Issue**

16. A final scheme for approval requires detailed technical work including scheme design, transport and air quality modelling and assessments to forecast the scheme's potential benefits and impacts, as well as engagement and consultation activities with stakeholders and the public.
17. It is essential that this decision is made to enable the formal and prompt completion of the contract (reference I-2156) for the ZEZ expansion scheme development and assessment currently under procurement (ESPO Framework 664\_21 (Consultancy Services)). Pending the outcome of the procurement exercise, anticipated to be completed in March 2024, there are no budgetary implications at this stage for this commission as its budget has already been agreed as part of the Initial Business Case approved in Sept 2023.
18. It is anticipated that completion of future contracts will be subject to an exhaustive financial appraisal that will be conducted as part of the Outline Business Case and the scheme progressing to the next stage for implantation following consultation and final scheme approvals by the Council.

## **Network Management Plan**

19. The delivery of the ZEZ expansion also supports the overall ambitions of the Network Management Plan.

## **Financial Implications**

20. The ZEZ expansion scheme's implementation costs are projected to amount to a total of £5.812 million. In September 2023 Cabinet approved the funding of £1.55M for stage 1 of the scheme. This is currently out to procurement. At the point of drafting this key decisions paper there is an estimated overall scheme funding gap of £4M, against the projected scheme total of £5.812M. A proposal to forward fund the £4M, at risk, based on projected future income generation is subject to a decision by Council on 20 February 2024. The estimated costs of the overall scheme cover a range of elements including:
  - Development of the Scheme: £630,962.00
  - Internal Staffing Costs: £840,000.00
  - Legal Support Fees & Expenses: £100,000.00
  - Communications: £150,000.00
  - Engineering: £464,500.00
  - Back Office Systems: £200,000.00
  - Civil Works, Signage, and Equipment Costs: £1,583,100.00
  - Monitoring Equipment Costs: £100,000.00
  - Contingency: £1,144,040.00
  - Inflation: £599,298.00
21. The budget required for the scheme may be further refined during and following Stage 1 completion.

22. The scheme will require continuous operational (revenue) costs, such as permit administration, penalty charge processing, systems and infrastructure upkeep, and communications. It is anticipated that these costs will be entirely offset by income generated by the scheme.
23. An exhaustive financial appraisal will be conducted as part of the Outline Business Case. This will include consideration of capital and operational expenditure, support measures, risk, contingency, and funding sources.
24. Detailed financial modelling will also be undertaken to ascertain the net operational position during the scheme's operational phase and other stages.
25. This key decision will enable the ZEZ scheme development and assessment supplier to be commissioned. This contract is covered by the approved Stage 1 budget of £1.55M.
26. Pending the outcome to the funding proposal subject to Council approval on 20 February 2024, it is anticipated that completion of future contracts will be subject to an exhaustive financial appraisal that will be conducted as part of the Outline Business Case and the scheme progressing to the next stage for implementation following consultation and final scheme approvals by the Council.

Comments checked by: Ian Dyson, Director of Finance Services  
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## **Staffing Implications**

27. The design, engagement and consultation, and if approved, delivery of the ZEZ expansion will require involvement from various services across the council, resulting in potential strain on staffing levels.
28. The council anticipates pressure on its resources due to the simultaneous implementation of multiple schemes. Additionally, the controversial nature of the ZEZ scheme, which has wide-ranging economic, social, and environmental impacts, generates a high volume of Freedom of Information requests (FOIs), Environmental Information Regulations (EIR) inquiries, and other enquiries. Therefore, it is crucial to continuously evaluate staffing levels to enhance resilience within the involved services. This includes proactive planning, prioritisation, and recruitment of both permanent and temporary staff.
29. Specifically, temporary increases in staffing levels will be necessary in the Customer Service Centre and Parking Team leading up to and during the implementation of the scheme. These additional resources will be essential for handling ZEZ discount/exemption applications, and addressing queries on ZEZ charges, penalty charge notices and other related matters. The resources needed to operate the scheme will be funded by the income generated from the charges.

## **Risk Management**

30. There is a risk of reputational damage if the Council does not complete the contract(s) sealing process expediently to meet the expected delivery programme.

## **Legal Implications**

31. The ZEZ is a local charging scheme, introduced using powers available under the Transport Act 2000.
32. The scheme will comply with all relevant laws and regulations. The Council will be making the legal order(s) and have commissioned BDB Pitmans LLP, who previously prepared the charging order for the ZEZ pilot scheme, to provide legal advice, support and drafting services for the ZEZ expansion scheme.
33. Under the Transport Act 2000, income generated by the ZEZ scheme may be used to cover the costs of implementing and running the scheme. Any surplus once these costs have been covered ("net proceeds") may only be used for facilitating the achievement of local transport policies.
34. This decision is required to enable the Council to finalise and complete all relevant contractual documentation arising from the ZEZ expansion project.

Comments checked by: Jennifer Crouch, Principal Solicitor, Law and Governance.

## **Procurement Implications**

35. The procurement strategy for goods, services, and works needed to develop and deliver the ZEZ will be developed to ensure that the procurement process reflects the Council's core values, corporate aims and objectives.
36. Contracts shall be procured in accordance with the Council's Contract Procedure Rules and relevant procurement legislation. Where payments are under a grant funding agreement, the Council's Financial Procedure Rules and Financial Regulations will also be followed.

## **Equality & Inclusion Implications**

37. An Interim Equalities Impact Assessment report has been developed by Oxfordshire County Council (OCC).
38. The planned expansion of the ZEZ in Oxford is anticipated to induce positive impacts on health and the local environment. By reducing traffic volumes and vehicular emissions, encouraging sustainable modes of transportation, and

enhancing access to key areas within Oxford, the ZEZ is expected to promote mental, physical, and general wellbeing.

39. Potential impacts, such as accessibility and affordability of non-zero emission vehicles during the charging hours, may predominantly affect those dependent on cars or other motorised vehicles. However, these impacts can be mitigated through thoughtful scheme design including provisions for discounts and exemptions.
40. Further impacts will be subjected to a full Equalities Impact Assessment, along with other impact assessments to inform the ZEZ scheme design. These studies will guide the pricing structure, exemptions, discounts, and any necessary supportive measures to counter any significant negative impacts.

## **Consultations**

41. This decision is for a procurement exercise, and as such no public consultation is required.

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