

2.2 Can you confirm that all vehicles will meet the enhanced accessibility standards set out in the scheme guidance?

Yes

2.3 Can you confirm that you have letters of support from the bus operator(s) as per the below?

LTAs must provide letters of support from the bus operator(s) who will be operating the zero emission buses, with signatures from the national CEO and local area MD, committing to investing in the buses and operating them in the area for a minimum of 5 years. The national CEO or equivalent should be empowered to commit the bus operator to operating the buses and providing any required funding for the proposed scheme. LTAs do not need to provide letters of support for all operators in the area, only the operators who will be operating the zero emission buses.

If LTAs intend to award a contract to operate the bus service where the zero emission buses will be used, they must provide evidence that bus operators will submit bids to operate the bus service. This should take the form of letters from bus operators expressing

Yes

2.4 Please name the annex(es) which provide letters of support from the bus operator(s).

Annex 2a_White Bus Letter of Support

Annex 2b_Falcon Coaches Letter of Support

2.5 Can you confirm that all ZEB Funding monies administered will take account of subsidy control obligations, this applies to any onward award of ZEBRA monies to third party organisations. Can you confirm that you have received legal advice?

Yes

2.6 In the case of proposals seeking funding for their battery electric proposals, can you confirm the proposal achieves a minimum low value for money using the Department's updated Greener Bus Tool?

If this has not been met the Department reserves the right to not assess the rest of the application.

Yes

2.7 In the case of proposal for hydrogen fuel cell buses should provide evidence of costs of hydrogen fuel. In line with other funding for hydrogen transport, proposals for hydrogen fuel cell buses will need to demonstrate that by March 2025 the buses will use hydrogen sourced with either Renewable Transport Fuels Obligation (RTFO) support or hydrogen that meets the UK's draft Low Carbon Hydrogen Standard (LCHS).

N/A

White Bus' depot is in Horsell, Surrey. This is their only location being proposed to upgrade as part of ZEBRA2. The site will be upgraded to support the concurrent charging of 22 x 10.8m vehicles. This will ensure the ability of the operator to grow their ZEB fleet over time.

The three routes being included in the bid are all operated commercially, with all three routes having been or will soon be enhanced.

White Bus 446 was enhanced in December 2023 with financial support from Ashford & St. Peters Hospital Trust and extended to operate to Ashford Hospital, Heathrow Airport and Hatton Cross. Falcon Buses service 461 is being enhanced to operate every 20 minutes and service 436 will have enhancements to the length of the operational day and weekend enhancements. Both of these will be funded as part of Surreys BSIP+ funding providing improved travel opportunities to surrey residents.

Section 5 – Assessment Criterion 1 – Strategic Case

5.1 Applicants should set out in **no more than 1,000 words** how they meet the case for change part of the strategic case as set out in the guidance.

Surrey County Council is taking a serious role as a key player in transitioning to net zero by 2050, having declared a Climate Emergency in 2019. In an update to the Surrey Climate Change Strategy, that is part of the overarching Community Vision for 2023, we have announced what has been agreed and or delivered so far. This includes:

Committed £32 million to ensure that within 10 years all buses in Surrey are ultra-low or zero emission vehicles

Full detail on the wider Surrey's Greener Future strategy can be found on our website. In Surrey over 40% of total emissions come from transport. The County Council has taken a proactive approach with bus operators to start a process of decarbonising public transport.

This started in 2016 with an OLEV bid in partnership with Stagecoach South to electrify the Guildford Park & Ride services. This work has continued in 2023 with Metrobus, another of our larger operators, to purchase 34 Hydrogen Fuel Cell (HFC) buses. These buses will operate under a lease agreement alongside the 20 HFC buses purchased directly by Metrobus.

As part of the joint West Sussex CC ZEBRA2 bid, we are supporting the further decarbonisation with Metrobus by providing a contribution to matched funding more Hydrogen Fuel Cell buses.

Similarly, SCC started operating 5 Digital Demand Responsive Transport services in September 2023, ordering a total of 25 zero emission mini-buses for use on these services. There are further plans to expand DDRT across more areas in Surrey during Spring 2024 and these will operate with zero emission vehicles.

SCC sees ZEBRA2 as an important tool in supporting our wider transport decarbonisation plans by ensuring that funding available at a local level can go further and purchase more zero emission vehicles than would otherwise be unaffordable.

Prior to the announcement of ZEBRA2, officers had engaged with every bus operator in Surrey to understand the opportunities and limitations to electrifying their fleet. This has led to narrowing our focus to working with the two SME operators participating in this bid who are in the best position to deliver ZEBs in the next financial year.

Surrey has a history of proactive engagement and good working relationships with our bus operators which has now been further strengthened through the creation of the Enhanced

Partnership. This has led to the successful delivery of multiple projects in partnership. Including a number of network wide reviews over the last 10 years (including the recent Future Bus Network review), enhancing services using BSIP+ funding and introducing a young person discounted fare scheme (Surrey LINK card).

Decarbonisation is one aspect set out in our Surrey BSIP and sits alongside other initiatives to improve the bus service offer for the public. As such, we are also investing £9m in bus priority measures over the next 2 years that will support the investment

The Surrey Enhanced Partnership is delivering against our BSIP and a successful ZEBRA2 bid will further boost that delivery for passengers.

5.2 Applicants should set out in **no more than 500 words** how the proposal meets the community benefit with regard to employment and training criteria set out in the guidance.

For the full delivery of the scheme there will need to be training for existing and new staff at the bus operators.

Training will be on:

- Maintenance and use of the charging infrastructure
- Maintenance of the new ZEBs
- Driver training on the new ZEBs

Onboarding new staff is focused on driver recruitment to ensure full delivery of each operator's commercial and tendered network. Including the enhancements to services funded by BSIP Phase 2 and third parties (Ashford and St Peter's NHS Trust).

Whilst the routes included in the bid are commercial, the operators also provide tendered services under contract with the County Council. As such, there is a requirement to deliver Social Value. This can include, for example, a focus on local hiring and offering training opportunities for apprentices and young people.

As part of both operators' applications to be on the County Council's Dynamic Purchasing System in 2017, operators committed to an ongoing process of upgrading their fleet, including fitting CCTV and GPS, and fleet replacement with newer, lower emission vehicles. Also to, wherever possible, to recruit locally and use local suppliers to help make their businesses sustainable in the long term.

As a result of operating electric vehicles and the service enhancements being proposed, White Bus will be upskilling three engineers, recruiting one additional engineering position plus employing eight additional drivers. Falcon will equally be upskilling their engineering department and employing an additional seven drivers.

5.3 Applicants should set out in **no more than 500 words** how the proposal meets the community benefit with regard to the supply chain criteria set out in the guidance.

Due to the size of the operators and nature of the scheme, there is a more limited ability to influence the supply chain.

The preferred infrastructure supply will likely be using local subcontractors to undertake the works.

As part of both operators' applications to be on the County Council's Dynamic Purchasing System in 2017, operators committed to an ongoing process of upgrading their fleet, including fitting CCTV and GPS, and fleet replacement with newer, lower emission vehicles. Also to, wherever possible, to recruit locally and use local suppliers to help make their businesses sustainable in the long term.

5.4 Applicants should set out in **no more than 500 words** how the proposal meets the wider decarbonisation benefits criteria set out in the guidance.

Surrey was one of the first authorities to look at decarbonisation of public transport and was successful in obtaining funding as part of the OLEV Bus bid in 2016.

Through this bidding process, Surrey County Council, in partnership with Stagecoach South, electrified the Guildford Park & Ride services by operating 9 new fully electric battery-powered vehicles.

In November 2020, the Surrey County Council Cabinet agreed capital funding to support the decarbonisation of the public transport sector. This allows officers, under delegated authority, the flexibility to respond to opportunities with operators, across scheduled bus

Equalities Impact Assessment Summary

As part developing the ZEBRA2 proposals an Equalities Impact Assessment was completed.

Below is a summary of the EqIA.

Who is affected by the proposals?

Any users or potential user of the bus routes where investment in zero emission vehicles is proposed. Also, people in areas where air quality is poor and support reducing emissions from transport by decarbonising elements of the local bus network.

This covers both the bids proposed to support zero emission buses for use in Surrey, i.e. the Surrey County Council bid and West Sussex County Council bid, supported by Surrey County Council.

How does the service proposals support the outcomes in the Community Vision for Surrey 2030?

Investment in zero emission buses supports:

- Children and young people are safe and feel safe and confident.

- Everyone benefits from education, skills and employment opportunities that help them succeed in life.

- Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities.

- Journeys across the county are easier, more predictable and safer.

- Well-connected communities, with effective infrastructure, that grow sustainably.

Evidence held to assess the proposals:

We hold data on the number of trips made on each service.

Route Total number of single trips 2022/23

Across the commercial services covered in this bid, they carried over 1.25m single trips in the last financial year.

We also hold data on the number of concessionary pass holders under the English

without the ZEBRA2 funding opportunity. With the infrastructure funding from ZEBRA2 in place, it opens up the opportunity to grow numbers of ZEBs with that costs being met in future years, in partnership between the operator and LTA.

The BCR specifically covering the build out of additional buses to reach full capacity is 1.67. This is shown in the "SCC plus 16 buses greener bus tool final figures.xls" spreadsheet submitted with this application.

- 6.2** Please outline in **no more than 500 words** evidence informing assumptions related to:
- the estimated annual vehicle distance,

The main impact identified is the future delivery of an additional 16 ZEBs to be operated by White Bus. This will bring their fleet up to a total of 22.

This increases the central BCR for the scheme as a whole from 1.23 for 19 buses to 1.67 for 35 buses.

The cost of the additional ZEBs is not included as part of this bid and will be met in partnership between the LTA and the operator through further investment in future years.

This bid does include funding the full delivery of the infrastructure required to facilitate the charging of 22 electric buses to be an enabler for this expansion planned across future financial years.

Wider non-monetised benefits include:

- Carbon and NOX emissions reduction
- Reduction in particulates

There are 28 AQMAs in Surrey. These buses will serve 5 of those areas. Removing emission from transport along these routes, particularly in areas like Spelthorne, Woking (Guildford Road), Addlestone, Weybridge High Street and Walton High Street where there are issues with air quality, will support a wider push to net zero and help with reducing instances of respiratory illnesses associated with air quality.

- Reduced maintenance liability for ZEBs compared to diesel buses, creating efficiencies for operators
- Reduced road noise for residents
- Re/upskilling staff to maintenance and drive new ZEBs
- Improved look and ride experience for passengers, improving satisfaction and encouraging more potential passengers onto the services
- Reduced maintenance cost for the Council as the Highway Authority because of reduced road wear

6.4 Discussion of any significant risks and uncertainties that might influence a scheme's VfM, with appropriate sensitivity tests to show the impact risks/uncertainties would have on the scheme BCR should be outlined in **no more than 500 words**. Completed GBTs with sensitivity tests should also be provided, with the file name clearly indicating which sensitivity test has been conducted. Refer to the GBT guidance for a suggested list of sensitivities.

Due to the preliminary effort on behalf of the operators and County Council, the risk and level of uncertainty associated with this scheme is believed to be low.

Having agreed quotes with infrastructure providers, including a commitment from one provider to hold their price for 6 months, there is little risk that inflationary pressure will affect the prices of the works and therefore impact the BCR.

Also, the whole project covered in the bid is due to be completed in the 2024/25 financial year. Orders with the preferred supply can be placed immediately, following the Subsidy Control 1 month publication period has expired, after the funding announcement and a commitment from the manufacturer for a 9 month delivery timescale.

There is no uncertainty regarding the financing of the project with the bus operators and County Council having the financing and budget in place and agreed to be allocated once the funding announcement is made.

There are no political approvals required to release the SCC funding.

Legal advice on Subsidy Control did not highlight any issues that would cause issue with the project progressing but did provide advice for the County Council to explore following the submission of this application. More information on this is summarised in section 8.1.3.

Section 7 – Assessment Criterion 3 – Grant funding per bus

The grant funding per bus criterion will form part of the financial case of the Five Case Model. LTAs must complete the grant funding per bus calculator spreadsheet which will be used to calculate a grant funding per bus score.

As such, the delegated authority, means there are no political approvals processes required ahead of submitting this bid, during the bid assessment or once the funding announcement is made. Therefore, as soon as the funding announcement is made, SCC are in a position to immediately progress with the grant funding process and the operators can place orders with the infrastructure provider and preferred bus manufacturer.

The participating bus operators have confirmed their financial backing for this bid in their letters of support, Annexes 2a and 2b.

The County Council is undertaking a financial assessment of the participating bus operators to ensure they are sufficiently financially stable to back this project alongside their other commitments. Both Falcon Coaches and White Bus also provide a significant number of tendered services for the County Council. Operating a combined 39 routes with an annual contract value of c£4m for 2023/24.

By having a straight forward funding approach and having necessary approvals already in place, we see this as a strong bid.

To ensure the financial position is strong, the County Council is asking for a lower grant funding amount of 65% from the Department and using a higher proportion of our own capital to help ensure the deliverability of the two schemes covered by this bid. This is reflected in our Greener Bus Tool submitted with this application form.

The costs provided 8.2.2.1 for the equivalent diesel buses is an average of 523.75

Section 8.2 of the deliverability criterion will form the Commercial Case of the Five Case Model.

8.2.1 LTAs should set out in **no more than 1,000 words** how they will comply with the requirements on procurement set out in the guidance.

It has been agreed between SCC and the bus operators that the bus operators would contribute the cost of the diesel buses, ZEBRA 2 funding would contribute 65% of the difference between the diesel bus and the ZEB and SCC would contribution the remaining 35%. We are not asking for the maximum 75% of the cost difference for the vehicles. The infrastructure costs would be covered by 75% from ZEBRA 2 funding and the remaining 25% from the bus operators.

It has also been agreed that the bus operators will be the procuring bodies with their preferred bus manufacturer and infrastructure delivery supplier. In this way, the purchasing process is more streamlined but with the Council's commitment and Department grant protected under legal agreement.

The bus operators have been engaging with the manufacturers to get information on what model may best fit their requirements. As part of this process operators are taking into account factors that may impact their decision on a preferred manufacturer. For example,

8.2.2.1 LTAs must provide quotes from two manufacturers for the cost of zero emission buses. LTA must also provide quotes from the manufacturers for the cost of an equivalent diesel bus. Please attach quotes in the form of a letter or email from suppliers as a separate annex(es). The annex(es) should be clearly labelled. LTAs must input the key information on these vehicles into the below table.

	Quote from preferred manufacturer	Quote from second manufacturer
Manufacturers name	Ytong	ADL

For bids with multiple operators a second, separate, table must be completed

	Quote from preferred manufacturer	Quote from second manufacturer
Manufacturers name	Ytong	ADL
Make and Model of bus	E10	Enviro200EV
Number of buses in bid	6	6
Vehicle technology (eg. Battery electric or hydrogen fuel cell)	Battery electric	Battery electric
Cost per bus (£)		£408,000
Cost of diesel equivalent (£)	N/A	£218,000
Has evidence for the cost of this bus model been provided alongside the application form?	Yes	Yes

Link to ZEMO ZEB certificate*

https://www.zemo.org.uk/work-with-us/buses-coaches/low-emission-buses/certificates-hub/view,yutong-e10-e12_4422.htm

https://www.zemo.org.uk/work-with-us/buses-coaches/low-emission-buses/certificates-hub/view,alexander-dennis-enviro200ev_4413.htm

* The Zemo Partnership (formerly Low Carbon Vehicle Partnership) have developed the

8.2.2.2 For proposals to introduce battery electric buses LTAs **must provide quotes from two suppliers** of charging infrastructure. Please attach quotes in the form of a letter or email from suppliers as a separate annex(es). The annex(es) should be clearly labelled. LTAs must input key information on charging infrastructure in the below table.

Electric	Quote from preferred manufacturer	Quote from second manufacturer
Manufacturers name	Zenobe	VEV
Make and model name	Zerova (DS120)	Starcharge 120 kW
Number of charging units (charging unit with dual plug counts as one unit)	5	5
Cost per charging unit	£28,233	£25,990
Has evidence for the cost		

These have been the two key determining factors when engaging with the infrastructure providers and bus manufacturers.

Programme Manager, National Bus Strategy. They manage the Enhanced Partnership on behalf of the EP Board and fulfil the role of EP Officer alongside other activities. They are a qualified Project Manager and have managed a number of large scale, public transport focused, projects for the County Council. They will provide overarching project management support, workstream reporting for the schemes and be responsible for the monitoring and evaluation.

On behalf of the bus operators:

Both Managing Directors are leading on the bid and delivery process for the participating operators. They will be supported by relevant members of staff to ensure the connection and depot upgrade works are completed on time. Also, that drivers and maintenance staff are trained on the new vehicles before they go into service.

8.3.2 Allocating grant funding

LTAs should set out in **no more than 500 words** how they will allocate grant funding to their bus operator(s) partners. LTAs can attach draft funding agreements with bus operators as an annex.

Surrey County Council has experience in administering grant funding arrangements from recent and historic transport projects.

As mentioned previously, the County Council successfully delivered the OLEV programme, in partnership with Stagecoach, to electrify the Guildford Park and Ride services.

More recently, the County Council has successfully delivered the Mole Valley Connect service's initial launch, funded by the Rural Mobility Fund.

No competition is necessary to enter into GFAs with (White Bus/Falcon) as this is not deemed to be a public service contract and therefore it does not trigger the application of the Public Contracts Regulations 2015. Before submitting its application for Zebra funding, the Council called for expressions of interest to all bus operators in the region as detailed in Section 8.1.3 to which only (White Bus/Falcon) were in a position to progress with a decarbonisation scheme at this time.

The GFA will specify the following key aspects:

- Purpose and use of the grant

- Payment of grant including payment milestones – clearly aligned with the overall programme with milestones defined by asset (bus and infrastructure) proof of order and delivery

- Delivery obligations/outcomes

- Accounts, records, monitoring and reporting

- Default provisions and the withholding, suspending or repayment of grant

- Permitted use of the grant funded assets

ZEBRA2 award announcement – March 2024

Grant Funding Award Letter / MoU signed by the LTA and returned to the DfT – end March 2024

Subsidy Control Assessment published on the governments transparency database – end of April 2024 (1 month wait period required)

Grant Funding Agreements signed by the LTA and operators –June 2024

Bus operators place orders for buses – earliest start June 2024

Bus operators place orders for infrastructure works – earliest start June 2024

Site work finished across both sites – earliest finish December 2024. This is based on the quotes provided needing an estimated 29 week timescale for infrastructure works to be completed

Buses delivered – earliest start March 2025. Based on a 9 month build and delivery timescale from the preferred supplier

Buses in service – earliest start March/April 2025

Mitigation: Manufacturers are asked to hold prices until orders can be placed following the ZEBRA 2 award announcement in March 2024.

There is sufficient matched funding available to assure manufactures that orders can be placed soon after the ZEBRA 2 funding is awarded.

That DNO quotes have been obtained alongside the wider infrastructure quotes so the order can be placed without delay for site assessments to be undertaken etc.

That cost risk has been factored into funding considerations to account for potential inflationary increases in prices.

Risk 2: Cost increase on infrastructure works

Description: The infrastructure provider or Distribution Network Operators do not hold their prices from the time of bidding to the time or a works request being raised.

Impact: That the cost of the associated works increased from the time of bidding meaning the cost of the overall scheme will need to be managed. For example, by the operator needing to find additional funding to meet the increased cost of groundworks.

Mitigation: Infrastructure Providers have been asked to hold prices until orders can be placed following the ZEBRA 2 award announcement in March 2024.

One provider has confirmed their quote is valid for 6 months and we are waiting on confirmation from the other. We are confident that, by working with the operators and DNOs to complete all the necessary site evaluations etc to give them certainty that orders can be place soon after the ZEBRA2 funding announcement.

That cost risk has been factored into funding considerations to account for potential inflationary increases in prices.

Risk 3: Limited

Impact: That the oe(r)l behets arepusked athereahere (e)-2(B)-2(Rh)7(2)-4(f)6(u)-3(n)-3(d)-3(in)8

Description: That driver availability and increasing maintenance costs for example, mean that the new zero emission buses may not be fully utilised.

Impact: That the scheme benefits may not be fully realised.

Mitigation: Surrey County Council has purposefully and proactively engaged with operators to ensure that the ZEBRA 2 bids are robust. This means focusing on those operators who

Process evaluation: this examines the activities involved in implementation, and covers key questions such as:

How was the scheme delivered?

Was the scheme delivered as planned?

What worked well and what worked less well, and why?

What could be improved?

Particular focus will be placed on preliminary activity such as engagement with infrastructure providers, DNOs and bus manufacturers and then the delivery of each

END OF DOCUMENT

An electronic copy only of the bid including any supporting material should be submitted to BUSES@dft.gov.uk