



Department
for Transport

Zero Emission Bus Regional Areas (ZEBRA) 2 Application Form

Applications to the Fund will be assessed against the criteria set out here and in the guidance document.

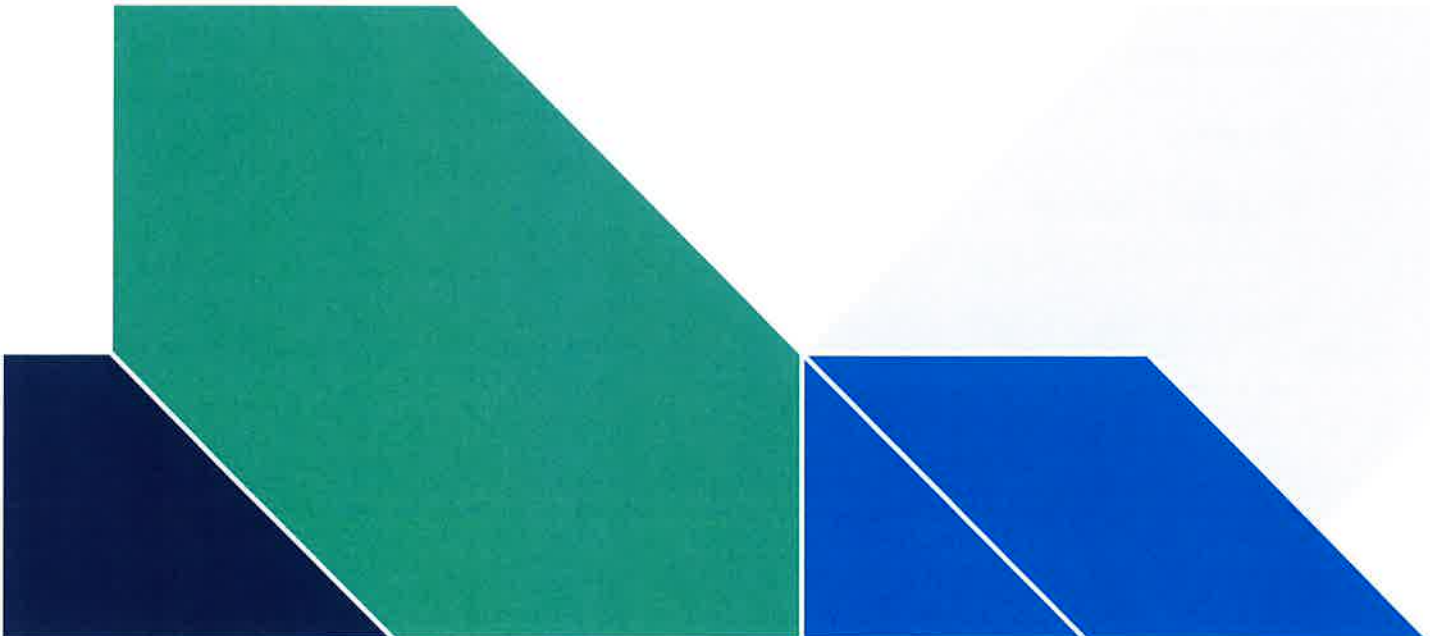
**Proposals must be received no later than
4pm on 15 December 2023.**

You will receive confirmation that we have received your proposal within 5 working days.

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

**You must
also complete
and return a
Greener Bus Tool
(separate document)**

Enquiries about the Fund may be directed to BUSES@dft.gov.uk
Please include "**ZEBRA 2**" in the subject line for the email.



Section 1

Applicant information

This section is not scored.

Bidding authority

North East Combined Authority (Transport North East)

Bid Manager

Name and position of the official with overall responsibility for delivering the proposed bid.

First name

Last name

Rob

Mills

Position

Zero Emission Bus Policy Officer

Contact telephone number

[REDACTED]

Email address

rob.mills@transportnortheast.gov.uk / rob.mills@nexus.org.uk

Postal address

Transport North East

Floor 2 - Gateshead Civic Centre

Regent Street

Gateshead

Postcode NE8 1HH

Website address for published application

<https://www.transportnortheast.gov.uk/campaigns-and-initiatives/>

Section 2 – Key requirements

LTAs will need to meet a number of key requirements to be able to receive funding. **This section is not scored.**

The Department reserves the right to reject any application which does not meet all these key requirements.

Please select Yes or No.

2.1 Can you confirm you have an Enhanced Partnership in place or are following the statutory process to decide whether to implement a franchising scheme?

Yes No

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

Yes No

Please name the annex(es) which provide quotes from zero emission bus manufacturer(s).

Please see Annex A.

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 their interest in seeking to bid to operate the bus service.

Yes No

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

Please see Annex B.

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 No

Please name the annex containing legal advice that has been obtained.

Please see Annex C.

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 No

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).

Yes No

Please name the annex containing a provisional offtake contract, budget estimate, letter or email from a hydrogen fuel supplier.

N/A

Section 3 – Rural eligibility

- 3.1** If you are seeking to apply for the funding that has been initially earmarked for ZEBs in rural areas you will need to demonstrate how you meet the rural definition of ZEBRA 2. Introduce ZEBs in a rural area explain in **no more than 300 words** how the area meets the definition of rural area set out in the guidance.

LTA's not seeking to apply for this funding do not need to complete this section.

This section is not scored and will be pass/fail.

Our application is based on a multi-operator scheme that includes x1 rural project and x2 urban projects.

Transport North East (TNE) works on behalf of the North East Joint Transport Committee (NEJTC) representing the combined transport interests of the North East Combined Authority (NECA) and North of Tyne Combined Authority (NTCA). Neither TNE nor its constituent authorities received any funding from ZEBRA 1.

County Durham (LA member of NECA) is classified as 'Largely Rural'. For our rural project we plan to convert Durham services 48, 64 and X46 to zero emission. The rural urban classification of wards served by these routes is summarised below.

48: Durham – New Brancepeth

LA Wards Served	Rural Urban Classification (2011)
Neville's Cross	Urban City and town
Deerness Valley	Rural town and fringe
Brandon East	Rural town and fringe
Brandon West	Rural town and fringe
Willington	Rural town and fringe

64: Arnison Centre – Sherburn

LA Wards Served	Rural Urban Classification (2011)
Sherburn	Rural town and fringe
Belmont	Urban city and town
Gilesgate	Urban city and town
Neville's Cross	Urban city and town
Framwellgate	Urban city and town

X46: Durham – Crook/Stanhope

LA Wards Served	Rural Urban Classification (2011)
Framwellgate	Urban city and town
Neville's Cross	Urban city and town
Brandon East	Rural town and fringe
Brandon West	Rural town and fringe
Willington	Rural town and fringe
Crook North and Tow Law	Rural town and fringe
Weardale	Rural village and dispersed

These services enable residents in rural parts of County Durham to access key amenities within Durham city centre. Converting these routes to zero emission will provide an exciting opportunity to test ZEB deployment within a rural context. Key delivery metrics from this rural project will be benchmarked against our urban projects in Gateshead and Newcastle.

Section 4 – Bid description

- 4.1 Please complete the following fields with key information about your bid. This information should match the information that is included in the Greener Bus Tool. We suggest that section 6 is completed at the end of completing your application to ensure numbers reflect the final figures. **This section is not scored.**

Total grant amount		█
Local transport authority funding		£0
Other public sector funding		£0
Bus operator funding		█
Other private funding		£0
Vehicle grant amount		█
Infrastructure grant amount		█
Total number of buses		43
Total capital cost		█
Vehicle capital cost		█
Infrastructure capital cost		█

- 4.2 In **no more than 750 words** applicants should provide information on the project area. This should include a list of the bus routes where the ZEBs will operate and set out the location of the bus depot and/or other locations where supporting infrastructure will be located.

This section is not scored.

To help tackle the climate emergency, our Bus Service Improvement Plan (BSIP) sets an ambitious, but achievable, target to convert the entire North East bus fleet to zero emission by 2035.

This ZEBRA 2 application has been developed by Transport North East (TNE) in partnership with local bus operators, Arriva, Go North East and Stagecoach. If successful, the funding secured will facilitate the introduction of 43 zero emission buses on routes serving Durham, Gateshead, and Newcastle along with the necessary grid connections and charging infrastructure.

Section 4 –

Our ZEBRA 2 programme comprises three operator led projects:

1. From their Belmont depot, Arriva North East will introduce 14 double-deck BEVs on Durham services 48, 64 and X46 serving ■■■ customers annually:

Arriva				
Service	Route	Frequency M-Sat Daytime	Frequency Evening	Frequency Sunday
48	Durham – New Brancepeth	20	60	60
64	Arnison Centre - Sherburn	15	60	60
X46	Durham – Crook/Stanhope	20	60	30

2. From their Riverside depot, Go North East (GNE) will introduce 11 BEVs (7 double-deck and 4 single-deck) on Gateshead services 58 and X66 serving ■■■ customers annually:

Go North East				
Service	Route	Frequency M-Sat Daytime	Frequency Evening	Frequency Sunday
58	Newcastle – Heworth/Follingsby Park	15	30	30
X66	Gateshead - Metrocentre	10	30	10

3. From their Slatyford depot, Stagecoach North East will introduce 18 single-deck BEVs on Newcastle services 30/31/36 serving ■■■ customers annually:

Stagecoach				
Service(s)	Route	Frequency M-Sat Daytime	Frequency Evening	Frequency Sunday
30/31	Fenham – Fawdon (30) / Montagu Estate (31)	15/15 (Combined 7/8)	30/30 (Combined 15)	30/30 (Combined 15)
36	Fenham - Newcastle	15	30	30

Each new bus funded will utilise BEV technology with overnight depot-based charging. For Arriva and Stagecoach, these projects represent the first deployment of ZEBs from their respective depots. This will allow for a demonstration of the technology's performance in real-world conditions and help sow the seeds for further deployment in future. For GNE, this project represents the next chapter in their decarbonisation journey – Riverside has an existing pool of 18 single-deck BEVs which were successfully deployed following a ULEBs award in 2018. 18 more ZEBs for service 21 (Newcastle – Chester-le-Street/Durham/Brandon) will soon be added following a successful Levelling Up Fund 2 (LUF2) application.

The successful implementation of all 43 ZEBRA 2 funded ZEBs will make a significant contribution to our ongoing efforts to improve the region's air quality. The routes selected each serve Air Quality Management Areas (AQMA's) and/or Nitrogen Dioxide (NOx) exceedance locations identified by DEFRA. Services in central Newcastle and Gateshead operate within an identified Class D Clean Air Zone (CAZ). Each route passes through or near some of the most deprived neighbourhoods in the country – giving residents in these areas access to frequent, sustainable travel options will enable them to access a wide range of employment opportunities in a healthier manner (helping tackle high levels of poor health in areas with deprivation).

Section 4 –

A decision to support this application will enable our region to reach an important milestone in our ongoing fight against the climate emergency – increasing our ZEB fleet to 10% - and moving us closer to our 2035 zero emission bus fleet goal.

This bid document has been prepared by TNE on behalf of the North East Joint Transport Committee (NEJTC), representing the combined transport interests of The North East Combined Authority (NECA) and North of Tyne Combined Authority (NTCA). As part of the North East Devolution Deal, governance arrangements are expected to transfer to a new North East Mayoral Combined Authority (NEMCA) with effect from May 2024. This change of governance will galvanize and strengthen our ability to respond to the climate emergency challenge and will not impact on our ability to successfully deliver this investment.

TNE and our bus operator delivery partners stand ready, willing, and able to deliver.

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.

Regional Policy Context

The North East Transport Plan sets priorities until 2035, and is found at <https://www.transportnortheast.gov.uk/transportplan/>. Our vision is 'Moving to a green, healthy, dynamic, and thriving North East'. The plan's 5 objectives cover themes of carbon neutrality, economy and inequality, health, appealing sustainable choices, and safety and security.

Our BSIP aligns with our Transport Plan and is available at [North East Bus Service Improvement Plan](#). A key objective is to 'deliver cleaner and greener vehicles' – targeting a zero-emission bus fleet by 2035

Where are we now?

Thirteen operators run services from depots in our region. The three largest (Arriva, Go North East and Stagecoach) have 85% market share. The baseline standard for our 1,158 strong fleet is summarised below.

Table 1 – Baseline Euro Standards for North East Bus Fleet (November 2023)

Euro III	Euro IV	Euro V	Euro VI	ZEB
1%	5%	32%	60%	2%

Defining the scheme

Our ZEBRA 2 objectives:

- Improve transport for the user – using green buses to drive patronage growth, including in rural areas, and improve customer satisfaction;
- The scheme aligns with our transport plan, and bus ridership (including rural areas), modal share and fleet emissions KPIs in our BSIP.
- Contribute to the region's air quality improvement – targeting pollution hot-spots and areas of deprivation; and,
- Allow lessons to be learned on the challenges and opportunities of deploying ZEBs at scale – demonstrating the concept within both rural and urban settings.

All non-electrified routes in the region were within scope, with the chosen routes being identified following sifting of all routes using a four-phase scoping process:

- **Phase One:** Commercial operator interest was identified;
- **Phase Two:** Technology preferences explored:
 1. Battery electric with overnight depot-based charging.
 2. Battery electric with opportunity charging facilities along the route.
 3. Hydrogen fuel cell.

Operators indicated a preference for option 1. This was optimal operationally (aligning with procedures) and commercially (accessing low cost (off peak) electricity reduces cost). Adopting BEV also assists longer-term decarbonisation strategies – streamlining vehicle cascade plans. Higher costs for charging infrastructure and longer lead times/requirements for planning permission ruled out Opportunity Charging. Hydrogen was higher risk with supply chain, cost, and reliability issues.

- **Phase 3:** Technical ability to deploy ZEBs was assessed using analysis of vehicle schedules – allowing TNE/Operators to identify depots/routes best suited to ZEB conversion. DNO (Northern Powergrid) data informed depots with convenient power access and capacity for

growth.

- **Phase 4:** Indicative BCR values derived from Greener Bus Tool informed likely VFM.

This process identified three potential projects:

Table 2 – Potential ZEBRA 2 Projects

Operator	Buses	Depot/ Route(s)	Technology	Rural/ Urban	Air Quality
Arriva	14	Belmont 48, 64 & X46	BEV (depot-charging)	Rural	Durham AQMA
Go North East	11	Riverside 58 & X66	BEV (depot charging)	Urban	Gateshead Town Centre AQMA, Newcastle City Centre AQMA
Stagecoach	18	Slatyford 30/31/36	BEV (depot charging)	Urban	Gosforth AQMA, Newcastle City Centre AQMA

Options appraisal considered three scenarios: Do Nothing, Do Something, or Do Maximum.

Do Nothing: Bid not progressed, short term operators would procure diesel Euro VI. National/regional decarbonisation targets not met and no local knowledge/skills for ZEB developed.

Do Something: x1/x2 project(s) progressed, environmental/health benefits and knowledge/skills of ZEB deployment limited to part of region, but less stakeholders reduces complexity/risk.

Do Maximum: All projects progressed, greater benefits for region, but more complex to manage/deliver.

With each option meeting our ZEBRA 2 objectives, we determined that Do Maximum best reflected our regions scale of ambition.

Specification

To inform the specification, delivery partners engaged with bus, power, and infrastructure suppliers.

[Redacted]

[Redacted]

[Redacted]

Aligned Funding

Routes align with wider funding initiatives (see table 3 below). Co-ordinating efforts to increase patronage will enhance environmental benefits delivered.

Table 3 – Linked Funding Initiatives

Funding Initiative	Route(s)
Transforming Cities Fund Bus Priority and Stations - Metro Green bus priority works - Central Gateshead bus priority; - Durham Bus Station.	X66 X66 and 58 48, 64, & X46
BSIP Bus Corridor Improvements - Team Street Bus Lane/roundabout - A167 Durham and Durham City Approaches - Leam Lane	X66 48, 64, & X46 58
BSIP fare initiatives - £1 single/£3 multi-operator regionwide day tickets for 21 and under - £4 Durham Day Rover / £6 Tyne & Wear Day Rover - £6.80 regionwide Day Saver	All
BSIP Metrocentre P&R	X66
Gosforth High Street bus priority corridor	30/31/36
CentreLink segregated busway	X66
£10.4m new bus station in Durham (TCF)	48,64, & X46
£18m TCF funding for Intelligent Transport System (ITS): - Phase 1 traffic signal upgrades enabling improved reliability. - Phase 2 new AVL system accurate real-time information for customers and 'hurry-calls' for late running buses.	All

- 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.

Arriva

Arriva will work in partnership with Remit to recruit 4 new mechanical apprentices. This offers an exciting opportunity for individuals to work in a real job role with an actual employer whilst earning. At the end of the programme, they will be fully qualified and will be offered a full-time job with Arriva.

Go North East

Go North East will work with Gateshead College to recruit 8 new apprentice bus and coach mechanical technicians who are keen to progress a career in transport engineering. The successful applicants will each complete a four-year apprenticeship which will include one day a week training using the state-of-the-art equipment at Gateshead College's Skills Academy for Automotive, Engineering, Manufacturing and Logistics. At the end of the programme, they'll become fully qualified, skilled engineers who will be offered a full-time job with Go North East.

Stagecoach

Stagecoach will host 4 depot visits (for up to 35 children per visit) from local schools located within areas ranked as the 10% most deprived neighbourhoods in the country. These visits will demonstrate the BEVs and charging infrastructure as well as talk through the economics and environmental/health benefits of running electric buses to appeal to those students interested in progressing a career in mechanical engineering, and/or business studies. Visits will be coordinated by the Nexus School Liaison Officer to ensure information provided is tailored to educational need and dovetails with theory topics covered in the classroom.

Similar visits and work experience opportunities will be offered for identified individuals who are eager to gain engineering work experience by working in partnership with Newcastle United Foundation and NHS Autism.

Stagecoach run an industry leading apprentice programme for engineering apprentices, both for external candidates and internally in a 'Trade Up' scheme. All engineering apprentices are

now trained to qualify as Mech/Elec Engineers to reflect the importance of the EV fleet. At least x2 apprentices will be recruited at Slatyford each year, during the first 5 years of operation.

The introduction of 18 ZEBs at Slatyford will lead to an internal fleet cascade which will ultimately lead to the oldest and most polluting vehicles being withdrawn from the fleet. Opportunities will be explored to donate x1 end of life bus to the Tyne & Wear Fire Brigade to assist with their ongoing training requirements.

General

Buses procured through ZEBRA 2 will help generate and maintain employment opportunities and skills at the respective vehicle manufacturers. The purchase of buses from [REDACTED] supports the creation and retention of high skilled engineering jobs in a sector transitioning towards a green, sustainable future – with related benefits for those assisting within the respective supply chains.

[REDACTED]

[REDACTED]

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.

Arriva

Arriva's preference for the [redacted] will help safeguard employment and training opportunities at several SMEs in the vehicle's supply chain. [redacted]

Go North East

[redacted]

[redacted]

[redacted]

[redacted]

Stagecoach

Stagecoach's decision to invest in the [redacted] will help secure employment and training opportunities. [redacted]

[redacted]

Complementary to the Stagecoach project, there is a plan identified in our BSIP to introduce a new P&R facility at Slatyford depot. The location of Slatyford – on a main arterial road between the A1 and Newcastle city centre makes this an ideal location for P&R provision. The depot is largely empty during the working-day, providing a safe and secure parking area. There are frequent scheduled bus services which travel quickly to/from the city centre supported with bus priority lanes. New charging infrastructure installed at Slatyford depot can be used for commercial B2B charging opportunities and/or members of the public using the P&R facility. [redacted]

[redacted]

General

Tyneside Safety Glass is a local SME (based in Team Valley, Gateshead) with over 85 years' experience in processing glass. This company has a very proud history of providing glass for public transport vehicle manufacturers all over the world, including [redacted]. Our ZEBRA 2 vehicle orders will help secure employment opportunities for local staff based at their Team Valley site in Gateshead.

The arrival of 43 new BEVs will allow 43 older and more polluting vehicles to be cascaded or withdrawn. No additional buses are required as part of this bid.

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.

Meeting our BSIP KPIs

The “Sparks effect” (Decarbonising Transport, DfT): We anticipate services converted to BEV will have a small (circa 8%) level of trip attraction. This attraction factor is associated with the new fleet which is common with regular fleet replacement and that the vehicles will be an environmental and ethical choice for passengers being zero-emission. With a baseline of [REDACTED] bus journeys each year, the BEVs could generate [REDACTED] additional journeys. With 50% of this growth [REDACTED] assumed to be abstracted from cars, an additional carbon saving of 172 tonnes could be achieved each year.

Go North East

The introduction of 11 BEVs will trigger a vehicle cascade, permitting the oldest, most polluting vehicles to be withdrawn. BEVs require less maintenance, reducing engineering waste/consumables. The ZEBRA 2 buses will make almost a third of Riverside’s fleet electric, significantly reducing diesel consumption – this will mean fewer fuel deliveries are required.

Case Study: Stagecoach Slatyford

90 buses (80 PVR) are based at Slatyford, operating 10 different routes. Weekday range requirements are illustrated below.



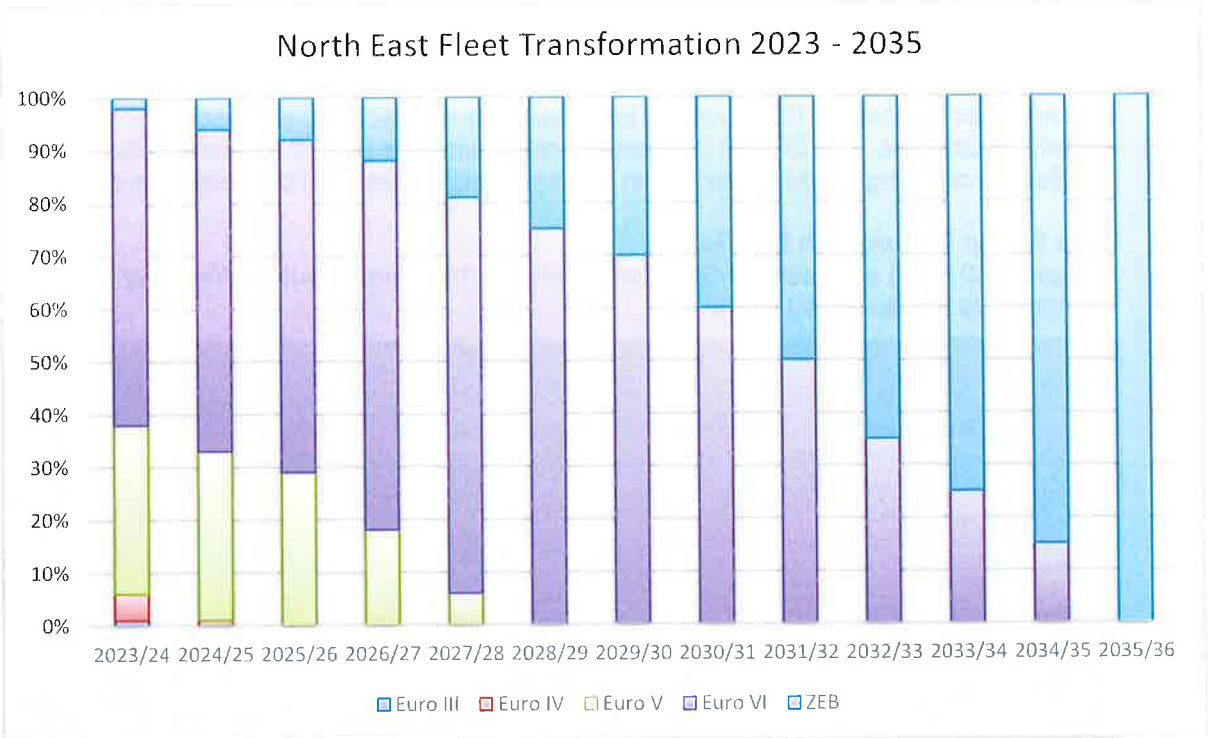
Experience nationally indicates 200 miles per day is a realistic range for BEVs readily available on the market.



Long Term Vision

Our BSIP sets an ambitious, but achievable, target for a fully zero emission fleet by 2035. However, capital costs for BEVs are 2/3's of the Total Cost of Ownership (TCO), compared to 1/3 for conventional diesel. This higher up-front cost, combined with need to procure grid connection/charging infrastructure means there is currently no commercial case for adopting BEVs.

We expect costs to decline in the medium term (and that funding support from central government will continue in the interim), thus enabling expansion of our ZEB fleet in line with the Fleet Replacement Strategy (FRS) summarised below.



FRS is a rolling program, split into two phases. Phase 1 (2023-2028) will focus on decarbonisation of mainly urban services which typically have lower mileage, carry high volumes of passengers, and operate in or through areas with the highest levels of pollution.

Phase 2 (2028 – 2035) will focus on mainly rural and inter-urban services, which typically have a range requirement exceeding current technical capability of BEVs (our longest exceed 400 miles per day). We will work with Delivery Partners to better understand preferred technology solution for phase 2. Trials will help inform cost and risk for alternative technology models. We will subsequently identify and source the necessary funding.

5.5 LTAs must comply with the public sector equality duty (PSED – Section 149 Equality Act 2010). PSED consideration helps to ensure that people who share characteristics defined as “protected” by the Act will benefit from the scheme. The PSED also requires authorities to identify any likely negative impacts and to actively seek to remove or reduce these as far as possible.

We expect LTAs to consult with relevant stakeholders who represent people from the protected characteristic groups. Guidance on the PSED is available from the Local Government Association.

LTAs should set out in **no more than 1,000 words** how their proposal will meet the expectations of the Equality Act.

This proposal meets the expectations of the Equality Act because we have complied with the PSED, in that we have had due regard to the three aims of the duty – eliminating discrimination, advancing equality of opportunity and fostering good relations between people with protected characteristics and those who do not. This is recorded in an Equality Impact Assessment, a copy which is available on request. A summary is provided below.

Data/evidence used to inform our assessment was drawn from three key sources:

1. Stakeholder Consultation

We consulted with stakeholders listed below to gain an understanding of their views on our proposal to invest in new zero emission buses – in particular, their views on the internal bus specification:

Age UK Gateshead, Alzheimer’s Society, Business Lab, Deaf Centre – Newcastle, Deaf Link, Disability North, Guide Dogs North East, Healthwatch Gateshead, MS Society, Multiple Sclerosis Society, Newcastle Shopmobility, North East Action Transport (NEAT), North East Ambulance Service (NEAS), North East Local Enterprise Partnership (NELEP), North East Public Transport User Group (NEPTUG), RNIB, Sight Service, Skills for People, Slow Shopping, Useful Vision, Volunteer Centre Newcastle and West End Women’s & Girls Centre.

2. Bus Operator Data

Ticket machine data was provided by the bus operators to give an indication of the profile of users for each target service (see table below).

	Adult	Child	Disabled	ENCTS	Young Person	Annual Pax
Arriva 48						
Arriva 64						
Arriva X46						
GNE 58						
GNE X66						
STG 30						
STG 31						
STG 36						

Capacity data (current vs. proposed fleet) was provided by the operators (see table below).

Service	Current			Proposed		
	Seated	Standing	Total	Seated	Standing	Total
Arriva 48	64	20	84			
Arriva 64	37	28	65			
Arriva X46	64	20	84			
GNE 58	62	29	91			
GNE X66	43	16	59			
STG 30/31/36	41	33	74			

3. Desktop research

Desktop research was used to identify appropriate data from secondary sources, including: 2021 Census, the Index of Multiple Deprivation (IoD) 2019, Office for National Statistics (ONS), Integrated Household Survey and NOMIS.

This data was then used to complete a detailed assessment of potential impacts resulting from our planned projects for each of the protected characteristic groups.

Top three potential benefits:

1. The conversion from diesel to zero emission will deliver cleaner air, with related health benefits for service users/employees travelling/working, and residents, on the respective routes. With the identified routes each serving known pollution hot spots, there are related regional benefits for our fight against the climate emergency and delivery of net zero targets.
2. The enhanced accessibility features specified (additional flexible space for a 2nd wheelchair or 2 pushchairs, audio-visual next-stop information, and induction loop) will be of great benefit to most bus users - as one wheelchair user noted, "this would now allow them to travel by bus with their friend (also a wheelchair user)." However, provision of the additional flexible space raises a potential adverse effect for other protected groups – most notably the elderly/infirm (see below).
3. The skills/knowledge acquired through delivery of this scheme (for employees at the manufacturers and the engineers at the respective bus operators) will help to provide a foundation for further deployment of ZEBs in future.

Top three potential adverse impacts:

1. The requirement to accommodate a flexible space (for a 2nd wheelchair or 2 pushchairs) within the bus design will have an adverse impact on the elderly and infirm who would be required to walk a greater distance between the front entry/exit door and seat. Stakeholder feedback also highlighted a perception that ZEBs accelerate faster – increasing the need to address this issue.
2. The proposed new buses each offer a total capacity that will match or exceed that of the respective vehicles replaced – but some of the additional capacity offered is delivered through a higher level of permitted standing. This increased level of standing (during busy peak periods) presents an adverse impact for several protected groups (Age-Elderly, Disabled and Pregnant/Maternity) who have told us that they find standing on a moving vehicle uncomfortable or un-safe.
3. Zero emission buses emit less noise, making it difficult for some protected groups to be aware that buses are approaching – this is a particular issue in urban areas, where our services will be operating, because there is generally more background noise and more potential for conflict between various road users.

To mitigate the potential adverse impacts identified, we will undertake the following actions:

1. Flexible Space – In the short-term our Delivery Partners will offer additional driver training to make employees aware of the need not to pull away from bus stops until all passengers are fully seated. Audio-visual information will advise customers to remain seated until the bus has stopped. In the medium/long-term we will ask that our Delivery Partners escalate this issue directly to the vehicle manufacturers so that it can be factored into future vehicle design.
2. Capacity – [REDACTED]. In the medium/long-term we will arrange for our Delivery Partners to escalate this issue direct to the vehicle manufacturers so that it can be factored into future vehicle design.
3. Noise – We will specify that new zero emission buses procured are fitted with an Acoustic Vehicle Alerting System (AVAS).

The programme M&E plans are set out in section 8.3.6. Data gathered will consider the impact on all groups, including those with protected characteristics. This data will be reviewed by the Working Group who will be able to recommend changes/modifications required to identified issues.

5.6 LTAs seeking funding for a hydrogen fuel cell bus proposal that is poor VfM will need to demonstrate their proposal is innovative to receive funding. LTAs should set out in no more than 1,000 words how their proposals for hydrogen fuel cell buses will provide learning to the Department and wider government that will not be obtained from existing hydrogen fuel cell bus projects. Proposals for hydrogen fuel cell buses that are a minimum of low VfM do not need to complete this section.

N/A

continued overleaf

Section 6 – Assessment Criterion 2 – Value for Money

Section 6 of the application form and Greener Bus Tool will be used to assess Value for Money. This represents the 'Economic case' of the Five Case Model.

6.1 Please state the proposed VfM category of the proposal e.g., 'low' and the central BCR informing this e.g. '1.25'. The proposed value for money category for the investment proposal should reflect the central BCR, non-monetised impacts and risks and uncertainties. If the proposed VfM category has been uplifted from that implied by the central BCR, provide robust justification for this in **no more than 150 words. This should be a summary of the information provided in 6.3 and 6.4.**

The completed version of the Greener Bus Tool with the central BCR output should be provided alongside the submission along with evidence of key assumptions e.g. annual vehicle distance, estimated risk contingency amount.

Central Case VFM

The central BCR and VFM category for our Go North East and Stagecoach projects are summarised within the table below.



Project/Scheme	PVB	PVC	NPV	BCR	VFM
Arriva					
Go North East					
Stagecoach					
TNE Programme					

continued overleaf

6.2 Please outline in **no more than 500 words** evidence informing assumptions related to:

- the estimated annual vehicle distance,
- the fuel/electricity consumption scenario chosen,
- annual infrastructure maintenance costs (if an annual maintenance cost is stated in the tool),
- electricity/hydrogen costs if local evidence is used
- battery replacement costs (if the suggested values in the GBT guidance are not used) and
- a quantified risk assessment (if conducted).

If the evidence is not in a suitable format, please summarise it here and signpost where supplementary evidence has been provided i.e. in a spreadsheet or e-mail as an annex. Further detail is available in the GBT guidance on the level of detail required for input assumptions.

Arriva

Assumption	Figure Used	Source
Estimated annual avg. vehicle distance per bus	[REDACTED]	[REDACTED]
Fuel/electricity consumption scenario	Low	Services 48/64/X46 mainly serve rural areas
Annual maintenance costs	[REDACTED]	Arriva
Electricity costs	GBT Default	DESNZ
Battery replacement cost	[REDACTED]	[REDACTED]
Quantified risk assessment	N/A	Not completed – GBT uses standard 20% optimism bias

Go North East

Assumption	Figure Used	Source
Estimated annual avg. vehicle distance per bus	[REDACTED]	[REDACTED]
Fuel/electricity consumption scenario	High	Services 58 and X66 mainly serve urban parts of Newcastle and Gateshead
Annual maintenance costs	[REDACTED]	Go North East
Electricity costs	GBT Default	DESNZ
Battery replacement cost	[REDACTED]	[REDACTED]
Quantified risk assessment	N/A	Not completed – GBT uses standard 20% optimism bias

Stagecoach

Assumption	Figure Used	Source
Estimated annual avg. vehicle distance per bus	[REDACTED]	[REDACTED]
Fuel/electricity consumption scenario	High	Services 30/31/36 mainly serve inner urban area
Annual maintenance costs	[REDACTED]	Stagecoach
Electricity costs	GBT Default	DESNZ
Battery replacement cost	[REDACTED]	[REDACTED]
Quantified risk assessment	N/A	Not completed – GBT uses standard 20% optimism bias

Programme vehicle distance

Operator	Service(s)	Proposed ZEBs	Annual Distance (KM)
Arriva	48, 64 & X46	14	[REDACTED]
Go North East	58 and X66	11	[REDACTED]
Stagecoach	30/31/36	18	[REDACTED]
Weighted Average	All	43	[REDACTED]

6.3 Discussion of any significant impacts of the scheme which have not been estimated by the tool (non-monetised impacts) should be outlined in **no more than 500 words**. If any significant non-monetised benefits have been identified, the scale of the change needed to reach a higher VfM category should be determined, by calculating the required % increase and absolute increase in present value benefits (PVB).

Generic non-monetised benefits associated with the transition from diesel (ICE) to electric buses which are not captured include:

- Attractiveness of new EV fleet, supported by branding and the enhanced onboard environment will help to boost bus patronage. Feedback from an operator in North Yorkshire suggested that patronage increase by 10% following the introduction of their new ZEBs. Our ZEBRA 2 services currently serve [REDACTED] passenger trips per annum. Assuming a conservative 8% increase in demand would therefore add [REDACTED] trips per annum. Some of this growth (possibly 50%) would come from modal shift, but the carbon emissions from this reduced car travel is not accounted within the modelling. This additional benefit will help make the VFM stronger.
- Increase in bus journey comfort and operational reliability.
- Wellbeing improvements resulting from the enhanced accessibility specification.
- Noise reduction from diesel engines along the routes - DfT provides default values for reduction in noise, however this is not accounted for within the GBM, as its focus is on carbon impacts. Average bus speeds along the scheme routes are approximately 17 km/hr, with bus mode share as a proportion of total traffic flow varying. At bus stop locations where bus comprises 2% of the

traffic flow a reduction of 5db might be achieved and at non-stop locations, 1db. Where the bus mode share increases, to 4%, the noise reduction at bus stops may be 6.5db, and at non-stop locations, 2db. The total noise benefit over the appraisal timeframe, is likely to have a material positive impact on the overall BCR and value for money assessment, however, this has not been accounted for within the calculation of our BCR.

- The counter-factual scenario used within the Greener Bus Tool assumes operation of a Euro VI diesel bus. This is likely to under-estimate the benefits of carbon reduction resulting from our Arriva project - where the buses currently in operation include a mixture of Euro III and Euro V. Whilst the Euro III buses, which are now approaching 18 years in service, are likely to be soon withdrawn regardless of the ZEBRA 2 outcome, it is reasonable to assume that the Euro V buses will remain in active service for at least another 5 years.

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.

Testing has been completed using Greener Bus Tool (GBT). Results are summarised in the tables below.



Arriva

Scenario	PVB	PVC	NPV	BCR	VFM
Central Case					
ZEB Mileage +10%					
ZEB Mileage – 10%					
Battery Replacement +10%					
Battery Replacement –10%					
High Carbon Value					
Low Carbon Value					
High Energy Consumption					
Low Energy Consumption					
Bus Life Span +1 year					
Bus Life Span -1 year					

Go North East

Scenario	PVB	PVC	NPV	BCR	VFM
Central Case					
ZEB Mileage +10%					
ZEB Mileage – 10%					
Battery Replacement +10%					
Battery Replacement – 10%					
High Carbon Value					
Low Carbon Value					
Medium Energy Consumption					
Low Energy Consumption					
Bus Life Span +1 year					
Bus Life Span -1 year					

Stagecoach

Scenario	PVB	PVC	NPV	BCR	VFM
Central Case					
ZEB Mileage +10%					
ZEB Mileage – 10%					
Battery Replacement +10%					
Battery Replacement –10%					
High Carbon Value					
Low Carbon Value					
Medium Energy Consumption					
Low Energy Consumption					
Bus Life Span +1 year					
Bus Life Span -1 year					

Full Programme

Scenario	PVB	PVC	NPV	BCR	VFM
Central Case					
ZEB Mileage +10%					
ZEB Mileage – 10%					
Battery Replacement +10%					
Battery Replacement –10%					
High Carbon Value					
Low Carbon Value					
High Energy Consumption					
Low Energy Consumption					
Bus Life Span +1 year					
Bus Life Span -1 year					

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.

[Download Grant Funding Per Bus Calculator Spreadsheet](#)

Section 8 – Assessment Criterion 4 – Deliverability

The Deliverability criterion draws together relevant aspects of the Finance, Commercial and Management Cases in the Five Case Model.

8.1 Finance Case

Together with grant funding per bus section 8.1 of deliverability will form the finance case of the Five Case Model.

- 8.1.1 LTAs should set out clearly in **no more than 1,000 words** all the sources of funding for their proposal, which should match the information included in the Greener Bus Tool. For all funding sources, except grant funding from the Government, LTAs should set out a short summary detailing the source of the funding and what approvals (e.g. investment or credit committees) are required to access the funding.

[REDACTED]

The total value of our ZEBRA 2 scheme is £[REDACTED] of which £[REDACTED] relates to capital funding for the buses and £[REDACTED] for the associated grid connection and charging infrastructure.

Of the total value, £[REDACTED] is requested from DFT through the ZEBRA 2 grant with the remaining £[REDACTED] provided by the bus operators.

For the buses, the funding requested from DFT through ZEBRA 2 is £[REDACTED] with the remaining £[REDACTED] funded by the bus operators. The infrastructure (grid connection, charging infrastructure & related civil works) funding requested from DFT ZEBRA 2 grant is £[REDACTED] with the remaining £[REDACTED] funded by the bus operators. Quoted costs for all buses include initial battery warranties.

A summary of capital spend (over 2023/24 and 2024/25) is presented in the table below.

Buses	Arriva	GNE	Stagecoach	TOTAL
Total Capital Cost	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
ZEBRA Grant	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Bus Operator Funding	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Buses	14	11	18	43
Cost Per Bus	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Infrastructure				
Total Capital Cost	[REDACTED]			
ZEBRA Grant	[REDACTED]			
Bus Operator Funding	[REDACTED]			
Scheme				
Total Capital Cost	[REDACTED]			
ZEBRA Grant	[REDACTED]			
Bus Operator Funding	[REDACTED]			

Battery replacement costs are excluded from the above figures as this element falls outside the funding scope of ZEBRA 2.

A more detailed breakdown of the individual operator projects is provided below.

Arriva					
Item	Volume	Cost per unit	Total Cost	ZEBRA 2	Bus Operator Funding
ZEBs					
Diesel Buses					
<i>Difference</i>					
Infrastructure/ Grid Connection					
Battery Replacement					

Go North East					
Item	Volume	Cost per unit	Total Cost	ZEBRA 2	Bus Operator Funding
ZEBs					
Diesel Buses					
<i>Difference</i>					
Infrastructure/ Grid Connection					
Battery Replacement					

Stagecoach					
Item	Volume	Cost per unit	Total Cost	ZEBRA 2	Bus Operator Funding
ZEBs					
Diesel Buses					
<i>Difference</i>					
Infrastructure/ Grid Connection					
Battery Replacement					

8.1.2 LTAs seeking to use finance other than from a bus operator(s) (e.g., private, UKIB, other) should set out in **no more than 1,000 words** the finance, what further steps would be needed to secure that finance on confirmation of any grant award from the scheme, and what other alternative sources would it seek to utilise if the external finance was subsequently not available.

N/A

8.1.3 Subsidy control

LTAs should set out in **no more than 1,000 words** a summary of the legal advice that they have received on how they will comply with subsidy control rules. LTAs must attach the full legal advice as a labelled annex.

We set out below a summary of the legal advice provided to us regarding the compliance of our Zebra 2 programme with subsidy control rules. A copy of the full advice received can be found in Annex C. Most importantly, the advice states that:

“A principled analysis of the proposed grant scheme, along with a detailed subsidy assessment (including an assessment of compliance with energy and environment principles A and B) has been completed. This analysis concludes that the proposed grants to be funded by TNE from DfT’s ZEBRA 2 subsidy meet the criteria for a justified subsidy under the Subsidy Principles and that they are not exempt under any of the generic exemptions.”

The value of the grant proposed within the TNE ZEBRA 2 programme far exceeds the £315,000 Minimal Financial Assistance (MFA) threshold. It also exceeds the threshold for the Streamlined Route for Local Growth (£400,000).

The value of the grants to be awarded (including the cumulative value of grants awarded to the three identified operator groups nationally) are such that the SOPI threshold is likely to be exceeded. There will therefore be a mandatory requirement to refer all three schemes to the Subsidy Advice Unit (as schemes of particular interest).

The legal advice makes several important points about the grant assessment process and the selection of beneficiaries to ensure this process has been completed fairly and transparently to avoid potential challenge by other bus operators.

Finally, the advice recommends that Grant Funding Agreement’s (GFA’s) are devised to optimise the effectiveness of the environmental benefits associated with the acquisition of the ZEB fleet and to integrate the use of the vehicles with the BSIP funding arrangements to reduce passenger costs and encourage greater take-up.

8.2 Commercial Case

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.

Our ZEBRA 2 programme delivers 43 BEVs with supporting grid connections/charging infrastructure at three different depot sites. Three distinct procurement routes will be managed by our Delivery Partners, with a dedicated TNE Programme Manager providing strategic overview, programme management, risk management, grant administration and monitoring.

Arriva

Arriva are a major operator with significant experience in delivering ZEV projects, most recently in London and Leicester. Arriva are proposing [REDACTED] for their Belmont depot in Durham. Actual supplier will be confirmed following procurement. Arriva will follow procurement guidelines set nationally (for goods/services over £75k) drawing from an existing 'preferred supplier' list. These will be the first ZEBs deployed at Belmont. [REDACTED]

[REDACTED]. Arriva will own and maintain the buses/infrastructure and will have contracts in place regarding their warranty. [REDACTED]

[REDACTED]. 7 of the new buses will replace 2005 built Euro III Volvo B7 double-deck buses (current allocation for 48/X46) and the balance will replace 6 2010 built Euro V ADL E200's and 1 Wrightbus Pulsar (current allocation for 64). This investment is expected to generate patronage growth – the selected model offering increased capacity to accommodate this. Arriva will have a [REDACTED] warranty for their buses and batteries.

Power supply/charging infrastructure will be procured via Arriva's national EV infrastructure framework, but this application assumes services provided by [REDACTED]. Arriva EV projects introduced elsewhere use different suppliers to maintain competition in market. EV implementation is centrally managed to ensure shared learning – their significant experience helps de-risk this project. [REDACTED]

[REDACTED] Arriva will own all the infrastructure installed.

Go North East

GNE are part of the Go Ahead Group, a national operator with significant ZEB implementation experience (for example, Go Ahead worked in partnership with TFL to electrify Waterloo depot – the first fully electric depot in the UK). For this project, Go Ahead/GNE has undertaken market engagement to determine the best zero emission vehicle for their needs. Engagement with suppliers, and feedback from EV implementation elsewhere within the Go Ahead Group has identified the [REDACTED] as offering the required range, quality, and image – aligning with technical and commercial needs. Negotiations with [REDACTED] are advanced, and it is expected that commercial agreement and formal procurement of the new buses can commence as soon as ZEBRA funding is confirmed. GNE will own the buses.

For charging GNE approached [REDACTED]. Go Ahead has experience with both delivery partners from previous EV projects. [REDACTED]

[REDACTED]. GNE will own the vehicles and charging infrastructure. [REDACTED]

Stagecoach North East

Stagecoach North East is part of the Stagecoach Group. Stagecoach is fully committed to decarbonisation of their fleet – targeting a fully zero emission UK fleet by 2035. They have significant experience with EV implementation projects. Stagecoach North East will procure and then own [redacted] buses for this scheme. This will be the first ZEB deployment at this site.

[redacted]. Stagecoach will own and maintain the buses/infrastructure and will have contracts in place regarding their warranty. [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

General

Whilst developing this programme we explored different ownership models – the strong preference from Delivery Partners was that they own and operate the BEVs. Adopting this model was instrumental in securing match funding. We have previous experience with this model (successful introduction of 18 ZEBs by GNE’s Riverside depot following 2018 ULEBs award).

8.2.2 Evidence of costs

LTA's should provide evidence that they, or one of their partners, has engaged with the supply chain to demonstrate reliability of costs. The Department reserves the right to reject any application which has not provided all the required quotes.

8.2.2.1 LTA's 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. LTA's must input the key information on these vehicles into the below table.

	Quote from preferred manufacturer	Quote from second manufacturer
Manufacturers name	[Redacted]	[Redacted]
Make and Model of bus	[Redacted]	[Redacted]
Number of buses in bid	[Redacted]	[Redacted]
Vehicle technology (eg. Battery electric or hydrogen fuel cell)	[Redacted]	[Redacted]
Cost per bus (£)	[Redacted]	[Redacted]
Cost of diesel equivalent (£)	[Redacted]	[Redacted]
Has evidence for the cost of this bus model been provided alongside the application form?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Link to ZEMO ZEB certificate*	[Redacted]	[Redacted]
Battery manufacturer	[Redacted]	[Redacted]
Battery Installed Capacity (kWh)	[Redacted]	[Redacted]
Battery Usable Capacity (kWh)	[Redacted]	[Redacted]
Maximum zero emission range for type of route	[Redacted]	[Redacted]
Battery chemistry	[Redacted]	[Redacted]
Plug type	[Redacted]	[Redacted]
Rated charging power (kW)	[Redacted]	[Redacted]
Charger compatibility	[Redacted]	[Redacted]
Fuel cell manufacturer	[Redacted]	[Redacted]
(For hydrogen proposals) Hybridised battery size	[Redacted]	[Redacted]

continued overleaf

	Quote from preferred manufacturer	Quote from second manufacturer
(For hydrogen proposals) Fuel cell power rating (kW)	N/A	N/A
Total system power rating	N/A	N/A
Hydrogen Storage Capacity (kg)	N/A	N/A
On board hydrogen Storage Pressure (bar)	N/A	N/A
Vehicle length	█	█
Passenger capacity (seated)	█	█
Number of PSVAR compliant wheelchair spaces	█	█
Number of additional flexible spaces	█	█
Total passenger capacity	█	█

* The Zemo Partnership (formerly Low Carbon Vehicle Partnership) have developed the Zero Emission Bus definition and test process, and a certification of compliance is provided as each bus type is tested. Bidders can find these certificates on Zemo Partnership’s website: www.zemo.org.uk/work-with-us/buses-coaches/low-emission-buses/certificates-hub

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	█	█
Make and model name	█	█
Number of charging units (charging unit with dual plug counts as one unit)	█	█
Cost per charging unit	█	█
Has evidence for the cost of this model been provided alongside the application form?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Max Charging rate (kW)	█	█
AC or DC charger	█	█
Chargepoint protocol utilised	█	█

8.2.2.3 For proposals to introduce hydrogen fuel cell buses LTAs **must provide quotes from two suppliers** of refuelling 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.

Hydrogen	Quote from preferred manufacturer	Quote from second manufacturer
Hydrogen refuelling station (HRS) operator	N/A	N/A
Technology provider	N/A	N/A
Number of HRS	N/A	N/A
Cost per HRS	N/A	N/A
Hydrogen storage (kg)	N/A	N/A
Dispensing pressure (bar)	N/A	N/A
Fuelling capacity (kg/day)	N/A	N/A
Production on-site or off-site?	<input type="checkbox"/> On-site <input type="checkbox"/> Off-site	<input type="checkbox"/> On-site <input type="checkbox"/> Off-site
(If on-site) Size of electrolyser stack	N/A	N/A
(If off-site) Source of hydrogen: supplier and location of hydrogen supply	N/A	N/A
Hydrogen supplier	N/A	N/A

8.2.2.4 In **no more than 750 words** LTAs should explain how the quotes they have obtained for vehicles and infrastructure have been informed by the vehicle and infrastructure specifications they intend to introduce.

Introduction

The quotes listed above in sections 8.2.2.1/2 relate to the Stagecoach project. Separate supporting sheets are supplied which summarise the quotes received in respect of the Arriva and GNE projects. A copy of the manufacturer quotes received by each operator can then be found within Annex A.

Arriva



Go North East

[Redacted text block]

[Redacted text block]

Stagecoach

[Redacted text block]

[Redacted text block]

8.2.2.5 Please provide evidence of the cost of the grid connection. This should take the form of a connection offer, budget estimate, letter or email from the Distribution Network Operator or Independent Connection Provider. If a grid connection is not needed, please explain in **no more than 750 words** why.

Arriva

[Redacted]

Go North East

[Redacted]

Stagecoach

[Redacted]

[Redacted]

8.2.2.6 Proposals for battery electric buses that are not using the GBT costs for electricity should explain why and provide evidence of the cost of the electricity. Evidence should take the form of a letter or email from suppliers as a separate annex(es). This annex(es) should be clearly labelled.

8.2.2.7 Proposals for hydrogen fuel cell buses should provide evidence of costs of hydrogen fuel. Proposals for hydrogen fuel cell buses must either be sourced with Renewable Transport Fuels Obligation (RTFO) support or hydrogen that meets the UK’s draft low carbon hydrogen standard. Proposals for hydrogen fuel cell buses, must provide evidence of costs of hydrogen fuel. This evidence should take the form of a provisional offtake contract, budget estimate, letter, or email from a hydrogen fuel supplier. Please attach this as a separate annex(es). This annex(es) should be clearly labelled.

8.2.2.8 LTAs that are proposing to use private finance to support their proposal they will need to provide a letter of support from the private financier. Please attach quotes in the form of a letter or email from suppliers as a separate annex(es). This annex(es) should be clearly labelled. LTAs will also need to set out in **no more than 1,000 words** what further steps would be needed to secure that finance on confirmation of any grant award scheme, and what other alternative sources would it seek to utilise if the external finance was subsequently not available.

N/A

8.3 Management Case

8.3.1 Governance

In **no more than 1,000 words** please provide reassurance that they and their partners have the capacity to deliver the project as set out in the guidance.

Transport North East (TNE) / North East Mayoral Combined Authority (NEMCA)

TNE (and from May 2024, our successor organisation, NEMCA) will be responsible for overarching programme delivery. To achieve this, we will deploy established and robust arrangements in relation to project design, assurance, delivery, risk management, and monitoring/evaluation.

A Working Group has been established since programme inception. This Group consists of TNE (for policy, steer and funding), Nexus (for local industry expertise), and representatives from each of our Delivery Partners. Meetings have taken place weekly on a bi-lateral basis during the development phase. Focus will then move to delivery should our bid be successful. A Risk Register has been prepared – key risks identified and the planned mitigations for them are summarised in section 8.3.4 (below). Once new buses and associated infrastructure have been delivered, the Working Group will move to third phase (Monitoring and Evaluation). This will allow operational performance metrics to be discussed across partners, and if necessary, adjustments can then be implemented to ensure services are being delivered effectively. The TNE Transport Strategy Director will be the Senior Responsible Officer (SRO) – this is in keeping with all other existing TNE projects, ensuring consistency and provides opportunities for shared learning.

TNE/Nexus has a successful track record of delivery:

- 18 BEVs implemented at GNE's Riverside depot following successful ULEB application jointly developed by Nexus/GNE.
- Funding for 52 BEVs across the same three operators recently secured following successful LUF2 application.
- £198.4m successful bid for Transforming Cities Fund Tranche 2 (including delivery of a new Bus Station in Durham which has just opened and serves the Arriva routes (48, 64 and X46) contained in this bid).
- The North East Bus Service Improvement Plan (BSIP) and related Enhanced Partnership: Both now in delivery phase with several key milestones achieved.

TNE/Nexus were a 'Target City' within the European funded Clean Bus Platform initiative ([Home – Clean Bus Europe Platform \(cleanbusplatform.eu\)](https://www.cleanbusplatform.eu)). A legacy of this initiative is access to a network of contacts who have industry leading knowledge on ZEB implementation.

Arriva North East

Arriva have a dedicated team of ZEV project managers who will take the project from approval through to delivery, managing all aspects of the process from vehicle procurement through to infrastructure delivery whilst following the principles of the Arriva 'Zero Emission Institute' <https://www.arrivagroup.com/sustainability/our-approach-to-sustainability/zero-emission-institute> which forms the plans for decarbonisation of the wider Arriva business throughout the UK and Europe. This

ensures that a single person is maintaining view and task responsibility for the timelines that need to be met and ensuring that any deviation can be rectified quickly.

Arriva will procure, own, and manage the BEVs and related charging infrastructure. They will also own the batteries and have committed to fund their replacement which is expected to take place during year [REDACTED].

Arriva have significant experience with EV implementation. Brixton depot in London is now fully electrified with just under 50 BEVs and they are actively in the process of introducing 24 double-deck (Wrightbus Electroliner's) in Leicester.

Go North East

GNE will be responsible for the procurement, operation, and ownership of the ZEBs. Buses will be based at Riverside depot [REDACTED]. Charging infrastructure and grid connection will be managed [REDACTED] (on behalf of GNE).

Go Ahead/GNE have significant experience in ZEB deployment. Working in partnership with TfL they pioneered implementation of the first fully electric depot at Waterloo. They also delivered the North East region's first ZEBs with their successful 'Voltra' launch on services 53/54 and Q3 following a successful ULEBs award in 2018.

The Group has formed a national EV Centre for Excellence, this resource will help inform/deliver this project. Go Ahead have also installed a substation at their Oxford subsidiary, ahead of implementing 159 ZEBs as part of a ZEBRA 1 funded initiative.

Stagecoach North East

Stagecoach will be responsible for the procurement, delivery, operation, and ownership of their new zero emission buses. Buses will be based at Slatyford depot ([REDACTED]). Grid connection and charging infrastructure will be installed on behalf of Stagecoach [REDACTED]. The electricity to power the buses will be purchased by Stagecoach Group from [REDACTED] and has been certified as Green Electricity (100% renewable). Batteries will be owned by Stagecoach, and they have committed to the full cost of their replacement – expected to take place in year [REDACTED].

Stagecoach has significant experience in the successful deployment of ZEBs. There are 159 new ZEBs planned for delivery during 2023, increasing their ZEB fleet to over 300. These new ZEBs were introduced with the support of schemes such as ZEBRA 1 (or the Scottish equivalent). Notable projects recently delivered include:

- £10.8m investment for 25 Yutong E10 single-deck buses serving Inverness town services
- £16.5m investment for 30 Volvo BZL double-deck buses serving Cambridge P&R

During 2024 Stagecoach will commence electric operations in Oxford and Perth as well as large scale electrification of a franchised depot in Manchester.

As an early adopter Stagecoach have been able to build a resilient, efficient, and experienced project management process, and teams of experienced staff who can quickly identify the needs for infrastructure at each site and the best vehicle technology to use for each route and application.

The overall risk for delivery is low as Stagecoach has previous experience of delivering infrastructure and EV vehicles into its fleet. To ensure the successful delivery of the project regular reviews and reporting will be in place and controls to manage risks, issues and change management. Stagecoach has comprehensive and established financial controls in place. Capital and project spend has set governance, documentation and specific delegated authority which is restricted to directors and senior managers of the business.

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.

Transport North East (TNE) will manage ZEBRA 2 projects through a series of Grant Funding Agreements (GFAs) agreed with each Delivery Partner. The GFA acts as the legal agreement between the Delivery Partner and TNE as funder for the delivery of ZEBRA 2 funded outputs. The GFA will integrate and passport any funding conditions required for ZEBRA 2 ensuring that all applicable conditions are met by Delivery Partners, including any Monitoring and Evaluation requirements.

Quarterly Monitoring Returns (QMRs) will be issued to ensure that each project achieves approved outputs and milestones. These will be used to monitor progress against the legal contract (the GFA). Funding will be paid to delivery partners in arrears based on the achievement of milestones, for example the ordering and installation of chargers, and the ordering and introduction of the vehicles into the fleet.

The GFAs will clarify a ceiling level for the grant allocation, all financial risks will be transferred to delivery partners to ensure delivery based on the agreed cost envelope. Cost overruns will be the responsibility of each Delivery Partners, and this will be stated and agreed upon within the GFA.

Delivery Partners receiving funding from the North East Combined Authority (NECA) for ZEBRA 2 are all Bus Operators. Pre-grant due diligence will be undertaken prior to signing any GFA and the issuing of any grant funds, as part of TNE's processes to ensure public money is spent appropriately. This ensures that recipients are legitimate and solvent organisations who have a history of trading registered at Companies House, producing audited accounts and financial statements, there are no conflicts of interest, and that the grant recipient has the appropriate systems and processes in place to manage grant funds.

TNE operates a Capital Programme Management Framework which is actively being used to manage other TNE-led programmes successfully. Milestones have been established in this application and any change control processes will be managed in accordance with our Programme Management framework and any specified funder requirements.

The scheme will be delivered in line with established project governance mechanisms. The core project team at TNE will provide updates to the LA7 Heads of Transport and Capital Programme Board, who will have the opportunity to provide input into the programme of delivery. It is the Heads of Transport and Capital Programme Board's responsibility to note and monitor the progress of capital delivery in the region. Updates are also presented to the Transport Strategy Board, and onwards to the NEJTC. The Joint Transport Committee is the decision-making body for any transport-related approvals in the North East region, and specifically for any which are required in the delivery of our bid.

As part of our expected transition to the North East Mayoral Combined Authority (NEMCA) from May 2024, NEMCA will inherit all previous legal agreements implemented by its predecessor bodies. It is expected that these will be updated over time to reflect the revised governance arrangements.

Our draft Grant Funding Agreement is available in Annex G.

8.3.3 Project plan

LTA's should provide a project plan. This should be set out in **no more than 1,500 words**. A project plan in formats like gantt charts and tables, can also be provided as a separate annex(es). These must be provided in an excel format.

To manage and deliver this programme effectively, it is necessary to establish a robust plan which captures milestones, documents submissions, approval process, and monitoring evaluation periods. Individual Project Plans from each Delivery Partner have been prepared and can be found in annex F.

Key milestones from our programme plan are summarised in the table below.

Milestone	Arriva	GNE	Stagecoach
DFT funding award to LTA's			
Order for power upgrade placed <i>(Payment milestone for Delivery Partners)</i>			
Order for charging infrastructure placed <i>(Payment milestone for Delivery Partners)</i>			
ZEB vehicles ordered <i>(Payment milestone for Delivery Partners)</i> <i>[Deadline – 31 January 2025]</i>			
Electrical and civil works completed			
Driver and engineering training			
Vehicle delivery			
Vehicles in operation			
Snagging Issues with vehicles and infrastructure resolved <i>(Payment milestone for Delivery Partners)</i>			

At a high level the Programme Plan illustrates that orders for buses, charging infrastructure and grid updates will take place following notification of award – (between March 2024 – January 2025). Delivery will be complete by December 2025. This plan demonstrates compliance with the timescales stipulated by DFT within the ZEBRA 2 guidance.



8.3.4 Risk Management

LTA's should set out in **no more than 1,000 words** your top five risks and the actions they will take to mitigate these risks

A comprehensive Project Risk Register has been developed by the Project Team, the Risk Register will be continually updated and refined as the project proceeds, the table below outlines the top five scheme risks with appropriate mitigations focusing on the deliverability of the proposal.

Risk	Probability	Impact	Score	Mitigation
Charging infrastructure at depots not installed for operational start date	3	4	12	Plan has allowed a [redacted] window to order infrastructure and still meet the planned delivery timescales. Orders to be placed as soon as possible after grant award to fix delivery schedule as per plan.
Engineers at Belmont and Slatyford depot currently service a diesel fleet. Servicing of EV vehicles requires additional skillsets – Inadequate training could result in delayed or cancelled trips	3	3	9	[redacted] have scheduled training for drivers and engineers prior to launch with support from depots who have already implemented EV projects available as required.
Cost of ZEBs increases due to delays in confirming order.	3	3	9	Prices secured being held until [redacted]. If award is delayed beyond [redacted], then prices/lead times may change. If award delayed then assess with suppliers and reprice/replan.
Vehicle lead times for [redacted] are longer than assumed leading to delivery delays with associated cost impacts	3	3	9	Plan has allowed [redacted] window to order vehicles and still meet the planned delivery timescales. Vehicle orders to be placed as soon as possible after notification of grant award.
GNE Riverside depot flooded	2	4	8	GNE have operational plans in place to cover this eventuality with buses potentially transferred to another depot site and powered on a temporary basis by generators. Charging infrastructure would be switched off and not switched back on until clearance provided by [redacted].

A dedicated resource from TNE will be provided to lead the Project Steering Group and ensure that the Project Plan is adhered to, and the Project Risk Register is updated, and any emerging risks are integrated and mitigated appropriately. TNE will also oversee the Monitoring and Evaluation requirements associated with the fund. Each delivery element of the bid will identify a dedicated Project Manager which will be overseen by TNE from a programme management perspective. The scheme will be managed in line with PRINCE 2 project management principles.

8.3.5 Programme level Monitoring & Evaluation

LTAs should confirm that they will conduct the following as part of the programme-level M&E:

Participate in programme-level M&E activities as required, for example taking part in interviews or group discussion sessions: Yes No

Share relevant monitoring data in an electronic format (e.g. Microsoft Excel): Yes No

Share relevant monitoring data on a quarterly basis Yes No

Ensure relevant monitoring data is collected automatically via telematics Yes No

8.3.6 Scheme level Monitoring & Evaluation

LTA should set out in **no more than 1,000 words** their plans for scheme-level M&E, including a logic map which sets out expected causal links between scheme inputs, outputs, outcomes and impacts:

TNE has a robust Monitoring and Evaluation (M&E) Framework which this bid will follow. This is consistent with ZEBRA 2 Guidance and conforms to Magenta Book.

Our M&E will focus on ability of the funding to address programme objectives:

- a) Improve transport for the user – using green buses to drive patronage growth, including in rural areas, and improve customer satisfaction;
- b) The scheme aligns with our transport plan, and bus ridership (including rural areas), modal share and fleet emissions KPIs in our BSIP.
- c) Contribute to the region's air quality improvement – targeting pollution hot-spots and areas of deprivation; and,
- d) Allow lessons to be learned on the challenges and opportunities of deploying ZEBs at scale – demonstrating the concept within both rural and urban settings.

Regionally, we have access to a wide variety of data. This includes:

- a) Air Quality outputs at defined locations, (PM 2.5, CO2 and NO2 levels from the monitoring locations in our AQMAs and CAZ).
- b) Traffic congestion data on key bus corridors and journey time variability data from the Urban Traffic Management Control centre.
- c) Bus passenger/demand data from Electronic Ticket Machines (ETMs).

Quarterly Monitoring Returns (QMRs) will be included as a condition of the Grant Funding Agreement's between TNE and delivery partners, allowing delivery of outputs and progress against timescales to be monitored.

Data provided via QMRs will include:

- a) Number of Zero Emission Buses (ZEBs) purchased, in operation (including overall fleet statistics), number and type of internal combustion engine (ICE) buses replaced,
- b) Number (and capacity) of charging facilities introduced (including charging methodology used),
- c) Purchase cost per ZEB vs. purchase cost per equivalent ICE bus,
- d) Average operational cost (incl. maintenance and infrastructure) per ZEB vs. average operational cost (incl. maintenance and infrastructure) per ICE (if ICE buses operational in fleet),
- e) Capital cost of electric fueling infrastructure,
- f) Patronage and customer satisfaction statistics.

Data will also be provided through telematics in each vehicle, including: average daily ZEB mileage, average daily ZEB energy consumption, average daily diesel mileage and fuel consumption for each route, (baseline/comparator data), average ZEB well-to-wheel greenhouse gas emissions, average battery state of charge before/after charging, and time of day ZEB charged and electricity tariff (including electricity generation source).

By collating this data, we will be able to monitor the effective roll out of zero emission buses, track their environmental performance, how the investment has worked financially for the operators and look at how passengers have reacted to the investment including driving patronage growth and satisfaction.

This regional view will allow an analysis of how the market for electrification is moving over time, the impacts the investment has had on health and air quality, whether congestion has improved on our busy radial routes, and efforts in expanding access to zero carbon transport options across our

region. Comparing KPI's for our urban and rural projects will highlight any significant variations in performance – helping to inform future ZEB deployment policy/direction.

TNE's approach to M&E is built on four pillars:

1. Providing local accountability and transparency to public, partners and stakeholders
2. Complying with external scrutiny requirements
3. Providing not only a summative, but a formative function
4. Developing an evidence base for input into future interventions and services

Financial contributions for M&E will be met by in-kind costs borne by TNE in the first instance. The monitoring and evaluation for this programme will be the responsibility of the TNE's Bus Programme Management Team who will liaise with the relevant stakeholders to collect, process, and report the required data to internal stakeholders and the DfT.

The following roles and responsibilities will be assumed for the M&E of this programme:

- a) North East Joint Transport Committee – Monitor progress through regular reporting provided.
- b) North East Bus Partnership Board – Review key decisions and note progress.
- c) Transport Strategy Board and Capital Programme Board – Review key decisions and note progress.
- d) Transport North East – compilation of data from delivery partners, production of quarterly and yearly reporting (as required) to Government, production of update reports for Committee and Board meetings.
- e) Delivery partners – provision of data required for quarterly monitoring returns.

This data collection and analysis will allow us to realise the benefits of our investment. Critically, this data will allow us to better understand the challenges of ZEB deployment. The knowledge developed by TNE and bus operator delivery partners through this programme will then be a powerful asset as our region seeks to progress to the next phase of mass ZEB deployment.

Our logic map is presented below:



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

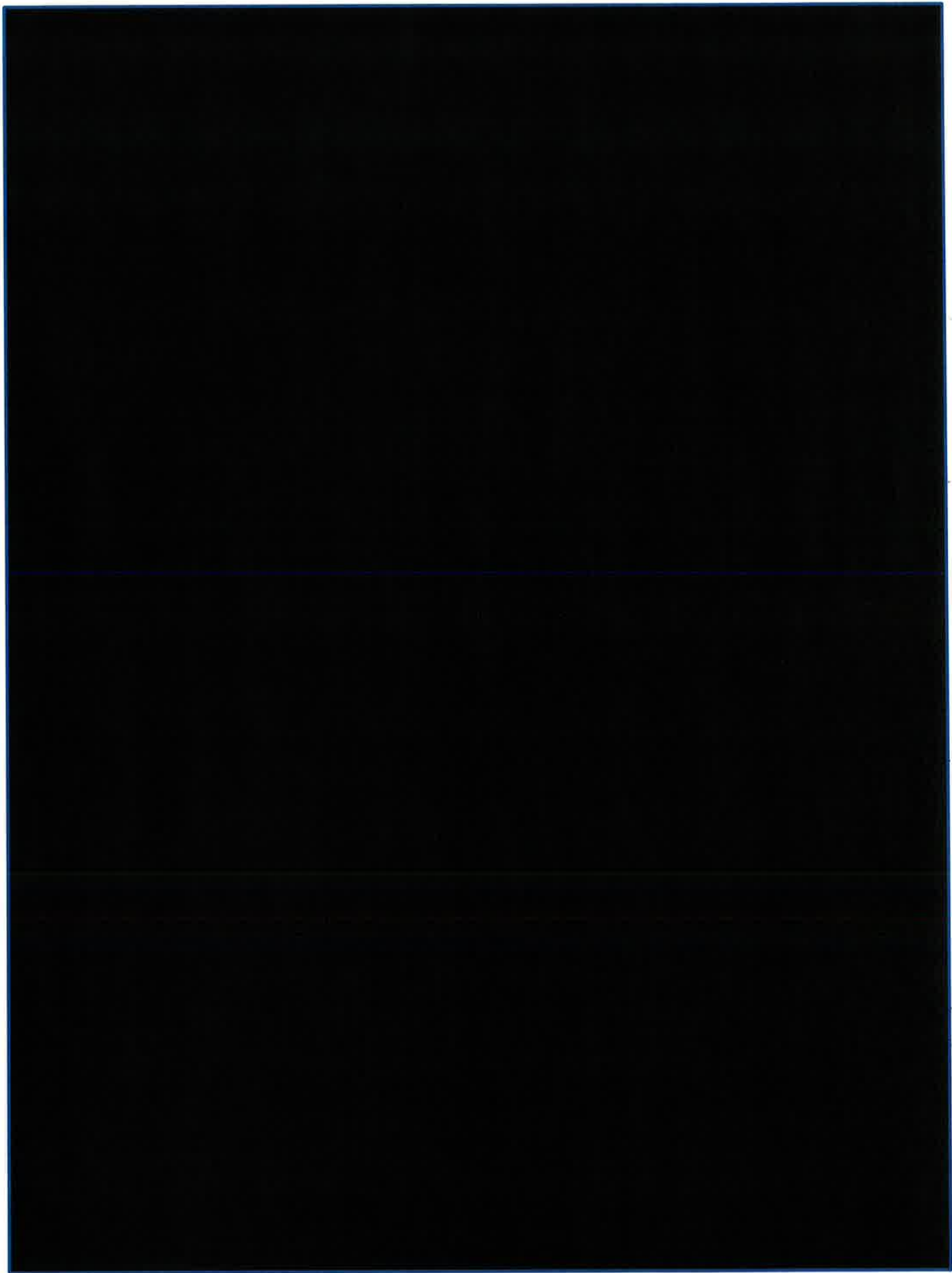
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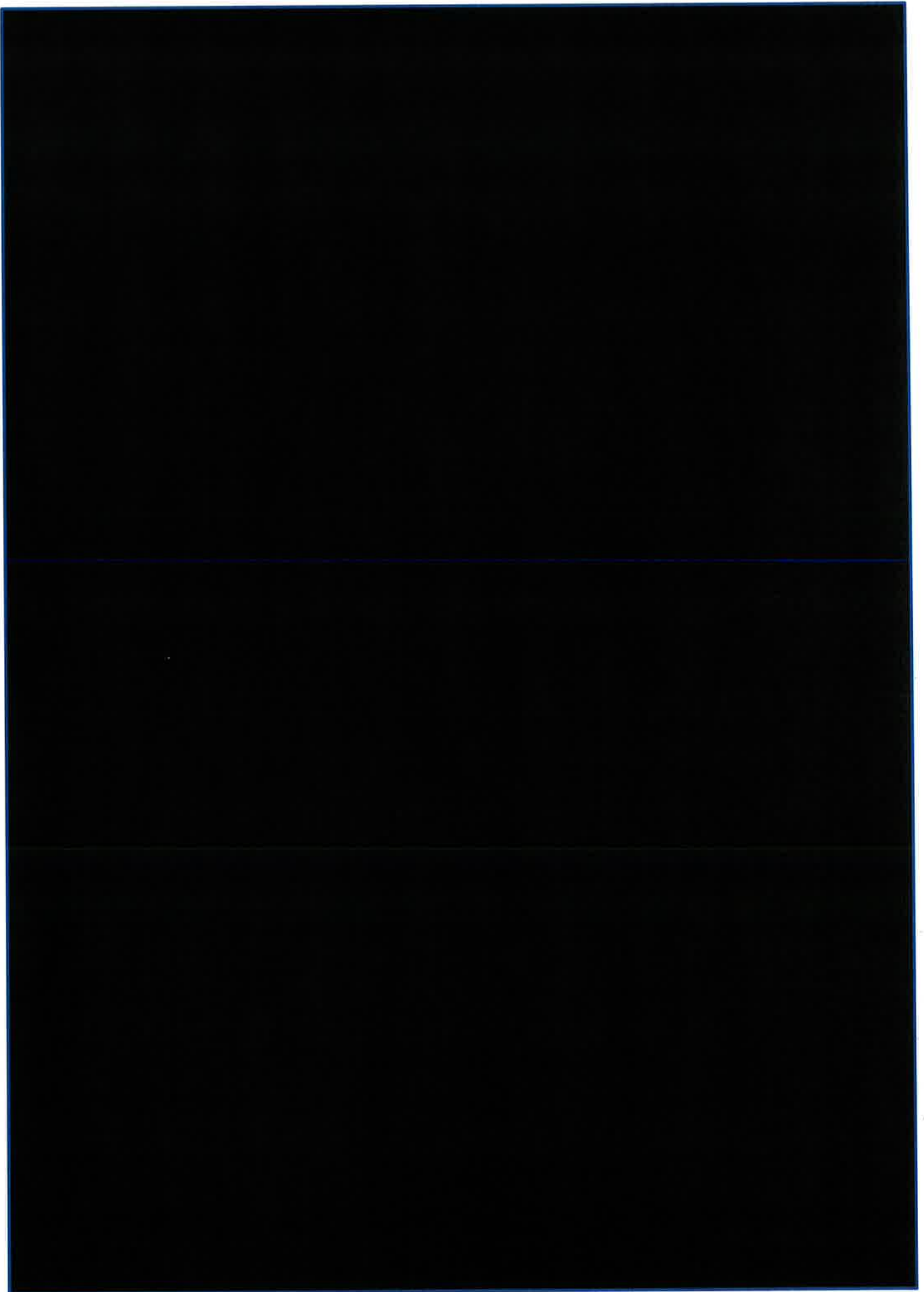
ANNEX A

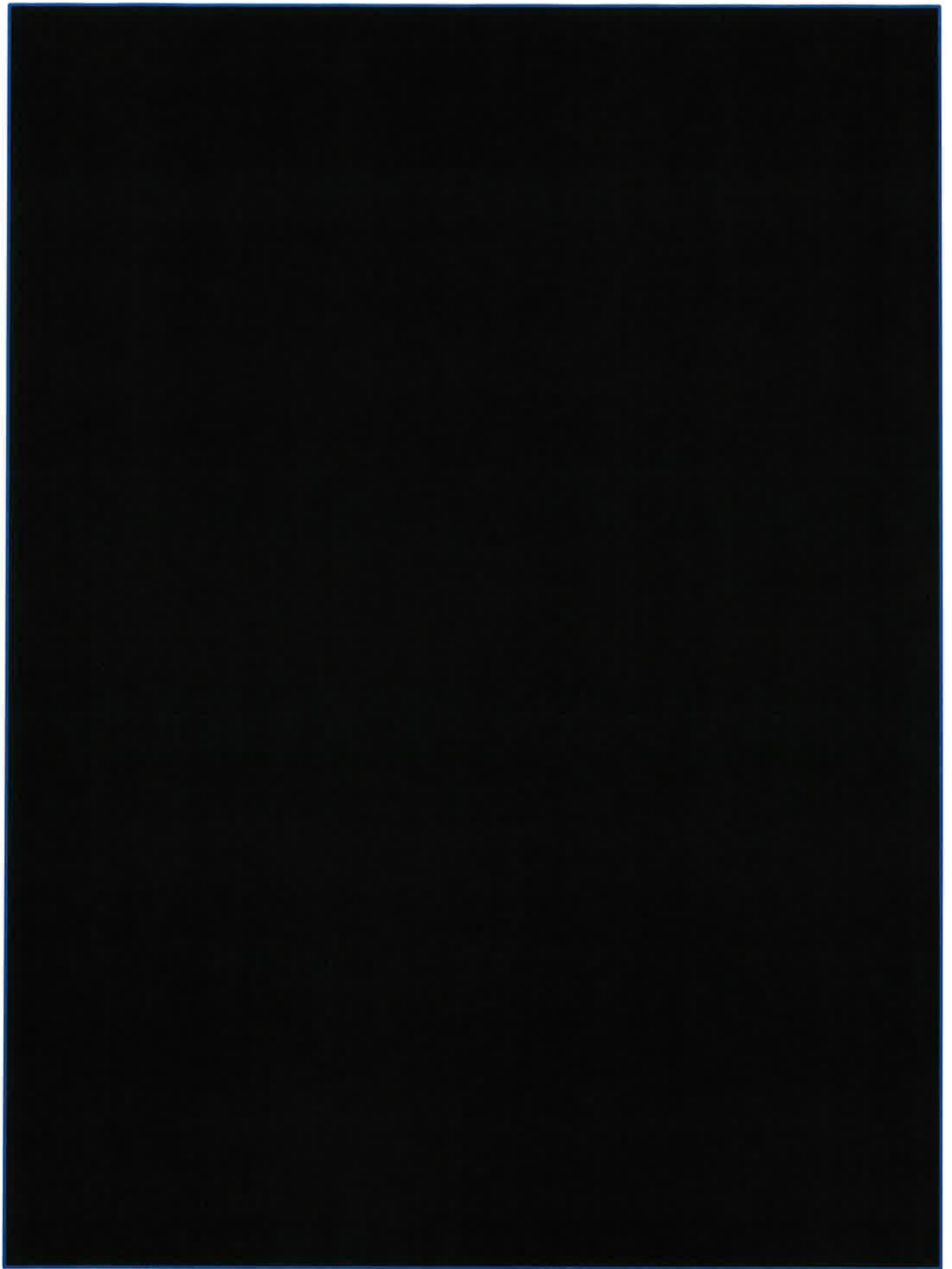
- Quotes from zero emission bus manufacturers

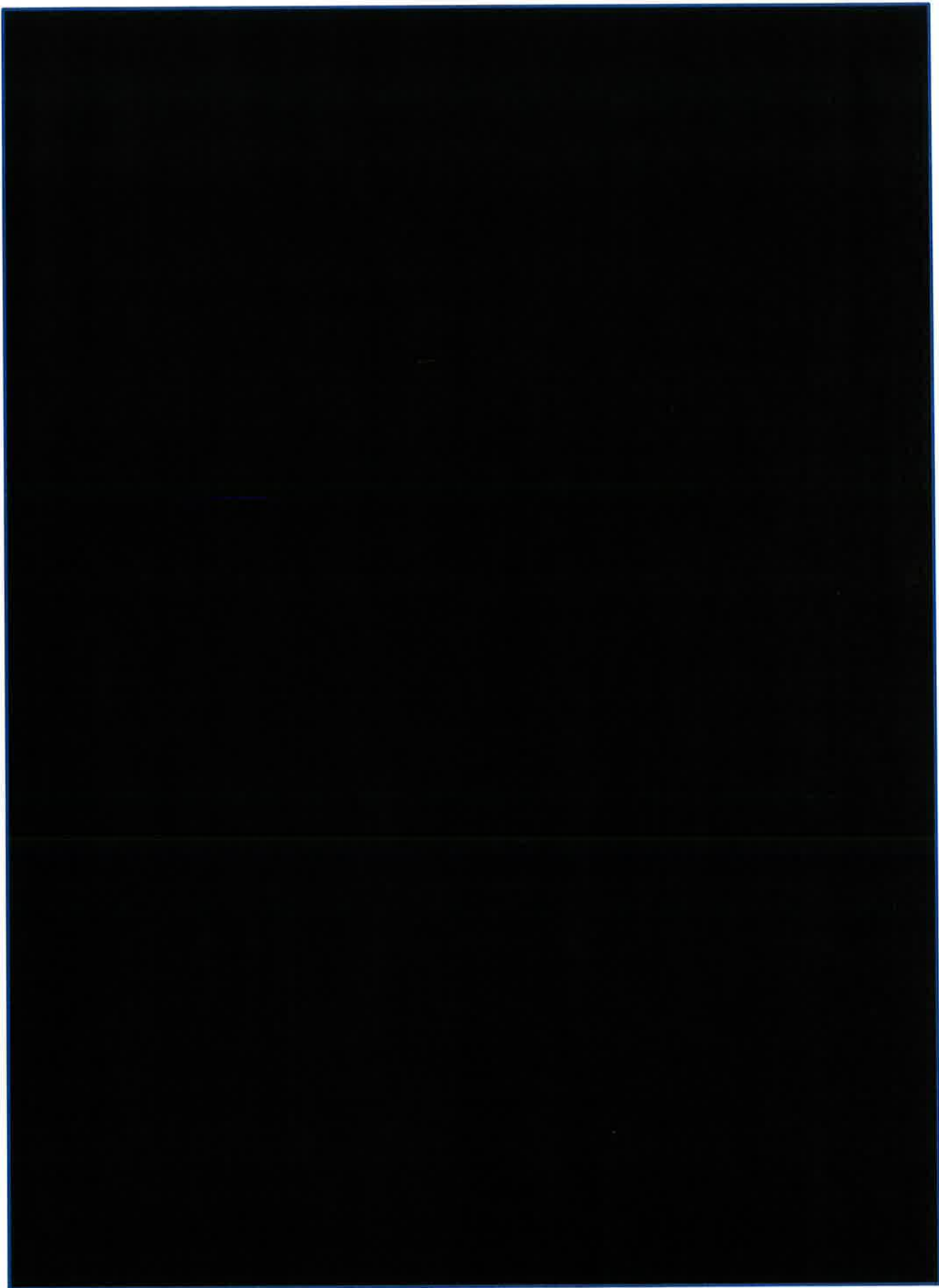


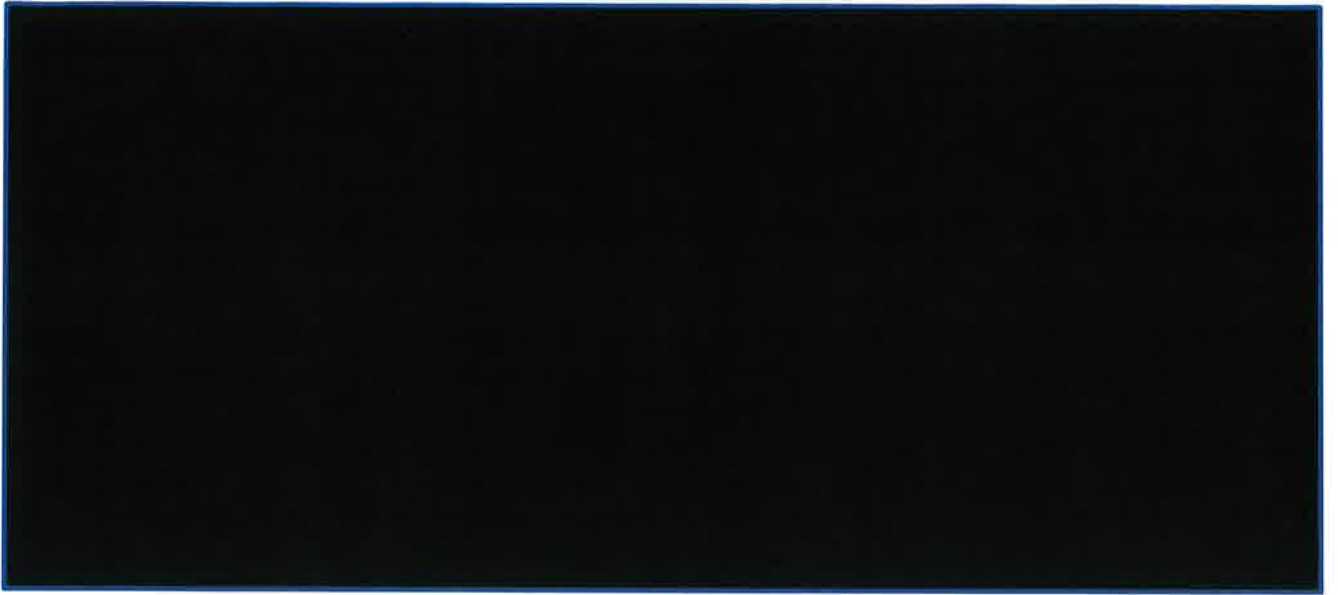


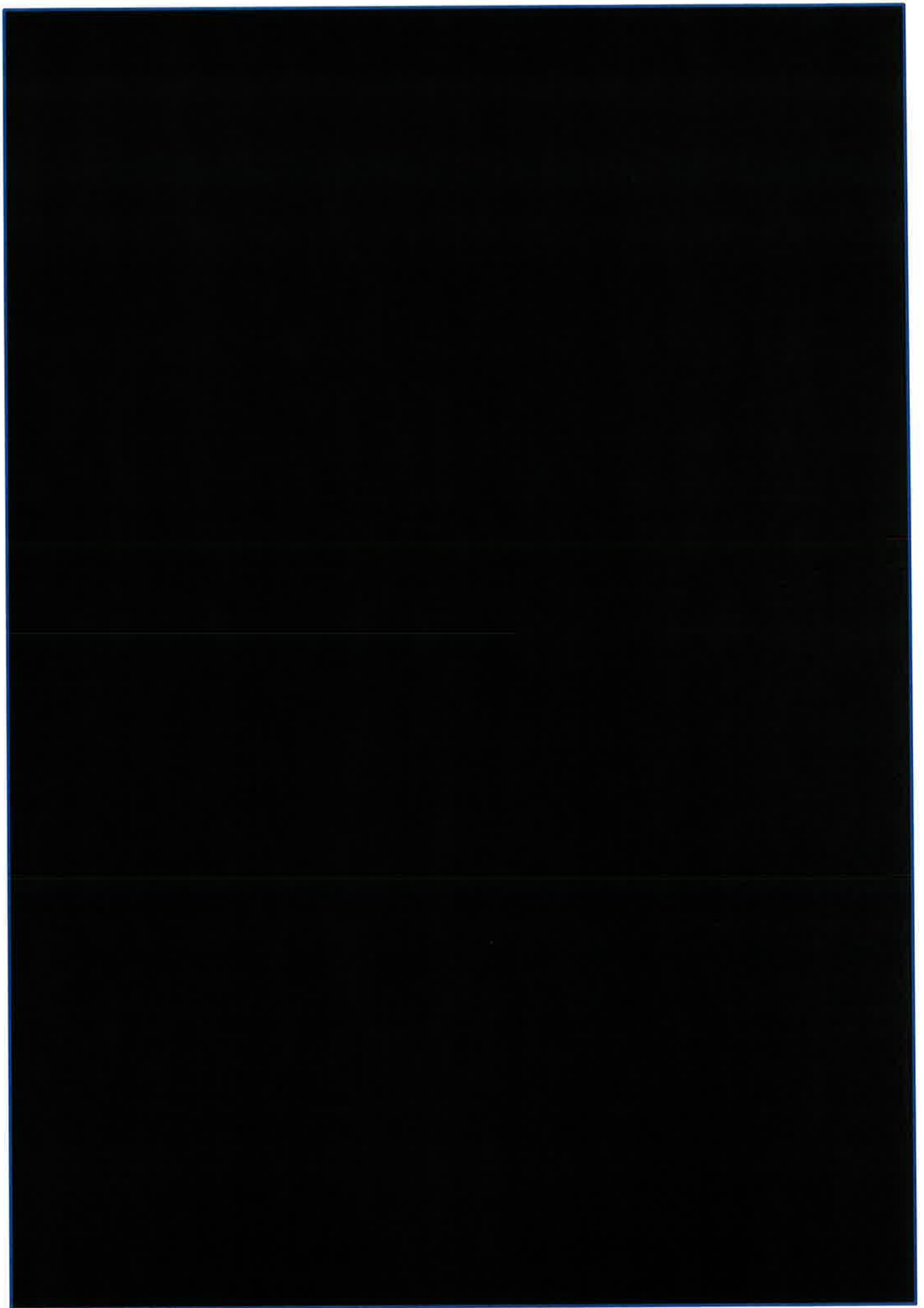


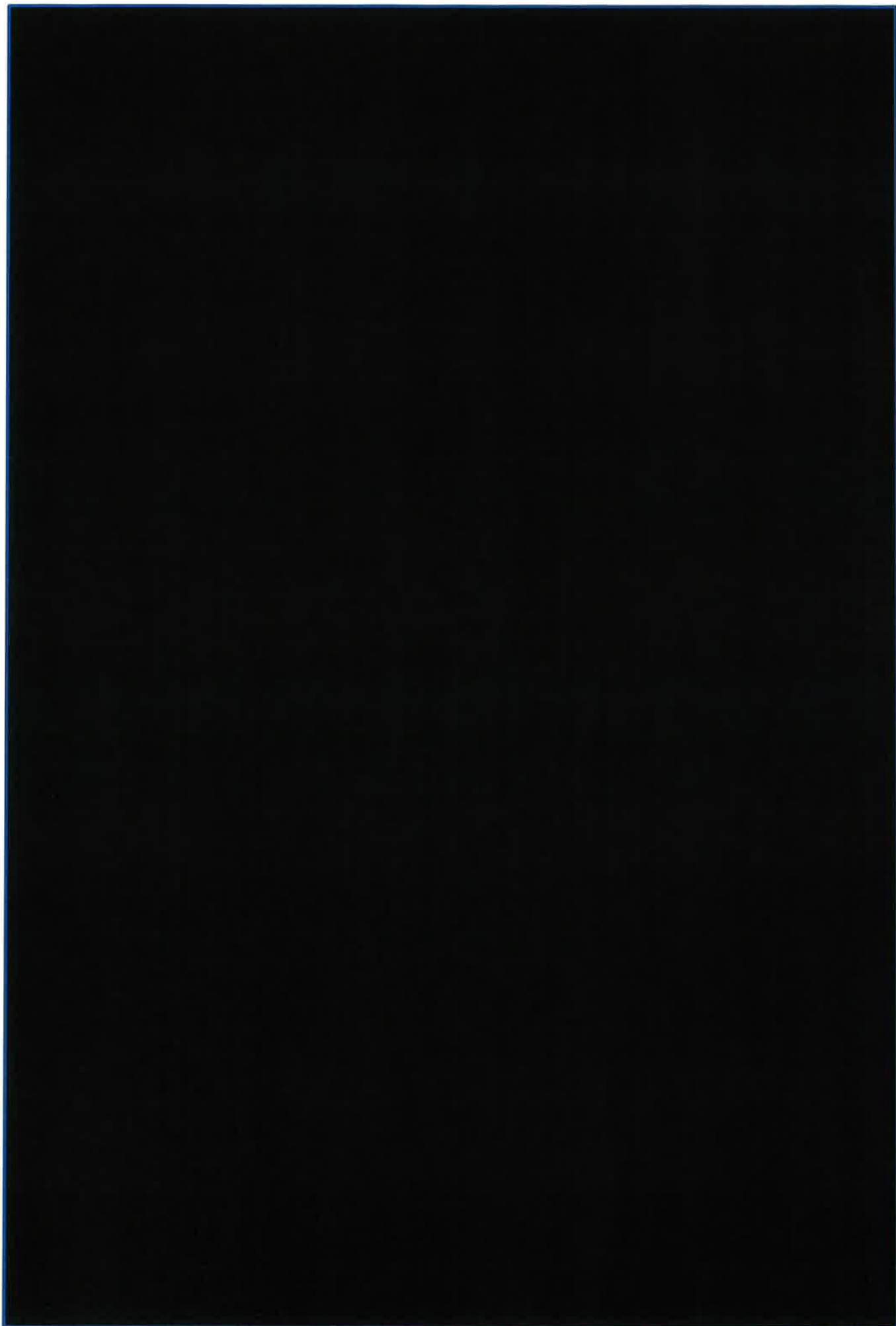


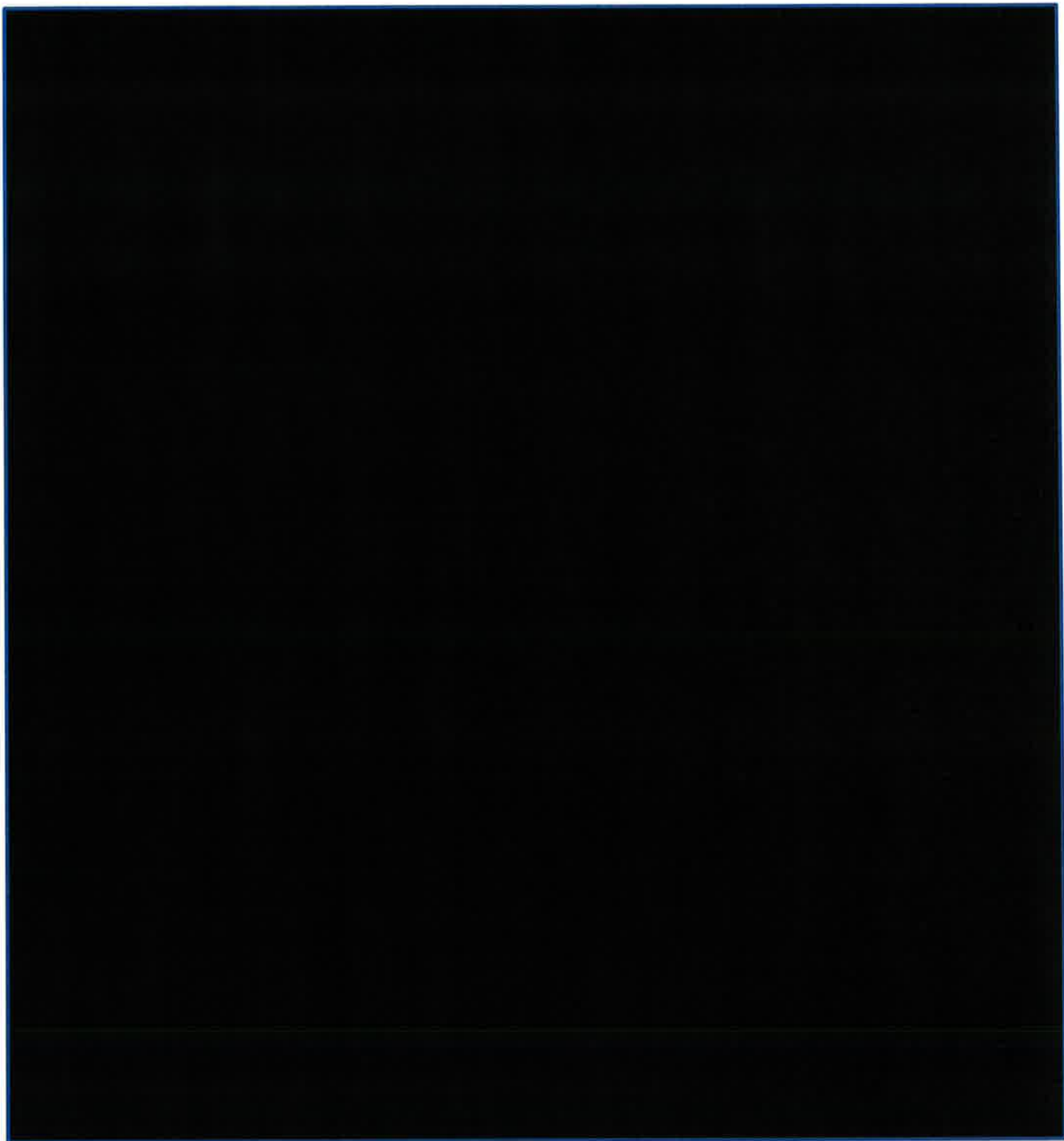




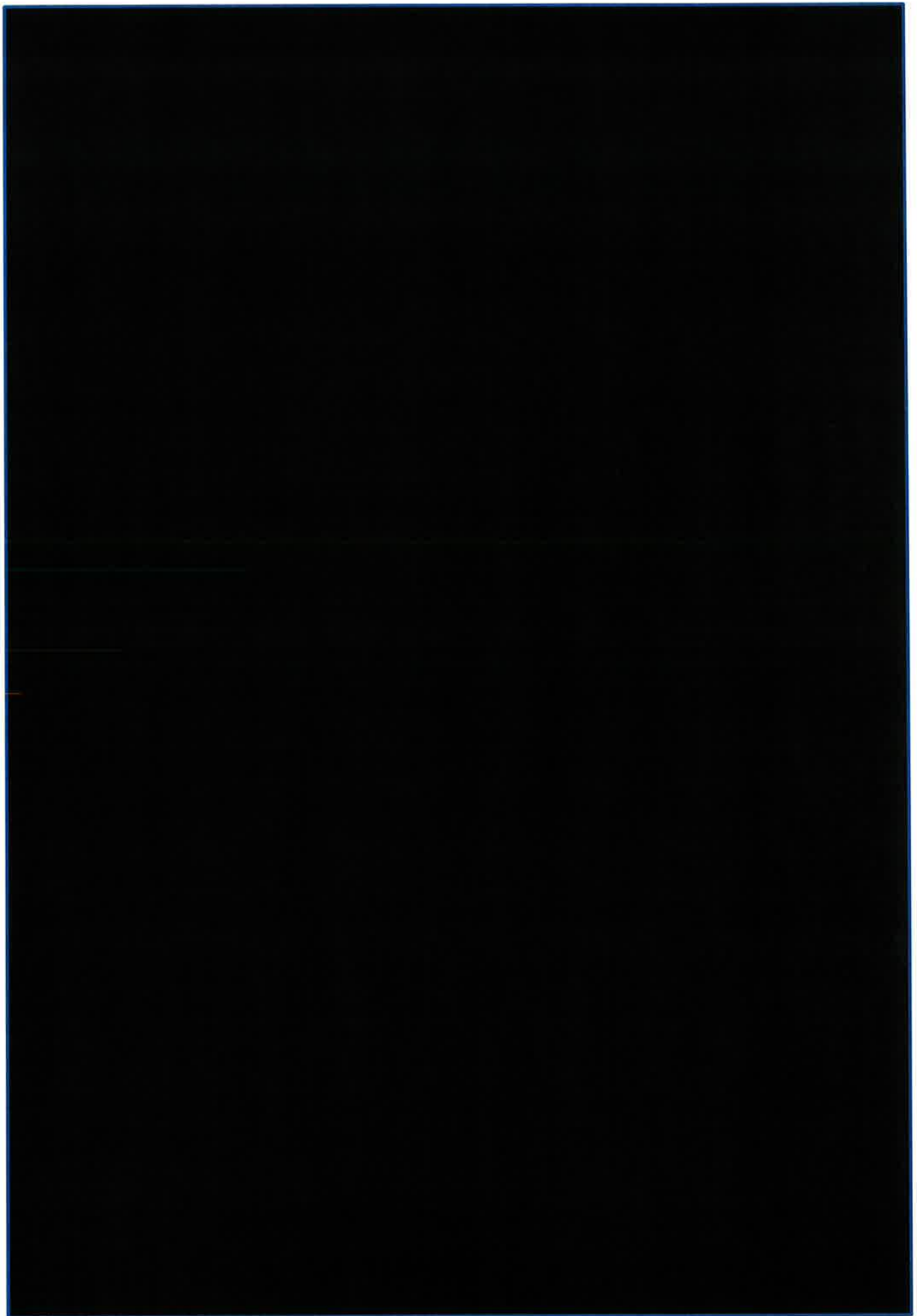


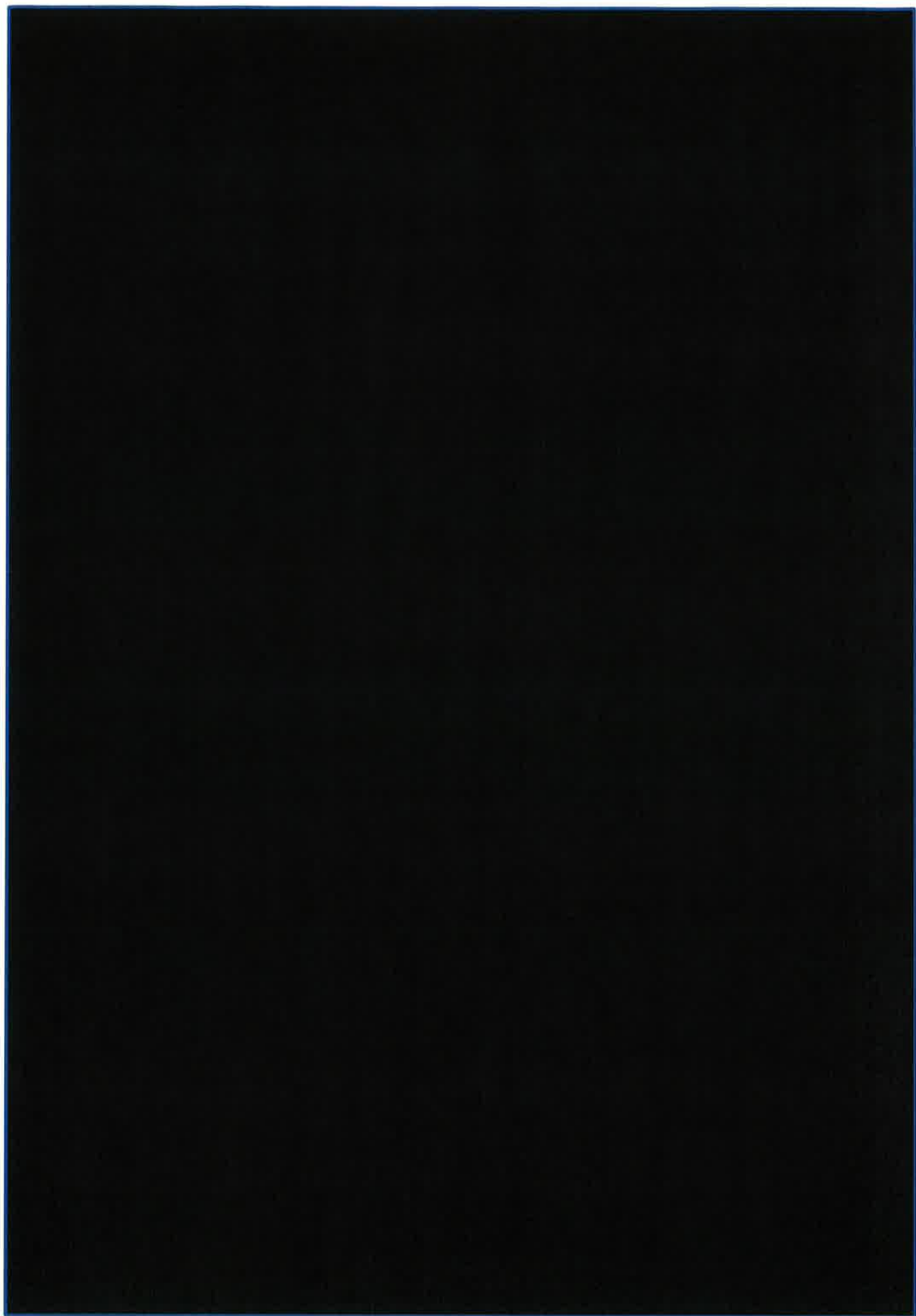


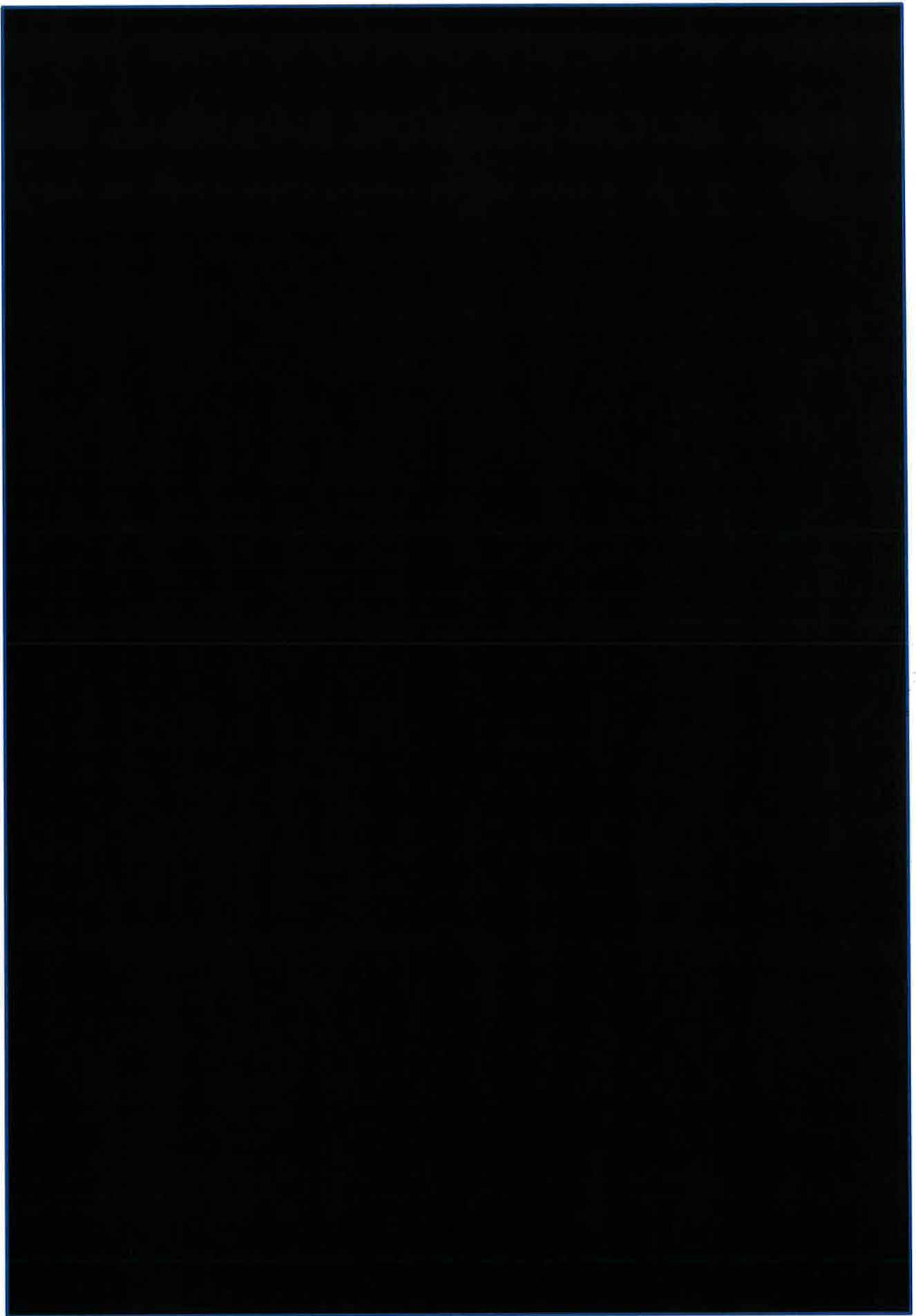


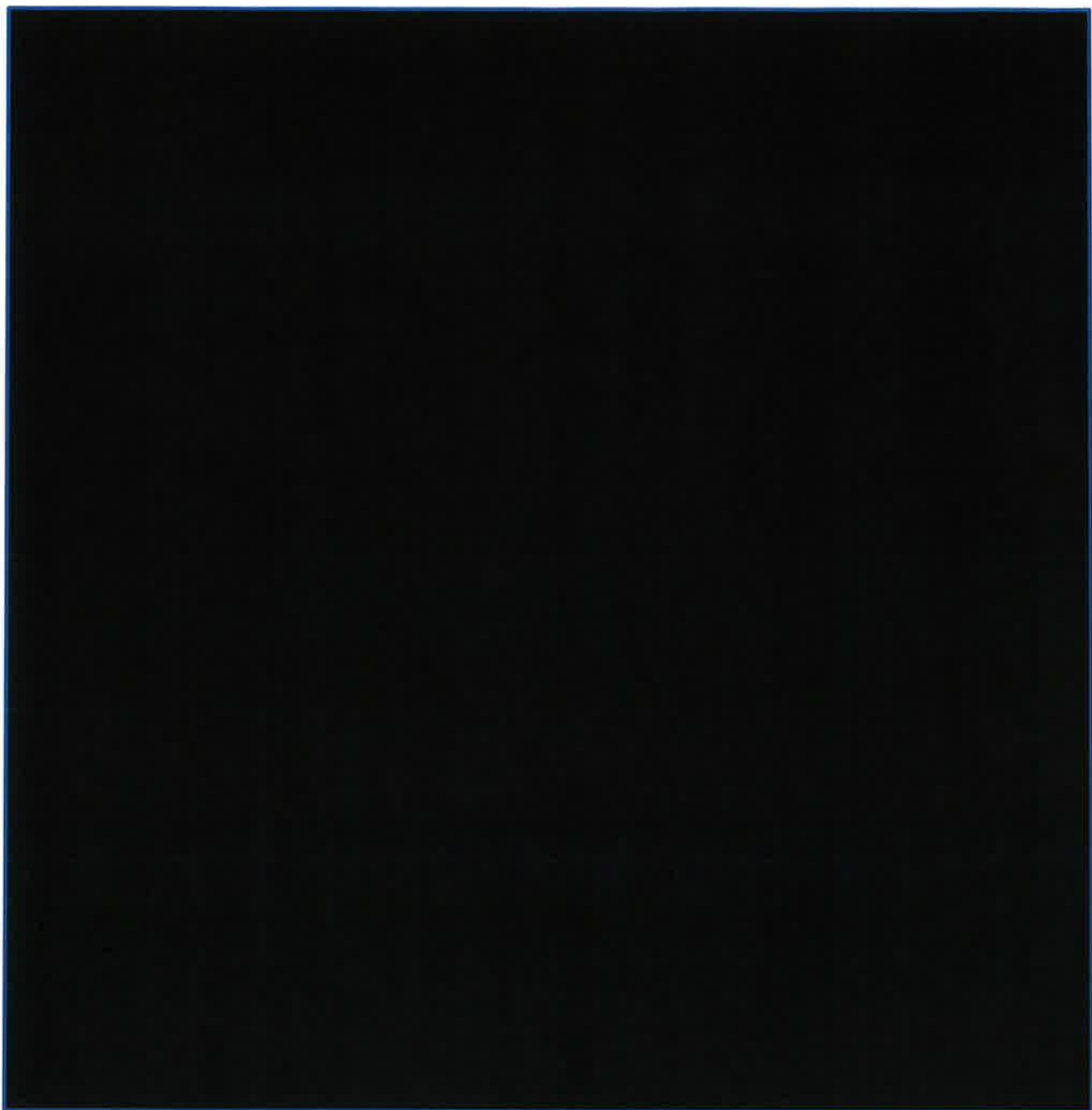












ANNEX B

- Bus Operator Letters of Support

Go North East
117 Queen Street
Gateshead
Tyne and Wear
NE8 2UA

Rob Mills
Zero Emission Bus Policy
Officer Transport North
East c/o Gateshead Civic
Centre
Regent Street
Gateshead
NE8 1HH

15 December 2023

Re: ZEBRA 2

Dear Rob,

Further to recent discussions, I am writing to confirm our support for Transport North East's bid to the DfT's ZEBRA 2 funding scheme. Please accept this letter as confirmation of our commitment to invest in the zero-emission buses and required infrastructure that are part of Transport North East's bid.

As part of this, we commit to keep any ZEBs acquired with funding from ZEBRA 2 in the local area for a minimum of five years, should Transport North East's bid be one chosen to be supported by the DfT.

The routes we have chosen to include in the bid for electrification are the 58 (Newcastle - Gateshead - Heworth - Follingsby) and the X66 (Gateshead - Dunston - Metrocentre). This would see 7 double deckers and 4 single deckers introduced, respectively, based at our Gateshead Riverside bus depot.

We look forward to our continued collaboration on this project.

Yours sincerely



Nigel Featham
Managing Director, Go North East



Matt Carney
CEO - Bus

T: 0191 420 50 50 W: gonortheast.co.uk E: hello@gonortheast.co.uk

Go North East, 117 Queen Street, Gateshead, Tyne and Wear, NE8 2UA Go North East Limited. Registered in England No. 2057284. Registered Office: 3rd Floor, Grey Street, Newcastle upon Tyne, NE1 6EE

Support for Transport for North East full Funding Application for DfT's Zero Emission Bus Regional Area Scheme ('ZEBRA 2')

Dear Sirs/Madam

This letter is to formally express our support for submission of Transport for North East's full Funding Application for the Department of Transport's ZEBRA 2 scheme. As a company committed to sustainability, we fully endorse the purchase of 18 new zero-emissions, battery electric vehicles and the required charging infrastructure.

In the event that the Funding Application is accepted, and that Stagecoach is the recipient of the level of grant sought, Stagecoach wishes to confirm that, in principle and subject to overall affordability and Board approval, it would agree to:

- i. Contribute up to [REDACTED] to the Project on the understanding that the vehicles and supporting fixed assets required would become the property of Stagecoach held on its balance sheet.
- ii. Retain these 18 electric vehicles running within the principles of the agreement within the jurisdiction of the Local Transport Authority for a minimum of 5 years from date of delivery.
- iii. Bear all costs for maintenance and upkeep of the vehicles and assets, including mid-life battery replacements if required.

At Stagecoach, we believe that sustainable public transport is critical to the future of our planet. Our sustainability strategy, published in 2021, sets out our vision to deliver a greener, smarter, safer, healthier, and fairer future for the country. A key element of that strategy is a commitment to investing in cleaner, zero-emission vehicles as we work towards a fully zero-emission UK bus fleet by 2035. We endorse the assumptions highlighted in the commercial section of the Funding Application submitted for ZEBRA 2, as described in this letter.

Stagecoach confirms its support of the outline assumptions in the commercial section of the Business Case submitted for ZEBRA 2, as described within this letter of support.

We are confident that we can deliver the vehicles within the allotted timeframe and will collaborate with our partners at Transport for North East. We appreciate the opportunity to work with the Department for Transport and other key stakeholders on the ZEBRA 2 scheme.

We will continue to work with our partners in Transport for North East in developing an agreement on participation. We are looking forward to our continued work on the ZEBRA 2 scheme in liaison with the Department for Transport and key stakeholders.

Yours Sincerely



Claire Miles
Chief Executive Officer



Steve Walker
Managing Director



Arriva North East
1 Admiral Way
Doxford International Business Park
Sunderland SR3 3XP

Tel +44 (0)191 520 4000
Fax +44 (0)191 520 4001

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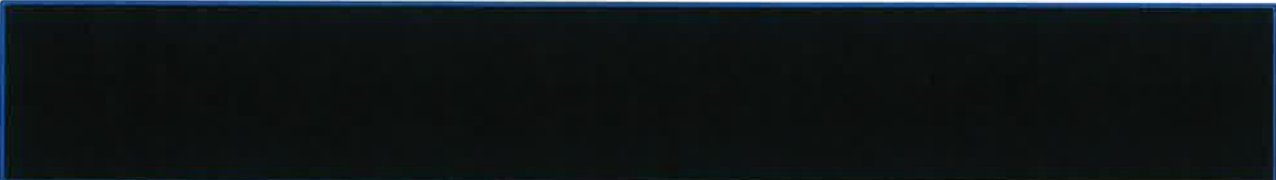
Rob Mills
Zero Emissions Bus Policy Officer
Transport North East

01/12/23

Dear Rob,

Re: ZEBRA2

Further to our recent conversations we are pleased to confirm Arriva's support for Transport North East's ZEBRA2 funding scheme, investing in the buses and operating them in the area for a minimum 5 years.



We look forward to continuing to work with you on this project.

Kind regards,

Handwritten signature of Alistair Hands in black ink.

Alistair Hands
Managing Director
Arriva UK Bus – Regions

Handwritten signature of Kim Cain in black ink.

Kim Cain
Area Director
Arriva North East & Arriva Yorkshire

Arriva North East is a trading name of Arriva Northumbria Limited, Registered in England 237558, and Arriva Durham County Limited, Registered in England 2404350.
A subsidiary of Arriva plc.

ANNEX C

- Subsidy Control Legal Advice



Mr Rob Mills
Zero Emission Bus Policy Officer
Transport North East

My Ref: SER Your Ref:
Zebra 2

Date: 13th December 2023

rob.mills@transportnortheast.gov.uk

Dear Rob,

Re: Legal advice for supporting Zebra 2 Grant Application by Transport North East

Executive Summary:

I have undertaken a principled analysis of the proposed grant scheme and provided you with a detailed subsidy assessment, including an assessment of compliance with energy and environment principles A and B. I conclude that the proposed grants to be funded by TNE from the Zebra 2 subsidy from Department of Transport meet the criteria for a justified subsidy under the Subsidy Principles and that they will not be exempt under any of the generic exemptions. I also advise that, on the basis that the grant recipients are all group companies that have received subsidies under this and the earlier Zebra schemes, each of the scheme beneficiaries will have received aggregate subsidies that exceed £10 million over the relevant three-year period. It follows that this scheme (as I deem the three proposals set out in the application to relate to a subsidy scheme to be operated by TNE) to be one of particular interest (a SSoPI). On this basis the scheme will need to be referred to the Subsidy Advice Unit for a report on subsidy law compliance. There are also several important points to be made about the grant assessment process and the selection of the beneficiaries, which should be undertaken fairly and transparently to avoid a challenge by a competitor. I also advise that a grant funding agreement should be devised to optimise the effectiveness of the environmental benefits associated with the acquisition of the ZEB fleet.

Advice:

You have provided me with a copy of the draft Zebra 2 grant application, and I have undertaken a principled analysis of the proposed grant scheme as is required under the Subsidy Control Act 2022. You have informed me that the Department of Transport requires a full legal analysis of the subsidy implications to be submitted as part of the grant application and this letter has been prepared on that basis. I will also provide a brief synopsis of the advice for insertion into the completed application form. This advice is given to Transport North East (TNE) for that purpose.

I have already provided you with the necessary principled subsidy assessment including an assessment undertaken by reference to Principles A and B in relation to subsidies that relate to energy and the environment as is required under section 13 of the Subsidy Control Act 2022 (The Act).

General:

The UK Subsidy Control rules seek to regulate public funding to ensure it meets the UK's international commitments and does not unduly distort the UK internal market. All such awards made on or after 4 January 2023 must be assessed against the requirements in the Act, Article 10 of the Northern Ireland Protocol, Article 138 of the Withdrawal Agreement, the WTO rules and other trade agreements that the UK has in place from time to time.

Subsidy Definition under the Act:

The relevant part of Section 2(1) defines "Subsidy" as:

"Financial assistance which—

- (a) is given, directly or indirectly, from public resources by a public authority,*
- (b) confers an economic advantage on one or more enterprises,*
- (c) is specific, that is, is such that it benefits one or more enterprises over one or more other enterprises with respect to the production of goods or the provision of services, and*
- (d) has, or is capable of having, an effect on—*
 - (i) competition or investment within the United Kingdom,*
 - (ii) trade between the United Kingdom and a country or territory outside the United Kingdom, or*
 - (iii) investment as between the United Kingdom and a country or territory outside the United Kingdom"*

All of these requirements in (a-d) must be met for the measure to be a subsidy. (d) requires some additional analysis.

When a subsidy is lawful:

A subsidy is, as a general principle unlawful unless it is justified under the Act. Financial assistance that is a subsidy may also be treated as being lawfully awarded, provided certain steps specified in the Act are taken.

The value of a subsidy depends on whether it is given in the form of cash or some other valuable benefit. For subsidies given in cash, their values will be determined by reference to the Gross Cash Amount. For subsidies that are not in cash, their amount will be determined by reference to the Gross Cash Equivalent as determined by regulations.

Smaller value awards may proceed under the cover of the Minimal Financial Assistance ("**MFA**"). MFA is limited to awards of up to £315,000 over the past two fiscal years and the expired part of the current one, per enterprise.

There is also a Services of Public Economic Interest (**SPEI**) exemption which allows for funding up to £725,000 per SPEI enterprise over a three fiscal year period.

Other means of awarding a lawful subsidy include by reference to an adopted Streamlined Route, including Local Growth Streamlined Route. This does not appear to apply to the Zebra 2 scheme.

Larger subsidies may be lawfully awarded by demonstrating that the **measure complies with each of the seven Subsidy Control Principles** listed at Schedule 1 of the Act.

Here the value of the subsidy is £██████████, which far exceeds the £315,000 MFA threshold. It also exceeds the threshold for the Streamlined Route for Local Growth (£400,000).

The Seven Subsidy Control Principles from the Act are:

- A. subsidies should pursue a specific public policy objective to:
 - (a) remedy an identified market failure or
 - (b) to address an equity rationale such as regional disadvantage, social difficulties, or distributional concerns.
- B. subsidies should be proportionate to their specific public policy objective and limited to what is necessary to achieve it;
- C. subsidies should be designed to bring about a change of economic behaviour of the beneficiary. That change, in relation to a subsidy, should be: (a) conducive to achieving its specific public policy objective, and (b) something that would not happen without the subsidy.
- D. subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.
- E. subsidies should be an appropriate policy instrument for achieving their specific public policy objective and that objective cannot be achieved through other, less distortive, means.
- F. subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition or investment within the United Kingdom

- G. subsidies' beneficial effects (in terms of achieving their public policy objective) should outweigh any negative effects, including negative effects on (a) competition or investment within the United Kingdom; (b) international trade or investment.

Public authorities duties on making subsidy awards, including Zebra 2:

There is a duty upon public authorities making awards of subsidies to self-assess, their compliance against a relevant exemption or each of the principles. Such authorities should also carry out checks against the specific prohibitions set out in the Act, including that the recipient is not "ailing or insolvent" prior to award.

Subsidies may be awarded via a compliant exemption through pre-existing subsidy schemes. The Zebra 2 Scheme appears to be an entirely new scheme and cannot be exempted due to previous Zebra scheme compliance with state aid restrictions.

CMA review process:

The Act contains provisions that enable larger subsidies to be referred to the Subsidy Advice Unit (SAU) at the Competition and Markets Authority ("CMA") for a nonbinding view (report) to establish their status prior to award.

SAU reports: subsidies or subsidy schemes of interest (Sol and SSol) and subsidies or subsidy schemes of particular interest (SoPI and SSOPI):

There is a mandatory duty under Section 52(1) of the Act for public authorities proposing to award a subsidy classed as a Subsidy of Particular Interest ("SoPI") to submit this to the CMA for review, prior to the subsidy being legally committed. In the case of SSoPI's, the authority has a discretion to do so, and it would be prudent to make such a reference in schemes where the subsidy assessment gives an ambiguous outcome.

S/SSoPIs and S/SSol's are defined within the Subsidy Control (Subsidies and Schemes of Interest or Particular Interest) Regulations 2022.

The following awards will be classed as SS/SoPIs:

1. Subsidies given outside of sensitive sectors if they are over £10 million (SoPI) or if they are over £1 million and they cumulate to more than £10 million with other related subsidies given over the previous 3 financial years (SSoPI).
2. Subsidies granted in sensitive sectors if they are over £5 million (SoPI) or if they are over £1 million and they cumulate to more than £5 million with other related subsidies given over the previous 3 financial years (SSoPI).
3. Subsidy awards for relocation activities of £1m or above (SoPI); and
4. Subsidy awards for rescue and restructuring activities of £1m or above (SoPI).

Sol's and SSol's are defined as other subsidies of between £5 million to £10 million (individually or cumulatively) which do not meet the SSoPI criteria. It will be appreciated that after a subsidy or subsidy scheme exceeds £10 million it will become an S/SSoPI.

I understand that the currently expected outcome of the Zebra 2 scheme is:

[REDACTED]

It is important to make the point that the identification of either a subsidy or a subsidy scheme requires consideration of the nature of the beneficiary, and specifically whether it is a person under common control as defined in Section 7 of the Act, which provides:

- (1) For the purposes of section 7, a group of persons is to be treated as being under common control if the group—
- (a) is a group of interconnected bodies corporate,

- (b) consists of bodies corporate of which one and the same person or group of persons has control, or
- (c) consists of one or more bodies corporate and a person who, or a group of persons which, has control of that or those bodies corporate.

It is highly likely that Stagecoach North East, Go North East and Arriva North East are persons under common control, since their names suggest they each are regional arms of a single entity. In that situation it would be necessary to aggregate and then assess all the grant receipts under relevant subsidies or schemes within each single entity, not just the regional receipts. On that basis, it seems highly likely that all three will meet the £10 million threshold, so in each case I advise that an SAU referral will be required under the Act.

This advice does not include consideration of what a *relevant subsidy or scheme* might be, and this analysis will be required as part of the background for the SAU referral.

Challenges and transparency publication:

The UK and EU have the right to challenge each other's subsidies under the TCA and seek relief where significant injury to the other's economic interests can be shown. Challenge is also brought by judicial review in the Competition Appeals Tribunal (the "CAT") by an 'interested party', who is usually a competitor of the grant recipient.

I consider that an interested party may bring a complaint in respect of the proposed Zebra 2 subsidy award should it consider that it has not been transparently and fairly assessed by TNE as a potential beneficiary for the same award. It must be for TNE to ensure that no other potential recipients consider they have grounds for such a complaint. Compliance with the subsidy principles also requires a fair procedure for assessing potential beneficiaries to the subsidy.

Under the Act, the short window for challenge commences upon the transparency (publication) requirements being met. The time period within which challenges can be made is up to 1 month from publication. The challenge period starts upon the publication of brief details of the award on the relevant website. I should also note that Subsidy Control is a legal compliance risk which may be audited. Public authorities should therefore collect and retain detailed records that demonstrate compliance.

Application of the Subsidy Principles to the Zebra 2 application:

TNE has been provided with an assessment using the Seven Principles. The outcome was that all appear to be met, so that the award of the subsidy described in the application would be a valid route to compliance with the UK subsidy control scheme. TNE (or the Department for Transport as the subsidising public authority here) may seek a referral to the CMA at its discretion. This remains as a fall-back option should this analysis not be accepted.

Subsidy Control risk and challenges:

There is a potential international dimension here were the number of ZEB vehicles significant in terms of the size of the UK national fleet. However, I consider this to be very unlikely given the lack of potential effect of the acquisition of 43 vehicles on international trade in goods.

The challenge regime exists on three potential levels:

1. for acknowledged subsidies granted under the Principles there are mandatory publication requirements post-award (as here), but short windows for challenge thereafter by specific (subsidy) judicial review;
2. for legacy awards there are still notification requirements, but these are separate to the challenge window. Under Section 48(2) of the Act, information must be posted within three months of award on the new National database and
3. for non-subsidy awards there are no such mandatory publication requirements

Of these three levels, only Level 1 appears to apply here. In this situation the Council which might be

required to appear as a respondent in a UK national court judicial review action.

Here the primary risk is to the beneficiary, the recipient of the grant, which would be asked to refund the support if this is found to have been given unlawfully. This is so even though the lawfulness of the decision to award ultimately rests with the public funder. For several reasons, it is not possible for a public funder to lawfully indemnify against the chances of an adverse subsidy ruling.

Grant Funding Agreement:

The detailed principled assessment and the energy and environment assessment that I have already undertaken dealt with the need to impose conditions on the grants to ensure that the funds are applied correctly and in a manner that best implements the purposes that justify the subsidy (the SPO). The preparation of a carefully constructed Grant Funding Agreement for each subsidy will be crucial here. I have also noted the need to impose controls on the deployment of the ZEB vehicles after their purchase to target routes where their use can be of maximum environmental benefit and at the same time creating minimal anti-competitive effect on the local market for bus transport services. We can discuss the precise terms at a later stage, and it is anticipated that DoT will also have standard conditions to be met. I understand that you are sharing your standard GFA with the DoT, and it should be made clear that this is a draft that will need tailoring for each beneficiary and scheme as part of TNE's compliance with its S13 duty to assert the A and B principles set out in Schedule 12 where subsidies relate to environment and energy.

I have advised in the subsidy assessment that this is a subsidy scheme that relates directly to environmental matters (decarbonisation and atmospheric pollution) and indirectly to energy matters (new technology, Zero Emission Buses and battery charging infrastructure), although energy is not the primary policy objective here.

I hope the above is useful but please let me know if you would like further advice on this issue. I do not anticipate that DoT will require advice on the BSIP funding here, as this would be a TNE subsidy for which the DoT have no liability under subsidy law.

Yours sincerely

Sean Reynolds

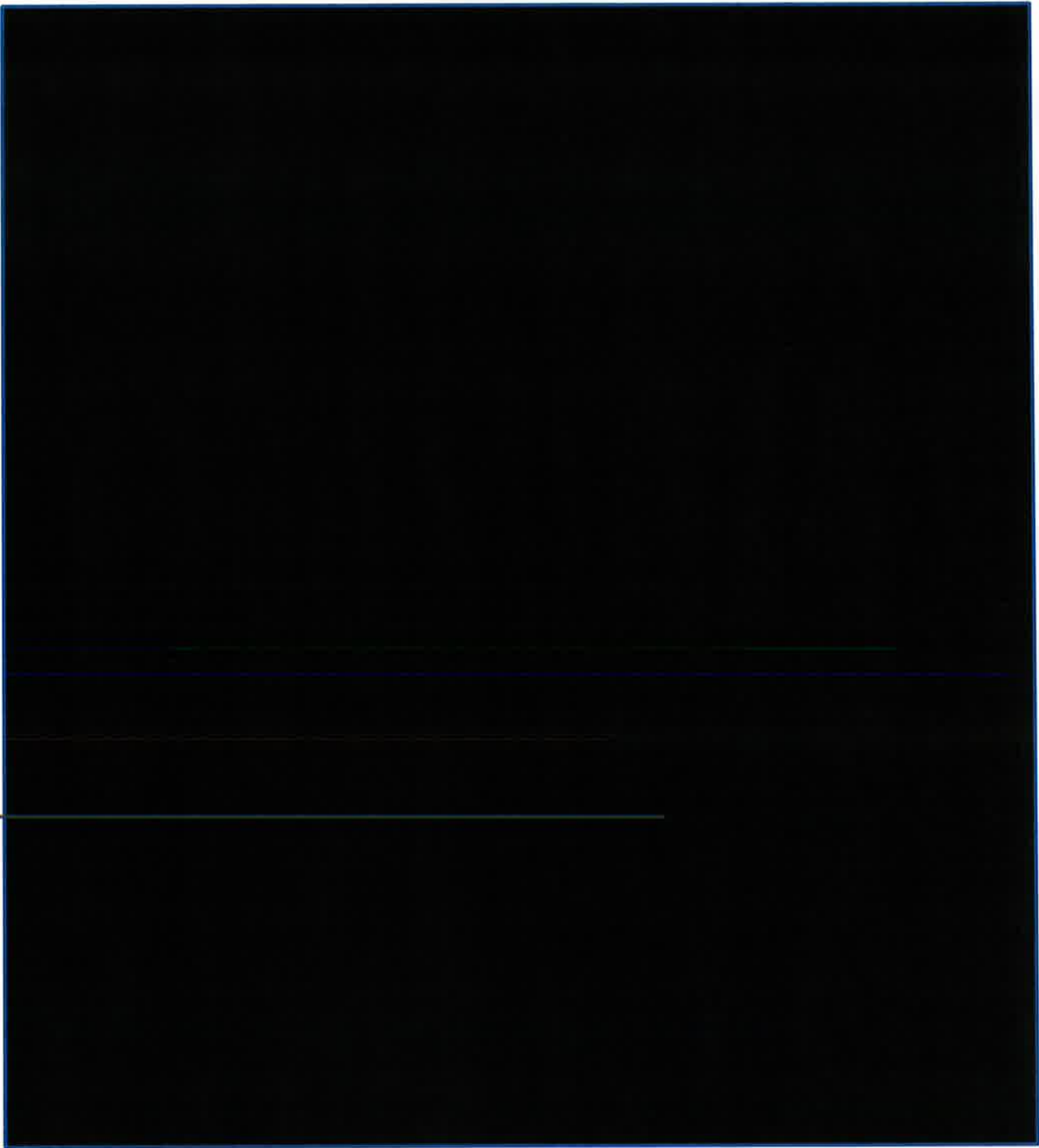
Sean Reynolds

Commercial Solicitor
Legal and Democratic Services
Corporate Services and Governance
Gateshead Council

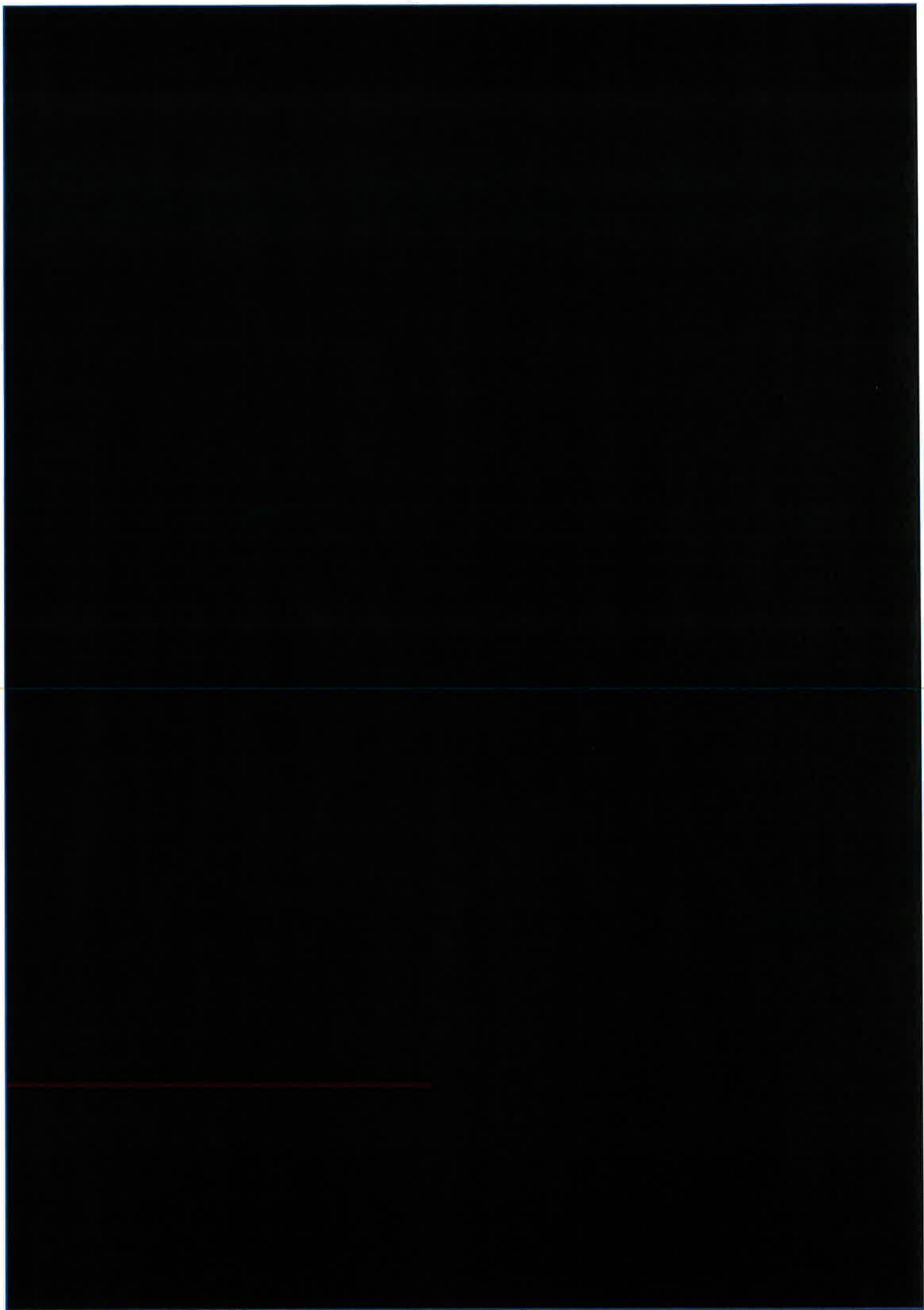
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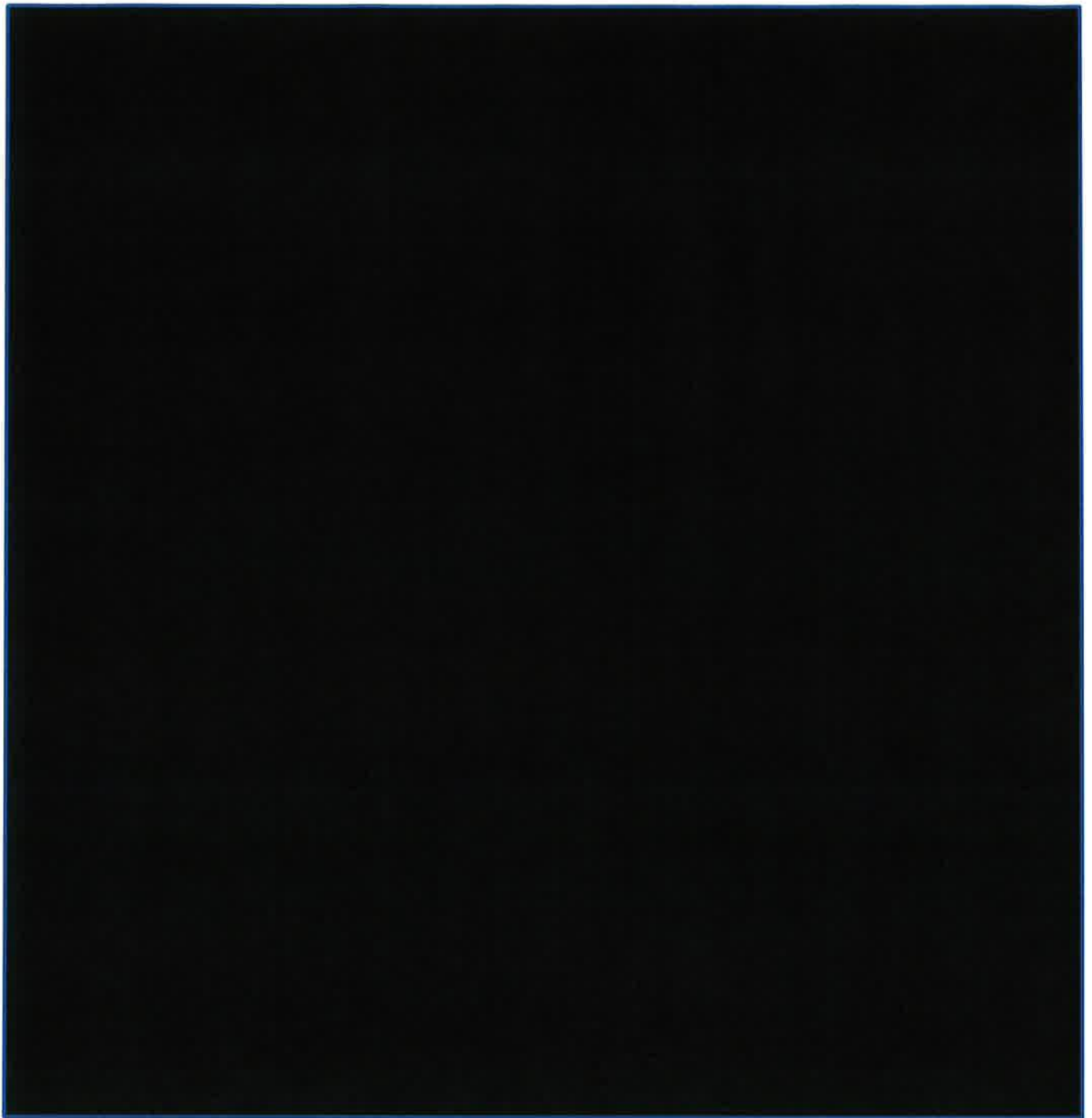
- Quotes from charging infrastructure suppliers

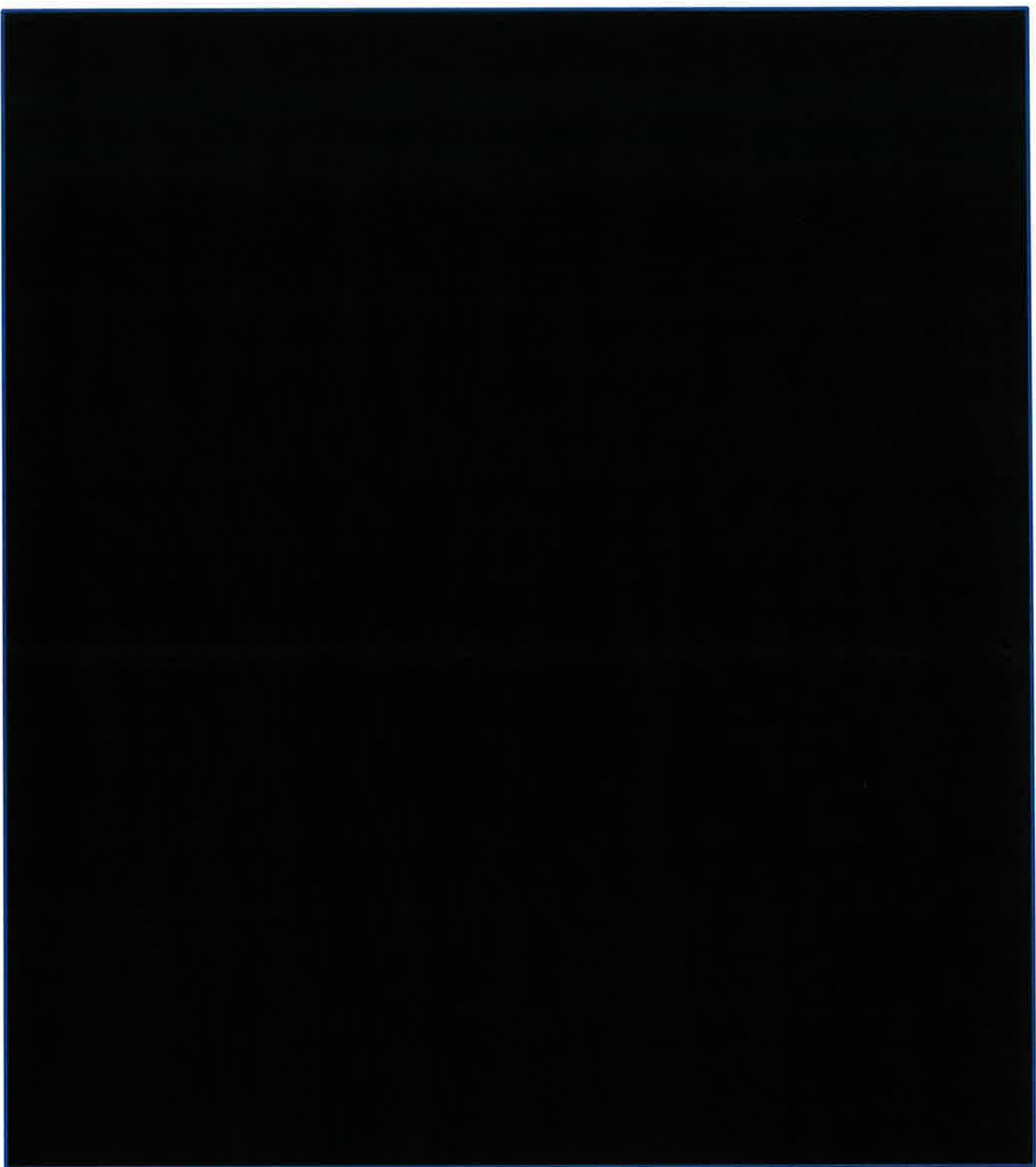




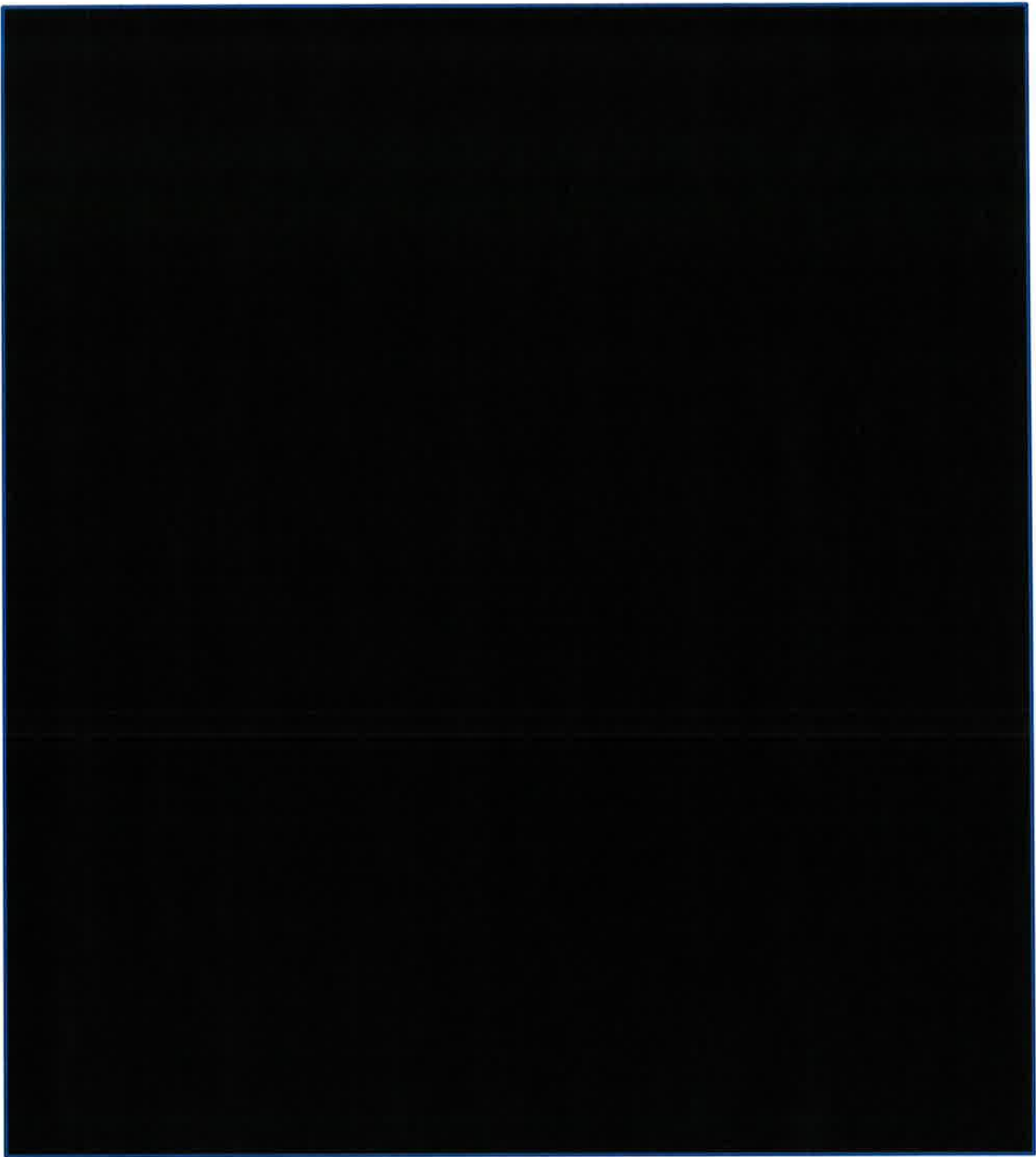




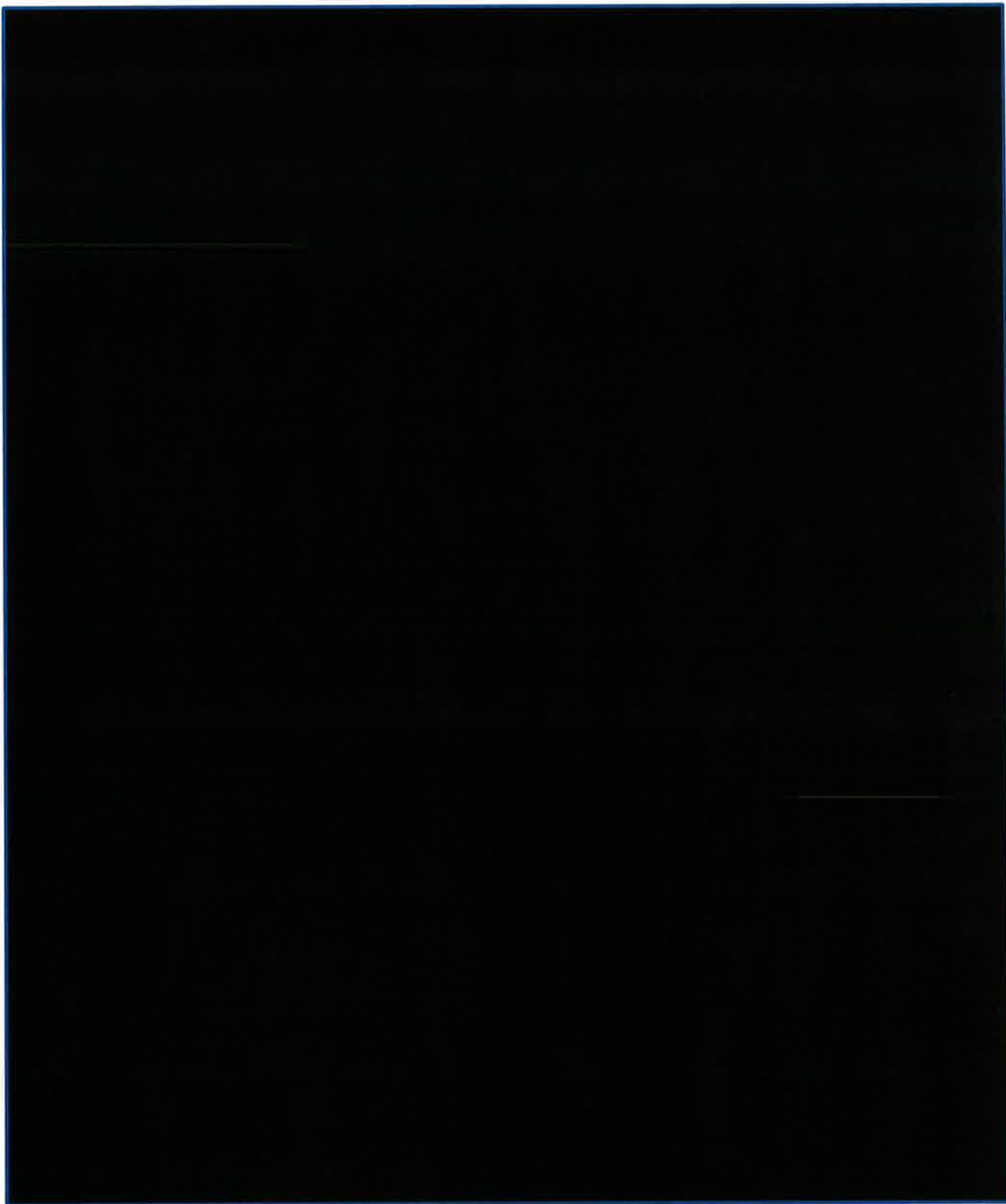




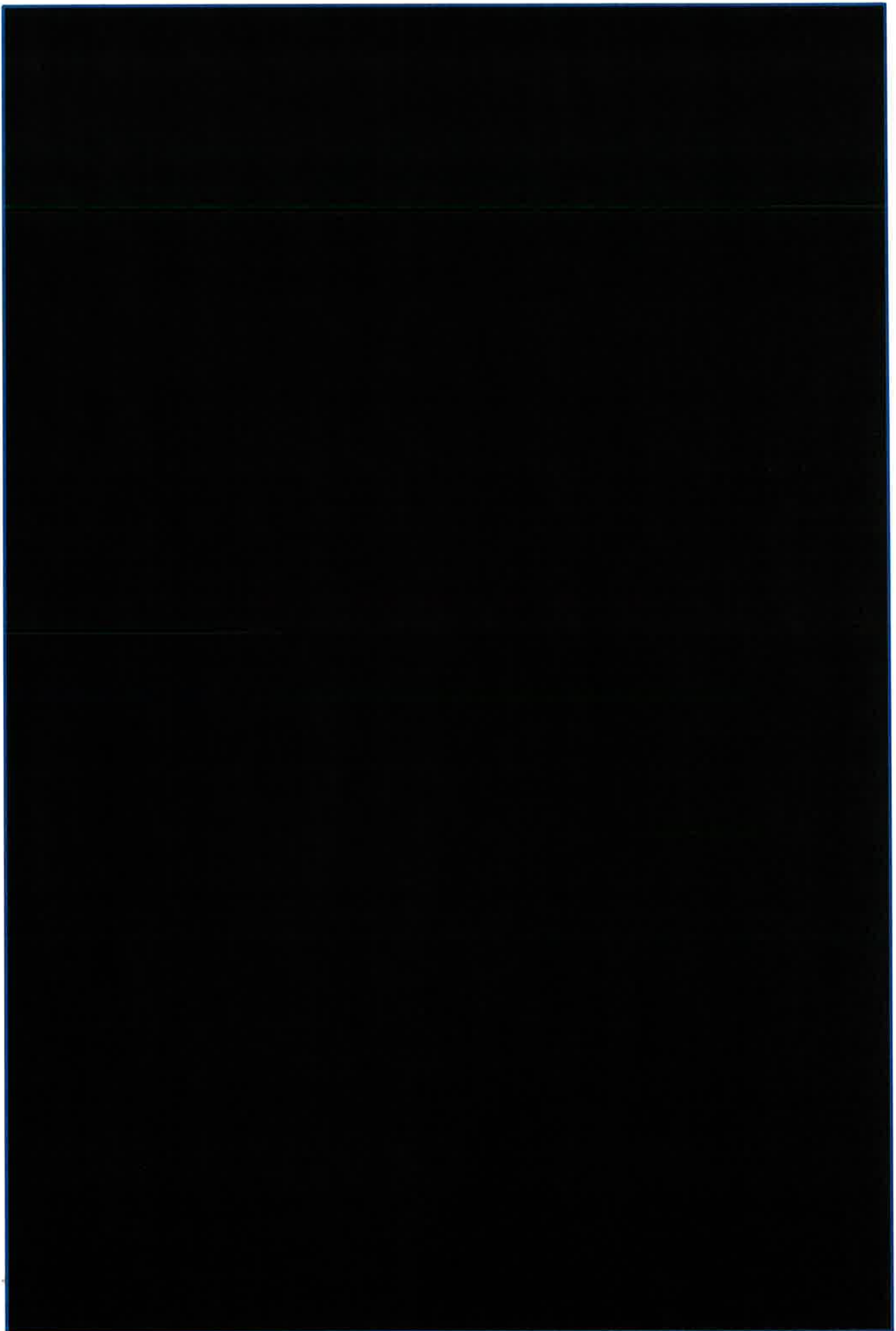


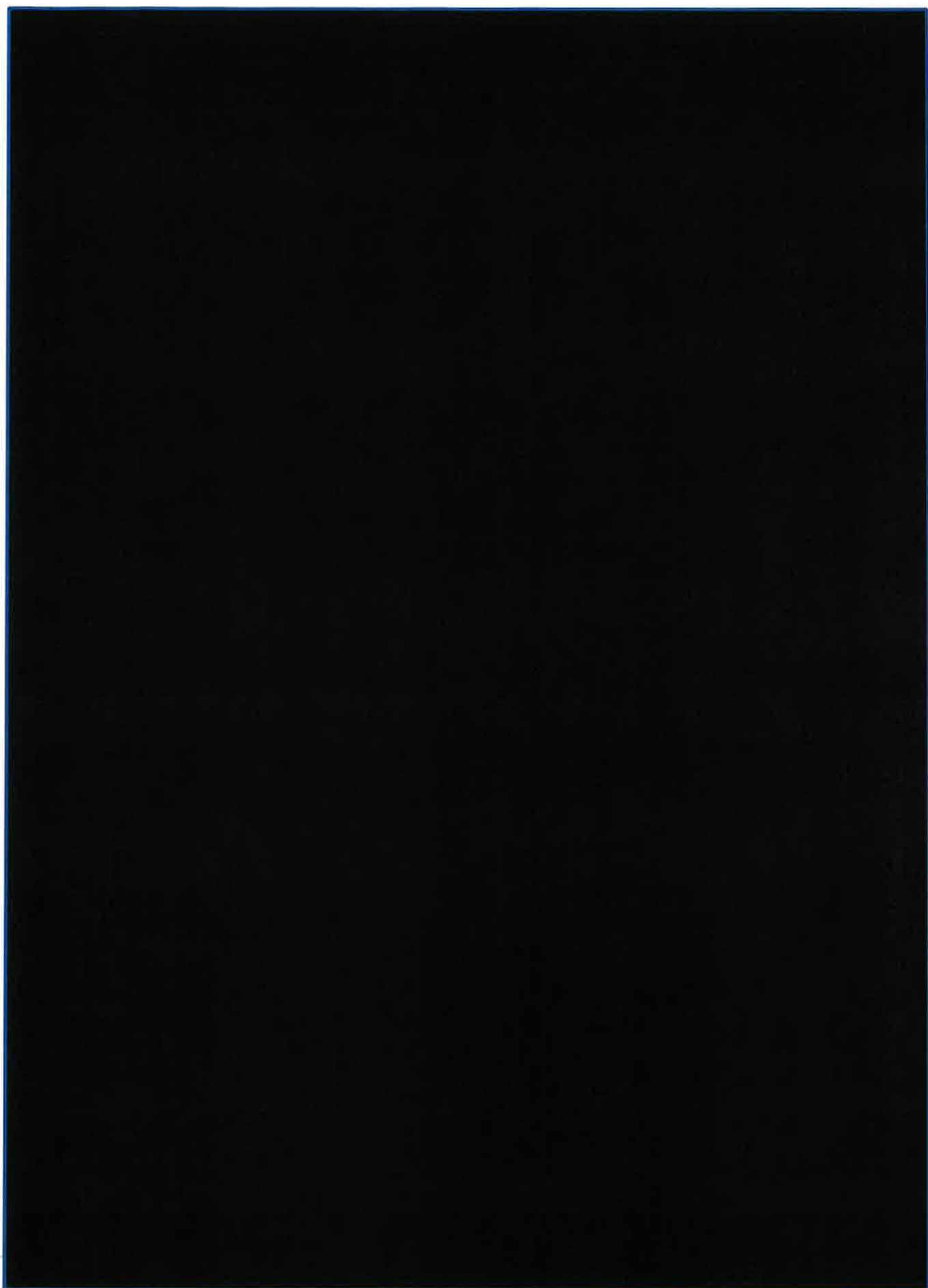








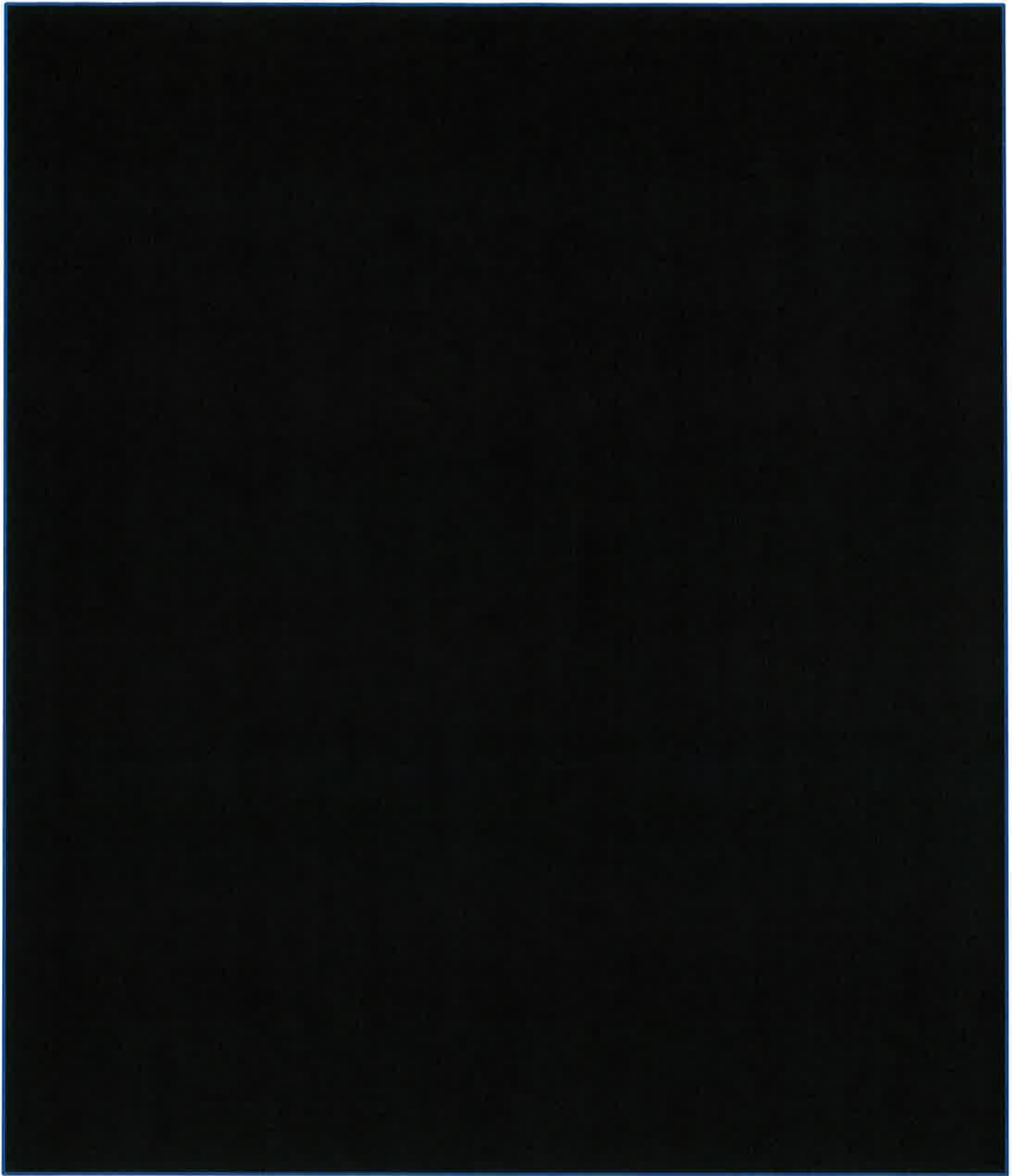




ANNEX E

- Power Supply Budget Estimates / Quotes





ANNEX F

- Project Plans [Please see separate excel workbook "Annex F – TNE ZEBRA 2 Project Plans"]

ANNEX G

- Draft Grant Funding Agreement

Dated

2023

(1) NECA

(2) INSERT BUS COMPANY LEGAL TITLE

**FUNDING AGREEMENT
RELATING TO**

PROGRAMME: Zero Emission Bus Regional Areas 2

PROJECT: Zero Emission Buses



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THIS DEED is dated

PARTIES

- (1) **The Durham, Gateshead, South Tyneside and Sunderland Combined Authority** whose principal address is at South Tyneside Council, Town Hall and Civic Offices, South Shields, NE33 2RL (**NECA**).
- (2) **Insert Legal details of the Bus Company (Recipient).**

BACKGROUND

- (A) The Department for Transport has awarded payments to the NECA for the **Zero Emission Bus Regional Areas (ZEBRA 2) programme.**
- (B) The NECA, is the accountable body for the Joint Transport Committee ("**JTC**")
- (C) The NECA, as accountable body for the JTC, is responsible for overseeing the management of the ZEBRA 2 and ensuring that grant payments are applied in accordance with the relevant objectives and criteria for the fund
- (D) The NECA, on behalf of the JTC
 - (a) is responsible for overseeing the management of the ZEBRA 2 programme and ensuring that grant payments are applied in accordance with the relevant objectives and criteria for the fund.
 - (b) has agreed to pay the Funding to the Recipient to assist it in carrying out the Project defined within Schedule 1 of this Agreement.
- (E) The Recipient has confirmed to the NECA that it has all necessary resources, approvals, powers and expertise to deliver the Project and will not require any further funding from the NECA in addition to the Funding.
- (F) The Funding shall be applied wholly and exclusively for the purposes of the Project and these terms and conditions are intended to ensure that the Funding is used for the purpose for which it is awarded.

AGREED TERMS

1. Definitions

In this Agreement the following terms shall have the following meanings:

Advance: means the relevant instalment of the Funding which shall not exceed the total of the expenditure properly incurred and referred to in a Claim which subject to this Agreement will be paid by the NECA to the Recipient within twenty Working Days of the occurrence of the relevant Payment Event

Branding Guidelines: means the Guidelines produced by the NECA setting out how any brand name, logo or trade mark may be used by the Recipient. These Guidelines may be amended from time to time and provided to the Recipient.

Bribery Act: the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation.

Business Case means the rationale developed by the Recipient which forms part of the Project description as set out at Schedule;

Capital Asset: Means any item of equipment or other moveable asset costing in excess of £2,500 which on the date of its purchase by the Recipient has a useful life of more than one Financial Year, and is purchased wholly or partly out of the Funding provided under this Agreement;

Claim: means a claim submitted on a Claim Form for funding in accordance with clause 3;

Claim Form: the approved format for making a Claim set out in (Schedule 4)

Clawback Period: 5 years from Financial Completion

Commencement Date: Means the date of the sealing of this document

Controller: as defined in the Data Protection Legislation.

Data Protection Legislation: all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the Data Protection Act 2018 (DPA 2018) (and regulations made thereunder) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended and the guidance and codes of practice issued by the Information Commissioner or other relevant regulatory NECA and applicable to a party.

Data Subject: as defined in the Data Protection Legislation.

DfT: the UK Government Department for Transport and its successors.

Domestic Law: the law of the United Kingdom or a part of the United Kingdom.

EIRs: the Environmental Information Regulations 2004 (SI 2004/3391) together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations.

Financial Year: Means the financial year commencing 1 April and ending on 31 March;

FOIA: the Freedom of Information Act 2000 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.

Governing Body: the governing body of the Recipient including its directors or trustees.

Financial Completion: Means the date by which all approved funding and matched funding as set out at has been defrayed on Eligible Expenditure by the Recipient;

Funding: the sum of £x to be paid to the Recipient in accordance with this Agreement.

Funding Period: the period for which the Funding is awarded starting on the Commencement Date and ending at Financial completion by the 31st March 2026

Intellectual Property Rights: patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Know-How: information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale.

Law: the laws of England and Wales and any other laws or regulations, regulatory policies, guidelines or industry codes which apply to or with which the Recipient is bound to comply

Payment Event: means the Recipient incurring costs on or before the expiry of the Funding Period which the NECA is satisfied as having been reasonably and properly incurred and paid for by the Recipient in respect of the Project but excluding any items which the NECA exclude as ineligible for funds and VAT. The payment events are to be three stages;

Payment Event	Evidence Required
20% of bus and infrastructure payment paid on ordering	Signed contract with suppliers and/or invoice
70% of bus and infrastructure payment when buses are built and infrastructure installed	Invoice from supplier and/or certificate of completion
10% of bus and infrastructure payment paid when buses are fully operational	Evidence of fully electrified service on proposed route. Including an Audit report as referenced in clause 9.1

(a)

Personal Data: shall have the same meaning as set out in the Data Protection Legislation.

Prohibited Act:

- (a) offering, giving or agreeing to give to any servant of the NECA any gift or consideration of any kind as an inducement or reward for:
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the NECA; or
 - (ii) showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the NECA;
- (b) entering into this Agreement or any other contract with the NECA where a commission has been paid or has been agreed to be paid by the Recipient or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the NECA;
- (c) committing any offence:
 - (i) under the Bribery Act;
 - (ii) under legislation creating offences in respect of fraudulent acts; or
 - (iii) at common law in respect of fraudulent acts in relation to this Agreement or any other contract with the NECA; or
- (d) defrauding or attempting to defraud or conspiring to defraud the NECA.

Project: the project described in Schedule.

Project Manager: the individual who has been nominated to represent the NECA for the purposes of this Agreement.

Subsidy Control Obligations: Means the subsidy control commitments contained in the Subsidy Control Act 2022, UK-EU Trade and Co-operation Agreement (UK-EU TCA) and commitments on subsidies arising from the UK continued membership of the World Trade Organisation (WTO) and those arising from Free Trade Agreements (FTAs) with other countries;

Working Day: means any day on which London clearing banks are open for business except weekends and statutory holidays

2. Purpose of Funding

- 2.1 The Recipient shall use the Funding only for the delivery of the Project and in accordance with the terms and conditions set out in this Agreement. The Funding shall not be used for any other purpose without the prior written agreement of the NECA.

- 2.2 The Funding shall be only applied towards Eligible Expenditure as set out at Schedule
- 2.3 The Recipient shall not make any change to the Project without the NECA's prior written agreement.
- 2.4 Where the Recipient intends to apply to a third party for other funding for the Project, it will notify the NECA in advance of its intention to do so and, where such funding is obtained, it will provide the NECA with details of the amount and purpose of that funding. The Recipient agrees and accepts that it shall not apply for duplicate funding in respect of any part of the Project or any related administration costs that the NECA is funding in full under this Agreement.

3. Payment of Funding

- 3.1 Subject to this clause 3 and clause 11, the NECA shall pay the Funding to the Recipient in accordance with the Payment Events set out in the Payment Profile in Schedule or such alternative Payment Profile as the NECA may from time to time agree.
- 3.2 On or as soon as possible after each Payment Event the Recipient shall submit a fully and accurately completed Claim to the NECA signed on behalf of the Recipient which shall contain confirmation that the relevant Payment Event has occurred
- 3.3 Along with each Claim the Recipient shall send a report produced by a suitably qualified professional (Architect/Quantity Surveyor/Project Director) to the NECA with the Claim Form. The report should provide an opinion that :
- (a) the financial information and level of Funding claimed are fairly and clearly stated;
 - (b) to the extent that the Funding has been provided in relation to defrayed expenditure, that such expenditure has been properly defrayed in accordance with this Agreement, including compliance with any Project Specific Conditions; and
 - (c) satisfactory explanations have been received for any queries raised.

Where an opinion cannot be given or is qualified, this should be explained in a supporting report;

- 3.4 Subject to clause 3.5 the NECA shall pay to the Recipient within [twenty] Working Days of receiving any Claim for the Advance claimed.
- 3.5 If on receipt of a Claim the NECA disputes the occurrence of the Payment Event whether the costs incurred are reasonably and properly incurred and relate to the Project the matter shall be determined in accordance with clause

17 and the NECA may but shall not be obliged to pay the relevant Advance until a determination has been made in the Recipient's favour.

- 3.6 No Funding shall be paid unless and until the NECA is satisfied that such payment will be used for proper expenditure in the delivery of the Project.
- 3.7 The amount of the Funding shall not be increased in the event of any overspend by the Recipient in its delivery of the Project.
- 3.8 The Recipient shall promptly repay to the NECA any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where Funding monies have been paid in error before all conditions attaching to the Funding have been complied with by the Recipient.
- 3.9 At the absolute discretion of the NECA, up to 10% of the Funding (minimum £500) shall be retained and will only become payable to the Recipient upon receipt, to the satisfaction of the NECA, of an audit report as stated in clause 9.1.
4. Use of Funding
- 4.1 The Funding shall be used by the Recipient for the delivery of the Project in accordance with the agreed budget set out in Schedule.
- 4.2 Where the Recipient has obtained funding from a third party in relation to its delivery of the Project (including without limitation funding for associated administration and staffing costs), the amount of such funding shall be included in the budget together with a clear description of what that funding shall be used for.
- 4.3 Unless expressly agreed otherwise between the parties in writing, the Recipient shall not use the Funding to:
- (a) purchase buildings or land; or
 - (b) pay for any expenditure commitments of the Recipient entered into before the Commencement Date,
- unless this has been approved in writing by the NECA.
- 4.4 The Recipient shall not spend any part of the Funding on the delivery of the Project after the Funding Period.
- 4.5 To ensure delivery against the objectives of the ZEBRA 2 fund the grant will be applied against the following conditions;

- Buses subject to grant funding will operate for a minimum of 5 years on the routes specified and must maintain the existing level of service (frequency) throughout their lifetime, there is however provision within this condition for agreement to be reached between the NECA and the Recipient to provide flexibility in exceptional and unforeseen circumstances and can include but is not limited to: change in the route structure; significant roadworks requiring registered diversions and driver resources. For the avoidance of doubt any flexibility to the condition must be expressly agreed in writing by the NECA;
- Buses purchased will be exclusively for zero emission buses. Therefore, all buses procured to align with the Department for Transport's definition of zero emission bus. A zero-emission bus is one which:
 - Has no combustion engine on board.
 - Has no tailpipe that emits any regulated air pollutants.
 - Achieves 50% GHG savings target vs Euro VI diesel bus over UK Bus Cycle
 - Has an Ultra-Low Emission Bus Certificate or a Zero Emission Bus certificate
- Vehicle specifications will meet and where possible exceed the Public Service Vehicles Accessibility Regulations 2000 (PSVAR);
- Grant Recipients must demonstrate in writing that vehicles have been specified in consultation with users – Support from Transport North East is available for this step.
- Range (mileage) of the buses meets the specified needs by the operators on the defined routes (each route differs);
- Efficiency meets a minimum average of 1.2kwh per km measured on a monthly basis and reported every quarter.
- Batteries have a minimum life span of 8 years with options for replacement in year 8
- Chargers are maintained to standard with 99% availability;
- Electrical power is supplied from 100% renewable sources;
- Single deck vehicles can carry a minimum of 70 passengers and double deck 80 passengers including space for wheelchairs and buggies.
- All recipients will be responsible for the ongoing maintenance of the assets, this includes the zero emission vehicles, their charging infrastructure and the EV chargers. This responsibility will extend throughout the operational lifespan of the asset

Quarterly monitoring of performance will be undertaken in accordance with the requirements of ZEBRA 2 fund and in order to inform future policy development and provide the evidence base for future interventions

- 4.6 Should any part of the Funding remain unspent at the end of the Funding Period, the Recipient shall ensure that any unspent monies are returned to the NECA or, if agreed in writing by the NECA, shall be entitled to retain the unspent monies to use for charitable purposes as agreed between the parties.
- 4.7 Any liabilities arising at the end of the Project including any redundancy liabilities for staff employed by the Recipient to deliver the Project must be managed and paid for by the Recipient using the Funding or other resources

of the Recipient. There will be no additional funding available from the NECA for this purpose.

5. Accounts and records

5.1 The Funding shall be shown in the Recipient's accounts as a restricted fund and shall not be included under general funds.

5.2 The Recipient shall keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Funding monies received by it.

5.3 The Recipient shall keep all invoices, receipts, and accounts and any other relevant documents relating to the expenditure of the Funding for a period of at least five years following receipt of any Funding monies to which they relate. The NECA shall have the right to review, at the NECA's reasonable request, the Recipient's accounts and records that relate to the expenditure of the Funding and shall have the right to take copies of such accounts and records.

5.4 The Recipient shall provide the NECA with a copy of its annual accounts within six months (or such lesser period as the NECA may reasonably require) of the end of the relevant financial year in respect of each year in which the Funding is paid.

5.5 The Recipient shall comply with its own and facilitate the NECA's compliance with all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to itself and the NECA.

6. Monitoring and reporting

6.1 The Recipient shall closely monitor the delivery and success of the Project throughout the Funding Period to ensure that the aims and objectives of the Project are being met and that this Agreement is being adhered to.

6.2 The Recipient will submit to the NECA, Quarterly Monitoring Returns ('QMR's') on the template provided no later than 15th October (Qtr 2), 15th January (Qtr 3) and 15th April (Qtr 4) throughout the Quarterly Monitoring Period. The Recipient will be required to participate in Programme led Process and Impact Evaluations, as specified at Appendix 6, to provide qualitative information in the form of surveys projects, subject to both Parties having agreed the design of such surveys.

6.3 Where the Recipient has obtained funding from a third party for its delivery of part of the Project, the Recipient shall include the amount of such funding in

its financial reports together with details of what that funding has been used for.

- 6.4 Along with its first quarterly financial report, the Recipient shall provide the NECA with a risk register and insurance review in the format provided by the NECA. The Recipient shall address the health and safety of its staff in the risk register.
- 6.5 The Recipient shall on request provide the NECA with such further information, explanations and documents as the NECA may reasonably require in order for it to establish that the Funding has been used properly in accordance with this Agreement.
- 6.6 The Recipient shall permit any person authorised by the NECA such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Recipient's fulfilment of the conditions of this Agreement and shall, if so required, provide appropriate oral or written explanations from them.
- 6.7 The Recipient shall permit any person authorised by the NECA for the purpose to visit the Recipient once every quarter to monitor the delivery of the Project. Where, in its reasonable opinion, the NECA considers that additional visits are necessary to monitor the Project, it shall be entitled to authorise any person to make such visits on its behalf.
- 6.8 The Recipient shall provide the NECA with a final report on completion of the Funding Period which shall confirm whether the Project has been successfully and properly completed.

7. Capital Assets

- 7.1 The Recipient shall retain documentary evidence of all Capital Assets in connection with the Project. This shall include an invoice register of suppliers' and sub-contractor's invoices and all other documents relating to the purchase of all Capital Assets funded by the NECA;
- 7.2 All Capital Assets acquired, installed, or improved wholly or partly using the Funding, whether owned by the Recipient or third parties will be included on an asset inventory
 - (a) The inventory must include all assets including those mentioned in clause 7.3 and 7.4 below and should show the:
 - (i) date of purchase;
 - (ii) description of asset;
 - (iii) price paid net recoverable VAT;

- (iv) amount of Funding paid;
- (v) location of the title deeds (if applicable);
- (vi) serial or identification numbers;
- (vii) location of the asset;
- (viii) date of disposal; and
- (ix) sale proceeds of Capital assets disposed of net of VAT.

7.3 All assets purchased or developed for the Project with Funding, should be retained, and used for the purpose for which the Funding was provided for a minimum of 5 years from the date of Financial Completion of the Project ('the Clawback Period'). Permission for any change in use within the Clawback Period must be sought from and approved in writing first by the NECA.

7.4 Assets purchased or developed with Funding must be notified to the NECA on the Quarterly Monitoring Return. Prior to the proposed disposal of any asset funded either wholly or partly by the Funding, the Project Manager should notify the NECA.

8. Audit and Inspection

8.1 During the Funding Period and for a period of 10 years after the expiry of the Funding Period, the NECA the National Audit Office or DfT (acting by itself or through its Representatives) may conduct an audit of the Recipient, including for the following purposes:

- (a) to verify the accuracy of Charges (and proposed or actual variations to them in accordance with this agreement) and/or the costs of all Recipients (including Sub-Contractors) of the Project;
- (b) to review the integrity, confidentiality and security of any data relating to the NECA or any service users;
- (c) to review the Recipient's compliance with the Data Protection Legislation, the FOIA, in accordance with clause 16 (Data Protection) and clause 17 (Freedom of Information) and any other legislation applicable to the Project;
- (d) to review any records created during the provision of the Project;
- (e) to review any books of account kept by the Recipient in connection with the provision of the Project;
- (f) to carry out the audit and certification of the NECA's accounts;
- (g) to carry out an examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the NECA has used its resources;

- (h) to verify the accuracy and completeness of the Management Reports delivered or required by this agreement.
- 8.2 Except where an audit is imposed on the NECA by a regulatory body or government department or where the NECA has reasonable grounds for believing that the Recipient has not complied with its obligations under this agreement, the NECA may not conduct an audit under this clause 8 more than twice in any calendar year.
- 8.3 The NECA shall use its reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Recipient or delay the provision of the Project.
- 8.4 Subject to the NECA's obligations of confidentiality, the Recipient shall on demand provide the NECA and any relevant regulatory body or government department (and/or their agents or representatives) with all reasonable co-operation and assistance in relation to each audit, including:
 - (a) all information requested by the above persons within the permitted scope of the audit;
 - (b) reasonable access to any sites and to any equipment used (whether exclusively or non-exclusively) in the performance of the Project; and
 - (c) access to the Recipient Personnel.
- 8.5 The NECA shall endeavour to (but is not obliged to) provide at least 15 Working Days' notice of its intention or, where possible, a regulatory body or government department's intention, to conduct an audit.
- 8.6 The parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this clause, unless the audit identifies a material failure to perform its obligations under this agreement in any material manner by the Recipient in which case the Recipient shall reimburse the NECA for all the NECA's reasonable costs incurred in the course of the audit.
- 8.7 The Recipient shall permit the NECA or other staff member or agent of the NECA the National Audit Office or DfT to examine the accounts relating to the Project at any reasonable time and shall furnish oral or written explanations of the accounts if required. The NECA reserves the right to have such staff or agents carry out examinations into the economy, efficiency and effectiveness of use of resources in delivery of the Project.
- 9. Completion Audit
- 9.1 Within 1 (One) calendar month following Financial Completion the Recipient shall submit a report from their head of internal audit service, or equivalent,

verifying that the Funding which has been claimed has been defrayed on capital costs only and that all project costs for which Funding has been claimed was Eligible Expenditure. The cost of preparing the report is not Eligible Expenditure.

10. Value for Money

- 10.1 The Recipient shall have regard to the need for economy and value for money in all expenditure in relation to the Project. The Recipient must comply with the *Public Contracts Regulations 2015 (SI 2015/102)* in order to select any works or service contractor.
- 10.2 The Recipient's decision-making process shall be documented and set out how these requirements should be met, taking account public sector accountability probity and the Recipient's own standing orders.
- 10.3 Value for money shall be considered prior to the placement of an order. A record that describes how value for money has been considered shall be retained for inspection by the NECA and may form part of any audit conducted under cause 8.

11. Subsidy Control

To be drafted referencing the Subsidy Control scheme for the ZEBRA 2 fund. We will utilise clauses as agreed with DfT for the Levelling Up Fund programme

12. Acknowledgment and publicity

- 12.1 The Recipient shall acknowledge the Funding in its annual report and accounts, including an acknowledgement of the NECA as the source of the Funding.
- 12.2 **The Recipient shall take the following steps in respect of publicity:**
- (a) To comply at all times with any Branding Guidelines; and
 - (b) To positively publicise the support provided to the Project by Transport North East and DfT. This shall include, utilising the Funded by UKG Branding manual and at the NECA's request, use of the NECA or subsequent successor body logos in any matters relating to the Project, and adherence to any reasonable requirements notified to the Recipient by the NECA regarding the use of such logo. The Recipient and the NECA will jointly agree beforehand press releases or blogs specifically in connection with the Project and the Funding.
- 12.3 The NECA has the right to publicise the Project and to require that the Recipient acknowledge funding provided by the NECA in support of the Project in any publicity that it produces, and in any documentation or reports

produced by it. The Recipient shall use its reasonable endeavours to procure that its sub-contractors shall not, knowingly do or omit to do, anything in relation to this Agreement or in the course of their other activities, which may bring the standing of the NECA into disrepute or attract adverse publicity for the NECA.

- 12.4 The Recipient agrees to participate in and co-operate with promotional activities relating to the Project that may be instigated and/or organised by the NECA.
- 12.5 The NECA may acknowledge the Recipient's involvement in the Project as appropriate without prior notice.
- 12.6 The Recipient shall comply with all reasonable requests from the NECA to facilitate visits, provide reports, statistics, photographs and case studies that will assist the NECA in its promotional and fundraising activities relating to the Project.

13. Intellectual Property Rights

- 13.1 The NECA and the Recipient agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, Know-How and any other Intellectual Property Rights whatsoever owned by either the NECA or the Recipient before the Commencement Date or developed by either party during the Funding Period, shall remain the property of that party.
- 13.2 Where the NECA has provided the Recipient with any of its Intellectual Property Rights for use in connection with the Project (including without limitation its name and logo), the Recipient shall, on termination of this Agreement, cease to use such Intellectual Property Rights immediately and shall either return or destroy such Intellectual Property Rights as requested by the NECA.

14. Confidentiality

- 14.1 Subject to clause 15 (Freedom of Information), each party shall during the term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it as a result of the Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other party.

14.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:

- (a) at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;
- (b) is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or
- (c) is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

15. Freedom of information

15.1 The parties acknowledge that each is subject to the requirements of the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIRs), and shall provide all necessary assistance and cooperation as reasonably requested by the other to enable the party receiving the request for information to comply with its obligations under the FOIA and EIRs.

15.2 The parties acknowledge that each of them may be required under the FOIA and EIRs to disclose information without consulting or obtaining consent from the other. The parties shall take reasonable steps to notify the other of a request for information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this agreement) the party receiving the request shall be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

16. Data protection

Both Parties will comply with all applicable requirements of and all their obligations under the Data Protection Legislation which arise in connection with the Agreement.

17. Withholding, suspending and repayment of Funding

17.1 The NECA's intention is that the Funding will be paid to the Recipient in full under the terms of this Agreement. However, without prejudice to the NECA's

other rights and remedies, the NECA may at its discretion (acting reasonably and in good faith) withhold or suspend payment of the Funding and/or require repayment of all or part of the Funding if:

- (a) the Recipient uses the Funding for purposes other than those for which they have been awarded;
- (b) the delivery of the Project does not start within 6 months of the Commencement Date and the Recipient has failed to provide the NECA with a reasonable explanation for the delay;
- (c) the NECA considers that the Recipient has not made satisfactory progress with the delivery of the Project;
- (d) the Recipient is, in the reasonable opinion of the NECA, delivering the Project in a negligent manner;
- (e) the Recipient obtains duplicate funding from a third party for the Project;
- (f) the Recipient obtains funding from a third party which, in the reasonable opinion of the NECA, undertakes activities that are likely to bring the reputation of the Project or the NECA into disrepute;
- (g) the Recipient provides the NECA with any materially misleading or inaccurate information;
- (h) the Recipient commits or has committed a Prohibited Act;
- (i) any member of the governing body, employee or volunteer of the Recipient has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of the NECA, bring or are likely to bring the NECA's name or reputation into disrepute;
- (j) the Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- (k) the Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due; or
- (l) the Recipient fails to comply with any of the terms and conditions set out in this Agreement and fails to rectify any such failure within 30 days of receiving written notice detailing the failure.
- (m) the Recipient is in breach of any Subsidy Control Obligations.

17.2 The NECA may retain or set off any sums owed to it by the Recipient which have fallen due and payable against any sums due to the Recipient under this

agreement or any other agreement pursuant to which the Recipient provides goods or services to the NECA.

- 17.3 The Recipient shall make any payments due to the NECA without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.
- 17.4 Should the Recipient be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Project or compliance with this Agreement it will notify the NECA as soon as possible so that, if possible, and without creating any legal obligation, the NECA will have an opportunity to provide assistance in resolving the problem or to take action to protect the NECA and the Funding monies.

18. Clawback Period

- 18.1 All assets purchased or developed for the Project with Funding, should be retained and used for the purpose for which the Funding was provided for a minimum of 5 years from the date of Financial Completion of the Project ('the Clawback Period'). Permission for any change in use within the Clawback Period must be sought from and approved in writing first by the NECA.
- 18.2 In the event that a purchased or developed Capital Asset is sold within the Clawback Period the Recipient shall, at the discretion of the NECA, be subject to claw back of Funding paid to the Recipient on the following basis:

Period after financial completion when Capital Asset sold	Claw back of proportion of Funding paid to purchase or develop the Capital Asset
0 – 2 years	100%
2 – 4 years	75%
4 – 5 years	50%

Any Capital Asset with a useful economic life of less than 10 years will not be subject to claw back of the Funding paid to purchase or develop the Capital Asset.

19. Anti-discrimination

- 19.1 The Recipient shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment.

19.2 The Recipient shall take all reasonable steps to secure the observance of clause 19.1 by all servants, employees or agents of the Recipient and all suppliers and sub-contractors engaged on the Project.

20. Human rights

20.1 The Recipient shall (and shall use its reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 in the performance of this Agreement as if the Recipient were a public body (as defined in the Human Rights Act 1998).

20.2 The Recipient shall undertake, or refrain from undertaking, such acts as the NECA requests so as to enable the NECA to comply with its obligations under the Human Rights Act 1998.

21. Limitation of liability

21.1 The NECA accepts no liability for any consequences, whether direct or indirect, that may come about from the Recipient running the Project, the use of the Funding or from withdrawal of the Funding. The Recipient shall indemnify and hold harmless the NECA, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Recipient in relation to the Project, the non-fulfilment of obligations of the Recipient under this Agreement or its obligations to third parties.

21.2 Subject to clause 21.1, the NECA's liability under this Agreement is limited to the payment of the Funding.

22. Warranties

The Recipient warrants, undertakes and agrees that:

- (a) it has all necessary resources and expertise to deliver the Project (assuming due receipt of the Funding) and accepts that it will meet any cost overrun incurred by the Project;
- (b) it has not committed, nor shall it commit, any Prohibited Act;
- (c) it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the NECA immediately of any significant departure from such legislation, codes or recommendations;
- (d) it shall comply with the requirements of the Equality Act 2010;

- (e) it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;
- (f) it has and shall keep in place adequate procedures for dealing with any conflicts of interest;
- (g) it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
- (h) all financial and other information concerning the Recipient which has been disclosed to the NECA is to the best of its knowledge and belief, true and accurate;
- (i) it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Funding;
- (j) it is not aware of anything in its own affairs, which it has not disclosed to the NECA or any of the NECA's advisers, which might reasonably have influenced the decision of the NECA to make the Funding on the terms contained in this Agreement; and
- (k) since the date of its last accounts there has been no material change in its financial position or prospects.

23. Insurance

- 23.1 The Recipient shall effect and maintain with a reputable insurance company a policy or policies in respect of all risks which may be incurred by the Recipient, arising out of the Recipient's performance of the Agreement, including death or personal injury, loss of or damage to property or any other loss (the Required Insurances).
- 23.2 The Required Insurances referred to above include (but are not limited to):
- (a) public liability insurance with a limit of indemnity of not less than ten million pounds (£10,000,000) in relation to any one claim or series of claims arising from the Project; and
 - (b) employer's liability insurance with a limit of indemnity of not less than five million pounds (£5,000,000) in relation to any one claim or series of claims arising from the Project.

The Recipient shall (on request) supply to the NECA a copy of such insurance policies and evidence that the relevant premiums have been paid.

24. Duration

- 24.1 Except where otherwise specified, the terms of this Agreement shall apply from the date of this Agreement until the anniversary of expiry of the Funding Period or for so long as any Funding monies remain unspent by the Recipient, whichever is longer.
- 24.2 Any obligations under this Agreement that remain unfulfilled following the expiry or termination of the Agreement shall survive such expiry or termination and continue in full force and effect until they have been fulfilled.

25. Termination

The NECA may terminate this Agreement and any Funding payments on giving the Recipient three months' written notice should it be required to do so by financial restraints or for any other reason; including but not limited to:

- 25.1 The NECA shall have the right to terminate this Framework Agreement, or to terminate the provision of any part of the Framework Agreement at any time by giving three (3) month's written notice to the Contractor.
- 25.2 The NECA may suspend or terminate the Framework Agreement with immediate effect by notice in writing to the Contractor on or at any time if:
- 25.2.1 the Contractor becomes bankrupt, insolvent, makes any composition with its creditors, has a receiver appointed under the Mental Health Act 1983 or dies;
or
- 25.2.2 the Contractor is convicted of a criminal offence; or
- 25.2.3 the Contractor ceases or threatens to cease to carry on its business; or
- 25.2.4 the Contractor has a change in Control which the NECA believes will have a substantial impact on the performance of any Call-Off Contracts; or
- 25.2.5 there is a risk or a genuine belief that reputational damage to the NECA or any of the Contracting Authorities which in NECA's reasonable belief will occur as a result of the Framework Agreement with the Contractor continuing;
or
- 25.2.6 the Contractor is in material or substantial breach of any of its obligations under one or more Call-Off Contracts that is incapable of remedy, or if capable of remedy has not been remedied to the satisfaction of the NECA within fourteen (14) days, or such other reasonable period as may be specified by the NECA after issue of a written notice specifying the breach and requesting it to be remedied; or
- 25.2.7 the Contractor commits persistent minor breaches under one or more Call-Off Contracts whether remedied or not.

26. Assignment

The Recipient may not, without the prior written consent of the NECA, assign, transfer, sub-contract, or in any other way make over to any third party the benefit and/or the burden of this Agreement or, except as contemplated as part of the Project, transfer or pay to any other person any part of the Funding.

27. Waiver

No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

28. Notices

All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to above or otherwise notified in writing. If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any working day they shall be deemed received on the next working day) and if mailed all such communications shall be deemed to have been given and received on the second working day following such mailing.

29. Dispute resolution

29.1 In the event of any complaint or dispute (which does not relate to the NECA's right to withhold funds or terminate) arising between the parties to this Agreement in relation to this Agreement the matter should first be referred for resolution to the Proper Officer for Transport or any other individual nominated by the NECA from time to time.

29.2 Should the complaint or dispute remain unresolved within 14 days of the matter first being referred to the Project Manager or other nominated individual, as the case may be, either party may refer the matter to the Head of Paid Service of the NECA and the Chief Executive of the Recipient with an instruction to attempt to resolve the dispute by agreement within 28 days, or such other period as may be mutually agreed by the NECA and the Recipient.

29.3 In the absence of agreement under clause 29.2, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate dispute resolution model as is agreed by both parties). Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

30. No partnership or agency

This Agreement shall not create any partnership or joint venture between the NECA and the Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

31. Joint and several liability

Where the Recipient is not a company nor an incorporated entity with a distinct legal personality of its own, the individuals who enter into and sign this Agreement on behalf of the Recipient shall be jointly and severally liable for the Recipient's obligations and liabilities arising under this Agreement.

32. Contracts (Rights of Third Parties) Act 1999

This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

33. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be an original and all of which will together constitute a single agreement.

34. Governing law

This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

35. Entire agreement

This Agreement (together with all documents attached to or referred to within it) constitutes the entire agreement and understanding between the parties in relation to the Funding and supersedes any previous agreement or understanding between them in relation to such subject matter.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

THE SEAL of THE DURHAM,)
GATESHEAD, SOUTH)
TYNESIDE and)
SUNDERLAND COMBINED)
AUTHORITY as hereunto)
affixed in the presence of:-)

Authorised Signatory

Seal No

THE SEAL of INSERT LEGAL)
DETAILS OF THE)
ORGANISATION as hereunto)
affixed in the presence of:-)
)
)

Authorised Signatory

Seal No

Schedule The Project

Location of Charge Point	Number and type of EV charger	Cost
XX	XX	XX
Route of Buses	Number and type of EV Bus	Cost
XX	XX	XX
	Total Cost	TBC

Schedule Eligible Expenditure

EXPENDITURE PROFILE

TOTAL ELIGIBLE EXPENDITURE BY FUNDING SOURCE				
	2023/24	2024/25	2025/26	Total
	£		£	£
Zero Emission Bus Regional Areas 2 (£)		0	0	
Total local match contribution (£)				
Total other public sector contribution (£)	0	0	0	0
Grant Rate %				

Zero Emission Bus Regional Areas funding is allocated for the duration of the project on the approved annual profile shown.

Schedule Payment Events

Quarter	Proposed Grant Claim
2023/24 Quarter 4	
2024/25 Quarter 1	
2024/25 Quarter 2	
2024/25 Quarter 3	
2024/25 Quarter 4	
2025/26 Quarter 1	
2025/26 Quarter 2	
2025/26 Quarter 3	
2025/26 Quarter 4	

Schedule Claim Form



ZEBRA 2 Claim Form

To: The North East Combined Authority

From: **Insert authority/organisation**

Date: []

Funding Agreement dated [] 2024 (the Funding Agreement)

1 We refer to the Funding Agreement. This is a Grant Claim. Terms defined in the Funding Agreement have the same meaning in this Grant Claim.

2 We wish to claim Funding for project **ZEBRA 2** as follows:

2.1 Amount: []

INTERIM/FINAL CLAIM(state)

PERIOD OF CLAIM

From:

To:

SUMMARY OF EXPENDITURE

ZEBRA - Capital

Private Sector funding (specify)

TOTAL EXPENDITURE

<u>2023/24 Budget</u>	<u>Claim for this period</u>	<u>Claimed to date in 2023/24</u> (Including current claim)
£	£	£

PTO

3 Payment Instructions

- 3.1.1 Bank name: [];
- 3.1.2 Bank branch/address: [];
- 3.1.3 Bank sort code: [];
- 3.1.4 Bank account number: []; and
- 3.1.5 Bank account name: [].

4 CERTIFICATE BY CLAIMANT:

I certify to the best of my knowledge and belief:

- 4.1 That each condition specified in Clause 2 of the Funding Agreement required to be satisfied on the date of this Claim request is so satisfied and we know of no reason why any condition specified in Clause 2 to be satisfied on or before the date of drawdown will not be so satisfied.
- 4.2 The expenditure has been defrayed on projects implementing an agreed ZEBRA 2 Grant Offer Letter and supporting evidence is available for inspection; and
- 4.3 The grant claimed is within the expenditure limit for ZEBRA 2 grant in respect of 202x/2x/2x and complies with the conditions of grant approval.

By: Signed

Print Name

Position

Scanned copy of the claim form and supporting documentation should be emailed to xx.xx@transportnortheast.gov.uk.

Schedule Performance Indicators

KEY PERFORMANCE INDICATORS (KPIs) The Recipient shall achieve the following milestones and key performance indicators:

Project name: DECARBONISING TRANSPORT – PROJECT 1 – EV BUSES

KPIs Outputs (Measured Quarterly)	2023/24	2024/25	2025/26	Total
Number and type of EV chargers purchased,	0	0	0	0
Number and type of EV Buses purchased				
Purchase and installation cost of EV chargers,	0	0	0	0
Chargepoint status and utilisation statistics	-			
Average daily ZEB mileage, and average daily ZEB energy consumption				

KPI Outcomes (Measured Annually)
Customer satisfaction
Charger uptime reliability- 99% target
Carbon tonnes saved
Reported faults rectified within 5 days- 100%
Purchase cost per ZEB, purchase cost per equivalent ICE bus
Average operational cost (incl. maintenance and infrastructure) per ZEB, average operational cost (incl. maintenance and infrastructure) per ICE (if ICE buses operational in fleet),

MILESTONES

Key investment milestone dates	Date specific to this approved project
Mobilisation (ordering)	
Construction start	
Project completion (fully electrified service)	

Schedule ZEBRA 2 – Allocation letter;

To follow when the final grant letter is recieved

Schedule Quarterly Monitoring Return

ZEBRA 2 Quarterly Monitoring Form

Project

Report FUNDING in WHOLE POUNDS ONLY

FUNDING SOURCE	Type of Funding	April – June 202x	July – Sept 202x	Oct – Dec 202x	Jan – Mar 202x	202x/2x Total
		Actual	Actual	Actual	Actual	Actual
ZEBRA 2	Public					
Recipients' Funds	Public					
Recipients' Funds	Local / Private					
Total for the Project	All					

FUNDING SOURCE	Type of Funding	April – June 202x	July – Sept 202x	Oct – Dec 202x	Jan – Mar 202x	202x/2x Total
		Actual	Forecast Revised	Forecast Revised	Forecast Revised	Forecast Revised
ZEBRA 2	Public					
Recipients' Funds	Public					
Recipients' Funds	Local / Private					
Total for the Project	All					

Comments: Please use this box to explain any profiled ZEBRA 2 expenditure variances in the current year or to confirm any reduction in the lifetime amount of ZEBRA 2 grant required	Funding Source		Lifetime Total	
	Forecast	Revised	Forecast	Approved
	ZEBRA 2			
	Recipients' Funds			
	Total for Project			

NECA Project Monitoring Form - Expenditure

