



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

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

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

Section 1

Applicant information

This section is not scored.

Bidding authority

Isle of Wight Council

Bid Manager

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

First name

Stewart

Last name

Chandler

Position

Transport Strategy Manager

Contact telephone number

01983 821000 Ext 8706

Email address

stewart.chandler@iow.gov.uk

Postal address

Highways and Transportation

Isle of Wight Council

St Christopher House, 42 Daish Way

Newport, Isle of Wight

Postcode

PO30 5XJ

Website address for published application

www.iow.gov.uk/transport-and-parking/transport/

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).

Annexes A & B - Bus manufacturers quotes

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).

Annexe C - Letter of Support from Go South Coast (Southern Vectis)

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.

Annexe D - Subsidy Control Advice

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.

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.

The Isle of Wight Council is a unitary authority which governs the geographical entirety of the Isle of Wight. The Isle of Wight (known locally as the Island) covers an area of 147 square miles, with a coastline that runs for 57 miles. The Island is separated from the mainland by the Solent, but is connected to the ports of Lymington, Southampton and Portsmouth by passenger and vehicle ferries. Although physically separated from the mainland, the Island influences and is influenced by the wider sub-regional, regional, national, and international context.

84 per cent of the Island is rural with over 50 per cent of the Island is designated as a Protect Landscape and 28 miles of coastline is designated as Heritage Coast. This has contributed to the Island being designated a UNESCO Biosphere.

The Isle of Wight local authority district is classified in 2021 as a 'mainly rural' area on the 6-point scale of the Local Authority Districts rural urban classification process of 2011.

Though having analysed the specific routes within the scope of the proposal through GIS assessment of communities along the proposed routes, it was identified that a high proportion of these are classed as urban as per below:

- Route 1 - 100% of communities served are classed as urban
- Route 5 - 42.6% of communities served are classed as urban
- Route 9 - 45.9% of communities served are classed as urban.

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	£4,498,988.00
Local transport authority funding	£500,000.00
Other public sector funding	0
Bus operator funding	£7,784,793.00
Other private funding	0
Vehicle grant amount	£3,645,237.00
Infrastructure grant amount	£853,751.00
Total number of buses	22
Total capital cost	£12,783,782.00
Vehicle capital cost	£11,312,114.00
Infrastructure capital cost	£1,471,668.00

- 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.

The project area covers the Newport, Cowes, East Cowes and Ryde geographical areas, based along the following long established local bus services as a part of the wider local bus service network operated by Southern Vectis which is the local operating company of Go South Coast Ltd These are three of principal routes of the Island's local bus network ISLAND MAP.pdf (passenger-website.com). Not only do they connect the urban communities at either end, but they also serve other rural communities along their length such as Wootton (route 9) and Whippingham (route 5).

- Route 1 - Newport to/from Cowes, via Northwood 1 - Newport to Cowes | Southern Vectis (islandbuses.info)
- Route 5 - Newport to/from East Cowes; via Whippingham 5 - Newport to East Cowes | Southern Vectis (islandbuses.info)
- Route 9 - Newport to/from Ryde, via Wootton, Fishbourne and Binstead 9 - Newport to Ryde | Southern Vectis (islandbuses.info)

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.

Southern Vectis is the Island's sole commercial local bus operator and have been the principal operator for almost a century. The Isle of Wight Council has a very good working relationship with Southern Vectis over years regularly meet on strategic and operational matters.

In respect of the services selected, as mentioned previously, they are three of the principal routes for the Island as a whole. An indicator of which is that of the 7.17 million journeys undertaken on Southern Vectis local bus services within the year 2022/23, 2.89 million journeys were on these three routes.

The routes concerned are among the most productive and strategically important to the Island and this is reflected in their patronage levels. They directly support core socio-economic needs as well as the seasonal visitor economy. As a result, these routes justify the levels of private sector investment involved and can also be expected to achieve an economically justifiable use of public funding.

Other more rural routes of the Island's bus network were considered for inclusion within the though having reviewed the length, the frequency and topography, they were discounted. This is on the basis of the range of the vehicles when mapped against these factors and the likely need to increase the number of operational vehicles required to maintain the current timetables. This would have resulted in a much riskier and onerous operation to manage, which would not have performed as well commercially when modelled.

Technically, the three preferred routes all fall within the current capability of the preferred vehicle type, which reflects the state of the art of Battery Electric Vehicle (BEV) bus technology. These "second-generation" vehicles were not available at the time of ZEBRA1. This allows an intense inter-urban operation to be sustained on the island with BEVs without the need for costly and complex opportunity charging.

Discussions had been made with FYT Bus <https://www.fytbus.org.uk/>, who are a small community bus operator operating within the western most tip of the Island, for inclusion within the bid. Though given the scale of the operation it has been difficult to meet the requirements of the fund, therefore this element has unfortunately been excluded. It is however hoped that the Isle of Wight Council can still provide some support with their aspirations for a full zero emission operation, given that they are already operating an electric minibus with the necessary infrastructure at the depot.

Given the previous experience within the wider Go-Ahead group for the operation of BEV bus technology within its fleet operations elsewhere within England and the predominant form of zero emission buses, it made sense to adopt such an approach.

At present there is no established hydrogen supply or generation on the Island, and likewise it is not realistically achievable within the timescales of this project. Given the Island environment the complex logistics of hydrogen delivery across the Solent from the mainland would

- 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.

The Isle of Wight Council's Procurement Strategy which explicitly sets out our expectations of suppliers in meeting our Local Community Wealth Objectives, which includes the retention and creation of local employment opportunities.

Additionally Southern Vectis, as a part of the wider Go Ahead Group have a well-established apprenticeship and career development programme for operational and supervisory staff Apprenticeships | The Go-Ahead Group. Likewise, they offer graduate programmes for those employees who would like to take on leadership roles.

As a company they understand the importance of apprenticeships for the development of their staff to ensure they have the right skills sets to ensure an effective operation and to ensure that it can adjust to emerging technological advancements in the workplace such as BEV buses.

Beyond the upskilling of employees, Southern Vectis are intending to help inform other fleet operators, stakeholders and organisations with lessons learnt from this experience. They are willing to engage with local companies to demonstrating the technology, their approach, the required infrastructure and lessons learnt. The types of organisations in consideration are the local waste collection companies, local haulage companies, transport operators both large and small, as well as the Councils own internal Fleet Management Team.

This can be achieved through direct engagement or through local events such as the recent

- 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.

As previously mentioned, the Isle of Wight Council has recently published a new Procurement Strategy with one of the four principal themes being Local Community Wealth Building.

This is an approach to local economic development which redirects wealth back into the local economy (Centre Local Economic Strategies, 2007). The Council has ambitious plans to become a Local Community Wealth Building Council which will involve working in partnership with communities and businesses to create a fair local economy, reducing poverty and inequality. At the centre of the Local Community Wealth Building approach, CLES has developed five pillars for harnessing existing resources. These pillars are:

- Plural ownership of the economy.
- Making financial power work for local places.
- Fair employment and just labour markets.
- Progressive procurement of goods and services.
- Socially productive use of land and property.

Through the strategy it is the intention that the Council will engage with anchor institutions, such as Southern Vectis, to encourage the adoption of the Community Wealth principles within their organisation. Anchor institutions are local organisations with significant spending, employment, and economic development power, which could be harnessed to bring increased benefit to our communities. As a result of their scale, anchor institutions have the power to

- 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.

As set out the proposal supports the electrification of the busiest bus routes on the Isle of Wight, offering relatively high frequency and capacity services linking the main settlements and ferry ports with each other. This equates to a peak vehicle requirement of 22 BEV buses, with the second-choice option offers less vehicle endurance and an additional two “charging spare vehicles” would be required.

On this basis 2.5 MVa has been sought from the DNO. This is significantly above the necessary capacity of 1MVa for the ZEBRA2 bid. If successful this gives the capacity sufficient to support future electrification of the whole operation, including both extension and possible further frequency enhancements.

Whilst the current proposal does not cover a greater proportion of the whole local bus network, it is recognised that this is such an evolving space and with continual advancements in associated technology. As such it is the intention that in the associated infrastructure is future-proofed as much as possible, so that the operation can expand to other routes once range can be accommodated.

Though it should be noted that with the introduction of ZEBs to the existing Southern Vectis fleet, it does improve the overall fleets carbon emissions as all older Euro 4 vehicles can be withdrawn from service and a significant proportion of the Euro 5 vehicles as well based on the following:

Current Fleet | Revised Fleet including BEV buses

BEV Buses - 0 | BEV Buses - 22

Euro 6 - 24 | Euro 6 - 24

Euro 5 - 27 | Euro 5 - 10

Euro 4 - 4 | Euro 4 - 0

Total - 55 | Total - 56

This demonstrates that whilst the new BEV buses will be dedicated to specific routes, they would have far wider decarbonisation benefits to the Island as a whole.

As mentioned previously there are ambitions to do more, though due to the current range limitations of current vehicles available, against the length and frequency of the other routes on

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.

The investment in new BEV buses for the three routes will meet all of the following requirements set out within the guidance, as they will all exceed 22 passenger seats as the vehicles dedicated to these routes are low floor double deck vehicles.

- be compliant with the Public Service Vehicles Accessibility Regulations 2000 (PSVAR)
- be compliant with the Accessible Information Regulations
- provide an induction loop to aid direct communication between drivers and passengers who use a hearing aid.
- provide an additional flexible space in addition to the mandatory wheelchair space – this space can either be suitable for a second wheelchair user or at least 2 unfolded pushchairs or prams.

Southern Vectis already take very seriously the need to make it easier for those of you with mobility, sight, or hearing difficulties to get around on our buses and use our website too. This is through such measures as:

- All websites are equipped with ‘Recite me’ technology to help the visually impaired.
- This software can also translate to many different languages.
- Large format printed timetables are available.
- All buses are low floor and easy access. With drivers trained to safely deploy the ramp when required.
- Dedicated spaces available for wheelchairs which can accommodate mobility scooters to a maximum size of 100cm in length and 60cm in width.
- The majority of vehicles are fitted with ‘next stop’ audio and visual technology.
- Digital destination boards
- Low level accessible push buttons
- Highly visible grab handles and poles.

They also operate a free ‘Helping Hand’ scheme, which provides a discreet and easy way for Southern Vectis staff to be made aware of passengers who have invisible disabilities or needs via a small yellow card, avoiding the need for verbal communication.

Likewise Southern Vectis are an age friendly operator, with drivers trained to become dementia friends and on bus floor is designed to be dementia friendly. Likewise, all drivers are trained to wait for older customers to be seated before pulling away and likewise signage is installed throughout the passenger accommodation to remind them to stay safely in their seat until the bus has fully stopped.

They also offer face to face customer service via their travel shops at the Newport Bus Station and the recently refurbished facilities at the Ryde Interchange, both of which are part of the

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

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.

The proposed VfM category is ‘medium’ with a BCR of 1.72 based on the following:

- Isle of Wight Council contribution - £500k.
- The three routes operate from 0500h – 0100h, and 0630h – 0030h on Sundays.
- Average daily operated distance per bus - 295 km/day M-F
- Vehicle average speed across the three routes - 25.5 kph
- The operation is the much higher level of service on Sunday vs weekday frequency. Service 1 and 9 operate every 15 minutes on Sundays set against 10 minutes Monday-Friday. Thus, the GBT underestimates the overall VfM.
- The bulk power supply connection costs are favourable, reflecting site location factors with available supply opposite the site, at £50,500 or £2405/vehicle.
- Estimated risk contingency, this will be fully covered by GSC if necessary, hence it is not included in the calculations.

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.

Attached as Annex O is the Quantified Risk Assessment

Due to the inter-urban nature of the routes, the length of each journey and frequency, it was deemed appropriate to categorise the proposal as a medium fuel/energy consumption, which generates a BCR of 1.72. The decision on the chosen category is also based upon the frequent stopping nature of the service and the congestion faced.

The estimated annual vehicle distance of 83,470 kilometres is across the three separate services and includes the proposed increased frequency on service 5.

Likewise, assumptions have been based upon the timetabled services and proposed enhancements for the three key routes, operating from 05:00 to 01:00 Mondays to Saturdays and 06:30 to 00:30 on Sundays as they do at present.

Having reviewed the vehicles required have been kept to a minimum to meet our ambitions, this is on the assumption that current operational efficiency is maintained and remaining deliverable.

The calculated average daily operated distance per bus is 295 km per day, Monday to Friday, against the guidance benchmark of 258 km per day minimum, to reach a BCR of 1. This is reflective of the longer distances due to the inter-town character of these services. Even from an internal review this was considered above the benchmark utilisation needed to secure acceptable value for money.

However, the peculiarity of these three services is the much higher level of service offered on Sundays set against the core weekday frequency. In particular on routes 1 and 9 they both operate every 15 minutes during the day on a Sunday, set against every 10 minutes Monday to Friday. Therefore, the Greener Bus Tool underestimates the overall Value for Money achieved.

The indicative bulk power supply costs (POC) for the site are exceptionally favourable, as this reflects site location factors with available supply within the proximity of Nelson Road Depot, £50,500 or £2405/vehicle. This is favourable compared with wider ZEBRA1 and industry benchmarks. Vehicle and charging infrastructure capital costs are within usual parameters.

- 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).

The introduction of electric buses will help improve the image of local bus services as a more environmentally friendly and sustainable mode of travel. Therefore, it is anticipated that this shall attract new patronage from both residents and visitors to the Island.

This investment will also be the most significant move towards electrifying transport across the Island setting a precedence of further transport operators to follow suite. Especially with the intention of lessons being learnt shared from the roll out of BEV buses, as well as use of charging infrastructure being available for wider community.

The proposal will also benefit key areas of deprivation along the routes, though improved air quality where there is often poor health and wellbeing outcomes for residents. Likewise, they will benefit from the investment in new vehicles on these routes on which many will already rely when accessing employment, education, and healthcare.

The routes also operate through town centres; therefore, these buses will contribute to improving air quality in these key locations, helping the general environment for all. Such an approach aligns with existing projects such as High Street Historic Action Zones within Ryde and Newport, which is also being supported through Active Travel England Tranche 4 and

- 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.

Overall, the associated risk of the proposal is low. Though one outstanding risk at present is that South Coast Ltd are yet to receive confirmation from the DNO of the final power available from the initial offer of 2.5mva and the being able to secure it. Though this is being actively sought and upon announcement of funding we shall seek to secure the necessary power

In respect of operational range risk, this has been mitigated through choosing vehicles that Go South Coast have experience in operating and the ranges are comfortably achievable throughout the life of the batteries. This has been informed by Go Ahead groups Zero Emission Centre of Excellence based in London, who have significant experience in operating battery electric buses.

Likewise, carefully consideration has been given to the chosen routes being that they are relatively high volume and high-productivity services. Especially when balanced against the selected second-generation vehicles which offer endurance significantly in excess of types on offer to date and are not prone to weather related operational risks.

It has also been identified that this is no likelihood of an elevated risk of above average battery degradation, arising from the proposed operational regime.

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.

£500, 000 is being contributed by the Isle of Wight Council to the Islands Zebra 2 Fund project, specifically for the installation of the charging infrastructure. This is to reflect the wider community benefits by allowing third party use to the facilities, as previously outlined.

The majority of which is being sourced from s106 contributions, which has been approved by colleagues within Planning Services.

A small amount of further Council highways and transport capital funding is being provided.

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.

To formalise approval for the commencement with the ZEBRA 2 Project, as well to commit the £500,000.00 s106 and capital funding, a report shall submitted via the Isle of Wight Council's decision making process upon announcement of the ZEBRA 2 Fund application being successful.

We are confident that this funding will be available, though other capital funding will be sought internally, should this not be the case.

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.

The Council has received subsidy control advice from Bevan Brittan LLP. A summary of this advice is outlined below, and a copy of the full advice note is attached to this application.

In this summary, the following terms are used:

ZEBRA Grant means the proposed funding under the ZEBRA 2 programme amounting to £4.52 million;

Additional Grant means the Council's intended contribution to the project of £500,000 from its own resources;

Grants mean the ZEBRA Grant and the Additional Grant collectively.

Award of the ZEBRA Grant from DfT to the Council

The Department for Transport (DfT), as the public authority responsible for administering public funds under the ZEBRA 2 programme, is responsible for complying with the Subsidy Control Act 2022 (SCA) in relation to the provision of the ZEBRA Grant to the Council. However, the information included in sections 5, 7 and 8 of the full legal advice note may be helpful evidence.

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.

The Go-Ahead Group (GAG) is the largest operator of battery-electric buses in the UK, and one of the largest BEV fleet operators of any kind in the country. The existing UK BEV bus fleet is believed to be the largest in Europe. The group-wide transition to ZE vehicles is supported by a dedicated Zero-Emission Centre of Excellence to secure best value and minimise all forms of risk to the business.

All buses and infrastructure will be procured in accordance with the Go-Ahead Group Procurement Policy, updated June 2023. The policy requires any requirement in excess of £100,000 (cumulative and over the life of the contract) to be formally tendered by the procurement team. This means a formal tender, with agreed evaluation criteria and scoring methodology, including negotiation with the final bidders or preferred bidder.

Specifically on infrastructure, the Go Ahead Procurement Director sits on the Zero Emission Bus Centre of Excellence to ensure tenders are fair, transparent and adhere to our group policy. In terms of bus buying, we have submitted indicative pricing based on our last competitive pricing exercise. If successful, formal tenders will be run to ensure we secure the best value for the funding.

Evaluation of tenders will normally consider: Total cost of ownership (capital cost, maintenance costs, energy costs etc.); programme of deliveries; health & safety, operational performance; contractual warranties and the sustainability credentials of the offering from an environment and social perspective.

In terms of sustainability, Go Ahead has been independently assessed as operated in accordance with ISO 20400:2017 (Sustainable Procurement) and we have our own sustainable procurement policy which helps us target the key sustainability areas within our evaluation criteria.

Go Ahead currently uses the SmartSource e-tendering tool. We are introducing Oracle Fusion early next year, which will provide an end-to-end supply chain tool, which includes tendering, supplier onboarding, contract and supplier performance management. The tendering module is a cloud-based solution with much improved availability and functionality.

All assets, including fixed power supply, charging apparatus and vehicles will be owned by Go South Coast Ltd. The operating site is owned freehold by GSC in its entirety. There is no risk of fixed assets being ransomed, orphaned, or lost.

To note leaseback on batteries is proposed. This is now customary industry practice as it best secures the afterlife of the battery at optimal rates, in a much wider market that bus operators cannot effectively arbitrage.

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]	
Make and Model of bus	[REDACTED]	
Number of buses in bid		
Vehicle technology (eg. Battery electric or hydrogen fuel cell)	BEV	BEV
Cost per bus (£)	[REDACTED]	
Cost of diesel equivalent (£)	[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]	
Battery manufacturer	[REDACTED]	
Battery Installed Capacity (kWh)	472	454
Battery Usable Capacity (kWh)	415	363
Maximum zero emission range for type of route	365km	387km
Battery chemistry	Lithium-ion (NMC)	Lithium-Iron Phosphate (LFP)
Plug type	CCS2.0 DC	CCS2.0 DC
Rated charging power (kW)	150	112
Charger compatibility (eg. AC, DC or both)	DC	DC
Fuel cell manufacturer	N/A	N/A
(For hydrogen proposals) Hybridised battery size	N/A	N/A

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	410 kW peak 310 kW cont.	280 kW peak 230kW CONT
Hydrogen Storage Capacity (kg)	N/A	N/A
On board hydrogen Storage Pressure (bar)	N/A	N/A
Vehicle length	11.1m	10.6m
Passenger capacity (seated)	73	64
Number of PSVAR compliant wheelchair spaces	1	1
Number of additional flexible spaces	1	1
Total passenger capacity	96	81

* 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	[REDACTED]	
Make and model name	[REDACTED]	
Number of charging units (charging unit with dual plug counts as one unit)	12	12
Cost per charging unit	[REDACTED]	
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)	150kW	150kW
AC or DC charger	DC	DC
Chargepoint protocol utilised	CCS2.0	CCS2.0

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		
Technology provider		
Number of HRS		
Cost per HRS		
Hydrogen storage (kg)		
Dispensing pressure (bar)		
Fuelling capacity (kg/day)		
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		
(If off-site) Source of hydrogen: supplier and location of hydrogen supply		
Hydrogen supplier		

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.

The vehicle specification and the nature of the routes to be electrified mean that operations are not significantly constrained by vehicle endurance on a single charge. Though given the inter-urban nature of services which do have to contend with frequent running, congestion and frequent stops along the routes.

The vehicle endurance reflects a 5-string battery-pack option, with enhanced energy density arising from the battery chemistry. Power rating is also at enhanced levels meaning that buses will not draw power at close to peak levels for any sustained period. The product features a 2-speed driveline to optimise power draw over urban and inter-urban operations. Route specific assessments are attached to verify this.

This specification allows us to avoid having charging spares. The second option, owing to lesser range demands an additional 2 buses as spares, thus the unit capital cost advantage is entirely obviated: £11.340m for second choice against £11.312m for the first choice.

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.

For the Island the Distribution Network Operator (DNO) Scottish and Southern Electric, through which they have initially proposed additional agreed capacity of 2.5MVA

The supply this is dependent upon committed DNO grid reinforcement that will have been effected by September 2025, and may take place prior at the DNOs discretion. This backstop is before the date by which the vehicles shall have been procured to meet the terms of the competition.

The total costs of the grid connection inclusive of all non contestable works to the site is £475,237.83 based on worst case scenario.

We have an initial quote as attached (Annexe M) though it is expired and on successful award we shall move to secure a new quote to secure the power required.

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.

The Isle of Wight Council shall take the role as oversight and monitoring of the ZEBRA fund project, through existing board structures.

At the strategic level based upon primacy, the monthly monitoring reports will be with the Climate and Environment Programme Board Board. The Isle of Wight Council Leader, relevant Portfolio Holders, Directors and Strategic Managers.

This Board will include Colin Rowland, Strategic Director of Community Services as the Isle of Wight Council Senior Responsible Officer (SRO)

Though in respect of direct oversight and any necessary decision making this will be through the Enhanced Partnership Board as set out within the Isle of Wight EP Plan and EP Scheme as set out below. Though with the inclusion of Andrew Sherrington as ZEBRA Project Manager for Southern Vectis/Go South Coast:

- Isle of Wight Council Cabinet Member for Transport and Infrastructure, Highways PFI and Transport Strategy. – Cllr Phil Jordan
- Isle of Wight Council Strategic Director for Communities Services – Colin Rowland
- Isle of Wight Council Senior Officer responsible for Transport – Stewart Chandler/TBC

8.3.2 Allocating grant funding

LTAAs 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.

Grant funding of the project will align with the key milestones set out within the project plan. The attached draft funding agreement (Annexe I - Draft Funding Agreement) shall be populated in full and finalised following the announcement of the successful funding bid to be shared with Go South Coast for approval.

Alongside this the aforementioned Cabinet decision shall be sought for approval to proceed with the project, as well as commit the s106 and capital funding.

This will ensure that approvals are in place and funding set aside to commit all funding at the key milestones.

8.3.3 Project plan

LTAAs 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.

The LTA will release the funding to the operator by 1st December 2024. The Operator is in a position to forward fund the costs of infrastructure delivery and charging infrastructure within the terms of the Funding Agreement with the LTA, once this Agreement is made.

Orders for buses will be placed by 1st January 2025. Given that the DNO will have provided the necessary grid reinforcement by September 2025, vehicle delivery will take place for the buses to enter service from March 2026 at the latest. Should we have further clarification that the DNO is to progress these works earlier than the currently anticipated deadline, the scope for earlier delivery will be investigated.

The order for a grid connection from the DNO will be made and order placed by the end of June 2024. Work to effect the entire connection (including contestable works on behalf of the IDNO) shall have been completed by September 2025.

The scale of capital works is such that civil engineering works is not considered to require planning permission as Material Operations under the relevant planning legislation. Go Ahead Group has sought written legal advice from Counsel on this matter which can be supplied on request. The bulk of this involves delivery of a connection under the Public Highway. Should planning permission prove necessary, an 8 week planning application preparation period and a 13 week determination period, as required by statute, can easily be allowed for within the project plan, to have been achieved by 1 November 2024 . The process is considered to be low risk and the scope of an application would be such that it would be exercised by the Council as

8.3.4 Risk Management

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

Managing risk is key to ensuring awareness of threats to the project, how significant they are and what measures/mitigation can be deployed appropriately via the agreed governance to achieve successful project outcomes.

The following are the top five risks, as well as mitigations, that have been identified at the initial screening of the project. This is based upon discussions with key stakeholders and previous experience of such projects through Go Ahead Group's Zero Emission Bus Centre of Excellence

Risk 1. Delays in securing grid connection

Mitigation

Early engagement has already been undertaken with the Southern and Scottish Electric (SSE) who are the local Distribution Network Operator (DNO) for the Isle of Wight. This has secured the initial quote, which outlines that 2.5MVA is available on the network for the Nelson Road Depot, Newport, against the projected 0.9MVA required for the project.

Whilst this offer has since expired, as soon as a response from the Department for Transport has been received confirming that the bid has been successful, Go South Coast Ltd will engage with the DNO for a further offer and before seeking to secure the energy required.

Risk 2. Cost Increases for ZEBS

Mitigation

Go South Coast (GSC) have already received two quotes for the vehicles required and inflation against these has been projected to the intended order date in 2025 which have been included within the over proposal cost estimates. This should ensure that there should be sufficient financial contingency.

Likewise, the Go-Ahead Group have a very good working relationship with the bus manufacturers through which they are confident to achieve the best price available for the vehicle required. GSC have referred to the ZEB Centre of Excellence and experienced buyers within the group to ensure confidence in cost estimates.

In addition, GSC have also set out the intention of the continuing to review the very fast paced marketplace for ZEBs, to ensure that any new vehicles can be benchmarked against the

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

LTAs 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:

As set out within the governance structure of the ZEBRA Fund 2 project boards will have a monthly highlight report produced using the Isle of Wight Council's Project Management Framework which will set out progress to monitor and any decisions that need to be made.

For the Isle of Wight Council, the responsibility for producing these reports will be with Stewart Chandler, Transport Strategy Manager as the project management lead. Though he will work with Andrew Sherrington as the project manager for Go South Coast in compiling the reports and providing the associated statistics.

In respect of monitoring the following measures are being proposed as minimum in line with guidance:

The ZEBs and charging infrastructure outputs will be provided by Southern Vectis on a quarterly basis during the implementation phase of the project.

- The number of ZEBs purchased.
- The number of ZEBs in operation.
- The number and type of internal combustion engine (ICE) buses replaced.
- The number (and capacity) of charging facilities introduced.

Scheme costs:

- purchase cost per ZEB – This will be reported by Southern Vectis as a one off at the point of purchase and compared to quotes.
- purchase cost per equivalent ICE bus – This will be reported by Southern Vectis as a one off at the point of purchase and compared to final purchase price of ZEB
- average operational cost (including maintenance and infrastructure) per ZEB (£ per month). – Once operational
- average operational cost (including maintenance and infrastructure) per ICE (£ per month). – Once ZEBs operational
- cost of electric or hydrogen fuelling infrastructure (upfront cost) (£) – one off at the point of commission

Data to inform analysis of carbon impacts. These will be provided by Southern Vectis on a quarterly basis once operational.

- 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

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

OGL

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