



Department for Transport

Lorna Baxter
Director of Finance
Oxfordshire County Council

lorna.baxter@oxfordshire.gov.uk

Web Site: www.dft.gov.uk

Our Ref:

Your Ref:

[DfT to add date]

Dear Lorna,

I am delighted to be writing to you to set out the details of the Zero Emission Bus Regional Area Scheme ("ZEBRA") funding to be awarded to Oxfordshire County Council ("OCC").

The Department will provide £32,815,746 in funding towards the ZEBRA project in Oxfordshire (the "Project"). The funding will be provided as a single payment in [DfT to add month & year]. Oxfordshire County Council will be solely responsible for meeting any expenditure over and above this maximum amount. This funding will be provided as a capital grant.

This offer of funding is made on the understanding that:

- i. This funding approval is granted entirely without prejudice to any view that the Secretary of State or other Ministers may take on any future application for statutory funding in accordance with other functions.
- ii. Should investments have impacts on the National Rail or Strategic Road Networks, you must ensure Departmental approval given the potential for impacts on these networks.

The funding is provided subject to the following conditions:

- iii. OCC will comply with the terms of the business case as approved in accordance with this letter dated [official date]. Any deviation from the milestones outlined by OCC in the business case, for either the buses or the infrastructure required to support them, must be reported to the Department.

- iv. We acknowledge that OCC approved their business case for ZEBRA on 31 January 2022. The business case contained an indicative timeline. We now require OCC to develop an updated delivery timetable by [DfT to add date after decision to award funding]. This delivery timetable will set out the delivery of electric buses and associated infrastructure. In line with the commitments, you have agreed with bus operators we expect the project to be delivered within two years of the funding being awarded (which we will treat as the day the Section 31 Grant form is returned signed to the Department).
- v. OCC will work closely with the Department in the pre implementation of its business case, including going through procurement of goods and services, and will keep the Department informed throughout this process. Once the delivery is underway OCC will meet monthly with the Department. OCC will provide monthly monitoring reports and annual delivery reports. These should begin in the pre delivery stage once the funding has been awarded.
- vi. OCC is expected to fund and undertake monitoring and evaluation (M & E) of the effects of the Project and to participate in the Department's M & E Programme for ZEBRA. Specific requirements will be issued to LTAs in due course. The Department will provide guidance on M & E and set out the time period over which M & E should be carried out. OCC is expected to assist as requested, including providing regular updates at intervals to be confirmed by the Department.
- vii. OCC will use the funding in accordance with the objectives of the Project as set out in the guidance for Phase 1 of the ZEBRA scheme. This includes ensuring that the ZEBRA funding aligns with OCC's wider plans for buses in their area. This includes but is not limited to plans for services, ticketing, bus priority measures and wider plans detailed in BSIPs.
- viii. As stated in the National Bus Strategy in March, all funding for bus improvements – including this funding - will depend on your willingness to implement ambitious bus priority measures. As a condition of this funding, we therefore expect, subject to the availability of sufficient funding and resources, for you to consider the introduction of a bus lane on any road where there is a frequent bus service, congestion and the physical space to install one, beginning with but not limited to the roads on which the zero-emission buses funded in this agreement will operate. Bus lanes should be full-time and as continuous as possible. They should be part of a whole corridor approach, including other physical measures such as: traffic signal priority, bus gates which allow buses to enter a road that prohibits access to other traffic and clear and consistent signage.
- ix. OCC will comply with all applicable procurement laws when procuring goods and services in connection with the Project and the Department shall not be liable for the OCC's failure to comply with its obligations under any applicable procurement laws.
- x. OCC will ensure that its use of the funding complies with State Aid laws, the UK's international obligations in relation to subsidy control and any UK subsidy control legislation.

- xi. OCC will maintain appropriate records of compliance with the relevant subsidy control regime and will take all reasonable steps to assist the Department to comply with the same and respond to any proceedings or investigation(s) into the use of the funding by any relevant court or tribunal of relevant jurisdiction or regulatory body.
- xii. OCC acknowledges and represents that the funding is being awarded on the basis that the use of the grant will not affect trade in goods and electricity between Northern Ireland and the European Union and shall ensure that the funding is not used in way that affects any such trade.
- xiii. The Secretary of State may require repayment of any of the grant already paid, together with interest from the date of payment, if the Secretary of State is required to do so as a result of a decision of the European Commission or the Court of Justice of the European Union by reason of a breach of State Aid Law through its application under Article 10 of the Northern Ireland Protocol and/or a decision of a court, tribunal or independent body or authority of competent jurisdiction by reason of breach of the UK's obligations under the Trade and Co-operation Agreement or the terms of any UK subsidy control legislation. If the grant is found to breach State Aid Law or UK Subsidy Control legislation, the Department and OCC will wherever possible and acting in good faith, seek to restructure the Project to the extent necessary to secure compliance with State Aid Law and/or UK subsidy control legislation.
- xiv. OCC will ensure they comply with the 2010 Equality Act and the Public Sector Equality Duty. This includes considering impacts of the project on protected characteristic groups in the monitoring and evaluation stage.
- xv. In making this grant the Secretary of State does not intend to effect a private law contractual relationship with the receiving authorities.
- xvi. HCC must comply with the Department's, the Secretary of State's and the UK's position and instruction on handling and/or severance of Russian supply contracts, including ensuring compliance with any prohibitions and sanctions which are in place or may arise. This will also include compliance with the position regarding sanctions placed on individuals currently, or in future. HCC must ensure also that all other parties in the project, including bus operators and bus manufacturers, also comply.

We look forward to working closely with your team to deliver this scheme.

Yours sincerely,

cc Bill Cotton, Corporate Director: Environment & Place – bill.cotton@oxfordshire.gov.uk
Joanne Fellows, Growth Manager (Central) – joanne.fellows@oxfordshire.gov.uk

Jayne Pringle, Principal Solicitor – jayne.pringle@oxfordshire.gov.uk