
Executive Decision Electric Bus Additional Grant

Decision to be taken by: City Mayor

Decision to be taken on: 13 April 2023

Lead director/officer: Andrew L Smith

Useful information

- Ward(s) affected: All
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- Report version number: 3

1. Summary

The City Council has been awarded £2.97m grant by the Department for Transport towards the purchase of eighteen electric buses and their associated charging infrastructure.

These will be purchased and belong to FirstBus and operated on their Leicester network.

This follows on from a previous grant awarded to FirstBus for 68 electric buses and associated charging equipment and fully completes their Leicester network for electric bus operation.

This latest grant award follows on from an extension bid associated with the original larger successful grant bid reported in the City Mayor Decision Report December 2021.

The Council will administer and passport the grant in full to Firstbus in line with the conditions of the DfT ZEBRA grant scheme relating to specification, delivery timescales, procurement and funding.

Firstbus will be investing around 70% of the total costs which are estimated at £9.66m.

The grant is fixed with all cost and delivery risk held by the operator.

As part of the overall DfT grant conditions all electric buses must come into service by December 2023.

2. Recommended actions/decision

It is recommended that the following decision is made.

- a. To approve £2.97m is added to the Capital Programme to provide grants to FirstBus for new electric buses and associated equipment. This addition will be funded in full by DfT ZEBRA grant.

3. Scrutiny / stakeholder engagement

As a following on from the full business case of the original larger bid, stakeholder engagement took place on two levels.

With all local bus operators. All local bus operators were asked whether they wanted to participate in this grant application scheme, contributing their own local investment in line with the scheme rules.

Only FirstBus expressed an interest and provided letter of support and confirmation of matched investment and procurement in line with the grant scheme conditions should the bid be successful.

As part of the original bid, an online and emailed survey took place with 313 bus users to gauge support for this bid, and their views on certain additional possible bus accessibility features.

Over 91% of respondents supported this bid, with preference of over 90% for the following accessibility features

- additional room for a second wheelchair or two unfolded buggies
- dedicated seats with leg room for an assistance dog
- on-board screens showing next bus arrival information
- on-board public address systems alerting passengers of oncoming stop and other information
- acoustic bus alert system for pedestrians when travelling at low speeds in areas of pedestrian usage.

4. Background and options with supporting evidence

Full details of the background of local investment in electric buses are detailed in the original full business case and the extension funding bid.

<https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/transport-and-streets/transport-bids/>

5. Detailed report

The extension funding application - associated to the original full bid - is set out on-line on <https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/transport-and-streets/transport-bids/>.

The extension grant bid forms part of a live project to fully electrify the First Bus depot on Abbey Lane in Leicester. First Bus operates a network of high frequency commercial bus routes across the urban area of Leicester, from a single depot. The previously approved ZEBRA Fast Track bid covers the 68 single decker buses within this fleet. This extension bid covers the remaining 18 double decker buses used on this network.

This addition grant bid therefore builds on our current project by providing additional funding to complete the conversion of the whole Leicester First Bus network to a fully electric network, all operated from a single depot dedicated exclusively to electric buses. Works have already commenced and can all be completed as one single

expanded project, to the same timescales as the original project – with all 86 buses coming into operation by December 2023.

Specification, tendering and preferred suppliers for all aspects of this proposed project expansion have all taken place. A project management plan for the full expanded project has been drawn up to ensure everything will be in place to meet the current ZEBRA Fast Track December 2023 operational deadline.

This addition to the project will increase the efficiency and the value for money of our earlier ZEBRA Fast Track bid as there is no need for additional Distribution Network Operator power infrastructure. The power upgrade costs within the original bid will be spread over 86 rather than 68 electric buses.

The extension bid opportunity has come at the right time to include the additional fleet into existing plans, meaning that there is less disruption in terms of depot structure and operational change management. These additional 18 double decker buses, together with the already funded 68 single decker buses will all come into service before December 2023, providing both swift deliverability and good value for money.

This extension bid, primarily for fleet, enables First Bus to move at pace and reduce emissions earlier than originally anticipated. There will be operational efficiencies to be gained by full electrification and not running a mixed fleet.

Full electrification of the Leicester depot also presents our operator First Bus with the opportunity to remove all their diesel infrastructure and associated workshop facilities demonstrating a permanent and complete commitment to electric buses.

First Bus procures 100% renewable power and is currently installing solar panels (completion March 2023) across the full Abbey Lane depot roof and is further investing in operational energy efficiency upgrades (eg new compressors and additional building controls) to reduce energy consumption and accelerate their 2035 net zero commitment.

Electrification of a further 18 double decker buses will present 19,903,827kg (~19,904 tonnes) carbon and 7,848 NOx savings (over 17 years).

A fully electric Leicester depot could present the UK's first re-purposed (existing building) diesel depot and an exemplar "depot of the future" model, providing spill over benefit to other areas of the UK where the model is implemented, providing important direction and learning to the bus industry as a whole.

The extension grant will enable local upskilling of existing workforces, in particular the engineering community and driver teams. The change will also enable the bus sector to become a more attractive proposition to future workforces. A green digitally enabled transport sector aligns much more closely with the career aspirations of younger people, which is especially important given the well-publicised driver and engineer shortages and aging transport sector workforce.

More generally, the fully electrified depot will offer a more attractive working environment than the previous diesel depot, with less noise and vibration (ZEBs are extremely quiet relative to diesel engines) and hydrocarbon pollutants.

In addition, the reduced noise pollution and contaminants at the site will have a positive benefit for neighbouring communities.

This is fully consistent and further reinforces the strategic business case for electric bus investment in First Bus Leicester routes as set out in the original Zebra Fast Track bid. Usage levels on this network are still rising post-covid and are currently above 85% of pre-covid levels (94% for fare-paying passengers). This is an improvement on the previous change request. However, traffic levels have risen to above pre-covid levels, with associated air pollution issues rising accordingly.

The funding will enable the remaining (double decker) routes 4, 14, 15,25/26 and 54 to be operated with electric buses serving the North, West and East of Leicester. All routes run through one or more designated air quality management areas

These routes will also benefit from real time information displays and new shelters at all boarding stops, digital 'best fare' contactless capping and timetable co-ordination with other operators sharing similar corridors, again as formal commitments within the Partnership Scheme.

Unlike at the original applications bidding stage, much of this complementary work has either already taken place (digital ticketing, shelters, real time information, Melton Rd, Abbey Park Rd bus lanes) or in construction (A6 and Fosse Rd bus lanes).

In addition, as part of the Partnership's network co-ordination and efficiency work, service 54 and 15 are being exclusively operated by Firstbus at improved frequency. Service 14 has recently moved to a single operator operation by Firstbus 14, meaning all five bus corridors associated with this extension grant funding will be fully electric by end December 2023.

The additional investment will take the Partnership closer to its published aim of having half (200) of Leicester's bus fleet electric by the end of 2025. This investment will bring the confirmed investment up to 134 by end 2023, used by half of all passengers boarding in Leicester.

This additional investment will not take place without this associated extension grant. Not accepting the grant will delay meeting the Partnership's published aims, be detrimental to local air quality, and capture associated private sector investment or the benefits of recent associated bus investment along these proposed new electric bus routes.

6. Financial implications

The report proposes to add £2.97m to the capital programme, to be fully funded by Government grant.

Stuart McAvoy – Head of Finance

7. Legal implications

The Authority will need to ensure any additional funding complies with any specified conditions imposed by the conditions of funding together with an assessment against subsidy control of the incoming funds, though it may be that such funding will fall outside of the subsidy regime. Legal Services can assist with this together with the review of the funding terms. External legal advice has been obtained on the issues set out in this report and this advice should be followed.

Seema Patel, Solicitor (Commercial)

8. Equalities Implications

Under the Equality Act 2010, public authorities have a continuing Public Sector Equality Duty (PSED) which means that, in making decisions and carrying out their activities they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The Equality Act 2010 also requires that reasonable adjustments be made so that disabled people are not excluded from places that serve the public, including publicly accessible open spaces. This duty is on-going and anticipatory and, therefore, reasonable and proportionate steps to overcome barriers which may impede people with different kinds of disabilities need to be taken. Accessible and inclusive design relating to transport schemes in and around the City will support the general aims of the PSED and will be beneficial particularly in removing barriers to participation in public life.

The report proposes an additional £2.97 million funding for new electric buses and equipment, which if approved should lead to positive outcomes for people from across a range of protected characteristics who use buses as their mode of transport. An Equality Impact Assessment (EIA) has been carried out and will need to be reviewed to reflect the additional funding and updated on a regular basis as the scheme is implemented in order to ensure outcomes are being achieved.

Sukhi Biring, Equalities Officer, 454 4175

9. Climate Emergency implications

Transport is responsible for around 25% of carbon emissions in Leicester. Following the city council's declaration of a Climate Emergency in 2019, and its aim to achieve carbon neutrality, addressing transport-related emissions is a vital part of the council's work. This is particularly important in those areas where the council has the greatest level of influence. The purchase of these electric busses will therefore make a significant

contribution to reducing carbon emissions from public transport in Leicester, and directly supports the aims of the council's Leicester Climate Emergency Strategy.

Aidan Davis, Sustainability Officer, Ext 37 2284

10. Other implications

All other issues are set out in the full business case approved by the Department for Transport.

11. Background information and other papers:

These are all shown online on:

<https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/transport-and-streets/transport-bids>

12. Summary of appendices:

N/a

13. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

14. Is this a “key decision”? If so, why?

Yes. Proposes an investment by the City Council above £1m.

In addition, capital spending in excess of £1m is to be committed on schemes not specifically authorised by Council. It is noted that the decision can be taken by the Executive as the corporate resources to be committed are below £10m.

This project falls within the Connecting Leicester Phased Programme of the Forward Plan.