

Connected Leicester Hub and Spoke Plan

Transforming Cities Fund

Full Business Case

CHL11: City Centre Electric Bus

May 2022

Background

During the period 2018 to 2019 Leicester City Council, supported by Leicestershire County Council, took part in a competitive process to bid for Transforming Cities Funds to improve transport in Central Leicestershire.

In 2019 DfT awarded £7.8M of Tranche 1 funding to deliver three walking and cycling schemes and a scheme to deliver electric buses on the Birstall Park and Ride service. Oversight and assurance of these schemes was undertaken by the DfT, and delivery began in 2020/21.

In 2020 an award of Tranche 2 funding of £32.5M was made to our local TCF board who are responsible for Governance including providing the oversight and assessing the final scheme packages through a Local Assurance Framework.

This award was made based on a programme Strategic Outline Business Case (SOBC)¹ which was submitted to Department for Transport (DfT) in November 2019. This set-out how the delivery of our proposed schemes across four cross-cutting themes would improve sustainable transport in Central Leicestershire and meet both the TCF and Local objectives of strengthening the economy, supporting growth, reducing harmful emissions and carbon.

Since being awarded the funds the City Council has been developing and delivering a design and delivery programme that will meet the ambitious TCF delivery targets as well as ensuring that traffic is effectively managed during the construction phases with diversionary and alternative arrangements in place. Due to the COVID pandemic, this programme has had to include the additional pressures of delivering Emergency Active Travel schemes that support social distancing as well as accelerating some elements on the TCF schemes to provide improved infrastructure for walkers and cyclists.

Given the importance placed by Government in delivering infrastructure within the originally agreed funding window, it has been necessary to adjust the phasing of scheme delivery in order to minimise traffic management issues and bring forward schemes that were originally scheduled for later in the programme. This has resulted in certain elements being moved between schemes to make delivery more efficient. In addition, it has been necessary to split a number of the schemes into smaller work packages which are to be designed and delivered in phases. This allows us to complete the detailed final design and undertake the necessary consultations whilst following appropriate procurement processes. The programme is being effectively managed and tracked by the programme manager to ensure the programme is delivered to time and budget.

This Business Case presents the case for delivering the CHL11 City Centre Electric Bus Scheme.

¹ *Connected Leicester – Hub and Spoke Plan, Submitted to DfT November 2019*

Declarations

Senior Responsible Owner Declaration

As Senior Responsible Owner for this scheme I hereby submit this request for approval to TCF Board on behalf of Leicester City Council and confirm that I have the necessary authority to do so.

The scheme has been developed in accordance with the TCF Local Assurance Framework.

I confirm that Leicester City Council will have all the necessary resources in place to manage the delivery of the programme and that statutory powers in place to ensure the planned timescales in the scheme can be realised.

That a Monitoring and Evaluation Programme has been approved in line with the requirements of the Local Assurance Framework and the TCF National Evaluation Programme.

Name: Andrew L Smith

Signature & Date:

Position:

Director of Planning, Development and Transport



D2. Declaration of a Senior Finance Officer

I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Leicester City Council

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution;
- accepts responsibility for meeting any costs over and above the DfT contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties;
- accepts responsibility for meeting any ongoing revenue and capital requirements in relation to the scheme;
- accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested and that no DfT funding will be provided after 2022/23;

Name: Stuart McAvoiy

Signature and Date:

Acting Head of Finance



27/05/2022

Executive Summary

Costs and Funding:

£000	2020/21	2022/23	TOTAL
Cost	6	1094	1,100
DfT (TCF) funding contribution:	6	929	935
Local public sector contribution:		165	165
private contribution:			
Total Scheme Funding	6	1094	1,100

Project Description

This scheme seeks to purchase three electric buses and associated equipment for a new experimental service connecting the travel hubs to all the main locations within the City Centre.

An initial route has been identified which will provide a service with a 10-minute frequency on, and within the inner ring road, including in the city centre pedestrianised zone. The scheme includes the installation of temporary bus stops within the city centre pedestrian zone to allow safe and convenient entry and exit from the buses.

The use of zero emission buses, with electric motors, is essential to minimise the noise and environmental impact within the city centre.

The proposal to make the service free and is aimed at keeping the overall daily bus fare, for bus travellers to the city a cheaper alternative than all-day car parking in the city centre.

The aim of the scheme is to add value to the existing commercial bus and train network, by providing a free sustainable connection to those locations beyond easy walking distance of the main transport hubs. This is a particular benefit when the operational cost of extending current commercial services from their existing central area hubs is commercially prohibitive.

Delivery forms a key component of the Bus Service Improvement Plan and is part of the Enhanced Bus Partnership that was agreed between the bus operators and Leicester City Council. This forms a legal agreement regarding plans to reform bus services within Leicester.

The scheme will complement the Connecting Leicester programme which has delivered walking and cycling improvements that have vastly improved the public realm making a city centre that is both safe and attractive to walk and cycle. This scheme will provide a better travel option for people with limited mobility, disabilities, older people and people with young children, for whom walking and cycling may not be an option at all times.

Value for Money Statement

The Transforming Cities programme requires a scheme level assessment of the value for money. However, for this scheme, this provides an incomplete assessment as the strategic value from the scheme primarily arises when it is assessed as an integral part of the existing Connecting Leicester programme or as part of the overall TCF programme. Consequently, the scheme has been assessed as:

- A stand-alone scheme
- As part of a £10M Connecting² Leicester programme
- As part of the overall TCF programme

The Value for Money (VfM) for the three cases is shown below:

	BCR	VfM category
City Centre Bus only	1.11	Low
Connecting Leicester including City Centre Bus	2.21	High
TCF programme including the City Centre Bus	2.76	High

The VfM for the bus scheme alone is low, with an estimated BCR of 1.11. This means that for every £1 invested there is a return of £1.11. However, when part of a comprehensive programme supporting multiple modes the BCR increases to between 2.21 and 2.76 with a High Value for Money.

Primary monetised transport benefits are the social value of providing a service for those people not previously able to travel and reduced congestion.

Several sensitivity tests have been undertaken on the scheme which show that the value for money category ranges from Poor to Low. The lowest scenario produced a scheme BCR of 0.86

² Connecting Leicester is a city centre improvement programme which has invested around £1m per year since 2010 on walking, cycling and public realm infrastructure in the City Centre. This has transformed the city centre into a vibrant and attractive shopping, cultural and business centre.