



Department  
for Transport

# Zero Emission Bus Regional Areas Scheme – 2021 to 2022 Application Form

## Call for Expressions of Interest

### Applicant Information

**Local transport authority:**

Leicester City Council

**(For joint bids only) Which local transport authority is the lead bidder:**

**Area within authority covered by bid:**

Spread across whole Council area (and beyond in the case of some routes).

**Bid Manager Name and position:**

Andy Gibbons, Programme Manager

**Contact telephone number:**

07447 385 767

**Email address:**

[andrew.gibbons@leicester.gov.uk](mailto:andrew.gibbons@leicester.gov.uk)

**Postal address:**

Leicester City Council  
City Hall  
115 Charles St,  
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## Submission of proposals:

Applications to the Scheme will be assessed against the criteria set out here and in the guidance document. Please adhere to word limits. We will not accept any additional information unless specifically requested.

Proposals must be received no later than 17:00 on the following days.

- **Fast track process** - 5pm on 21<sup>st</sup> May 2021
- **Standard process** – 5pm on 25<sup>th</sup> June 2021.

You will receive confirmation that we have received your proposal within 1 working day.

An electronic copy only of the bid including any supporting material should be submitted to [buses@dft.gov.uk](mailto:buses@dft.gov.uk).

Please include “**ZEBRA (Fast track Process) Local Transport Authority name**” in the subject line of the email if you are applying under the fast track process.

Please include “**ZEBRA (Standard Process) Local Transport Authority name**” in the subject line of the email if you are applying under the standard process.

Enquiries about the Fund may be directed to [buses@dft.gov.uk](mailto:buses@dft.gov.uk).

## Transparency and privacy

Please refer to the guidance for this scheme before completing the application form to understand how DfT will manage your data.

## SECTION A: Mandatory Questions

Areas must satisfactorily answer all of the questions in this section to be eligible to progress to Phase 2 of the scheme. If you would like further information, please contact the Department for Transport at [buses@dft.gov.uk](mailto:buses@dft.gov.uk).

Areas must provide the information requested in questions A1-A5.

### A1. In total, how many new zero emission buses will your proposal deliver?

92 fully electric buses.

### A2. Total DfT funding sought (£m)

*While there is no minimum or maximum size for bids the department is interested in supporting at least three areas across the ZEBRA scheme as a whole, so we expect to see schemes that are approximately £25m – £35m. This is designed to encourage a wide range of bidding areas to come forward and to ensure DfT are able to fund at least three areas across the whole scheme.*

Currently estimated at £ 16,871,471

### A3. Third party funding contributions (£m)

Currently estimated at £ 22,293,824

#### **A4. Funding from other government schemes (£m)**

*Please set out any funding from other government schemes that is intended to be used alongside funding from the ZEBRA scheme.*

15 electric buses on contracted routes have recently been purchased using Transforming Cities and local Funds, with a further 3 more to be procured in 2022. These are shown below but are not formally included for Zebra funding bid.

In addition 22 electric buses are being purchased by Stagecoach as part of the Coventry Electric bus town scheme. These will operate into Leicester by 2024. Again these are shown below but not formally included within the Zebra funding bid.

#### **A5. Total cost of the proposal (£m):**

*This should include DfT funding as specified in A2, any third party contributions as specified in A3 and any funding from other government schemes as specified in A4.*

Currently estimated at £ 39,165,294

(excludes other associated e bus work noted in A4 which is not part of the Zebra bid)

**Areas must be able to answer yes to question A6-A12 to be able to progress to Phase 2.**

#### **A6. If your bid is successful, are you able to invest DfT funding within the time outlined by your scheme?**

Yes

#### **A7. If your bid is successful, are you able to capitalise DfT grant funding?**

Yes

#### **A8. Have you considered whether additional zero emission buses are needed to replace existing buses?**

*Evidence suggests that replacing diesel buses with zero emission buses can require additional zero emission buses to provide the same level service as provided by diesel buses. Areas should set out how many additional zero emission buses are needed to replace existing buses. If areas are of the view that additional zero emission buses are not required please set out why.*

Yes, this aspect has been considered.

All 16 proposed single decker routes are within the operating mileage achievable from the expected range of the buses being purchased taking into account dead mileage and battery degradation over time.

One of these routes has an operating mileage above the range expected from the buses (after degradation). However, this does not affect the full complement of buses used on these routes, since their frequencies drop in the evening. Those buses which are required all day will remain as Euro 6 diesel deckers (also providing increased capacity at school times). Those which aren't required in the evening will be converted to electric single deckers.

For the four double decker routes (18 buses), the proposed electric buses have an estimated range of 160 miles per day which is sufficient for whole day operation with the exception of some later evening runs. This will be addressed by .

- better utilisation of spares to help keep this going throughout the day
- review off peak capacity to see whether drop backs for limited burst of charging could work
- running electric but send diesel out later in the evening to ensure this fits. This is an approach which seems to have been well received elsewhere and hopefully overtime advancements in technology will aid this further

In all cases, no additional electric buses are required to replace their current diesel equivalents.

## **9. Have you provided a breakdown of infrastructure costs for your proposal?**

*Infrastructure costs could include (but are not limited to): cost of charging unit or refuelling stations electrical or other power components; civil engineering works, labour costs (for installation); hardware costs; capital costs of developing associated software systems; surveys at the point of procuring the infrastructure provided they can be capitalised; upgrades to the energy grid to cater for increased energy demand.*

Grid upgrade costs at First's Leicester depot are currently estimated at £800,000 future proofed for 80-100 buses and 5MW capacity. (See Appendix 1).

It is possible that this might be reduced by combining installation with other planned City Council bus priority/highways schemes, this is currently being investigated.

Grid upgrade costs at Arriva's Leicester depot are currently estimated at £350,000 for upto 40 buses. (Awaiting a detailed costing, due by early June.)

Power upgrade at the Centrebus and Roberts depots has already been done as part of the Councils DfT Transforming Cities Fund programme.

Internal switch gear, cabling and charger installation is estimated at :

£45,300 per bus for all First and Arriva buses from their Leicester depots. This is based on estimates of £35,000 per double charger and £26,000 per bus depot civils. DC charging. (See Appendix 1)

£35,000 per bus for all contracted Centrebus/Roberts buses from their local depots, based on very recent work for current electric buses launched May 2021, following open tendering exercises for each aspect.

Total infrastructure costs estimated at £5,255,294, with £1,313,824 of this a third party contribution.

#### **A10. Does your proposal have the support of bus operator(s) in the area?**

*The proposal requires the support of at least one bus operator operating in the area who will operate the zero emission buses. The bid does not, however, need the support of all bus operators operating in the area. If local transport authorities are not able to provide this evidence of support from operators they **must** explain why.*

All six local bus operators have formally been invited to participate in the scheme: Arriva, First, Centrebus, Kinchbus, Stagecoach, Roberts.

Arriva and First operate 70% of Leicester's fleet and are formally participating in the Zebra scheme (see attached letters of support)

Roberts and Centrebus operate contracted services on behalf of the City Council, with many of these services already electric and their depots equipped for charging. They are likely to be involved in operating the additional 6 electric Council-owned buses within this zebra bid. See attached letter of support.

Stagecoach have one main service which is already moving to electric in 2024 as part of the Coventry electric town scheme.

The main Kinchbus service is a long distance service to the airport with long operating hours, making conversion to electric more difficult at the present time.

This bid proposes an investment of [REDACTED] to invest in 86 new electric buses.

The other 6 buses are being purchased by the City Council with an investment of £ 1,252,500

Stagecoach has already committed to upgrading x22 buses to electric in 2024/5 which operate on the Coventry to Leicester service 48 network as part of the Coventry Electric Bus Town bid,

Both Roberts Travel Group and Centrebus have already committed to upgrading each of their depots to facilitate upto 20 electric buses, in conjunction with the City Council (for contracted work)

**A11. Have you spoken with any energy companies when preparing your proposal?**

*Energy companies could include Distribution Network Operators, Independent Distribution Network Operators, energy supplier, energy storage companies, smart charging providers or hydrogen fuel providers.*

Yes, this bid has the support of Zenobe Energy, who currently supply smart battery management and green energy to the Council's current electric bus network (x15 buses). Their energy is purchased through a green tariff from a supply with a renewable energy guarantee of origin certification (REGO).

It also has the support of Western Power and/or the IDNO associated with Zenobe.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

See letter of support in Appendix 16 and 17 to Section C.

**A12. Does your proposal comply with the accessibility requirements set out in the scheme guidance?**

*The scheme guidance sets out a number of accessibility requirements including: requiring buses to incorporate equipment to identify the route, each upcoming stop, and the beginning and end of diversions: providing an induction loop to aid direct communication between drivers and passengers who use a hearing aid and providing an additional flexible space in addition to the mandatory wheelchair space, suitable for a second wheelchair user and/or at least two unfolded pushchairs or prams.*

Yes it complies with this guidance on all buses.

Buses will also have on-bus displays together with usb charging points at all seats and automated contactless ticketing with capping.

All boarding bus stops associated with these routes will have real time information displays with audio buttons for those with visual difficulties.

## SECTION B. Defining the place (10%)

This section will seek a definition of the area to be covered by the Zero Emission Bus Regional Area. Areas should:

- Include information setting out the extent of the area to be covered by the proposal – the **defined area**. If the defined area is different to the area covered by the local transport authority please make this clear. Please provide maps if required.
- Provide details on the bus sector including naming **all** operators who operate services in the defined area, their market share and fleet sizes. This should include both operators who are supporting your proposal and will be operating the zero emission buses and other bus operators in the defined b area.
- Clarify what proportion of bus services in the defined area will be operated using zero emission buses.

*Please limit your response to 500 words. Please provide maps as annex documents if required.*

The table below shows the number of buses per company on routes which operate within the Leicester City Council area, including spares that are utilised. Many of these routes also operate in areas beyond the Leicester City Council area, including Leicestershire, Rutland, Northamptonshire and Warwickshire Council areas.

Market share is shown both in terms of whole route boardings and on the basis of those boarding within the Leicester City Council area.

	Fleet Nos	Fleet share	Market share Whole route	Market share City boarding
Arriva	205	47.1%	48.9%	45.2%
First	100	23.0%	34.7%	40.4%
Centrebus	46	10.6%	5.8%	10.1%
Kinch	38	8.7%	4.7%	1.7%
Stagecoach	31	7.1%	3.5%	1.4%
Roberts	15	3.4%	2.4%	1.2%
	435	100.0%	100.0%	100.0%

The bid will cover electric buses travelling on 51 routes across the Leicester City Council administrative area, all of which terminate in the City Centre. Several also cross the

council boundary and operate within the Leicestershire County Council local transport area. These routes amount to 47% of those routes travelling in air quality management areas.

The geographical area covered is shown in the file 'Greater Leicester Bus Map' in Appendix 2

The table below shows the current and proposed distribution of electric buses across operators and route types (commercial or contracted). If the Zebra bid is successful then 30% Leicester's network will be electric by 2024.

		Already	Zebra	Total	
	Total	Electric	Electric	Electric	
Arriva	205	0	18	18	
First	100	0	68	68	
Centrebus	46	7	6	13	**
Kinch	38	0	0	0	
Stagecoach	31	22	0	22	*
Roberts	15	11	0	11	**
	435	40	92	132	
		9%	21%	30%	
* committed - for operation in 2024 as part of Coventry Electric bus bid					
** council owned on contract work (including upcoming tenders)					

Appendix 4 shows a list of each Air Quality Management Area within Leicester City, together with the bus route by operator which serves this area and its current position in relation to electrification. These tables show that the proposed Zebra programme of investment will introduce electric buses on 100% of Leicester's air quality management areas served by buses:

Air Quality Management Area:	Bus routes		
	E bus	Total	%
City Centre/Inner Ring Road	24	54	44%
Ring Rd - Glenhills Way/Braunstone Way	2	2	100%
Ring Rd - New Parks Way	1	1	100%
Ring Rd - Colchester Rd/Goodwood Rd	3	3	100%
Abbey Lane	2	3	67%
Melton Rd	3	10	30%
Dysart Way	0	0	na
Humberstone Rd/Uppingham Rd	2	5	40%
London Rd	3	8	38%
Welford Rd	2	3	67%
Saffron Lane	2	4	50%
Aylestone Rd	1	5	20%
Narborough Rd/Braunstone Gate	2	2	100%
Hinckley Rd	1	5	20%
Northgate	3	4	75%
	51	109	47%

Full details of the Council's Air Quality Action Plan are shown on <https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/environment-and-sustainability/air-quality/>

## SECTION C: Ambition (25%)

This section will seek evidence of the level of ambition from the local transport authority to decarbonise their bus fleets, support bus services and decarbonise transport.

### C1. Public transport ambitions

Areas should:

- Provide clear explanation of your ambition to decarbonise the bus fleet in the defined area and how this proposal will support this ambition. If the defined area is different to the local transport authority area please explain your ambitions to decarbonise the bus fleet in your local transport authority area and how this proposal will support this ambition.
- Provide evidence of existing plans to support the provision and operation of local bus services in the area. This could include existing partnership working between the local transport authority and bus operators, bus priority measures, improvements to information about bus services.
- Include complementary policies to decarbonise transport in the area.

- Explain how the proposal supports wider ambitions to increase public transport use and active travel in the area.

*Please limit your response to 500 words.*

In January 2018, the Leicester Bus Partnership committed to having Euro 6 diesel buses on all locally registered bus services in the Leicester City Council area by January 2021. The Council assisted in this process through the bidding and administration of appropriate retro-fit grants and ensuring all its contracted fleet also met this standard.

By end of December 2020, this commitment had been made with the exception of ten buses used on two routes operated by Centrebus/Stagecoach. Commercial plans for these buses changed at short notice and their conversion has been awaiting additional funding sources. The City Council has since secured this and full compliance is on track for summer 2021.

The first stage of the Council's Greenlines project seeks to convert all 24 buses used on contracted services to be fully electric by 2022, operating from two charging depots. All buses belong to the council but are operated by private bus companies under contract:

- x11 buses used on 3 park and ride services – buses delivered, charging depot complete, funded by Transforming Cities and local capital funding. To come into service 24 May 2021. All three operate through AQMA
- x4 buses used on a cross-city Hospital Hopper – buses delivered, charging depot under construction, to come into service in Autumn 2021, together with two associated new park and ride sites.
- x3 buses to be used on a free City Centre Hopper – buses and operation at tendering stage, aiming for introduction Autumn 2022. Uniquely, this includes operations through City Centre pedestrianised High St.
- All these services operate through AQMAs and are being introduced with a range of new bus priorities, shelters, real time information displays and contactless digital capping

The x6 other buses form the Council-owned part of this bid and will be utilised on the Outer Orbital service operating through three AQMAs.

The second stage of this project is set out within the Council draft Bus Plan 2021-30 (Appendix 19), with Workplace Parking Levy currently proposed to provide the necessary local funding to expand the electric bus fleet. Consultation to introduce WPL has already started and will be formally set out in the Local Transport Plan to be published this summer. This includes the purchase of an additional x11 electric buses for the proposed expansion of the Outer Orbital and P&R network, together with the revenue costs for operation and a package of associated bus priority and infrastructure improvements.

The Council draft Bus Plan 2021-30 is summarised within the draft LTP4 and will form the Council impending Bus Services Improvement Plan. This will go out to consultation in July 2021 following formal notification of the intention to establish an Enhanced Partnership

Scheme by April 2022. This sets out a range of funded and proposed projects and policies designed to significantly improve the sustainable use of buses across Leicester:

Stage 1 2021–23. £50m of work already funded by Transforming Cities, Getting Building and local capital funds on bus priority measures, infrastructure (including a new bus station and two park and ride sites), digital ticketing and electric buses.

Stage 2024-8. Predicted £20m of capital work on bus priorities and infrastructure and £3.5m pa on bus support, funded by Workplace Parking Levy and match external bids.

In addition to the above, the Partnership is currently formulating the private operator investment in electric buses over these two periods. This will depend on DfT associated funding, which if successful is likely to be

Stage 1 : £37m, £20.5m from operators for 86 electric buses – this bid  
Stage 2 : currently subject to operator confirmation, but should part of the agreed Enhanced Partnership Scheme.

The full range of the Council's current and future programmes aimed at improving air quality are contained in  
<https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/environment-and-waste/air-quality>.  
<https://www.leicester.gov.uk/media/xkhfuzsk/transforming-cities-fund-strategic-outline-business-case-2019.pdf>

## **C2. Community benefits**

Please highlight any community benefits from your proposal. This could include economic development in the area or the creation and/or retention of jobs and apprenticeships related to the maintenance of zero emission vehicles, including batteries and fuel cells, and supporting infrastructure.

*Please limit your response to 500 words.*

The City Council is nearing completion of the construction of two charging depots for its existing and future fleet of electric buses, sited at two of Leicester's smaller bus operators – Roberts Travel Group and Centrebus.

These have taken around a year to complete (including power upgrade work), intermittently employing 20 local people, estimated to be 4 full time equivalent jobs for this period.

The Zebra bid requires another two charging depots for First and Arriva's depots, each designed up to a significantly larger scale. It is estimated that the First depot will require 4 FTEs for a year to complete and Arriva's 2 FTEs.

The warranty work for the Council-owned buses – existing and proposed in the bid – will be undertaken locally by the Roberts Travel Group (Coalville). Although not yet agreed, it

is possible that Roberts might also do some or all of the warranty work for Arriva's proposed e bus investment.

Following an open tendering exercise, all City Council-owned buses have been supplied by Pelican Bus and Coach of Castleford. Their May 2021 press release below shows the community impact of investment in electric bus via this English company:

*'With an ever-increasing demand for UK parts and labour content in Yutong zero emission buses, Pelican Bus & Coach have reached a co-operation agreement with Yutong to be officially recognised as a KD plant operating on behalf of Yutong in the UK.*

*Vehicles will be delivered to Pelican for final completion. Items such as driver seats, passenger seats, fire suppression, stanchions, bell pushes, USB chargers, destination equipment's, WIFI, radio, CCTV, passenger information systems and any other customer specific items will now be fitted at Pelican. In addition, vehicle and battery systems are commissioned locally together with an exhaustive pre delivery inspection. Pelican also conducts driver and engineer training at either customer's premises or at Pelican resulting in local labour being upskilled with the latest technology.*

*To accommodate the new KD operation, Pelican has purchased the former Ryder Trucks depot in Castleford and plans to refurbish and extend this property to suit. The 170 employees at Pelican will also be increased to reflect the ongoing business growth.*

*Ian Downie, Head of Yutong Bus UK, commented "the continued success of the Pelican brand in the UK with Yutong has been reflected in this agreement. Increased UK content, with local employment based not only in Castleford but also around the UK, reflects both the demands of our customers and our growing success in zero emission buses and coaches. It also benefits our coach customers who have been the bedrock of our business and we currently carrying out PVSAR conversions at Castleford. Our vehicles now have a much greater level of UK sourced equipment being fitted in the UK. As more and more zero emission vehicles enter service, this provides more local employment to our suppliers and also to civil and electrical contractors as the supporting infrastructure is build and commissioned."*

*Richard Crump, Managing Director of Pelican, added "Pelican is a UK company with a 102 year history of customer support. Our shareholding is 100% contained in the UK and we are proud to be supplying state of the art vehicles that allow local communities to benefit from zero emission transport on their streets. The £2m investment in new premises, staff and parts demonstrates our continued commit'*

[REDACTED]

[REDACTED]

### **C3. Support for your proposal and wider vision**

Provide evidence of support for your proposal and wider vision, such as letters of support or evidence of engagement, from partners.

This **must** include evidence of support from the bus operator(s) who will operate the zero emission buses. You **do not** need to include evidence of support from all bus operators within the area, only the operator(s) who will be operating the zero emission buses. This evidence must be a signed letter by both the CEO/equivalent level of the company and the local MD, committing to investing in the buses and operating them in the defined area e for a minimum of 5 years.

Local transport authorities that have not included this evidence must clearly set out the reasons for this.

You **must** also include evidence of engagement with an energy company. Energy companies could include Distribution Network Operators, Independent Distribution Network Operators, energy supplier, energy storage companies, smart charging providers or hydrogen fuel providers.

Areas may also wish to include evidence of support from other relevant bodies, depending on the proposal, for example:

- Other tiers of local government
- Local Enterprise Partnerships
- Local Energy Hub
- Leasing companies
- Finance companies

*Please limit your response to 1000 words. Evidence of support, such as letter of support, can be included as annex.*

Attached are letters of support from:

Appendix 7 : Firstbus – as bid investors  
Appendix 8 : Arriva Bus – as bid investors

Appendix 9 : Roberts Travel Group  
Appendix 10 : Centrebus  
Appendix 11 : Stagecoach.

Appendix 12 : University Hospitals Leicester  
Appendix 13 : Leicester and Leicestershire Local Enterprise Partnership  
Appendix 14 : Leicestershire County Council  
Appendix 15 : Leicester Bus User Group

Appendix 16 : Zenobe Energy  
Appendix 17 : ESP - IDNO  
Appendix 18 : Pelican

First Bus has committed to investment in only zero-emission vehicles from December 2022, with a 100% zero-emission fleet by 2035, these 68 vehicles will form an important step on the journey to a zero emission fleet.

Parent company First Group is the first public transport operator to commit to science-based targets to achieve net zero emissions by 2050 or earlier FirstGroup becomes first UK public transport operator to commit to ambitious net zero target – FirstGroup plc

## **SECTION D: Air Quality (10%)**

This section will seek evidence of the air quality challenges in the area and how your plans tackle air quality in the area. Areas should:

- Set out the air quality challenge in the area, such as whether the area is identified in the national assessment as exceeding statutory limits.
- Set out how the proposal would address the local air problem.
- Provide evidence of existing transport plans to tackle air quality and greenhouse gas emissions.

*Please limit your response to 500 words.*

**We will not accept bids covering places that cannot show that they have air quality issues.**

Like many other UK cities, Leicester faces issues of air quality for nitrogen dioxide in a number of areas. These are predominantly areas where there are large volumes of traffic particularly along major routes into the city, outer ring road and in the city centre.

Source apportionment shows that over 80% of nitrogen dioxide pollution in Leicester comes from traffic. In 2000, Leicester declared an Air Quality Management Area on a basis of NO<sub>2</sub> exceedances. These include 16 sub-areas, 15 of which are served by buses – all of which will have electric buses as part of this Zebra bid. See Appendix 4.

Air Quality Management Area:	Bus routes		
	E bus	Total	%
City Centre/Inner Ring Road	24	54	44%
Ring Rd - Glenhills Way/Braunstone Way	2	2	100%
Ring Rd - New Parks Way	1	1	100%
Ring Rd - Colchester Rd/Goodwood Rd	3	3	100%
Abbey Lane	2	3	67%
Melton Rd	3	10	30%
Dysart Way	0	0	na
Humberstone Rd/Uppingham Rd	2	5	40%
London Rd	3	8	38%
Welford Rd	2	3	67%
Saffron Lane	2	4	50%
Aylestone Rd	1	5	20%
Narborough Rd/Braunstone Gate	2	2	100%
Hinckley Rd	1	5	20%
Northgate	3	4	75%
	51	109	47%

Air pollution is recognised as a contributing factor in the onset of diseases such as heart diseases and cancer. Adverse health effects of air pollution particularly affects the most vulnerable in society: children and older people, and those with heart and lung conditions. It is often found that areas with poor air quality are also often the less affluent areas.

Leicester City Council (LCC) has the improvement of air quality at the forefront of its actions. LCC has adopted its Air Quality Action Plan (AQAP) in November 2015 aimed at tackling the problem of traffic emissions. (<https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/environment-and-waste/air-quality>). In Leicester we have also started to monitor P.M2.5 levels with a network of portable air quality monitors, our ambition is to work towards to WHO Air Quality limit levels.

These plans have been backed up by a range of actions set out in Leicester’s successful Transforming Cities Bid. <https://www.leicester.gov.uk/media/xkhfuzsk/transforming-cities-fund-strategic-outline-business-case-2019.pdf>. This sets out a £71m ongoing programme of bus, walking and cycling projects which are currently due for completion by 2024 – all designed to target air quality across the city.

Currently the Council is developing a new Local Transport Plan which sets out a similar sized programme of future capital and revenue based work to further address air quality. Significantly, this includes the proposal introduce a workplace parking levy across all the City’s employment sites to promote modal shift from the car and to raise local funds to improve sustainable transport.

Below is an indication of the environmental impact of upgrading each of the 92 buses proposed in this bid from their Euro 6 diesel operation. This is based on the electric buses having a similar level of emissions certification as the ones recently purchased by the City Council.

**First x68 Electric Buses.**

With the replacement of 68 [EURO VI] diesel vehicles from the Leicester fleet with EVs, based on FY2021 [fuel and mileage] figures, this would likely equate to a reduction in carbon emissions of more than 2,100 tonnes, and a reduction in air quality related emissions (NOx and PM2.5) of almost 1.7 tonnes (circa 1,700 kg). This represents a 68% reduction in tailpipe emissions compared to the current full First Leicester fleet.

**Council x6 Electric Buses** : Savings calculated as 237 tones of CO2, 77kg of Nox, 34kg of N2) and 2543g of PMs

**Arriva x18 Electric Buses** : Savings calculated as 2782 tones of Carbon emission, 709kg of Nox and 20 of N2O

. the above carbon reduction estimate is based on tailpipe emissions, i.e. ‘Tank to Wheel’ (TTW) – a calculation based on ‘Well to Wheel’ (WTW) carbon reduction could be undertaken for a fuller picture, with emissions associated with grid electricity for the charging of the EVs (our Scope 2 emissions) offset as appropriate.

## SECTION E: Value for Money (25%)

This section will seek evidence how you meet the Value for Money criteria, as set out in the guidance. Areas are also required to submit a separate value for money proforma that has been published alongside the application form. This spreadsheet requests basic information about the proposed investment to enable the value for money to be assessed using the Department’s “**Greener bus model**”.

The information in a completed pro forma, enables the model to estimate the greenhouse gases (GHG) emissions savings, other environmental & social impacts such as reduction in particulate matter (PM) and nitrogen oxide (NoX) emissions and savings & costs in the public and private sectors. By quantifying the key impacts of a proposed investment, this model helps provide decision-makers with as full a view as possible, about impacts on the environment, society, transport operators and the government finances.

The model provides a measure of the ‘Value for Money’, in the form of a benefit cost ratio (BCR) alongside other metrics such as the total estimated GHG savings and a cost effectiveness indicator estimating the net cost per tonne of carbon saved. These outputs will be used to score bids based on value for money.

The model does not capture every possible impact from a proposed investment, such as impacts from any resulting increases in patronage, improvement to the quality of journeys, or increased reliability. Where wider impacts (positive or negative) from investment are expected these should be stated, in the pro forma, as non-monetised impacts. These will be considered when making a value for money judgement, as set out in the Department value for money framework.

**See Appendix 21.**

## **SECTION F: Deliverability (30%)**

This section will seek evidence of how the Zero Emission Bus Regional Area will be delivered, and demonstrate that plans are credible and deliverable.

### **F1. Method of delivery and timescale for implementation**

Establish the method of delivery, to cover:

- How you will work with local bus operators and other partners to deliver the proposal
- Any public consultation or third-party permission that will be required (e.g. for infrastructure)
- Explain any mitigations put in place for SMEs.
- Timescales for implementation, including when orders will be placed for zero emission buses and when supporting infrastructure will be delivered.
- Please demonstrate how your plans are credible and deliverable in the time proposed, and that any risks have been understood and mitigated

*Please limit your response to 1,000 words.*

The City Council has a long established forum for progressing all bus partnership work with Leicester's bus operators. There is a quarterly meeting between all senior bus managers, senior officers at the Council and Council's portfolio holder covering public transport.

This forum pushes forward an agreed programme of partnership work following consultation with the Bus User Panel (covering bus users with a range of differing travel needs) and other key stakeholders such as the County Council, main employers and LEP.

There is a signed voluntary partnership memorandum of understanding (Appendix 22) which currently covers this work over the next 4 years, with the overall vision of a transformative change in bus travel - making it quicker, more reliable, affordable and sustainable. The key outcomes are a 5% increase in patronage and increase in user satisfaction to 90% by 2025.

The current draft bus plan (Appendix 19) will form the draft Bus Services Improvement Plan to be completed by October 2021. **This will be updated as necessary to reflect the operators' and council's future electric bus investment plans – themselves dependent on DfT Zebra bid success.** This will form the basis of the partners formal Enhanced Partnership Scheme due for implementation by March 2022, updating the existing voluntary partnership.

The above outlines the overall proposed way for delivering the Zebra project within a wider range of projects and programmes, all of which will be signed up to and strengthened via an overarching Enhanced Partnership Scheme by March 2022.

The specific delivery of the zebra programme of bus investment will be split into three packages – Arriva, First and Council. The Council will be the grant holder for all three.

As part of the grant conditions from the Council to Arriva and First, each operator will have to set out its proposed timelines for specification, procurement and delivery of both its buses and charging depot facilities.

These will themselves be subject to an 'open book' exercise to ensure that they have been procured to best value. The Council will use its recent experience in this area, together with independent advice, to ensure that these timelines are realistic and achievable. Grant will be given in stages, with a percentage as deposit on order and the remaining once the buses enter into service.

The whole grant process from the Council to each operator will be subject to detailed legal input and advice to ensure that it consistently meets all subsidy and competition rules.

For the x6 council-procured buses, an open tendering exercise will take place using the same specification and evaluation process as has recently been used for x15 electric buses. It is expected that the operators will following similar time lines :

<b>Bus commissioning</b>	<b>finish date</b>
Approval to tender	Sep-21
Resource and secure tendering slot	Oct-21
Specification	Oct-21
Tender documentation	Mar-22
Invitation to Tender published	Mar-22
Clarification questions	Apr-22
Interviews	May-22
Tenders received	Jun-22
Tender evaluation	Jul-22
Notification of succesful tender	Jul-22
Standstill	Aug-22
Contract determination	Oct-22
Order	Oct-22
Pre-delivery inspection	Feb-22
Peripherals installed	Mar-23
Livery applied	Mar-23
Bus Sign off	Mar-23
Training and testing	Apr-23
Charging	May-23
Marketing and promotion	Jun-23
Launched	Jul-23
<b>Charging equipment</b>	<b>finish date</b>
Grid upgrade	Oct-22
Depot switchgear	Oct-22
Depot internal wiring	Oct-22
Chargers procured- tied into bus purchase	Oct-22
charger installed	Nov-22
depot civils	Dec-22
Testing	Feb-23
Certification	Mar-23
Switch on	Apr-23

This process has just been undertaken successfully for the delivery of x15 electric buses on the three Park and Ride services, to the above timescales. This involved a successful partnership between the City Council, Roberts Travel Group, Pelican Bus and Coach and Zenobe energy, including the creation of a bespoke 1MW charging depot for upto 20 electric buses.

This project is also being combined with a package of other capital improvements being delivered over the next 12 months – bus priority, real time displays at all stops, bus shelters and contactless digital capping.

A similar partnership – this time with the City Council, Centrebus, Pelican, Zenobe and the University Hospital Leicester – is part way through converting the Hospital Hopper service to electric. Buses have been successfully tendered and delivered, together with all contract let for a new charging depot at Centrebus, with the project due for completion in

September 2021. Again, this is being packaged with other capital improvements delivered over the next 12 months – bus priority, real time displays at all stops, bus shelters and contactless digital capping.

The electric bus elements of both of these projects all came in on budget (£6.04m) and agreed timescales set by the Transforming Cities Fund programme.

For the programme of work planned with Zebra funding, a reasonable amount of the risk involved has been removed through the knowledge, contacts and experience of the recent electric bus work, together with employing expert advice and DNO/IDNO input to assist in already reviewing and specifying both the required depot work and the type of buses required for the routes chosen.

Although all depot work can take place on private land, consultation has already taken place with the relevant partners required to delivery this programme.

The zebra proposal will build on previous work that encourages the development of the smaller independent bus and coach companies in the area to enter into the electric bus market via partnership work with the Council on contracted routes. One of these is already now set up to undertake approved warranty work for electric buses. All civils works and wiring working is undertaken by local companies, through open tendering.

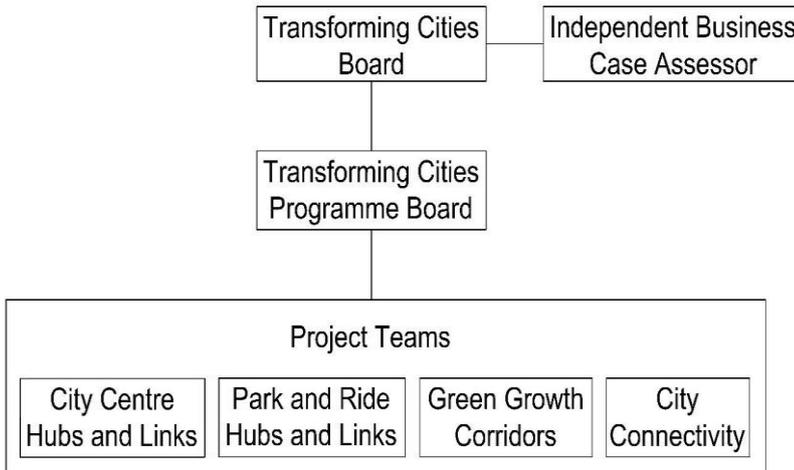
A good recent example of these partners working successfully together to deliver to timescale and specification involved the Digital Ticketing Roadmap (See Appendix 23). Working across all bus operators and the City Council, in the past year it has already delivered:

- Contactless model one ticketing, including park and ride and all contracts.
- All-operator ticket sales and recording on three mobile phone platforms
- Expansion of the range of all-operator ticket sales.
- Specification and contracts let for introduction of model 2 digital touch-in/touch out contactless capping on all operators, with Leicester on track to be the first area to deliver all-operator capping in early 2022.

Other recent examples of successful delivery of partnership projects over the past few years include : Haymarket Bus Station, Aylestone Rd Bus Priority Scheme, Mansfield St/Gravel St Bus Link and St Margarets Bus Station Burleys Way link.

The programme will be delivered using Prince2 and Managing Successful Programmes methodology. The authority has an experienced and highly skilled Transport Strategy section with specialisms in major transport scheme delivery and public transport infrastructure and management.

It is proposed that this Zebra programme will report through the City Council via the same process as the successful Transforming Cities Board, reporting through the ‘Park and Ride Hubs and Link’ team below.



An Assurance Framework will be prepared setting out the formal governance structure to ensure Zebra funding is used responsibly and transparently to achieve best value for public spending. It will ensure robust stewardship of the resources that are available with clear roles and responsibilities. It will also set out the means through which project funding will be approved, delivered and monitored.

Leicester City Council recognises that risks need to be identified, evaluated and controlled in a transparent, systematic and consistent method. A high-level risk management strategy will be produced, which captures programme levels risks and mitigation actions. Detailed risk registers will then be prepared for individual phases which document the project specific risks.

The risks will be identified and informed through experience on the delivery of similar recent projects and programmes of this nature as described above.

A Quantified Risk Assessment (QRA) will be produced as part of the design process in order to adjust the scheme costs in accordance with the likely impact of any key risks that may occur. A contingency amount has been added to the scheme cost estimates which is considered to be sufficient at this stage to account for the likely financial impact of any risks that do materialise.

Risk will be considered by each project and escalated to the Programme Board when a change decision is required. Funding for risks requiring changes to the approved budget will be held by the Programme Board.

Project risks are reviewed on an ongoing basis through the life of the scheme development and delivery process. This is the responsibility of the Project Manager, who maintains the risk log and reports any issues, any risks that lead to cost overruns, to the Programme Manager to report to the Programme Board at monthly meetings as required.

## F2. Monitoring and evaluation

Please provide indicative details of how monitoring and evaluation will be used to ensure learning about the project and inform future schemes. A detailed monitoring and

evaluation plan is not required at this stage but should explain how the approach to delivering services will ensure that future learning is maximised.

*Please limit your response to 500 words.*

The City Council already works with all operators to monitor the performance of each service in terms of :

- Bus passenger growth by type – through ticketing information
- Fares changes over time by ticket type
- Punctuality and reliability – through real time information data capture and operator returns
- Bus user satisfaction on each area of service delivery – via yearly data from Passenger Focus.

It is proposed that this work is expanded for each of the Zebra electric bus routes to include a detailed and separately commissioned piece of research to provide both detailed feedback and 'lessons learnt' across several areas :

- The partnership delivery model employed – views of each partner involved.
- Drivers experience. This will be complemented the smart management software information related to areas such as regenerative braking and it impact on battery use.
- Managers experience – in relation to vehicle and driver management, including over night charging equipment and remote smart energy management process.
- Maintenance and cleaning, particularly compared to diesel buses.
- Actual costs over time – fuel, maintenance etc compared with diesel buses
- Customer views – in service and in terms of this policy intervention.
- Stakeholders views – key employers, particularly hospital, universities, colleges, shop keepers and the Bus User Panel.
- Views on the differences across different bus models, charging types and energy suppliers.
- Risk management differences and effectiveness in keep to specification and budget

The City Council has a detailed monitoring system to measure air quality on each of the air quality management sub-areas, as detailed in <https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/environment-and-waste/air-quality>. This is done through our network of fixed and portable monitoring stations on the main road network.

There are currently five fixed automatic monitoring stations measuring Oxides of Nitrogen (NOx) and Particulate Matter 10 (PM10). These are located on five of the proposed electric bus corridors, including the City Centre, covering over half of the electric bus routes proposed.

There is already a successful link up with De Montfort University to enable the sharing and dissemination of work related to local air quality and transport initiatives.

In addition, Leicester will feed into work and seminars undertaken by the Low Carbon Vehicle Trust, Urban Transport Group and Confederation of Transport – providing a strong and evolving evidence base and set of educational materials in this area for other local authorities and bus companies to use.

In addition, there is already an established user group for those companies/authorities which have purchased Pelican electric buses and use Zenobe Energy as partners.

### **F3. Procurement, State Aid and subsidy rules**

Please confirm you have received advice on legal requirements in relation to procurement, subsidy control and state aid.

Please also demonstrate how you will abide by legal requirements in relation to procurement, subsidy control and state aid, including an explanation, together with supporting evidence, of how you will comply with the principles under the UK-EU Trade and Cooperation Agreement.

*Please limit your response to 500 words.*

Legal advice for this bid has been commissioned from DLA Piper looking at 2 options –  
Option 1 : private bus company investment only  
Option 2 : both bus company and Council investment – as put forward in this bid.

Their advice note is shown in Appendix 24. A summary of its conclusions is:

‘Both Option 1 and Option 2 of the proposed bid for ZEBRA funding should be capable of implementation consistent with the current UK government position on subsidy control, in particular in compliance with the principles set out in the TCA.

The risks associated with these Options will be minimised by the Council ensuring that all operators in the area have had an equal opportunity to apply for funding within the Bid, and that this funding is then made available to them all on an equivalent basis.

We understand that is the case with the current proposed Bid, with both of Options 1 and Option 2 applying for equivalent funding for all commercial bus operator required funding for zero emission buses in Leicester.

We have set out additional mitigations in this note that the Council should carry out to minimise the risk of such aid breaching the TCA principles in the future, in particular because a competitive procedure has not been used to allocate limited funding, but rather the funding is being made available on an equivalent basis to all operators.

From a procurement perspective, the Council will also need to ensure that the basis upon which it procures secured services which utilise electric vehicles that it would purchase under Option 2 does not distort competition in the market. We assume that the Council will ensure that the vehicles are made available on a non-discriminatory basis to the successful bidder, and that the terms of tendering, and the terms of funding under Option 1 will not provide any bidder with an unfair advantage or distort competition.’

## **Appendices for Section A – Mandatory Questions**

1. 'First Leicester E Bus Infrastructure'

## **Appendices for Section B – Defining the Place**

2. 'Greater Leicester Bus Map'
3. 'AQMA\_Leicester'
4. AQMA Leicester Sub-Area bus routes'

## **Appendices for Section C – Ambition.**

5. 'Zebra bus routes – contracted'
6. 'Zebra bus routes – commercial'
7. 'Support – First'
8. 'Support – Arriva'
9. 'Support – Roberts'
10. 'Support – Centrebus'
11. 'Support – Stagecoach'
12. 'Support – UHL'
13. 'Support – LEP'
14. 'Support – County'
15. 'Support – Bus User Group'
16. 'Support – Zenobe'
17. 'Support – IDNO'
18. 'Support – Pelican'
19. 'Leicester Draft Bus Plan 2021 -30'

## **Appendix for Section D – Air Quality**

20. 'AQMA – Leicester'

## **Appendix for Section E – Value for Money**

**See attached file :**

21. 'Leicester Zebra VFM'

**Appendices for Section F – Deliverability**

22. 'Leicester BQP MOU'

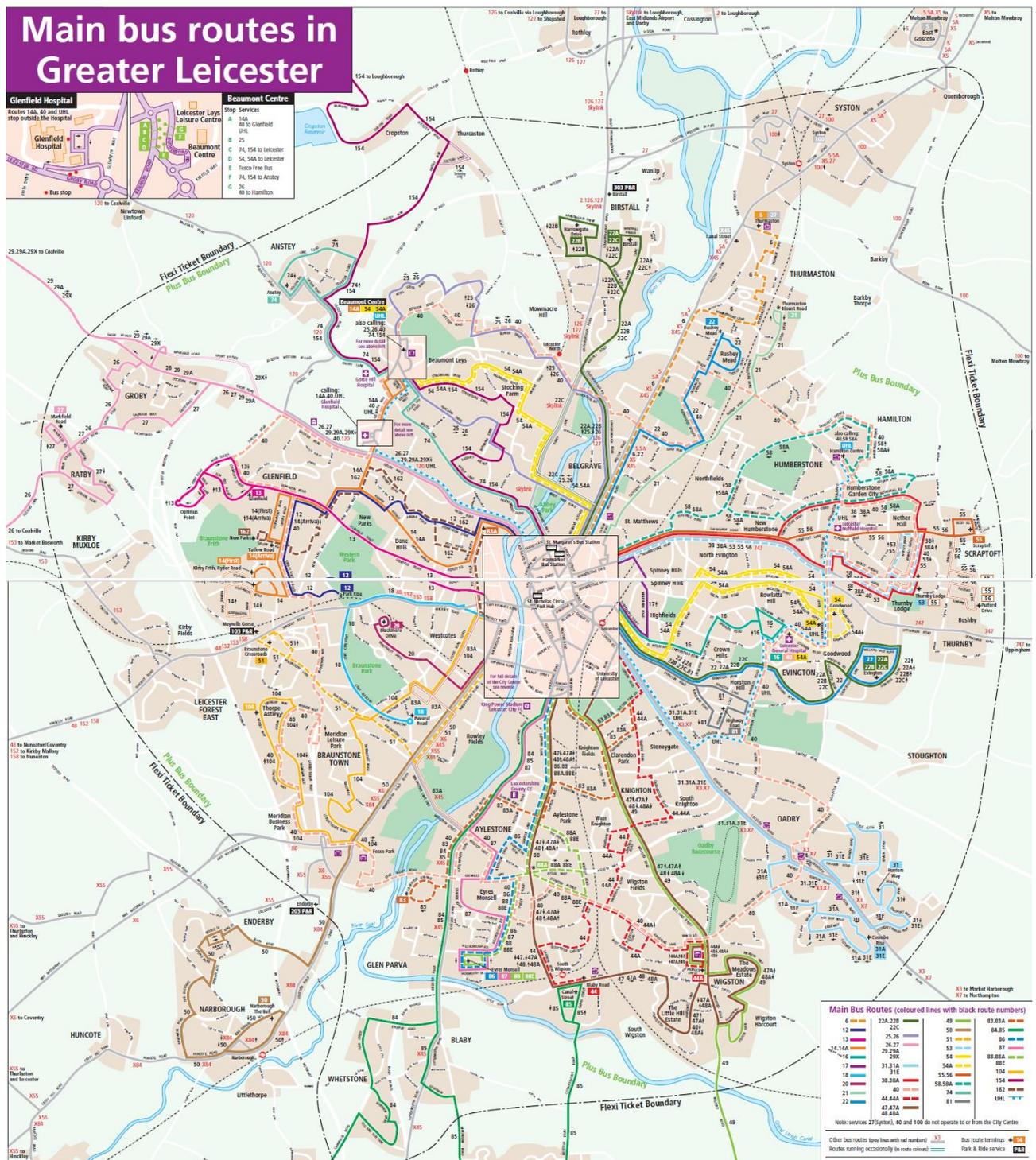
23. 'Leicester Digital Ticketing Roadmap'

24. 'Leicester Zebra bid Legal'

**Appendix 1 - redacted**

# Appendix 2

## Main bus routes in Greater Leicester



**Appendix 3 Leicester Air Quality Management Area**



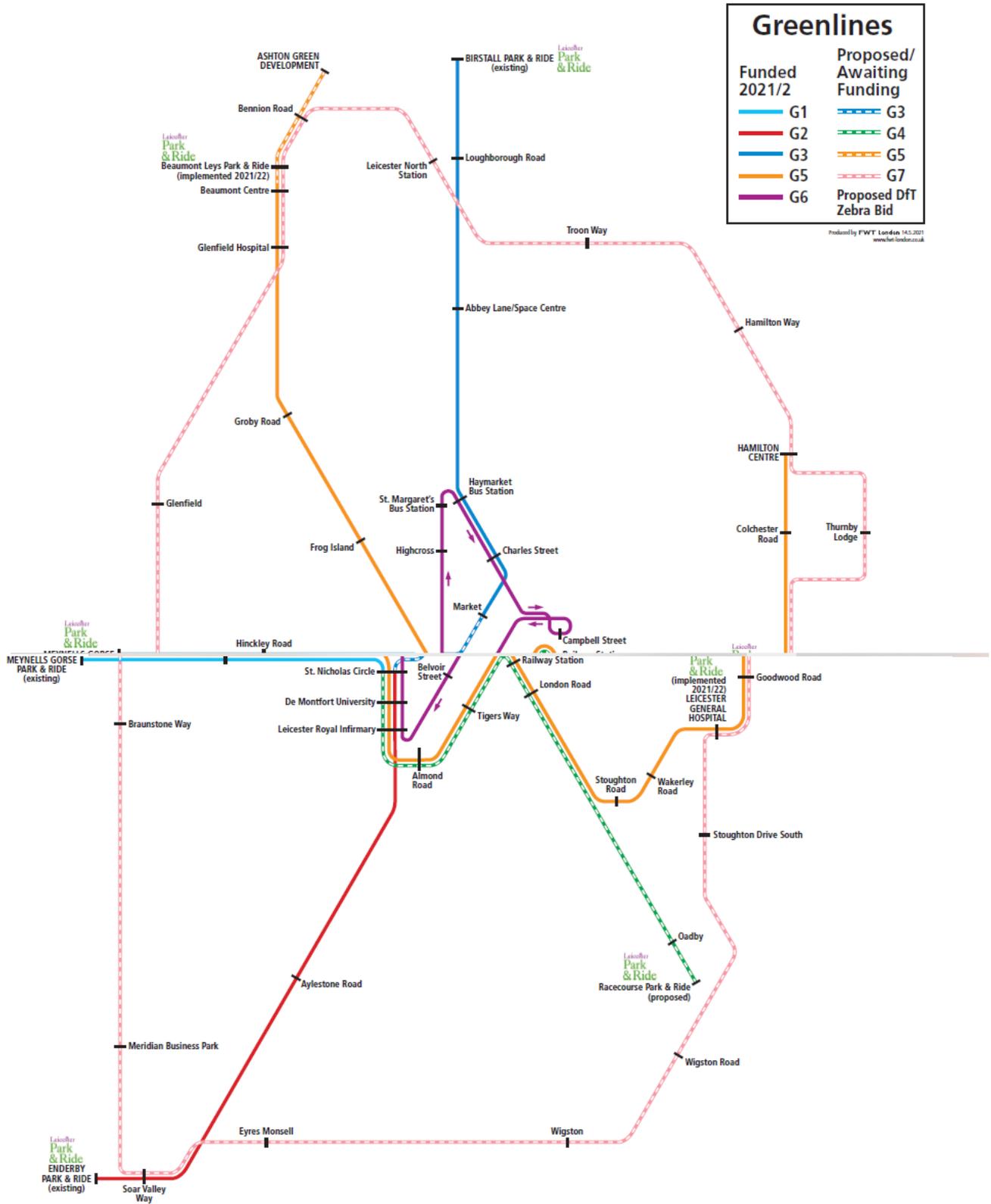
## Appendix 4. AQMA sub areas by bus route

Leicester City Council Air Quality Management Area																	
Services along each AQMA sub area by Operator																	
Yellow donotes proposed Zebra E bus Route presence on AQMA sub area																	
Orange denotes existing or funded E bus routes - not part of Zebra bid																	
First - commercial routes																	
Service	12	13	14	14a	16	17	18	21	22	25/6	38	38a	54	74	88	88a	
Electric	no	bid	bid	bid	bid	bid	bid	bid	bid	bid	bid	bid	bid	bid	bid	tdb	
Air Quality Management Area:																	
City Centre/Inner Ring Road	o	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	o
Ring Rd - Glenhills Way/Braunstone Way	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
Ring Rd - New Parks Way	o	o	o	x	o	o	o	o	o	o	o	o	o	o	o	o	o
Ring Rd - Colchester Rd/Goodwood Rd	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
Abbey Lane	o	o	o	o	o	o	o	o	o	x	o	o	x	o	o	o	o
Melton Rd	o	o	o	o	o	o	o	o	x	x	o	o	x	o	o	o	o
Dysart Way	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
Humberstone Rd/Uppingham Rd	o	o	o	o	o	o	o	o	o	o	x	x	o	o	o	o	o
London Rd	o	o	o	o	x	x	o	o	o	o	o	o	o	o	o	o	o
Welford Rd	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
Saffron Lane	o	o	o	o	o	o	o	o	o	o	o	o	o	o	x	x	o
Aylestone Rd	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
Narborough Rd/Braunstone Gate	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
Hinckley Rd	o	o	o	o	o	o	x	o	o	o	o	o	o	o	o	o	o
Northgate	x	o	x	x	o	o	o	o	o	o	o	o	o	o	o	o	o
Arriva - Commercial routes 1/2																	
Service	5/5A	6	14	26/27	29/29A	31/31A	44/44A	47/48	49	50	51	52					
Electricification position	tdb	tdb	tdb	tdb	tdb	tdb	tdb	bid	tdb	bid	bid	tdb					
Air Quality Management Area:																	
City Centre/Inner Ring Road	x	x	x	x	x	x	x	x	x	x	x	x					
Ring Rd - Glenhills Way/Braunstone Way	o	o	o	o	o	o	o	o	o	o	o	o					
Ring Rd - New Parks Way	o	o	o	o	o	o	o	o	o	o	o	o					
Ring Rd - Colchester Rd/Goodwood Rd	o	o	o	o	o	o	o	o	o	o	o	o					
Abbey Lane	o	o	o	o	o	o	o	o	o	o	o	o					
Melton Rd	x	x	o	o	o	o	o	o	o	o	o	o					
Dysart Way	o	o	o	o	o	o	o	o	o	o	o	o					
Humberstone Rd/Uppingham Rd	o	o	o	o	o	o	o	o	o	o	o	x					
London Rd	o	o	o	o	o	x	x	o	o	o	o	o					
Welford Rd	o	o	o	o	o	o	o	x	x	o	o	o					
Saffron Lane	o	o	o	o	o	o	o	x	o	o	o	o					
Aylestone Rd	o	o	o	o	o	o	o	o	o	o	o	o					
Narborough Rd/Braunstone Gate	o	o	o	o	o	o	o	o	o	x	x	o					
Hinckley Rd	o	o	o	o	o	o	o	o	o	o	o	o					
Northgate	o	o	x	o	o	o	o	o	o	o	o	o					

<b>Arriva - Commercial routes 2/2</b>																
Service	53	55/56	58/58A	84	85	86/87	104	126/127	152/3	158	X3	X5	X55	X84		
Electricification position	tdb	tdb	tdb	tdb	tdb	tdb	tdb	tdb	tdb	tdb	tdb	tdb	tdb	tdb		
<b>Air Quality Management Area:</b>																
City Centre/Inner Ring Road	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
Ring Rd - Glenhills Way/Braunstone Way	o	o	o	o	o	o	o	o	o	o	o	o	o	o		
Ring Rd - New Parks Way	o	o	o	o	o	o	o	o	o	o	o	o	o	o		
Ring Rd - Colchester Rd/Goodwood Rd	o	o	o	o	o	o	o	o	o	o	o	o	o	o		
Abbey Lane	o	o	o	o	o	o	o	o	o	o	o	o	o	o		
Melton Rd	o	o	o	o	o	o	o	x	o	o	o	x	o	o		
Dysart Way	o	o	o	o	o	o	o	o	o	o	o	o	o	o		
Humberstone Rd/Uppingham Rd	x	x	x	o	o	o	o	o	o	o	o	o	o	o		
London Rd	o	o	o	o	o	o	o	o	o	o	o	o	o	o		
Welford Rd	o	o	o	o	o	o	o	o	o	o	x	o	o	o		
Saffron Lane	o	o	o	o	o	x	o	o	o	o	o	o	o	o		
Aylestone Rd	o	o	o	x	x	o	o	o	o	o	o	o	o	x		
Narborough Rd/Braunstone Gate	o	o	o	o	o	o	o	o	o	o	o	o	o	o		
Hinckley Rd	o	o	o	o	o	o	o	o	x	x	o	o	x	o		
Northgate	o	o	o	o	o	o	o	o	o	o	o	o	o	o		
<b>Others - Commercial/Contracted</b>																
	<b>Centrebus</b>			<b>Kinchbus</b>			<b>Stagecoach</b>		<b>Contracted (Centrebus and Roberts)</b>							
Service	22	54A	20	Skylink 2		48	X7			103	203	303	HH	CC	40	
Electricification position	tdb	tdb	tdb	tdb	tdb			Funded	tdb		Done	Done	Done	Funded	Funded	Bid
<b>Air Quality Management Area:</b>																
City Centre/Inner Ring Road	x	x	x		x	x		x	x		x	x	x	x	x	x
Ring Rd - Glenhills Way/Braunstone Way	o	o	o		o	o		o	o		o	x	o	o	o	x
Ring Rd - New Parks Way	o	o	o		o	o		o	o		o	o	o	o	o	x
Ring Rd - Colchester Rd/Goodwood Rd	o	o	o		o	o		o	o		o	o	o	x	o	x
Abbey Lane	o	x	o		x	o		o	o		o	o	x	o	o	o
Melton Rd	x	x	o		o	x		o	o		o	o	o	o	o	o
Dysart Way	o	o	o		o	o		o	o		o	o	o	o	o	o
Humberstone Rd/Uppingham Rd	o	o	o		o	o		o	o		o	o	o	o	o	o
London Rd	x	x	o		o	o		o	x		o	o	o	x	o	o
Welford Rd	o	o	o		o	o		o	o		o	o	o	o	o	o
Saffron Lane	o	o	o		o	o		o	o		o	o	o	o	o	o
Aylestone Rd	o	o	o		o	o		o	o		o	x	o	o	o	o
Narborough Rd/Braunstone Gate	o	o	x		o	o		o	o		o	o	o	o	o	o
Hinckley Rd	o	o	o		o	o		x	o		x	o	o	o	o	o
Northgate	o	o	o		o	o		o	o		o	o	o	x	o	o

**Appendix 5 Leicester Zebra Bus Routes – contracted**

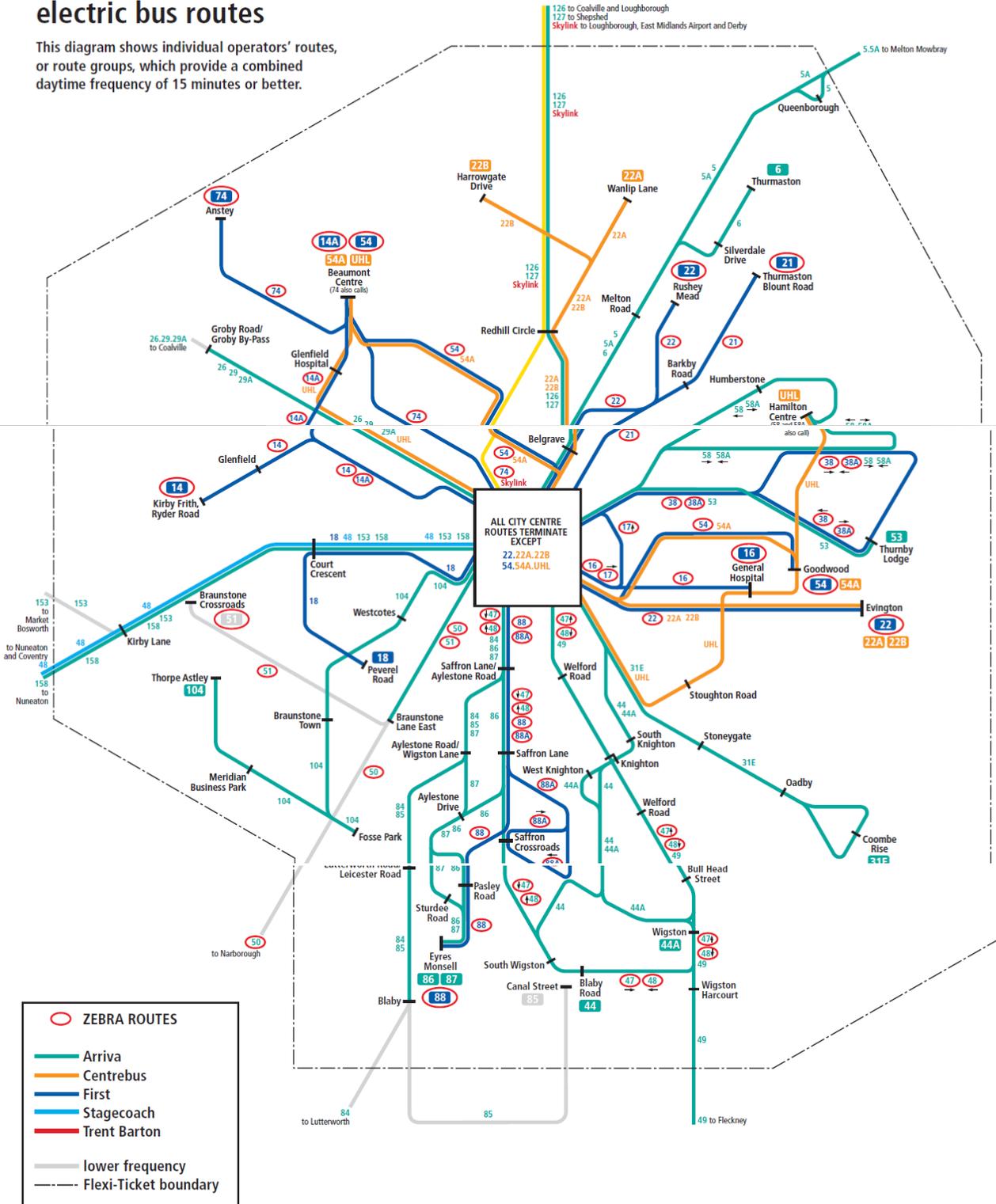
# Leicester Greenlines Network



## Appendix 6 : Leicester Zebra Bus Routes – Commercial

# Greater Leicester Zebra Proposed commercial electric bus routes

This diagram shows individual operators' routes, or route groups, which provide a combined daytime frequency of 15 minutes or better.



**Appendix 7 : Support Letter – Firstbus - redacted**

**Appendix 8 : Support Letter – Arriva - redacted**

**Appendix 9 : Support Letter – Roberts Travel Group**

# Roberts

TRAVEL GROUP

Andy Gibbons  
Leicester City Council  
115 Charles Street  
Leicester  
LE1 1FZ

14<sup>th</sup> May 2021

Dear Sirs,

We write this letter in support of the Zebra bid from Leicester City Council.

Roberts Travel Group plan to increase the number of fully electric vehicles operated from the charging depot we already have in place.

Considerable additional charging capacity exists within our depot that we intend to utilise by way of adding additional Electric vehicles to the current fleet.

Should you require any further clarification then please do not hesitate to contact me.

Yours faithfully

  
Jonathan Hunt

**Appendix 10 : Support Letter – Centrebus**

# Centrebus

*your local bus service provider*

Centrebus Ltd  
43 Wenlock Way  
Thurmaston  
Leicester  
LE4 9HU

14<sup>th</sup> May 2021

Andrew Gibbons  
Programme Manager  
Transport Strategy and Programmes  
Leicester City Council  
3<sup>rd</sup> Floor  
City Hall  
115 Charles Street  
Leicester  
LE1 1FZ

Dear Andy

ZEBRA BID

I am pleased to confirm that we whole heartedly support your bid to attract funding to help with the introduction of more electric buses within the City.

We are grateful for the assistance so far in helping to introduce buses onto the Hospital Hopper service and we would welcome the opportunity to further expand our depot infrastructure to allow the successful operation of additional electric zero emission buses in and around the City.

Electric vehicles do appear to be the future, at least for the next few decades and we very much appreciate the partnership working that is going on.

These are certainly exciting times for the industry and improving Air quality is key to any successful public transport network. Hopefully Zero emission buses will help restore customer confidence and encourage road users out of their cars and onto public transport.

Yours sincerely

Matt Evans  
Managing Director

## Appendix 11 : Support Letter – Stagecoach



Mr Andrew Gibbons  
Programme Manager  
Transport Strategy and Programmes  
Leicester City Council

By email to: [Andrew.Gibbons@leicester.gov.uk](mailto:Andrew.Gibbons@leicester.gov.uk)

20<sup>th</sup> May 2021

Dear Andrew,

### **Zero Emission Bus Regional Areas (ZEBRA) scheme**

As you are aware, Stagecoach Midlands are participating in the Electric Cities bid that has been approved for the city of Coventry. As part of that project our 48 Service which connects Coventry, Bedworth, Nuneaton, Hinckley, Earl Shilton and the city of Leicester will be upgraded to Electric fleet by winter 2025. This will include 25 fleet.

We believe that the investment in the bus fleet through both Electric Cities and ZEBRA will deliver substantial benefits including:

- Encouragement of modal shift to bus as a result of improved buses, thus reducing the volume of traffic on our local highway network providing environmental benefit
- Enabling operators to further collaborate with local authorities, bus manufacturers, electric vehicle charging infrastructure suppliers and the Distribution Network Operators to support the development of zero emission bus technology with a view to reducing our operational costs, whilst boosting patronage
- Enabling operators to better understand the extent of savings, cost efficiencies, whole-life costs and indeed operational challenges to support and potentially accelerate our plans to transform our bus fleet to electric zero-emission
- Contribute towards reducing the level of Nitrogen Dioxide concentrations in Air Quality Management Areas (AQMAs)
- Supporting economic growth by providing a more sustainable mode of travel to access employment, town centres, residential areas, medical facilities, public transport interchanges, educational facilities, leisure amenities and
- Enhance the quality of the bus network to encourage increased patronage, both to underpin efforts to encourage people back to the bus network as quickly as possible and indeed target growth over and above pre-Covid patronage levels as the country builds back stronger.

---

**Stagecoach Midlands**, Main Road, Far Cotton, Northampton NN4 8ES

**T: 01604 662266 [stagecoachbus.com](http://stagecoachbus.com)**

Registered Office: Midland Red (South) Limited, One Stockport Exchange, 20 Railway Road, Stockport SK1 3SW. (Registered in England & Wales 1556310)

## Appendix 12 : Support Letter – Hospital

University Hospitals of Leicester 

NHS Trust

*Caring at its best*

Leicester Royal Infirmary  
Infirmary Square  
Leicester  
LE1 5WW

Andy Gibbons  
Transport Strategy and Programmes  
Leicester City Council  
City Hall  
115 Charles Street  
Leicester  
LE1 1FZ

20 May 2021

Dear Andy

### **Zero Emission Bus Regional Areas Scheme**

University Hospitals of Leicester NHS Trust (UHL) would like to support the proposed Expression of Interest to the Department for Transport under the Zero Emission Bus Regional Areas Scheme.

Recent close partnership working with Leicester City Council and Leicestershire County Council has shown the positive improvements that can be made to the sustainable transport choices of our staff, patients, and visitors and we are keen to see that partnership continue.

The electrification of the local bus network is a policy that we fully endorse as we have shown with the similar plans for our own Hospital Hopper services, which are due for completion later this year.

UHL are the largest employer in the city and county with over 17,000 staff members across our three main hospital sites; our newly developed Travel Action Plan and our investment into the Santander Cycles Leicester initiative are indicators of how serious we are in aiming to improve the transport, air quality, and health and wellbeing of the people of Leicester and Leicestershire and we believe that this scheme integrates perfectly with those aims.

Yours sincerely



Nigel Bond  
Deputy Director Estates and Facilities

University Hospitals of Leicester NHS Trust includes  
Glenfield Hospital, Leicester General Hospital and Leicester Royal Infirmary Website: [www.uhl-tr.nhs.uk](http://www.uhl-tr.nhs.uk)  
Acting Chairman John MacDonald Acting Chief Executive Rebecca Brown

## Appendix 13 : Support Letter – LEP



Andy Gibbons  
Transport Strategy and Programmes  
Leicester City Council  
City Hall  
115 Charles Street  
Leicester LE1 1FZ

18<sup>th</sup> May 2021

Dear Andy

On behalf of the Leicester and Leicestershire Enterprise Partnership (LLEP) I am writing to confirm our support for the proposed Expression of Interest to the Department for Transport under the Zero Emission Bus Regional Areas Scheme.

This proposal, if successful will mean that we will be able to accelerate the move towards achieving zero-carbon emissions across the LLEP area, as set out in our recently published Energy Infrastructure Strategy which takes into account both national and local policy, and which feeds directly into our Economic Recovery Strategy.

By supporting up to 94 fully electric buses in the City and parts of the county, equating to around a third of our local bus network, - this will result in a significant improvement to the air quality in our area thereby improving the health and wellbeing of people living and working in the city and surrounding area, clearly aligning with the LLEP's net zero carbon ambition.

Together with our partners, we are very much taking a holistic approach to low carbon investment, with the ultimate goal of achieving a carbon-neutral economy in Leicester and Leicestershire by 2035, through the investment in our businesses through our Growth Hub, together with supporting low carbon sector skills and jobs to support green recovery from the pandemic.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M Rai'.

Mandip Rai  
LLEP CEO



## Appendix 14 : Support Letter – County Council



21 May 2021

Leicester City Council  
City Hall  
115 Charles Street  
Leicester  
LE1 1FZ

Attn: Andy Gibbons – Programme Manager, Transport Strategy and Programmes

Dear Andy,

### **Zero Emission Bus Regional Areas Scheme (Zebra) – Expression of Interest**

As the Leader of Leicestershire County Council, I am writing to confirm my strong support for Leicester City Council's fast-tracked Zero Emission Bus Regional Areas Scheme (Zebra) expression of interest.

On 15<sup>th</sup> May 2019 the County Council declared a Climate Emergency and, as such, I am pleased that the City Council is able to take up this opportunity. We are keen to see zero emission buses operating in Leicester and Leicestershire in support of our carbon/climate commitments, and, therefore, I very much welcome this proposal, which has the potential to support our environmental aspirations.

---

The County Council is supportive of the City Council proposals and notes that some of these bus services are cross boundary routes, therefore have the benefits of improving quality of life for residents both in the city and within Leicestershire.

The County Council recognises the health issues that can arise from poor air quality and carbon emissions and welcomes the City Council's commitment to tackle air quality issues, through limiting carbon emissions from vehicles. Increasing evidence shows that air quality is the most immediate and urgent challenge faced by local authorities, and limiting emissions will enable greater benefits to health, productivity and the economy.

Cont.../

Cabinet Office  
Leicestershire County Council, County Hall, Glenfield, Leicestershire. LE3 8RA  
Telephone: 0116 3056111  
Email: [nicholas.rushton@leics.gov.uk](mailto:nicholas.rushton@leics.gov.uk)

Nicholas Rushton, Leader, Leicestershire County Council  
[www.leicestershire.gov.uk](http://www.leicestershire.gov.uk)

## Appendix 15 : Support Letter – Bus User Group

### **LEICESTER SUSTAINABLE TRANSPORT GROUP**

**The Leicester Sustainable Transport Group comprises representatives from Living Streets, Campaign for Better Transport, and Bus UK**

Flat 16, The Waterfront, Leicester LE3 5LU  
✉ bmarriott71@btinternet.com • ☎ 0116 285 6158

20 May 2021

Mr Andy Gibbons  
Leicester City Council

Dear Mr Gibbons

We are pleased to hear that you are preparing an application for funding under the government's ZEBRA programme. We note that the City Council has recently been awarded nearly £250,000 of Government grant to help make further improvements to local air quality. ZEBRA funding, if granted, will cover a sizeable proportion of Leicester's bus fleet, setting a first-rate example to other vehicle owners. If the electric bus services are equipped with the other 'tram-like' features of a first-class bus service – audio-visual next-stop announcements, free wifi and USB points at every seat, significant priority measures on roads and at junctions, real-time arrival information at all stops, digital 'best fare' capping, and new shelters – then if properly promoted there should be a good take-up from motorists which will be a key factor in reducing pollution and congestion.

We support this initiative and hope it will be entirely successful.

Yours sincerely

Kristine Beuret OBE FCILT FCIHT TPP

Bernard Marriott



## Appendix 16 : Support Letter : Zenobe Energy



Zenobe Energy Limited  
13 Charles II Street  
London  
SW1Y 4QU  
www.zenobe.com

18th May 2021

Leicester City Council  
Transport Strategy and Programmes  
City Hall  
Leicester City Council

Following positive discussions with Leicester City Council ('LCC'), Zenobē Energy are pleased to be supporting them with their Department for Transport ('DfT') ZEBRA bid to continue their drive toward Zero Emission transport in the region. Zenobē has the following leading and unique experience in the eBus sector and can provide the following benefits to LCC;

**High level of experience from live electrification depot projects:** Working with Zenobē the LCC would benefit from our market leading experience of electrifying 10 UK depots, financing the batteries on the bus and the chassis and thereby supporting c.150 eBuses for 9 bus operators (both major and SME).

We are currently providing our services to LCC with the electrification of two buses depots: Robert Travel and Centrebus where we are providing charging services and an ongoing managed service allowing the operators to benefit from our charging software which can reduce grid upgrade requirements but also ensures the buses are always charged to meet the operational services.

Over the last 4 years Zenobē has become one of the largest owners and operators by building, owning and operating a portfolio of c.73MW of Battery Energy Storage Assets to support National Grid with the provision of energy services in the UK. This has enabled us to become experts in understanding, sourcing and financing batteries as well as developing leading control and monitoring software that enables us to optimize the application of batteries. Bus Operators are using Zenobē as their valued and knowledgeable partner to assist with all aspects of the adoption of eBuses and Zenobē is keen to support LCC and their operators to implement this bid in the most financially and operationally efficient manner maximising the grant funds

**Zenobē Resolve Grid / Energy Constraint Issues:** as an expert in the application of batteries for bus and fleet operators we will analyse the running boards, bus model options and charging constraints providing advice to LCC on the project. Once the analysis is complete, and if required, we can use our fully funded batteries as a cost-effective solution that addresses the local grid constraints to ensure the depot has sufficient energy to meet the charging requirements of LCC's chosen Bus Operator's eBus fleet. These batteries can also be used to support solar projects to facilitate renewable energy being used at the depot as well as reducing the cost of electricity by storing it from cheap periods and charging the eBuses in more expensive periods.

**Specialist delivery partner:** the LCC council would get full access to our experienced engineering team who will work with the Bus Operators (both large and small) to manage the depot electrification projects in the region. Post construction Zenobē will enter into a contract to become the Bus Operators charging partner and guarantee the eBuses will all be charged daily to meet LCC's route requirements. Zenobē offers this performance guarantee given our in-depth understanding of eBus batteries and our market leading operations software.

**Full Turnkey eBus service offering:** Zenobē offer a full turnkey managed service to Bus Operators for the provision of their:

1. charging requirements for their eBus fleet;
2. eBus battery management requirements; and
3. eBus battery and vehicle financing requirements

LCC can benefit from the Zenobē support that we will provide to your chosen bus operator by effectively de-risking their investment, accepting responsibility for the charging infrastructure to power the on-board eBus batteries but also for the operation, maintenance and replacement of these units to guarantee a level of performance throughout life of the contract. Through our energy storage business division, Zenobē have a

Zenobe Energy Limited is a company registered at 13 Charles II Street, London, SW1Y 4QU, United Kingdom, Company number 10430249

## **Appendix 17 : Support Letter – ESP (IDNO)**

FAO  
Arron Dowie  
~~Zenobe~~ Energy Limited  
13 Charles II Street  
London  
SW1Y 4QU

ESP Utilities Group Ltd  
Bluebird House  
Mole Business Park  
Leatherhead  
Surrey  
KT22 7BA  
T: 01372 587500  
F: 01372 377906  
info@espug.com  
www.espug.com

May 20<sup>th</sup> 2021

Dear Arron,

Please find within some information about how ESP are supporting your good selves with the delivery of Bus Fleet Electrification with ESP being your partner IDNO for adoption.

If there is anything further you would like please let me know.

Yours sincerely



Jamie Charles  
ESP Head of I&C Development



## Appendix 18 : Support Letter Pelican Bus and Coach

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Pelican Bus and Coach  
Wakefield Europort  
Altofts Lane  
Castleford  
WF10 5UB

Andrew Gibbons  
Leicester City Council  
City Hall  
115 Charles St,  
Leicester  
LE1 1FZ

19<sup>th</sup> May 2021

Dear Andrew

Further to your invitation to quote, please accept this letter of intent to work in partnership with Leicester County Council with their ZEBRA bid.

Pelican are proud to be a 100% UK family-owned company and one of the longest established commercial vehicle businesses in the UK. We supply zero emission vehicles from Yutong: the World's leading bus and coach manufacturer.

The Yutong zero emission buses and coaches are tried and tested, with over 119,000 vehicles delivered in the past 20 years. Here in the UK, by the end of 2021, we will have over 175 vehicles in service. These include vehicles in Newport, Leeds, Gateshead, Whitelee Wind Farm, Glasgow, Warwick, Newcastle Airport, Leicester and Cardiff.

We have worked with a number of operators and County Councils in implementing not only the vehicles, but also the charging infrastructure, driver and technical training. This provides the upskilling of local employees to zero emission vehicles and high powered charging.

Pelican are approved suppliers for both Crown Commercial Services and YPO.

Our vehicles are provided with market leading battery capacity, with 8 year traction battery warranty as standard. The vehicle include enhanced passenger features, such as electric air conditioning, WIFI and USB charging.

We would be delighted to utilise our extensive experience to support the Leicester bid, and opportunities to provide a zero emission state of the art vehicle network into the local area, whilst upskilling local people.

Kind regards



Ian Downie  
Head of Yutong Bus UK

**Appendix 19 : Leicester Draft Bus Plan 2021 – 30**

**See attachment – this wouldn't go into this file due it prefixed formatting.**

**Appendix 20 : Leicester AQMA**

**See Appendix 3**

**Appendix 21 : Leicester Zebra VFM**

**See attached separate spreadsheet file requested.**

**Appendix 22 : Leicester Bus Quality Partnership**

# **Memorandum of Understanding to form the Leicester Better Buses Partnership 2020 - 2024**

**Leicester City Council**

**Arriva Bus Midlands**

**First Leicester**

**Centrebus**

**Kinchbus**

## **Leicester Better Buses Partnership 2020 - 2024**

### **Introduction**

This Memorandum of Understanding follows recent discussions between the parties above directed towards creating a partnership to improve all registered bus services across Leicester.

The Leicester Better Buses Partnership voluntarily brings together all main parties involved in bus travel to deliver a joint action plan over the next four years. The overall aim is to increase patronage by 5% across the main bus route network.

The members of this partnership will be the local bus operators of Leicester and the City Council. All will agree to deliver the actions set out in this plan, to regularly monitor and publish yearly progress reports, and to highlight all ongoing issues in a timely manner.

### **Vision**

*A transformative change in bus travel, making it quicker, more reliable, affordable and sustainable.*

### **Key Objectives**

The key objectives of the Partnership are to :

## **Key Objectives**

The key objectives of the Partnership are to :

- Facilitate sustainable economic and housing growth
- Help reduce congestion through measures to promote modal shift
- Improve equitable access to work, education and health facilities
- Improved local air quality
- Improve commercially viability of the main bus network

The strategic context behind this plan is outlined in the Leicester Bus Strategy 2020 - 2028

## **Key Outputs**

- Deliver four demonstration 'rapid transit' bus corridors by 2024
- Ensure all registered bus services meet Euro VI diesel standard by end 2020 (In accordance with the Bus Clean Air Zone Partnership Jan 2018)
- All contracted P&R buses to be fully electric by 2025.
- All operator plan to move to zero emission buses on all main bus routes by an agreed date.
- Agreed rolling five year network development plans to facilitate economic and housing growth
- Widen the range and retail network for all-operator Flexi tickets.
- Introduce all-operator automated (model 2) contactless ticketing across all operators with single and multi-operator capping where customer, alliance and operator requirements define it is required.
- Introduce an integrated all operator discounted travel scheme for young persons between 16 and under 19 years old.
- Agreed Main Route Network promotional programme with clear user understanding

## **Key Targets**

- 10% increase in bus patronage on TCF growth route network by 2025
- 5% increase in bus patronage across whole main route network by 2025
- Overall bus user satisfaction to increase from 87% to 90% by 2025.
- Reduction in journey times and improvement in punctuality of Main Bus Network (daytime 15 minute frequency or better)
- No deterioration in frequency or hours of operation of Main Bus Network.

## **Key Deliverables – City Council**

### *Bus priority highways measures*

- Bus reliability ‘pinch points’ programme – up to 2021
  - A50 Groby Rd – new 24/7 bus lane inbound between Mary Rd and Blackbird Rd
  - Narborough Rd – Smart Cities solution using traffic signals to gate traffic at Fullhurst Avenue, allowing busses to bypass the queuing traffic in existing bus lanes.
  - Welford Road – Review of existing bus lanes and extension of inbound bus lane towards Wigston
  - Humberstone Rd – Additional enforcement of existing bus lanes
  - Uppingham Road – Changes to lining inbound to increase compliance and additional enforcement.
  - Burleys Way – new junction for egress from St Margaret’s Bus Station.
  - Mansfield St – New road to link with Belgrave Gate
  - Welford Rd - Smart Cities solution using traffic signals to gate traffic at Chapel Ln junction allowing busses to bypass congestion.
  - Abbey Lane - Smart Cities solution using traffic signals to gate traffic at Thurcaston Road junction allowing busses to bypass congestion.
  - Beaumont Leys Ln – developer funded new bus lane inbound to Red Hill Way
  - Anstey Lane – Capacity improvements between A46 and Krefeld Way
  - Ravensbridge Drive – Capacity improvements between Abbey Lane and Blackbird Rd
  - Fosse Rd North – northbound bus lane
- Bus Demonstration Schemes : one per year from 2020 – 2024
  - Anstey – Beaumont Leys – Anstey Lane – St Margarets Way – City Centre
  - Birstall – Red Hill Circle – Abbey Lane – St Margarets Way – City Centre
  - Beaumont Leys Lane – Abbey Lane – Abbey Park Rd – Belgrave Rd – City Centre
  - Melton Road – Belgrave Rd – City Centre
- Bus Priority Enforcement System Enforcement Cameras at :
  - Groby Rd at Blackbird Rd
  - Uppingham Rd near Oak Street
  - Uppingham Road at Mornington Street
  - Narborough Road at Fullhurst Avenue
  - Duns Lane in both directions
  - Aylestone Road at Rawdykes Rd
  - Specific locations along demonstration bus corridors above

Red Route TRO application to Main Bus Network :

2020 - 1

- City Centre inner ring road
- Bus

Demonstration corridors

- Other Main Bus routes

## **Key Deliverables – Bus Operators**

### *Greening the fleet*

- All registered bus network to meet Euro VI emissions standards by end Dec 2020. This will be in accordance with the Bus Clean Air Zone Partnership Jan 2018.
- Operators to examine options for moving to fleetwide zero emission bus provision by 2030, subject to progress with Workplace Parking Levy, wider Leicester transport strategy and individual operator business plan approval and the availability of external grants.

### *Ticketing*

- Introduce multi-operator 'Flexi' ticket purchases on each operator's mobile and contactless ticketing platforms.
- Widen range of flexi tickets, to include season and under 19 options.
- Implementation of model 2 touch-in/touch out cEMV contactless ticketing with single and multi-operator capping. This will be subject to where customer, partnership and operator requirements define it is required.
- Implementation of an agreed commercial unified discounted ticketing scheme for 16-18 year olds.
- Review future fares policy framework.

### *Route and network optimisation*

- Participation in Qualifying Agreements to achieve route timetable optimisation and ticket integration on three agreed corridors.
- Full participation in network development planning process – in line with major housing growth. This will include the development of demand responsive transport solutions as well as the main bus network.
- Promotion of the Main Bus Network in all standard operator-led local channels.
- Work towards a jointly agreed local branding of four demonstration bus corridors.
- Bespoke travel planning work with all key businesses impacted by proposed future Workplace Parking Levy.

## **Delivery plan timescales**

An agreed set of timescales for the delivery of each element of the above plan will be agreed by partners by July 2020, subject to funding availability and future ownership dynamics.

## Funding

All deliverables are subject to

- a) a successful Council funding bid to the Department for Transport Transforming Cities Fund - to be announced by March 2020
- b) further external 'Green Bus' ULEB funding streams being available
- c) agreed yearly business and investment plans by each operator.
- d) LCC's development of Workplace Parking proposals and the wider Leicester transport strategy

## Monitoring

Quarterly and annual progress reports on this agreed plan will be presented to the Senior Bus Managers meeting over the full four-year period. All issues with delivery and any required changes will be agreed at this forum.

## Partnership Stakeholders

### Leicester City Council

Signature :



Name:

Andrew Smith

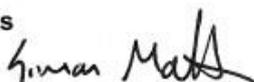
Position : Director PTE/D

Date:

27/11/19

### Arriva Bus Midlands

Signature :



Name:

SIMON MATHIESON

Position : AREA MANAGING  
DIRECTOR

Date:

26/11/19.

### First Leicester

Signature :



Name:

KEVIN BELFIELD

Position : COMMERCIAL  
DIRECTOR

Date:

26/11/19

### Centrebus

Signature :



Name:

MATTHEW EVANS

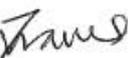
Position : MANAGING DIRECTOR

Date:

26/11/19

### Kinchbus

Signature :



Name:

VICKY WILLIAMS

Position : Director of Commercial Services

Date: 26/11/19



## **Appendix 23 : Leicester Digital Ticketing Roadmap**

### **Leicester Digital Ticketing Roadmap**

The following roadmap was discussed and provisionally agreed at an operator workshop on 9 October 2019 at which all operators were represented.

#### **Short term : 2019-2020**

1. All existing paper flexi tickets to be issued with QR codes by each operator
2. Flexi paper ticket QR codes to be scanned for every subsequent journey following issue
3. Each operators Pre-pay Mobile/Web ticketing apps to sell existing range of flexi tickets, with QR codes. All usage recorded via QR scanning.
4. Range of Pre-pay Mobile Flexi tickets to be expanded to include monthly, quarterly and annual adults tickets
5. Further discussions to be held in relation to potential introduce flexi tickets for schools and university markets.
6. Promotion to include retail of Pre-pay day and weekly flexi tickets by Contactless model 1 payment on all bus operators.
7. Introduction of Prepay mobile and contactless ticketing on contracted services, including P&R.
8. Contactless payment to be retailed via off-bus kiosk machines in the P&R site information centres AND on bus.
9. Review of usage and reimbursement process, with consideration given to moving away from 'revenue lies where falls' to 'revenue split on trip usage'. The latter arrangement would now be more accurate following introduction of QR usage reading.

#### **Medium term : 2020-1**

10. Subject to successful TCF2 bid, operators would look to introduce

- touch out readers
- model 2 contactless automation
- single operator capping where commercially viable

Op-erators to pay for all ongoing costs, following TCF capital subsidy to expand their existing

Model 1 systems to include touch-out readers.

1. Contactless on-bus model 1 and model 2 payment for P&R introduced
2. Review of potential for inclusion of contracted P&R within the Flexi scheme.
3. Continued development and promotion of broadened Flexi prepaid product range
4. Review introduction of MO contactless capping in other towns and cities

**Longer term : 2021-2**

5. Subject to successful TCF2 bid, and successful implementation Medium term outputs above, the operators agree to work collaboratively and with Leicester and Leicestershire County Council to:
  - agree brokerage, administrative, reimbursement and legal arrangements for contactless MO capping on existing platforms
  - introduce post-pay multi-operator capping for day flexi tickets
  - Investigate potential to expand MO capping to weekly flexi tickets.
6. Review options for wider area and multi-modal integration in collaboration with other operators, neighbouring local authorities, Midland Connect and Transport for the North



## **Appendix 24 : Leicester Zebra Bid – Legal Support**

### **ADVICE TO LEICESTER CITY COUNCIL IN RESPECT OF ZEBRA BID**

#### **1. Summary of conclusions**

- 1.1 Both Option 1 and Option 2 of the proposed bid for ZEBRA funding should be capable of implementation consistent with the current UK government position on subsidy control, in particular in compliance with the principles set out in the TCA.
- 1.2 The risks associated with these Options will be minimised by the Council ensuring that all operators in the area have had an equal opportunity to apply for funding within the Bid, and that this funding is then made available to them all on an equivalent basis. We understand that is the case with the current proposed Bid, with both of Options 1 and Option 2 applying for equivalent funding for all commercial bus operator required funding for zero emission buses in Leicester. We have set out additional mitigations in this note that the Council should carry out to minimise the risk of such aid breaching the TCA principles in the future, in particular because a competitive procedure has not been used to allocate limited funding, but rather the funding is being made available on an equivalent basis to all operators.
- 1.3 From a procurement perspective, the Council will also need to ensure that the basis upon which it procures secured services which utilise electric vehicles that it would purchase under Option 2 does not distort competition in the market. We assume that the Council will ensure that the vehicles are made available on a non-discriminatory basis to the successful bidder, and that the terms of tendering, and the terms of funding under Option 1 will not provide any bidder with an unfair advantage or distort competition. More information on this is set out below.

#### **2. The project and relevant facts**

- 2.1 Leicester City Council (the Council) is preparing a bid to the DfT in respect of ZEBRA Electric Bus Funding (“Bid”)
- 2.2 We have been asked to consider two Options that are being considered for the purposes of the Bid:
  - 2.2.1 **Option 1:** 86 buses are purchased supported by investment from FirstBus and Arriva only. The Council would not invest any of its own capital in these buses. The Council will not separately invest in any buses for its own use.
  - 2.2.2 **Option 2:** 86 buses are purchased supported by investment from FirstBus and Arriva. The Council would not invest any of its own capital in these buses. The Council will purchase a further 6 buses, which will be used for non-commercial contracts let by the Council under which the current contractor provides a diesel bus as part of the contract.
- 2.3 For the purposes of the assessment Option 1 and Option 2 are therefore the same in respect of investment by FirstBus and Arriva. In addition Option 2 includes investment by the Council.
- 2.4 We understand that the funding grant conditions are that DfT would pay:
  - 2.4.1 75% of the *difference* between the diesel and electric bus prices. We understand that under the Council’s proposals 60% of the bus costs will be funded by the operator (or by the Council where they are the operator) and 40% by DfT funding. We assume that this reflects the DfT paying no more than 75% of the difference between diesel and electric bus prices

authorities' assessment of how individual subsidies comply with UK-EU Trade and Cooperation Agreement principles

For subsidies in scope of the UK-EU Trade and Cooperation Agreement principles (within the subsidies chapter), public authorities should complete the table below and retain for their records. The information should record how the public authority has complied with the principles in designing their subsidy.

<b>Principles</b>	<b>How does the subsidy comply with the principle?</b>
<p>The subsidy pursues a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns ("the objective").</p>	<p>The ZEBRA scheme sets out a number of public policy aims that it is intended to achieve. This includes understanding the challenges of introducing zero emission buses and supporting infrastructure to inform future government support for Zero Emission Buses, to support roll out of 4,000 Zero Emission Buses committed to by government, and to support the government's commitment to decarbonisation and to reduce the transport sector's contribution to CO2 emissions ("objectives")</p>
<p>The subsidy is proportionate and limited to what is necessary to achieve the objective.</p>	<p>The funding is covering no more than the net extra cost required to meet the objectives, taking into account any cost savings that the operators will gain from the funding, to ensure that they are not over-compensated</p>
<p>The subsidy is designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of the subsidy being provided.</p>	<p>The operators would not have purchased the buses without the subsidy provided.</p>
<p>The subsidy should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.</p>	<p>The funding is covering no more than the net extra cost required to meet the objectives, taking into account any cost savings that the operators will gain from the funding, to ensure that they are not over-compensated</p>
<p>The subsidy is an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.</p>	<p>This appears to be the least intrusive means of achieving the objectives on the basis that there are not other incentives in place for operators to make this investment, or other funding sources that they could utilise. The aid is being made available on an equivalent basis to all operators applying for it</p>

<p>The subsidies' positive contributions to achieving the objective outweigh any negative effects, in particular the material effect on trade or investment between the Parties.</p>	<p>The funding will take into account the wider benefits (for example maintenance cost savings) which derived from the investment to avoid over-compensation.</p>
<p>Where relevant, record consideration against Article 3.5 [Prohibited subsidies and subsidies subject to conditions], including consideration of whether that subsidy has or could have a material effect on trade or investment between the Parties.</p>	<p>The funding does not fall within the prohibited or conditional subsidies listed in Article 3.5 TCA.</p>





