



<b>Transport &amp; Infrastructure Committee</b>		Agenda Item
<b>13 September 2023</b>		<b>10</b>
Title:	Depot for Electric Buses, Peterborough	
Report of:	Steve Cox, Executive Director of Place and Connectivity	
Lead Member:	Cllr Anna Smith, Chair of Transport and Infrastructure Committee	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	A simple majority of all Members present and voting	

<b>Recommendations:</b>	
A	Members of the Transport & Infrastructure Committee are asked to note arrangements to progress delivery of a depot facility to accommodate electric buses in Peterborough.
B	To authorise the Executive Director of Place and Connectivity to commit funding of up to £200k to meet expenses yet to be incurred by Peterborough City Council (PCC) to commission further feasibility work, investigate governance and funding models, establish site infrastructure requirements, and formulate a site specification.

<b>Strategic Objective(s):</b>	
The proposals within this report fit under the following strategic objective(s):	
✓	Increased connectivity – the proposal will increase transport accessibility and reform the bus network (including assessing bus franchising options) and improve bus sustainability.
✓	Enabling resilient communities – the proposal will provide infrastructure to alleviate environmental and climate concerns and delivers an alternative fuel strategy.

<b>1. Purpose</b>	
1.1	To update Members on proposals to utilise funding secured from DLUHC (Department for Levelling Up, Housing and Communities) to provide a depot for electric buses in Peterborough.
1.2	To notify Members of arrangements for project planning and delivery.

## 2. Proposal

2.1	It is proposed that Peterborough City Council (PCC) is to lead a project to deliver an operational depot for electric buses in Peterborough. PCC has procured the services of a consultant to act as a designated Project Manager to lead and deliver the project.
2.2	The Combined Authority shall contribute limited funding and Officer support when required.

## 3. Background

3.1	In December 2022, the Combined Authority's (CA) Transport Team secured £4m of funding from DLUHC to provide a depot for electric buses in Peterborough. The funding was to be committed within the 2022/23 financial year, but it then became clear that the funding was insufficient to deliver an operational facility.
3.2	<p>On 22 March 2023, the CPCA Board identified that a site at Nursery Lane, Peterborough had potential to serve as a joint depot for electric buses and other vehicles providing services for PCC. The CPCA Board authorised the acquisition of an option to acquire the freehold of the site as this would demonstrate an ability to commit the funding whilst preliminary feasibility investigations were undertaken.</p> <p>While this was not delivered in the originally envisioned timescales, the expectation for the Combined Authority and/or its partners to deliver a depot facility remains. The option agreement authorised by the CPCA Board to acquire the site at Nursery Lane was not completed or exercised because constraints were identified that would adversely affect viability of development at that site.</p>
3.3	Officers from the Combined Authority and PCC have been working jointly to explore potential solutions to generate additional capital investment and to deliver a facility. Options that require further shaping and exploration include joint venture with private sector bus operator(s) and any potential opportunities that may arise through franchising should a decision be taken to pursue that.
3.4	PCC officers have discussed proposals with a bus operator and private sector funding could be made available to bridge the funding gap; but this would be subject to feasibility investigations and detailed negotiation.

## 4. Appendices

4.1	Appendix A - Indicative project milestones and timeline Appendix B – Internet link to PIRI initiative: <a href="https://pirienergy.co.uk/">https://pirienergy.co.uk/</a>
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## 5. Implications

### Financial Implications

5.1	In order to draw down £200k from the grant funding to facilitate feasibility work undertaken by PCC the Combined Authority can enter into a grant funding agreement with Peterborough City Council. PCC officers estimate the approximate cost of acquiring a site and constructing a depot facility to be £15m, but only £4m has been secured by the Combined Authority to date.
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	<p>Detailed requirements and costs associated with providing electricity infrastructure to provide sufficient capacity to serve the site have yet to be identified and this cost could exceed £2m.</p> <p>An additional cost of approximately £15m has been identified to provide 30 electric buses, and it may be possible for the Combined Authority to work with private bus operator(s) to secure Government Zero Emissions Bus Regional Areas (ZEBRA) funding towards this cost.</p> <p>An approximate project deficit of £11m plus associated infrastructure costs has yet to be secured. Officers plan to engage with private bus operators to investigate raising further capital through delivery options including joint venture and franchising, subject to future decisions.</p>
<b>Legal Implications</b>	
6.1	The project will require effective joint working. The Combined Authority can enter into a capital Grant Funding Agreement for the feasibility work with PCC. A suitable governance model will need to be formulated to protect the interests of the parties.
<b>Public Health Implications</b>	
7.1	There are no significant implications for Public Health.
<b>Environmental &amp; Climate Change Implications</b>	
8.1	The proposal will provide infrastructure to alleviate environmental and climate concerns and deliver an alternative and renewable fuel strategy.
<b>Other Significant Implications</b>	
9.1	<p>PCC officers expect electricity for the site to be provided by the emerging Peterborough Integrated Renewables Infrastructure (PIRI) innovation project detailed from the internet link at Appendix B.</p> <p>A sufficient capacity of electricity infrastructure could be dependent upon the successful implementation of PIRI and identifying and securing a site that is located within the PIRI catchment area. PCC Officers expect the first phase of PIRI to be implemented and operational by Winter 2025/26.</p> <p>If the PIRI project is not delivered then the appropriate utility provider can specify requirements to serve the facility, and this aspect can be investigated as part of the proposed feasibility work.</p>
9.2	The success of the bus depot project is explicitly linked with the approval of the Local Transport and Connectivity Plan (LTCP) as this document provides the strategic policy position and commitment from the Combined Authority and partners to continue to develop alternative fuelled vehicles, including buses. In addition, the LTCP and the Bus Strategy (child document of the Plan) strengthens the Authority's position around improving the delivery framework and operating environment for buses across Cambridgeshire and Peterborough. LTCP will also significantly strengthen the case to Government for additional funding required to deliver the depot.
<b>Background Papers</b>	
10.1	<a href="#">CA Board 22 March 2023</a>