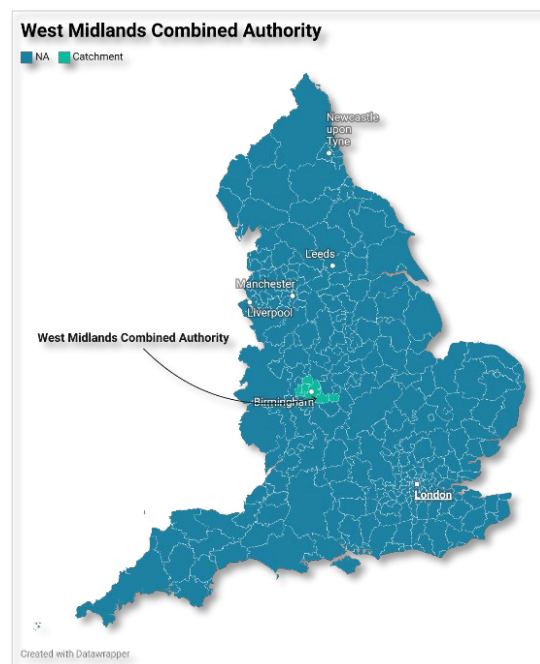


West Midlands Combined Authority

Authority: A45 Sprint Bus deal

- factsheet

Deal Information	
Deal signed	15/03/2023
Project status	Live
Sector	Transport – Bus
Location	A45 between Birmingham City Centre, Birmingham Airport and Solihull
Counterparty	WMCA ⁱ
Total Investment	£10m
UKIB Finance	LA Lending
Product	Transport – Bus



Summary

UK Infrastructure Bank provided a £10m loan to the West Midlands Combined Authority (WMCA) in support of its Sprint A45 bus programme, which provides rapid public connections along currently congested corridors between Birmingham City Centre, Birmingham Airport and Solihull. UKIB finance supported bus priority infrastructure improvements along the route. In addition to increasing connectivity between residential and employment zones, the route will reduce CO2 emissions, meeting a statutory requirement that operators run only zero emission (ZEB) buses from 2030. This project is part of an ambitious £1.1bn WMCA investment programme delivering enhanced transport connectivity and unlocking housing and regeneration of local areas.

Sector context

Transport decarbonisation, through modal shift and zero emissions vehicles, is a key part of the Government's Net Zero Strategy. Bus network expansion is a priority of the transport mission in

the Levelling Up White Paperⁱⁱ, which references WMCA's Sprint project. Transport is a UKIB priority sector, and we have identified Zero Emission Buses (ZEBs) and associated infrastructure as a near-term opportunity for the Bank.

Impact and Additionality

This investment is expected to contribute to UKIB's strategic objectives of supporting regional and local economic growth and contributing to net zero transition because the project will:

- Contribute to emissions abatement through enabling people to shift from travelling by car to travelling by bus, as the quality of bus services improve.
- Help WMCA meet its statutory requirement that operators run only ZEB buses by 2030.
- Unlock nearly 4,000 indirect jobs (projected) through increased frequency and speed of connections between the economic hubs of Birmingham City Centre, Solihull, and Birmingham Airport.
- Reduce journey times and increase reliability along the route, with peak services running at least every 10 minutes, with potential positive consequences for local economic growth and productivityⁱⁱⁱ.

ESRG considerations

The project was assessed for ESRG risks^{iv}. The assessment identified low risk of climate related damage. WMCA plans to achieve net zero targets in 2041 and created their first 5-year plan to achieve that goal. WMCA also have been awarded for their diversity policy.

Impact Metrics

2	# Local Authority Deals
1	# Number of Transport Deals
£10m	Total Investment in Transport Sector
100	Jobs (Created and Safeguarded) ^v
- 145,000 tCO ₂ e	Emissions ^{vi}
N/A ^{vii}	Private Finance Mobilised

Note: this factsheet has been completed retrospectively based on the information which was available to the bank at the time of investment decision making.

ⁱ 16 Summer Lane, Birmingham B19 3SD

ⁱⁱ Access here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052706/Leveling_Up_WP_HRES.pdf

ⁱⁱⁱ <https://whatworksgrowth.org/resource-library/transport/>

^{iv} UKIB developed its approach to ESG over time, establishing a robust framework which is used to assess all current deals. Before this framework was finalised, a qualitative assessment based on the Equator Principles was carried out on investments.

^v Circa 11 jobs attributable to UKIB's share of finance

^{vi} -16,300 tCO₂e emissions attributable to UKIB's share of finance. GHG emissions figures are self-reported ex-ante estimates provided by the underlying company/project sponsor. The scope boundaries vary in each case and UKIB cannot guarantee alignment with the GHG protocol.

^{vii} As a public sector deal, we do not claim any private finance mobilised. WMCA borrowed £10m from UKIB out of £20m of financing for the project from the WMCA Investment programme. The remainder of financing came from a £35m DfT grant.