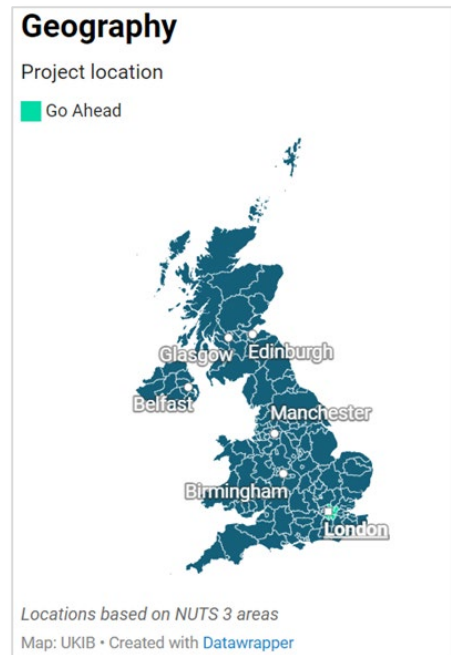


Rock Road: Go Ahead London deal factsheet

Deal information	
Deal signed	28/03/2024
Sector	Transport (zero-emission buses)
Location	UK-wide for the platform, London for the Go Ahead project
Counterparty	Rock Rail ⁱ Aviva Capital Partners ⁱⁱ
Total cost ⁱⁱⁱ	£100m
UKIB finance	£50m
Product	Senior debt



Summary

UK Infrastructure Bank is providing up to £50m of finance to support 'Rock Road', a leasing platform for Zero Emission Buses (ZEBs) in partnership with Rock Rail and Aviva Capital Partners (ACP). This project supports both our climate change and local economic growth objectives: It enables the transition from diesel buses to ZEBs. Further it protects bus networks, and the connectivity they provide to their passengers, as emissions restrictions become stricter. UKIB investment is needed to support Rock's offer and ensure the rollout of ZEBs continues. This investment is also aligned with UKIB's recently published Zero Emissions Buses Strategy Update.

Sector context

Most of the UK's 36,500 buses are diesel powered. Transitioning to ZEBs is an important step in decarbonising the public transport sector with significant progress still to be made. Based on a typical 15–20-year lifecycle, approximately 2,000 - 2,500 buses need to be replaced each year in the UK.

To transition swiftly to a zero-emission fleet, nearly all new bus purchases need to be ZEBs. However, in Q1 of 2023 only around two thirds of new buses entering the UK fleet were zero-emission, with significant numbers of new diesel buses still being purchased.

Impact and additionality

The lease platform will support the more rapid uptake of ZEBs by providing an efficient solution for the financing and provision of zero-emission commercial fleets. It is expected to finance up to 250 new ZEBs.

The first deal passing through the platform will fund 60 new ZEBs to be deployed in London by Go Ahead, partly manufactured in the UK by Alexander Dennis. Our assessment estimates that, over their lifetime compared to 60 new diesel buses, they will generate a GHG emissions saving of approximately 48,000 tonnes CO₂e. These ZEBs will also protect and maintain vital bus networks across the UK through the net zero transition, as well as reducing air and noise pollution in the communities they operate in.

Evidence from our market analysis and feedback we have received from the company shows that UKIB financing will help maintain the pace of ZEB rollout through the company's offering, ensuring that the net zero benefits are realised as soon as possible. Supporting this new financing model can help to address the issue of lack of scale associated with the current approach of bus operators placing small piecemeal fleet replacement orders.

ESRG considerations^{iv}

This project aligns with UKIB's ESRG framework^v. Rock Rail has a comprehensive ESG policy as well as Alexander Dennis and Go Ahead.

Impact metrics

Impact metrics (platform)	
2	# deals in the zero-emissions bus sector
£60m	Total investment in sector ^{vi}
£50m	Private finance mobilised in this transaction
250	New zero-emission buses

Impact metrics (Go Ahead London)	
-48,000	Emissions (tonnes CO ₂ e) ^{vii}
60	New zero-emission buses

ⁱ Rock Rail Holdings Ltd, Capital Tower, 91 Waterloo Road, London, SE1 8RT

ⁱⁱ Aviva Capital Partners Limited, 80 Fenchurch Street, London, United Kingdom, EC3M 4AE

ⁱⁱⁱ Investment into the platform overall.

^{iv} By partnering with us, companies agree to reference ESG best practice guidance and report on their: Environmental, social, resilience and governance (ESRG) approach: we will assess how projects manage their direct and indirect environmental and social impact, the resilience of their projects and the robustness of their ESRG governance structures. Material climate and environmental-related financial risk: we will check projects have incorporated the relevant recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and the International Sustainability Standards Board.

^v [View the UKIB ESRG Framework](#)

^{vi} Includes investments in West Midlands Combined Authority and Rock Road

^{vii} Rounded. Estimate based on information provided by Rock Rail and data from the Department for Transport. - 24,000 tonnes CO₂e attributable to UKIB 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.