

Decision maker:	Director for Economy & Place
Decision date:	Friday 7 August 2020
Title of report:	Electric Vehicle Charge Point Concession Contract
Report by:	Sustainability & Climate Change Officer

Classification

Open

Decision type

Non-key

Wards affected

Countywide

Purpose and summary

To approve the development and procurement of a concession contract to secure a delivery partner to operate and expand the countywide electric vehicle charging network in order to support the anticipated increase in electric vehicle ownership and subsequent demand.

Recommendation(s)

That:

- (a) The Council undertake an open procurement process seeking a delivery partner for the operation and expansion of Herefordshire's electric vehicle (EV) charging point network. The final procured arrangement will be operated as a Concession Contract, whereby a single supplier will be appointed to operate the EV charging scheme at no cost to the Council for a duration of a 3+1+1 year contract;**
- (b) The Assistant Director for Regulatory Environment and Waste be authorised to award the contract; and**
- (c) The Sustainability & Climate Change Manager be authorised to take all operational decisions necessary to implement the above.**

Alternative options

An options appraisal has been undertaken to inform the above recommendation. The alternative options are summarised below.

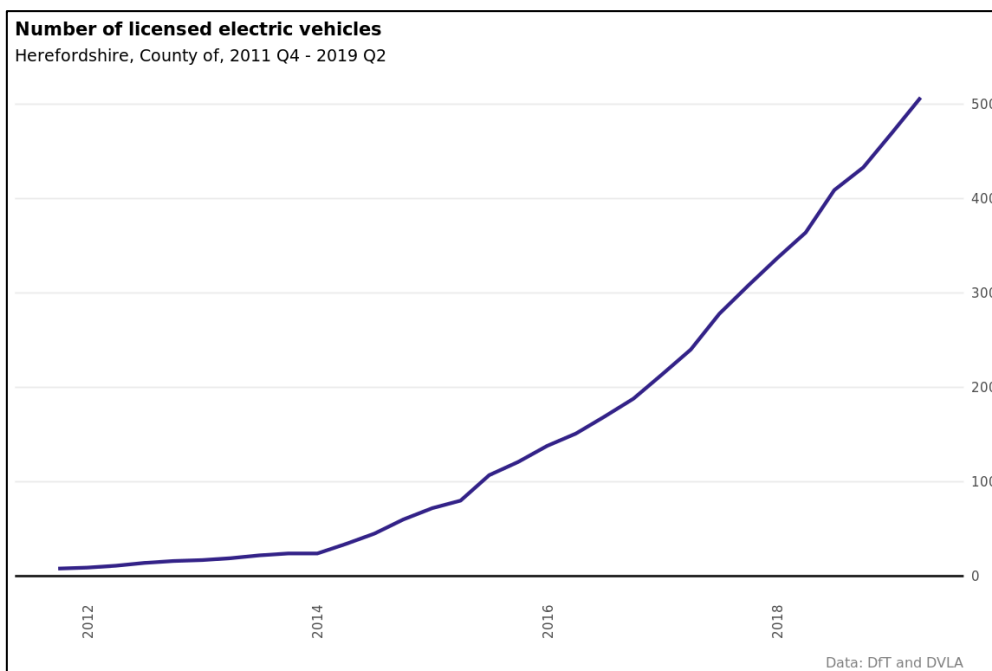
Options	Advantages	Disadvantages
<p>1. Business As Usual (BAU)</p> <p>To continue with the current level of service.</p>	<p>Continue to offer a service that provides a basic level of charging infrastructure across the county.</p> <p>Retain existing assets.</p> <p>Be in a position to capitalise on grant funding made available as basic infrastructure and officer support already in place.</p>	<p>Insufficient provision to satisfy current and future demands.</p> <p>Doesn't contribute towards the Council's aspiration to become carbon neutral by 2030.</p> <p>The current provision requires membership of the Polar network which incurs membership fees for the end user.</p> <p>Support of the current network requires some officer time.</p> <p>Missed opportunity to expand the network as will be reliant on opportunistic external funding applications.</p>
<p>2. Withdraw the current service</p> <p>Leave market to the private sector</p>	<p>Reduced costs to the Council due to no ongoing requirement for officer support</p>	<p>Contrary to Council's policy statements in the Local Transport Plan (LTP).</p> <p>Contrary to local and national policy to transition from combustion engines to ultra-low emission vehicles.</p> <p>Loss of existing charge points will impact existing residents who use network.</p> <p>Reputational damage due to withdrawal of the service.</p> <p>Potential future requirement to support electric vehicle charging would require starting again from scratch.</p> <p>Loss of parking charge income</p> <p>One off disconnection and removal of assets across all sites and cost of reinstating car park spaces.</p>
<p>3. Enter market</p> <p>Herefordshire Council to develop capital bid to invest in EV infrastructure as an income generating opportunity</p>	<p>The Council has total control over the provision of charge points and can expand the network and dictate terms e.g. open network in accordance with its needs.</p> <p>Potential to income generation.</p>	<p>The Council accepts all risks, liabilities and costs in relation to the provision being offered and is committed to ongoing financial support of the scheme. The Council has no identified budget for this to be an option.</p> <p>Risk of a shift in technology / private sector installations making Council provision unused or out of date.</p> <p>Reputational risk if the service is not functioning as expected. Therefore, looking to call on the expertise of those already in the market place.</p> <p>Increased officer time required at all stages of the process going forward.</p>

Key considerations

Background

1. In 2013 the Council installed a network of 12 electric charge points across Hereford and each of the market towns. This network was predominantly funded through the government's Plugged in Midlands scheme and were owned by Herefordshire Council.
2. Here the council offered free parking and free electricity, initially as a grant condition, but this was continued as a sustainable transport promotion in order to support the transition to low emission vehicles.
3. Since they were installed the usage of these points and the number of electric vehicles licensed in Herefordshire has increased exponentially, as illustrated below.

Area	Charging Sessions 14/15	Charging Sessions 18/19
Hereford city	714	920
Leominster	79	109
Ledbury	78	367
Kington	42	211
Bromyard	33	Transferred to Town Council
Ross	93	Transferred to Town Council
GRAND TOTAL	946	1607



4. In 2016 the council entered into a host agreement procured by Plugged in Midlands with Chargemaster (now BP Chargemaster) where they provide the maintenance and back office support free of charge and in return operate the network as part of their national 'Polar' network. Here regular users are required to join the national Polar scheme for a monthly membership fee of £7.85 in order to access Chargemaster charge points.

5. In 2017 due to problems caused by some EVs parking for extended periods and blocking access to charge points by other users, the council introduced car parking charges and a maximum 4-hour stay at the charge points to increase their availability.
6. In 2016, the electric charge points in both Bromyard and Ross transferred to the Town Councils as part of asset transfers. Here both points continue to be maintained by BP Chargemaster through separate host agreements.

Local and national policy context

7. In 2019 Herefordshire Council declared a Climate Emergency and committed to accelerated carbon reduction targets aspiring for both organisational and countywide carbon neutrality by 2030. In addition we will continue to invest in low carbon projects such as renewable energy systems, using energy efficiency measures and electric vehicles to further reduce our carbon footprint and our daily running costs. We will support this commitment by ensuring that tree planting and habitat enhancement is prioritised.
8. The council has recently completed a corporate fleet review and has recently introduced 6 electric hybrid cars, 1 full electric van and 6 electric cars are arriving in March/April 2020. These additional vehicles, in addition to the growing number of residents switching to electric vehicles, is placing an increasing demand on the existing charge network.
9. The Government committed to banning the sale of new diesel and petrol cars and vans by 2035 but is under pressure to bring this deadline forward to 2032. It is estimated that approximately one million electric vehicles will be on UK roads within five years, potentially growing to nine million by 2030.
10. Electric vehicles have the potential to radically improve residents' lives by reducing air pollution and improving health. These contribute to the council's County Plan (2020-2024), Air Quality Management Plans, Health & Wellbeing strategy, Carbon Management Plan and Local Transport Plan.
11. Whilst local authorities are not required to provide charging facilities, in order to provide residents with the choice and opportunity to switch to electric vehicles, numerous authorities including Herefordshire Council, have developed infrastructure to address the current market gap in the market.
12. In order to explore the best role for the council to facilitate the acceleration of electric vehicle charging infrastructure, an options appraisal was undertaken. Here the main considerations were:
 - (a) Meeting the current and future infrastructure needs of residents
 - (b) Facilitating and accelerating the local transition to ultra-low emission vehicles
 - (c) Contributing to the Council's commitment to achieve carbon neutrality by 2030
 - (d) Create a reliable infrastructure for the use of electric vehicles through facilitating the market and working with delivery partners
 - (e) Ensuring best value for the use of public finances

Proposal

13. The recommendation is to develop and procure a development partner through a concession contract in order to facilitate and accelerate the private market place within the Council.
14. The supplier would be required to provide a minimum number of EV charge points at specified sites throughout the county.
15. The supplier would also be expected to adopt the Council's existing network of public EV charge points.
16. The advantages and disadvantages identified in the options appraisal are summarised below:

	Advantages	Disadvantages
Concession contract	<p>Leverage private sector investment and no cost to the Council.</p> <p>Upgrading and accelerating the growth of the county's electric vehicle charging network.</p> <p>Back office, maintenance and upgrades to be managed by delivery partner who will bring expertise and innovation as the market continues to develop.</p> <p>Procurement / partnership negotiations would mean the Council is able to define terms of service and regulate the costs to residents.</p> <p>Council continues to support EV drivers in the county but with reduced risks.</p>	<p>Provision dependent upon relationship with third party.</p> <p>Working with partners may result in some negotiation on terms.</p>

17. The council's existing Host Agreement with BP Chargemaster currently operates as a concession contract. As such the proposal seeks to further develop this model and to build on the success and lessons learnt to date. The council will procure the concession in line with the council's contract procedure rules working alongside and with support from the Commercial, Property and Legal Services Teams.

Community impact

18. Provision of more charge points is a key step forwards in providing effective electric vehicle charging facilities in the county and will further support work to become a carbon neutral county and reduce air pollution from vehicle emissions. It will underpin the themes of connectivity, wellbeing and sustainability of the County Plan 2020-2024 by improving and extending travel options throughout the county.
19. Promoting the transition to zero emission, electric vehicles will contribute towards the delivery of the following corporate strategies:
 - (a) Executive Response to the Climate Emergency.

- (b) Herefordshire Council Carbon Management Plan 2017-21
- (c) Air Quality Action Plans for Hereford and Bargates (Leominster).
- (d) Herefordshire Council Local Transport Plan 2016-31
- (e) Herefordshire Health & Wellbeing Strategy

Equality duty

20. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality and we will only award contracts to organisations that can evidence that they are fully compliant with the Equality Act.

Resource implications

22. The concession contract will be at no cost to the council and will not require any capital investment from the council or revenue commitment. It will require officer time for the procurement, set up and ongoing monitoring and management of the contract, but this work will be absorbed within existing resource. Once established it is not expected to require any more time than the current arrangement.
23. It is estimated that the overall operational value of the contract is £246,000 for the 5 year contract period. However, this is an indicative figure based on various assumptions as below:
- 15p/kWh electricity costs
 - £1.50 connection fee per charge point use
 - Total of 75 units including existing network
 - In year 5 the usage will be similar to the current level of usage i.e. an average of 310 recharges per unit per year.
 - That usage will increase incrementally between years 1 and 5
24. The provider is responsible for installation of charge points, repair and maintenance, signage and back office support. Any income made from the charging points will go to the provider.

Legal implications

25. The tendering process associated with the letting of this concession contract will be run in accordance with the Public Contracts Regulations 2015 and the council's contract procedure rules.
26. Legal services will be involved in the award of the contract to ensure that it is compliant with the Concession Contracts Regulations 2016.

Risk management

27. Full consideration of the impact of the Hereford Transport Strategy Review will be included. Procurement will be undertaken with advice from the commercial services team and obtaining guidance from other Local Authorities.
28. There is a small risk that there will not be interest in bidding for the contract, in which case Business As Usual would resume until feedback is reviewed and a new way forward found, at which point an updated decision may need to be made to reflect this. Mitigating risk by utilising a concession contract, resulting in no upfront or ongoing costs to the council. The service provider would be responsible for the day to day operation and management of the network as well as increasing provision of charge points in line with the contract.
29. A detailed evaluation criteria will be developed alongside the commercial and legal teams to ensure the right provider is appointed to provide a good quality of service.

Consultees

30. The Cabinet Member for Infrastructure and Transport has been consulted and is supportive of the proposed recommendations.
31. This proposal has been developed in conjunction with Parking Services.

Appendices

- None

Background papers

- None