

# **Title of report: Acceptance of Local Electric Vehicle Infrastructure Pilot Grant**

**Decision maker: Cabinet member Infrastructure and transport**

**Report by: Principal Sustainability & Climate Change Officer**

## **Classification**

Open

## **Decision type**

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

## **Wards affected**

(All Wards);

## **Purpose**

To approve the signing of a Memorandum of Understanding (MOU) to enable Herefordshire Council to work alongside five Local Authorities as part of a consortium supported by Midlands Connect.

## **Recommendation(s)**

**That:**

- a) Herefordshire Council enters into a Memorandum of Understanding (MOU) to participate in the consortium;**
- b) Herefordshire Council takes part in an procurement process led by Lincolnshire County Council seeking a delivery partner for the operation and expansion of electric vehicle (EV) charging point network across the five local authority areas;**

- c) The Interim Service Director Highways and Transport is authorised to sign the Memorandum of Understanding and contract award; and is authorised to take all operational decisions necessary to implement the above.**

### **Alternative options**

1. Not to take part in the consortium bid or benefit from grant funding. This was rejected as the grant funding will support the delivery of on-street charge point locations across Herefordshire. The project will help to deliver on street chargepoint provision that otherwise may not be realised or would require other sources of (unidentified) capital investment.

### **Key considerations**

2. In March 2022, the government published an Electric Vehicle Infrastructure Strategy (EVIS) to address the increasing demand for electric vehicle charging infrastructure in the UK, with particular reference to supporting the needs of residents with no access to off street parking.
3. To help fund this infrastructure the government announced in March 2022 the Local Electric Vehicle Infrastructure (LEVI) grant scheme, with a £10 million pilot fund. The main LEVI scheme of £450 million is due to be launched in 2023.
4. Lincolnshire, Herefordshire, Leicestershire, Rutland and Stoke-on-Trent councils, with the support of Midlands Connect will work in partnership to deliver a step change in charging provision for residents across the Midlands. Lincolnshire County Council is the lead authority. Across the five authorities there is limited charging provision, by increasing this we hope to facilitate further EV uptake.
5. The equitable provision of charging infrastructure will not be supplied by private investment alone as on-street chargepoints are generally less commercially viable than off-street charging hubs.
6. The LEVI pilot grant presents an opportunity to address this. The structure of the consortium approach has helped to ensure there is a proportional and equitable distribution of installations across the authorities while providing sufficient flexibility for Charge Point Operators (CPOs) to target areas of high demand and achieve commercial viability. The current proposal includes on and off-street locations, urban and rural communities, and various chargepoint speeds based on local need.
7. The successful bid has been supported by Midlands Connect who have been key in supporting the authorities specifically because they face challenges in delivering charging infrastructure given socio-economic conditions, high car dependency, reliance on on-street parking, grid constraints and limited Council officer capacity.
8. The proposed scheme is designed to:
  - I. Deliver a more equitable provision of charge points. A concession agreement and portfolio approach to site selection blends more and less commercially attractive sites, helping ensure communities are not left behind.
  - II. Be efficient for the public sector by leveraging efficiencies associated with joint working, whilst maximising buying power.
  - III. Be scalable, offering a scalable commercial model leveraging high levels of private sector investment, which can be rolled-out more widely.

IV. Be commercially attractive. The scheme has been designed with CPOs to maximise the commercial opportunity and realise economies of scale, whilst delivering broader coverage and competitive tariffs.

9. To achieve this, the consortium will procure a joint concession agreement with each Local Authority partners having their own contract with the supplier. It is proposed to use the Oxford DPS (Supply of Electric Vehicle Charging Infrastructure and Associated Services). This approach complies with the council's contract procedure rules for conducting procurements in collaboration with partner organisations. There is a need for Commercial Services involvement acting as an observer / advisor and officer involvement in the tender evaluation process. The project leverages scale and flexibility to maximise private investment.

10. The sites submitted in the bid were selected because 50%+ of households in the postcode lack off-street parking. In total approximately 75,000 households will benefit, based on all the proposed sites. The application requires the chosen CPO to meet relevant accessibility guidelines/best practice, and will include accessibility in our procurement assessment.

11. Funding secured through the LEVI pilot is the first step to deliver some of the 8,366 chargepoints across the five authorities that are forecast to be required to meet demand up to 2030. The bid was to deliver 349 chargepoints across the five local authority areas to ensure deliverability within the LEVI pilot timescales. The installations will lay the foundations of a wider network, with learnings used to scope a larger scheme in future utilising future rounds of grant funding as it becomes available.

Local Authority	Total existing chargepoints	2030 Total Chargepoint Forecast requirement	Indicative distribution of chargepoints in LEVI bid*	Proportional Increase in chargepoints
<b>Herefordshire</b>	68	955	50	74%
<b>Leicestershire</b>	238	3,177	100	42%
<b>Lincolnshire</b>	253	3,259	109	43%
<b>Rutland</b>	22	187	30	136%
<b>Stoke on Trent</b>	37	788	60	162%
<b>TOTAL</b>	<b>618</b>	<b>8,366</b>	<b>349</b>	<b>56%</b>

12. Sites have been selected primarily due to their proximity to areas highly reliant on on-street parking. Midlands Connect have built the portfolio based on the principle of equity, considering geographical coverage and socio-economic factors as well as commercial attractiveness.

13. There will be a minimum number of charge points allocated to each local authority. A minority of sites have been categorised as 'high priority' due to their strategic or social importance, a longer list of sites have been provided which provide flexibility for potential CPOs to build a delivery plan. Using this categorisation helps ensure geographical spread and equity is maintained in the event of any changes.

14. Due to the diversity of sites within the portfolio (e.g. rural, suburban and town centre locations; more and less affluent neighbourhoods), the pilot presents an opportunity to test the best solution for each situation. This experience will be used to refine the shared principles and inform updates to council parking policies where relevant, ahead of a wider infrastructure roll-out.

15. The total project cost at the time of application was estimated at £3.7 million. The funding confirmed from LEVI was 24.6% (£935,355) of the total project cost. Private sector funding will be utilised through the concession contract to cover the remaining cost.
16. The cost estimate includes average chargepoint unit cost, installation cost, bay markings, signing, protective barrier, testing and handover and DNO connection. The project cost estimate was developed based on market knowledge, previous experience in developing schemes provided by consultants, and finalised based on CPO feedback.
17. Midlands Connect will re-engage with the CPOs to understand the private finance that can be leveraged in prior to going out to procurement. The estimates may have changed due to inflation and there is understanding needed on the CPOs buy in for the 75% private funding.
18. The table in Appendix one are the locations submitted in the application. There were a total of 50 chargepoints for Herefordshire, 46 standard chargepoint sockets (7-22kW) – ideal for overnight charging for residents and 4 rapid or ultra-rapid (50-150kW).
19. The final locations, numbers and types of charge point equipment being installed is still to be agreed through the procurement process that will take place in April 2023.
20. The MOU states the lead authority Lincolnshire County Council will take receipt of the grant funding from OZEV (£948,084.00), and pay the funding to the Local Authorities. Each Local Authority shall be responsible and liable to the Supplier under the terms of their respective concession contract and shall deal with any claim from the Supplier under their contract accordingly.
21. The total project cost at the time of application was estimated at £3.7 million. The funding confirmed from LEVI was 24.6% (£935,355) of the total project cost. Private sector funding will be leveraged through the proposed concession contract to secure the remaining investment required. No contribution is expected from the Council.
22. The cost estimate includes average chargepoint unit cost, installation cost, bay markings, signing, protective barrier, testing and handover and DNO connection. The project cost estimate was developed by the consortium based on market knowledge, previous experience in developing schemes provided by consultants, and finalised based on CPO feedback.
23. The breakdown of the total project cost estimate is provided below.

<b>Cost Element (£)</b>	<b>Standard Chargers (322 sockets)</b>	<b>Rapid Chargers (27 Sockets)</b>	<b>Total (349 sockets)</b>
Cost (enabling)	£455,337	£58,632	£513,970
EVI + Installation	£918,908	£1,727,157	£2,646,065
DNO Connection	£574,729	£57,572	£632,301
<b>TOTAL</b>	<b>£1,948,974</b>	<b>£1,843,361</b>	<b>£3,792,336</b>

24. Total costs will likely change as some of the consortium partners are redefining chargepoint locations. Midlands Connect will re-engage with the CPOs to understand the private finance that can be leveraged in following rises in inflation. The estimates may change due to inflation and also understand CPOs buy in for 75% private funding.
25. The Consortium has used some funding to procure WSP consultants who will lead on the site selection and soft market testing with the CPO's. This process will be finalised in March 2023. The new site selections will also inform upto date DNO costs and understand the private finance that can be leveraged in. The new figures will be submitted to LEVI for approval.

## Community impact

26. The LEVI pilot funding is to enable strategic local provision of public EV infrastructure ahead of need and promote an equitable EV charging experience for those without off-street parking. In leveraging in additional private sector investment, the pilot project is enabling the delivery of chargepoints that would not occur in the near term without public support. This in turn will increase consumer confidence in transitioning to EV's across England.
27. Across the five authorities there is limited charging provision, limiting EV uptake. The equitable provision of charging to overcome this will not be supplied by private investment as on-street chargepoints are generally less commercially viable than off-street rapid hubs, and in our authority areas, EV uptake forecasts are generally low.
28. The LEVI pilot funding presents an opportunity to address this. The structure of our portfolio approach helps ensure there is a proportional and equitable distribution of installations while providing sufficient flexibility for chargepoints operators to target areas of high demand and achieve commercial viability. The sites put forward in the application include on and off-street locations, urban and rural communities, and deploy various chargepoint speeds based on local needs.
29. The points identified in Herefordshire include on street and off street locations. The LEVI pilot is supporting Herefordshire and the other authorities as they face challenges in delivering charging infrastructure given socio-economic conditions, high car dependency, reliance on on-street parking, grid constraints and limited internal capacity.
30. The project aligns to the following County Plan success measures:
  - Reduce the council's carbon emissions
  - Work in partnership with others to reduce county carbon emissions
  - Improve the air quality within Herefordshire

## Environmental Impact

31. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
32. This project will enable the further installation of chargepoints across the county and supports the delivery of the Council's [environmental policy commitments](#) as well as our [net zero and nature rich county](#) ambitions for 2030. The project also aligns to the connectivity, wellbeing and sustainability priorities of the County Plan. 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 reduce pollution from vehicle emissions.
33. Promoting the transition to zero emission, electric vehicles will contribute towards the delivery of the following strategies:
  - Herefordshire Council Carbon Management Plan 2020/21-2025/26<sup>1</sup>
  - Air Quality Strategy for Herefordshire and Bargates (Leominster)<sup>2</sup>

---

<sup>1</sup> <https://www.herefordshire.gov.uk/downloads/file/20530/carbon-management-plan-2020-21-to-2025-26>

<sup>2</sup> <https://www.herefordshire.gov.uk/business-1/environment-pollution>

- Herefordshire Council Local Transport Plan 2016-31<sup>3</sup>
- Herefordshire Health & Wellbeing Strategy<sup>4</sup>

## Equality duty

34. 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
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
35. 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 legislation.

## Resource implications

36. There are no costs arising to the council as a result of this decision. The procurement process will ensure maintenance of the chargepoints for the full length of the contract (proposed as 15 years), exceeding the minimum requirement of seven years. Suppliers will be assessed on their ability to meet this requirement through their tender response. All maintenance costs will be covered by the concessionaire.

## Legal implications

37. The Council is committed to becoming carbon neutral by 2030/31, and declared a climate emergency in March 2019.
38. Electric vehicles are important in the Council's commitment to tackle climate change, by reducing carbon emissions and improving air quality. By having this electric charging infrastructure, it will encourage residents to choose electric vehicles over petrol vehicles.
39. The Council is responsible for overarching planning policies in various areas, including street alternations and parking. The Council will be able to extend the electric vehicle infrastructure, by accessing these areas.
40. The Council is allowed to enter into consortium with other Legal Authorities and the MoU and the LEVI funding will enable the Council to expand its electric infrastructure. The governance structure and decision-making process of the consortium must be robust to comply with the fund terms.

<sup>3</sup> <https://www.herefordshire.gov.uk/downloads/file/2912/local-transport-plan-2016-2031-strategy>

<sup>4</sup> [https://www.herefordshire.gov.uk/downloads/file/3677/health\\_and\\_wellbeing\\_strategy](https://www.herefordshire.gov.uk/downloads/file/3677/health_and_wellbeing_strategy)

41. Each Local Authority shall be responsible and liable to the Supplier under the terms of their respective concession contract and shall deal with any claim from the Supplier under their contract accordingly. As such, the Council must oversee the procurement process and ensure that the terms of the concession are in alignment with the fund terms.

42. Legal will deal with the preparation and completion of the necessary legal documentation.

## Risk management

Risk / opportunity	Mitigation
<ul style="list-style-type: none"> <li>• Risk of under delivery via a consortium approach where delivery may be weaker in one authority area.</li> </ul>	<ul style="list-style-type: none"> <li>• All partners are committed to delivering across the consortium area and an MOU will be signed. There is an ambition to maintain equitable distribution of chargepoint provision across all authority areas. However as the approach is flexible if there would be under delivery in one area then the other authorities could benefit further from the available grant.</li> </ul>
<ul style="list-style-type: none"> <li>• Officer time will be required from the Sustainability &amp; Climate Change team</li> <li>• No bids will be made by CPO</li> </ul>	<ul style="list-style-type: none"> <li>• A DPS Framework has been identified and the CPO's will be soft market tested and engaged pre -procurement</li> </ul>
<ul style="list-style-type: none"> <li>• There will be no upfront or ongoing costs to council</li> </ul>	<ul style="list-style-type: none"> <li>• This is due to the grant funding that has been secured and the proposed concession contract approach to leveraging in private match as well as ongoing operation of the networks.</li> </ul>
<ul style="list-style-type: none"> <li>• Clawback of funding by OZEV</li> </ul>	<ul style="list-style-type: none"> <li>• Where all Local Authorities are collectively responsible for the reason for clawback, the liability shall be shared equally by the Local Authorities and each shall pay their respective proportion of the clawback to Lincolnshire County Council. Where any clawback of funding by OZEV relates to one or more administrative areas of the Local Authorities but not all of them, the Local Authorities to whose administrative areas the clawback relates shall jointly and equally, or in such proportions agree to share the liability (in MOU)</li> </ul>

43. Risks will be managed at the service level, with performance reported to the relevant project board and risk escalated as required to directorate or corporate level.

## Consultees

44. This proposal has been developed in conjunction with Parking Services and Transportation teams.
45. The locations currently being considered for the bid include 12 that Herefordshire Council had already identified for On-street Residential Chargepoint (ORCS) funding. These were identified by consulting Ward Councillors in 2021 and further locations identified with highways team.
46. In addition to these sites Midlands Connect have identified a further number of sites using their in house specialist tool. Consortium partners are now revisiting the locations and ward councillors have been approached again to confirm further possible locations.
47. The final locations, numbers and types of charge point equipment being installed will be agreed through the procurement process that will take place should the bid be approved.
48. Political groups were consulted on 16 February and the discussion mainly focussed on the proposed locations of charge points. A list of locations from the meeting and the ongoing ward councillor survey will be added to the site list which will be put forward for consideration by the delivery partner.
49. Some sites proposed fall out of scope of this LEVI project and fall under the scope of Herefordshire Councils existing EV concession contract where the focus is to provide EV charging in Council owned car parks. These sites proposed will be passed on to our delivery partner for that contract.
50. It was noted and agreed that residents will need to be consulted on proposed on street locations in residential areas.

## Appendices

Appendix 1 – List of locations submitted in bid

Street names or hub* name	Central postcode	Area
Eign Road	HR1 2RY	Hereford
Park Street	HR1 2RE	Hereford
Harold Street	HR1 2QX	Hereford
Castle Street	HR1 2NW	Hereford
Cantilupe Street	HR1 2NU	Hereford
Bulmer Avenue	HR1 1EJ	Hereford
College Road	HR1 1EF	Hereford
Grandstand Road	HR4 9NW	Hereford
Ingram Avenue and Hugh Thomas Avenue	HR4 9RD	Hereford
Fakenham Drive	HR4 9UF	Hereford
Central Avenue	HR1 2JU	Hereford
Hopyard Close	HR6 9AA	Leominster



Portna Way	HR6 9AE	Leominster
Etnam Street	HR6 8AN /8AP	Leominster
Bargates Pump Piece	HR6 8EY	Leominster
Westfield Walk	HR6 8HD	Leominster
Cheaton Close	HR6 8EN	Leominster
Ridgemoor Road	HR6 8EJ	Leominster
The Square - area 1	HR5 3BA	Kington
The Square - area 2	HR5 3BA	Kington
Weston Grove	HR9 5LZ	Ross on Wye
Middleton Avenue	HR9 5PQ	Ross on Wye
<i>Whitecross and Greyfriars area</i>	<i>HR4</i>	<i>Hereford</i>
Hope Centre	HR7 4QU	Bromyard
Pontrilas Village	HR2 0BA	Golden Valley

### Background papers

None identified.

### Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 14/02/2023
Finance	Louise Devlin	Date 22/02/2023
Legal	Patricia Haywood	Date 16/02/2023
Communications	Luenne Featherstone	Date 07/02/2023
Equality Duty	Harriet Yellin	Date 07/02/2023
Procurement	Lee Robertson	Date 10/02/2023
Risk	Kevin Lloyd	Date 07/02/2023

Approved by	<a href="#">Click or tap here to enter text.</a>	Date <a href="#">Click or tap to enter a date.</a>
-------------	--	--

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

LEVI	Local Electric Vehicle Infrastructure
EVIS	Electric Vehicle Infrastructure Strategy
CPO	Charge Point Operator
DNO	Distribution Network Operator
EVI	Electric Vehicle Infrastructure
OZEV	Office for Zero Emission Vehicles
EV	Electric Vehicle
DPS	Dynamic Purchasing System