

Title of report: Local Electric Vehicle Infrastructure Main Grant

Decision maker: Cabinet member transport and infrastructure

Report by: Principal Sustainability and 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.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

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 allocation of Local Electric Vehicle Infrastructure (LEVI) capability funding.

To approve the signing of a Memorandum of Understanding (MOU) to enable Herefordshire Council to work alongside other Local Authorities as part of a Consortium supported by Midlands Connect to deliver Electric Vehicle (EV) chargepoints using LEVI capital funding.

Recommendation(s)

That:

- a) **Herefordshire Council accepts the allocation £240,260 from the Local Electric Vehicle Infrastructure Capability Fund and the allocation £1,124,000 from the Local Electric Vehicle Infrastructure Capital Fund;**
- b) **Herefordshire Council enters into a MOU to participate in a consortium of local authorities to utilise its capital funding allocation of £1,124,000;**
- c) **Herefordshire Council takes part in an procurement process led by either Nottinghamshire County Council or Lincolnshire County Councils seeking a delivery partner for the expansion and operation of the EV charging point network across the consortium areas;**
- d) **Herefordshire Council enters into a contract with a charge point operator and undertakes deployment of EV chargepoints; and**
- e) **The Service Director Environment and Highways is authorised to sign the Memorandum of Understanding, expend the funding allocation from the Local Electric Vehicle Infrastructure Capability Fund and the Local Electric Vehicle Infrastructure Capital Fund, approve the 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 the allocation of LEVI capability funding.** This was rejected as the LEVI allocation will support the delivery of on-street chargepoint 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. Herefordshire Council has a concessionaire to deliver chargepoints in Herefordshire Council car parks <https://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=7047>
3. To help fund this infrastructure the government also announced in March 2022 the Local Electric Vehicle Infrastructure (LEVI) grant scheme, with a £10 million pilot fund. Herefordshire Council are currently taking part in a pilot scheme and a decision was taken 14 March 2023. <http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?iid=50044216>
4. Funding secured through the LEVI pilot is the first step to deliver some of the 16,053 chargepoints across the six authorities that are forecast to be required to meet demand up to 2030 (NEVIS). In Herefordshire, EV car ownership has increased from 1,453 in 2021 to 3,497 in 2022 with a projected 6,115 cars in 2023.
5. The capability fund, was announced on 30 March 2023 for FYs 23/24 and 24/25 and is available to Tier 1 local authorities in England. Herefordshire Council was allocated £240,260 and approval from DfT was confirmed on 31st July 2023. The Capability fund aims to increase the capacity and capability of every Tier 1 local authority to plan and deliver EV infrastructure, have a published EV infrastructure strategy and to enable local authorities to take advantage of the LEVI capital funding. Two job positions will be funded for a duration of 23 months (Principal

Electric Vehicle Infrastructure Officer & Electric Vehicle Infrastructure Strategy Officer) within the Sustainability and Climate Change Team.

6. The main LEVI scheme of £450 million was launched in 2023 with allocations for Tier 1 Local Authorities. Herefordshire Council has been allocated a nominal £1,124,000 capital pot. LEVI funding has a focus to deliver chargepoint infrastructure to support residents without off-street parking. DfT has confirmed that we have been allocated into Tranche 1 with application submission due 30 November 2023.
7. Up to 13 local authorities will work in partnership to deliver a step change in charging provision for residents across the consortium area. Delivery of electric vehicle infrastructure is planned for 2024/25 / 2025-26 and Midlands Connect will support the consortia, with either Nottinghamshire County Council or Lincolnshire County Council being the lead authority. Procurement will be led by the lead authority and social value elements will be delivered in line with the lead authorities policies.
8. We will utilise a fully funded model that will use the full LEVI tranche allocations to cover the costs of installation, maintenance and provide concession / revenue funding split for partners. Across the partnership authorities there is currently limited charging provision, taking a consortium approach makes the offer more attractive to charge point operators and private investment.
9. 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. The LEVI main capital allocation presents an opportunity to address this. The structure of the consortium approach helps 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 across the consortium includes on and off-street locations, urban and rural communities, and various chargepoint speeds based on local need.
10. The capital fund bid is being supported by Midlands Connect who have been key in supporting the pilot project consortium. Midlands Connect are helping to address challenges in delivering charging infrastructure given socio-economic conditions, high car dependency, reliance on on-street parking, grid constraints and limited Council officer capacity across the consortium.
11. The proposed consortium approach adheres to LEVI guidance and is designed to:
 - a. Deliver a more equitable provision of charge points;
 - b. Utilise a concession agreement and portfolio approach to site selection that blends more and less commercially attractive sites and finally helping ensure communities are not left behind;
 - c. Be efficient for the public sector by leveraging efficiencies associated with joint working, whilst maximising buying power; and
 - d. Be scalable, offering a scalable commercial model leveraging high levels of private sector investment, which can be rolled-out more widely and finally be commercially attractive.
12. The scheme has been designed with CPOs in mind to maximise the commercial opportunity and realise economies of scale, whilst delivering broader coverage and competitive tariffs. To achieve this, the consortium will procure a joint concession agreement with each Local Authority partner having their own contract with the supplier. It is proposed to use the Oxford Dynamic Purchasing System (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.

13. The capital allocation of £1,124,000 will be to support a minimum number of chargepoint installs. Using median figures it can be expected that 472 sites (c.944 sockets) are needed for standard chargers with an additional 47 sites (c.94 sockets) for rapids. The final numbers will change dependent on the financial modelling and the size of the consortium.
14. The sites to be submitted in the bid will be selected based on the following criteria: proportion of populations; 50%+ of households in the postcode lack off-street parking; resident and ward councillor suggestions; and for a county wide coverage rural village hall locations have been identified as destination charging. The site list will be refined during the application process and will be influenced by connection costs. The application requires the chosen CPO to meet relevant accessibility guidelines/best practice, and will include accessibility in our procurement assessment.
15. The bid in Herefordshire will look to fully fund chargepoint provision including build outs in the road where necessary, Traffic regulation orders (TRO) and deliver a step change in on-street chargepoint provision.
16. There will be a minimum number of charge points allocated to each local authority. A long list of sites will be provided so that potential CPOs can build a delivery plan, within which a minority of sites will be categorised as 'high priority' due to their strategic or social importance. Using this categorisation helps ensure geographical spread and equity is maintained in the event of any changes to the initial proposal.
17. Due to the diversity of sites within the portfolio (e.g. rural, suburban and town centre locations; more and less affluent neighbourhoods), the main fund consortium project presents an opportunity to utilise learnings from the pilot project.

Community impact

18. The LEVI main grant 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 additional private sector investment, the consortium 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.
19. Across the participating 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 as a result of this.
20. The structure of our portfolio approach helps ensure there is a proportional and equitable distribution of installations while providing sufficient flexibility for CPOs 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.
21. The points identified in Herefordshire include community facilities, on street and off street locations. The LEVI main and pilot projects are 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.

22. 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

23. 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.
24. This project will enable the further installation of EV 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. This decision seeks to deliver the council's environmental policy commitments and aligns to the following success measures in the County Plan: Work in partnership with others to reduce county carbon emissions; Improve the air quality within Herefordshire.
25. 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; Air Quality Strategy for Herefordshire and Bargates (Leominster); Herefordshire Council Local Transport Plan 2016-313 and the Herefordshire Health & Wellbeing Strategy.
26. The development of this project has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance. 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.

Equality duty

27. 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.
28. 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

29. There are no revenue implication of this decision as all revenue costs will be covered by the capability revenue grant. The capability funding of £240,260 will cover the revenue implications and provide additional capacity in the Sustainability & Climate Change team to enable delivery of the capital. Two positions will be fully funded for 23 months and PMO oversight will also be paid for from this fund. By appointing posts for 23 months we avoid potential redundancy costs enabling all revenue costs to be covered by the capability allocation.
30. There are no ongoing revenue 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) and to include costs of build outs, TRO and section 50's. Suppliers will be assessed on their ability to meet this requirement through their tender response. All maintenance costs will be covered by the supplier.
31. Capital grant will be issued to Herefordshire Council upon a successful and approved fund application. 90% of the funding will be issued prior to contract award and the remaining 10% issued once installations are nearing completion.
32. The tables below set out the financial implications of the decision / project

Revenue or Capital cost of project (indicate R or C)	2022/23	2023/24	2024/25	Total
Capability (R)	£52,740	£120,130	£120,130	£293,000
Capital allocation (C)	£0	£1,011,600*	£112,400	£1,124,000
TOTAL	£52,740	£1,131,730	£232,530	£1,417,000

*Subject to approved application

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2022/23	2023/24	2024/25	Total
DfT Allocation	£0	£1,011,600*	£112,400	£1,124,000
TOTAL	£0	£1,011,600	£112,400	£1,124,000

*Subject to approved application

Revenue budget implications	2022/23	2023/24	2024/25	Total
Capability Funding	£52,740	£120,130	£120,130	£293,000
TOTAL	£52,740	£120,130	£120,130	£293,000

Legal implications

33. Legal Services have reviewed and amended the terms of the proposed MOU with the delivery partners. Pursuant to the terms of the MOU the Lead Authority will deliver a legally compliant procurement on behalf of Herefordshire Council and we will have opportunities to comment on the specification to be used in the tender and its evaluation.
34. The procurement of the delivery partner will be undertaken in accordance with the contract procedure rules of the Lead Authority. Assurance will be sought that the Lead Authority is acting in accordance with its own contract procedure rules and Legal Services will be required to review the draft contract to be used for the tender award before this is progressed as the Council will be responsible for its own contract management.

Risk management

Risk / Opportunity	Mitigation
Risk of under delivery via a consortium approach where delivery may be weaker in one authority area	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. In Herefordshire we are undertaking comms

	with ward and parish councillors to ensure a good pipeline of sites.
Officer time will be required from the Sustainability & Climate Change team	Two positions will be fully funded for 23 months and PMO oversight will utilise the capability funding.
No bids will be made by CPO	A DPS Framework has been identified and soft market testing will be carried out with CPOs and further engaged pre-procurement to ensure good levels of interest.
There will be no upfront or ongoing costs to council	This is due to the grant funding that has been secured and the proposed concession contract approach to leveraging in private match for the delivery of the chargepoints and ongoing operation of the networks.
Clawback of funding by OZEV	Where all Local Authorities are collectively responsible for the clawback, the liability shall be shared equally by the Local Authorities and each shall pay their respective proportion of the clawback to the lead authority. 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).

35. 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

36. This proposal has been developed in conjunction with Parking Services, Highways and Transport teams.
37. The locations currently being considered for the bid include some that Herefordshire Council had already identified. Sites proposed include suggestions from ward councillors, resident requests (through HC website and via the EV drivers group) and some further sites Midlands Connect have identified using their in house specialist tool. Rural coverage is being addressed by contacting parish councils.
38. 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.
39. Political groups were consulted on 12 September 2023 and the discussion mainly focussed on the proposed locations of charge points. A point was raised regarding the competing balance of loss of parking spaces vs chargepoints. Key to managing this will be the ongoing consultation with residents, ward councillors and town and parish councillors.

40. Some sites proposed may 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.
41. It was noted and agreed that residents will need to be consulted on proposed on street locations in residential areas.

Appendices

None

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 19/09/2023
Finance	Karen Morris	Date 19/09/2023
Legal	Emma-Jane Brewerton	Date 18/09/2023
Communications	Rory O'Rafferty	Date 19/09/2023
Equality Duty	Harriet Yellin	Date 13/09/2023
Procurement	Lee Robertson	Date 14/09/2023
Risk	Kevin Lloyd	Date 14/09/2023

Approved by	Click or tap here to enter text.	Date Click or tap to enter a date.
-------------	----------------------------------	------------------------------------

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

CPO Charge Point Operator
DfT Department of Transport
DPS Dynamic Purchasing System

EV Electric Vehicle
EVI Electric Vehicle Infrastructure
EVIS Electric Vehicle Infrastructure Strategy
LEVI Local Electric Vehicle Infrastructure
OZEV Office for Zero Emission Vehicles