

Cabinet

13th February 2018

Name of Cabinet Members:

Cabinet Member for City Services – Councillor Innes
Cabinet Members for Jobs and Regeneration – Councillor O’Boyle

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

City-wide

Title:

Report – ULEV Taxi Infrastructure Scheme.

Is this a key decision?

Yes – the proposals within the report have financial implications in excess of £1m and impact on all wards in the City.

Executive Summary:

Coventry is at the cutting edge of the automotive industry and a leader in innovation. Electric vehicles lie at the heart of this development and following a successful bid, there is the opportunity to promote a move towards electric taxis.

The Office for Low Emission Vehicles (OLEV) has £500m available to grow the market for ultra-low emission vehicles (ULEVs) from 2015-20 and has offered grants to support the wider use of electric and hybrid vehicles. Coventry City Council submitted a bid to OLEV in December 2016 and were successful in securing £1.2m funding in March 2017 to install 39 rapid charging point for taxis and private hire cars in the city.

The priority of the project is to encourage existing taxi drivers to purchase an electric taxi and establish an accessible charging infrastructure within the City to support the use of electric taxis. OLEV will fund 75% of the cost of a charge-point and 25% match funding is a requirement by OLEV. This match funding can be invested by Coventry City Council or service provider/private consortiums. Market testing has shown keen interest from seven service providers/private consortiums for the 25% investment in this project.

Coventry City Council is also preparing a further bid to OLEV for residential on street charging points for delivery in 2018/2019 and 2019/2020. A residential on street charge point survey will be published online to identify general locations of interest and it is intended to submit the bid by March 2018.

Electric car charging infrastructure can also help support future development opportunities in Coventry. This could include provision of charging points at park and ride sites to provide a more convenient way of travelling into the city centre and to key employment sites, allowing drivers to

park their vehicle on charge and finish their journey by foot, cycle, bus, or potentially in the future Very Light Rail. Electric charging points are also required to be installed in 5% of all new car parking spaces in Coventry, as set out in the Local Plan.

This work will also form an important element of the City Council's desire to improve air quality in the city.

Coventry is the centre for electric taxi manufacturing, with London Electric Vehicle Company, Frazer Nash/Metrocab and Dynamo Motor Company all building vehicles in the city. Coventry City Council are working with these companies to identify how we can incentivise the uptake of electric taxis on the city's streets, including potentially increasing the number of licences for electric taxis. This project will ensure that the charging infrastructure is in place to support electric taxi growth in the city.

Recommendations:

Cabinet is recommended to:

1. Approve that the Council acts as accountable body for £1.2m ULEV funding, and delegate authority to the Deputy Chief Executive (Place) to enter into the necessary funding agreements to secure in consultation with the Cabinet Member for City Services and the Cabinet Member for Jobs and Regeneration;
2. Delegate authority to approve charging point locations to the Director Transport and Highways following consultation with the Cabinet Member for City Services and the Cabinet Member for Jobs and Regeneration;
3. Delegate authority to the Deputy Chief Executive (Place) following consultation with the Cabinet Member for City Services and Cabinet Member for Jobs and Regeneration to procure and enter into partnership with the successful service provider/private consortium over a 10-15 year period, which includes an agreement regarding revenue sharing between the two parties;
4. Agree to ring fence revenue income generated through the delivery of this project to increase further similar assets;
5. Delegate authority to the Deputy Chief Executive (Place) following consultation with the Cabinet Member for City Services and Cabinet Member for Jobs and Regeneration to submit a bid to OLEV for residential charging points, and if successful become the accountable body and enter into relevant funding and legal agreements.

List of Appendices included:

Appendix A - Study area plan
Appendix B - Proposed Governance Structure
Appendix C – Proposed High Level Programme

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No. Although this report has not been considered by scrutiny, this topic was considered by the Business, Economy and Enterprise Scrutiny Board (3) at their meeting on 17th January 2018.

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

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Report title: ULEV Taxi Infrastructure Scheme

1. Context (or background)

- 1.1. The Office for Low Emission Vehicles (OLEV) is a cross Government, industry endorsed team to promote the uptake of ultra-low emission vehicles (ULEV). In 2013 the Government made £500m available to support ULEV in the 2015-2020 period.
- 1.2. Coventry is a dynamic and rapidly growing city and a rapidly emerging centre for cutting edge automotive development and innovation. Coventry City Council submitted a bid to OLEV for funding to help prepare the City with the infrastructure required for the Government's ultra-low emission strategy published in 2013. This bid was successful resulting in the award of £1.2m for the delivery of 39 rapid charging point for taxis and private hire cars in the city.
- 1.3. The whole of Coventry was declared an Air Quality Management Area in 2009 because of high levels of Nitrogen Oxide (NO₂) and more recently the Government's 'UK Plan for Tackling Roadside Nitrogen Oxide Concentrations' document issued in July 2017 identified Coventry as a city where NO₂ exceedance is expected to continue beyond 2020. The government now requires the City Council to prepare a local air quality action plan to address this
- 1.4. Diesel vehicles, especially the older diesel vehicles which characterise Coventry's taxi fleet, are a major source of NO₂ so the adoption of ULEV taxi and private hire vehicles would represent a clear public health benefit for those who live or work in the city. This project should be seen as part of a wider strategy to promote electric vehicles. A bid for residential on street charging points is being made.
- 1.5. Coventry is taking action to speed up the transformation of taxi fleets to ULEVs to ensure improvements to air quality are tackled more quickly. Government plans to introduce the Automated and Electric Vehicles Bill will increase the access and availability of charge-points for electric cars, while also giving the government powers to make it compulsory for charge-points to be installed across the country and enabling drivers of automated cars to be insured on UK roads.
- 1.6. This proposal will help support to delivery of a zero emission taxi fleet which is an aspiration of the city and will be addressed in future policy documents.
- 1.7. Coventry's newly adopted Local Plan includes policies to promote the uptake of electric vehicles. These are Policy AC1 (Accessible Transport Network) and Policy EM6 (Air Quality).
- 1.8. The Council would require the supplier to provide 25% match funding for the Taxi Scheme charge-points. This will provide a direct investment in the Coventry charging point network infrastructure and will also align with the OLEV funding requirement. Match funding will be secured through a partnership with UK renewable infrastructure investors – many of these specifically target networks that have a very good potential visitor level such as the taxi scheme. The Council would expect to see a 10 to 15 year operations contract for the provider to allow them to recoup their initial investment. The Council will work closely in partnership with the successful supplier for the length of a contract, which will generate an opportunity for income/revenue sharing. A governance structure with a project board is in place who will manage the risks and finance associated with this project and a project team is in place who will manage the delivery of this project.

- 1.9. It is a condition of the funding that any charge point must be maintained in a serviceable condition for a minimum of 3 years; accessible to taxi drivers on a pay as you go basis; able to show live data e.g. on the availability of the charge point; and considered against equality impacts so that the needs of all potential users can be met.
- 1.10. While the charging points delivered will be specifically for taxis, the Council will aspire for the charging points to be available for use for private electric cars in the future. This would need to work on the basis that taxi charging gets priority, and a booking system will be in place to facilitate this.

2. Options considered and recommended proposal

- 2.1. The proposal is to install the EV rapid chargers on Council land, highway land and private land. The locations of these proposals are currently being developed in consultation with taxi trade members.
- 2.2. On the highway, a Traffic Regulation Order (TRO) will be required to allocate 2 parking spaces per EV rapid charger. Once the locations have been finalised, a TRO will be advertised in relation to these spaces. This will trigger a statutory 21 day objection period. If objections are received, they will be subject to a further report to the Cabinet Member for City Services.
- 2.3. Any EV charge units located on Council owned land will be subject to a lease agreement being drawn up by the Council's Property Management Services.
- 2.4. Any EV charge units on private land identified will be subject to lease agreement between the Service provider and the private landowner.
- 2.5. The final locations of the rapid charging units will be dependent on the availability of adequate power supply at the identified locations. Alternative locations will be explored if a need for additional substation is identified by Western Power Distribution (WPD) or if the costs of upgrading the existing power cables are such, that the delivery of this project is compromised.

3. Results of consultation undertaken

- 3.1. There are 854 Hackney Carriages currently licensed in Coventry (maximum licences available 859 + one vehicle on trial, a Peugeot E7 taxi) and 214 private hire vehicles licenced.
- 3.2. As part of the bid process, Council officers undertook a feasibility survey. 173 individual responses were received to the feasibility study survey.
- 3.3. The Council carried out another survey in November/December 2016 to determine if there has been an increase in awareness and interest in EVs amongst the trade. A surveyed of the tourist trade and users of taxis was also undertaken.
- 3.4. The vast majority of responses were positive about the scheme and the potential benefits of electric taxis in Coventry. 86 drivers provided their email contact address to receive further information on the scheme and grant funding.

- 3.5. The customer survey highlighted the usage, purpose and details of journeys:
- 59% would be interested in being able to book taxis via a specific smartphone app
 - 65% would specifically request an electric taxi if they became available
 - 34% would take the first taxi available
 - 62% said air quality and health benefits are important factor in choosing whether to use an electric taxi or not.
- 3.6. The proposals have received positive response from several of the local hackney carriage and private hire operators. Two private hire firms responded to our recent survey as follows:
- “I think it would be good to be able to say that we are the first taxi company in Coventry to offer the low emission taxis to customers.” Central Taxis
- “The range extending vehicles are of interest. The range must be 150 miles a day so that a driver can do long journeys and get to say Heathrow without worrying about charging.” Lewis Taxis
- 3.7. The survey itself involved face to face engagement with at least half of Coventry’s taxi drivers, and text messages were sent to all drivers (both hackney carriage and private hire) and 173 responses were received – many of them positive. Unite is the trade union which represents taxi drivers, and they have been included in briefings about the aims of this project. Unite issued a letter of support for the Council’s bid and confirmed that they have received a positive response from many of the taxi drivers they represent. The enthusiasm of drivers for the project was also demonstrated by the help that they provided in selecting locations for the charging points.
- 3.8. A group of drivers have established themselves as “Electric Vehicle Champions” and they responded to the survey saying that they are considering purchasing an EV and trialling it themselves. The Council has put this group in touch with London Taxi Centre and there is now a very positive two way discussion in progress.

4. Timetable for implementing this decision

- 4.1. Subject to approval, it is proposed that this project will be completed by end of March 2020.

5. Comments from Director of Finance and Corporate Services

- 5.1. Financial implications

The total cost of delivering this project is £1.6m the funds are split as follows:

OLEV Grant = £1,200,500 (75%)

Private investment = £400,167 (25%)

As part of the 25% private investment, a 70%/30% revenue sharing agreement (70% allocated to the approved service provider/private consortium and 30% allocated to the Council) will be put in place when awarding the contract following a mini competition. The management and maintenance of all the EV charge points installed as part of this project will be the responsibility of the partnered company/supplier.

There will be no ongoing costs to the City Council for the duration of this contract. Once this contract ends, the Council will have to procure another service provider with a new contract.

The 30% revenue expected from this project will be ring fenced for reinvestment in future similar EV charge points in the city.

5.2. Legal implications

OLEV have provided 75% funding with a mandate that local authority provide the initial infrastructure necessary for EV taxi uptake.

The uptake of ULEV taxis are dependent on Cabinet Member for City Services approving regulation changes. The locations of the rapid charger units will be on Council land, highway land and private land. The installed assets will be owned by the private company and the City Council will need to have a robust service level agreement for the duration of the life of rapid charging units. This agreement will also need to specify the revenue share percentage.

The Council will comply with State Aid and Procurement Regulations when entering into the necessary legal agreements.

The Council has the power under Section 1 of the Localism Act 2011 to act as Accountable Body under the Funding Agreement and accept the Grant.

6. Other implications

6.1. How will this contribute to achievement of the Council Plan?

It is considered that the proposals in improving the environment and tackling climate change, and by assisting in managing the air quality management plan for Coventry City.

6.2. How is risk being managed?

Risk is being managed through the project governance.

6.3. What is the impact on the organisation?

None

6.4. Equalities / EIA

Electric hackney carriages will be accessible for all users.

6.5. Implications for (or impact on) the environment

The (anticipated) reduced levels of CO₂ omission should result in improvements to air quality.

6.6. Implications for partner organisations?

It is recognised that the taxi operators will be impacted by the regulation changes.

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