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Cabinet Member for City Services

5<sup>th</sup> July 2021

**Name of Cabinet Member:**

Cabinet Member for City Services – Councillor P Hetherton

**Director Approving Submission of the report:**

Director of Transportation and Highways

**Ward(s) affected:**

City-wide

**Title:**

**Report – Onstreet Residential Chargepoint Scheme (ORCS) – Tender/Contract Award**

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**Is this a key decision?**

No – Although the matters within the report affect a number of wards in the city, it is not anticipated that the impact will be significant.

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**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 number of successful bids, the city council have installed over 200 residential electric chargepoints city wide. A further 200 chargepoints are currently being installed and will be operational by end of April 2021. This programme is intended to future-proof the city's transport infrastructure for the increase in electric vehicle ownership in line with national Government policy, with the Government having committed to ending sales of new diesel- and petrol-powered vehicles from 2030.

In line with this commitment, the Office for Zero Emission Vehicles (OZEV) has allocated £20m of funding for on-street residential chargepoint projects. The funding available is for 75% of the capital costs of procuring and installing the chargepoints and associated dedicated parking bays (where applicable). This funding has been made available to Local Authorities in a grant agreement format.

The scheme is intended to meet the needs of residents and therefore the requirement from OZEV is that the chargepoints must be installed in residential areas where there is limited access to off-road private parking.

The Council has over the past three years successfully submitted four funding applications to OZEV securing grant funding to the value of £1,446,010. This funding is being used to install a mix of slow and fast chargepoints on residential streets across the city.

There is still the opportunity for the Council to bid for additional funding from OZEV, however, the current Charge Point Operator (CPO) contract has now come to an end and a new CPO needs to be procured. The intention has been to publish tender documents to the value of £1.5 million (over a two-year period) which will allow the Council to bid for additional funding when it becomes available and allow the Council to explore a fully funded option by the CPO. A Proc 2 was submitted to Procurement Board and was approved on 24<sup>th</sup> February 2021.

Tender documents for a concession contract were published on 9<sup>th</sup> June 2021 with a return date of 9<sup>th</sup> July 2021.

**Recommendations:**

It is recommended that the Cabinet Member for City Services:

1. Following evaluation of received tenders, approve the award of a concession contract to the successful tenderer.
2. Delegates authority to the Director for Transportation and Highways and the Director of Law and Governance to execute all necessary legal documents with the successful tenderer.
3. Note that the submission for grant funding is made to Office for Zero Emission Vehicle for up to £500,000 per year for the next two years, which will be used to install charge points if successful.
4. Note the advertisement of Experimental Traffic Regulation Orders (ETRO's), Temporary Traffic Regulation Orders (TTRO's) and Traffic Regulation Orders (TRO's) as necessary to safely install charge points at various locations.

**List of Appendices included:**

None

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**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

**Report title:** Onstreet Residential Chargepoint Scheme (ORCS) – Tender/Contract Award

## 1. Context (or background)

- 1.1. The Office for Zero Emission Vehicles (OZEV) is a cross Government, industry endorsed team to promote the uptake of zero emission vehicles (ZEV). OZEV has the remit to dispense funding for 'on street residential chargepoint scheme' (ORCS) to local authorities.
- 1.2. Coventry was declared an Air Quality Management Area in 2009 because of high levels of Nitrogen Oxide (N02) 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 N02 exceedance is expected to continue beyond 2020.
- 1.3. 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).
- 1.4. The Government's has published their Making the connection: the plug-in vehicle infrastructure strategy, a clear vision for infrastructure helping address for those interested in plug-in vehicle infrastructure.
- 1.5. To date, ORCS has supported over 60 local authorities to deliver over 2,000 chargepoints for residents who do not have off-street parking, Coventry City Council being one of the 60 local authorities.
- 1.6. ORCS has been running for 3 years and the chargepoint market has developed considerably since, with a wider range of chargepoint operators and products in the market with overall volumes rising.
- 1.7. The Council has submitted four ORCS bids to OZEV between 2018 and 2020 and has been successful in securing a total of £1,449,128 to deliver 401 charge points to help prepare the City with the infrastructure required to transition to net zero transport.
- 1.8. OZEV have now confirmed a further £20million grant funding available to Local Authorities till March 2023. The Council is seeking to procure a concession contract for a single supplier to supply residential charging points including within delivery scope the connection, installation and provision of a single back-office function for the operation of the points, repair & maintenance and warranty management of the points.
- 1.9. The current contract is now at its maximum limit and the Council is seeking to procure a further concession contract for a single supplier to supply residential charging points,
- 1.10. The requirements are to be funded by Council bids for Office for Zero Emission Vehicles (OZEV) funding that will fund 75% of the project cost (charge points and ground works) with 25% to be funded (invested) by the Supplier. The Supplier will retain the revenues made from the charging points as they are used minus a revenue share (15%) that will be provided to the Council during the contract term.
- 1.11. The intention is to procure up to 300 funded charge points initially. To future proof the contract in case new requirements for the same charge points emerge following the procurement, the Council intends to give scope for up to 400 charge points to allow additional call offs with same supplier without having to re-procure. This will ensure continuity and avoid the resource / time cost of further tenders for the same requirements.
- 1.12. Under the fully funded model proposal, for the period of the 6.5 years from the time of appointing the supplier, the supplier will be entitled to 100% of the Gross Revenue and

Net Revenue (Gross minus electricity charge). For any Period thereon, the supplier will be entitled to 85% of the Net Revenue, with the Council being entitled to 15% of the Net Revenue.

## **2. Options considered and recommended proposal**

- 2.1. The proposal is to install the slow chargers on ends of the identified streets on existing footway where existing street light is present which will supply power to the slow chargers, minimising street clutter.
- 2.2. Where street lights are at the front of the footway, slow chargepoints will be installed directly on to the street lights.
- 2.3. An Experimental Traffic Regulation Order (ETRO) is to be introduced for the fast chargepoint locations, and 2 parking spaces are allocated in each area and increase the electric vehicle charging infrastructure network in the city.
- 2.4. The options considered are:
  - 2.4.1. to do nothing
  - 2.4.2. submit applications to OZEV for further funding to increase the electric vehicle charging infrastructure network in the city.
  - 2.4.3. Proceed with a fully funded model if no grant funding is secured from Office for Zero Emission Vehicles.
- 2.5 It is recommended to proceed with options 2.4.2 and 2.4.3.

## **3 Results of consultation undertaken**

- 3.1 It is proposed to carry out consultation in the coming months with all the properties in the identified streets before submitting application to OZEV for funding.

## **4 Timetable for implementing this decision**

- 4.1 The proposal is to submit two applications over the two financial years, 2021/2022 and 2022/2023, to install up to 300 chargepoints in the city.
- 4.2 The proposal is also to agree locations in the city to install fully funded charging hubs incorporating up to 100 charge points of differing capacity.

## **5 Comments from the Director of Finance and the Director of Law and Governance**

### **5.1 Financial implications**

The one-off cost implications for the Council are the costs of advertising any traffic regulation orders and undertaking consultation with city constituents. It is proposed that these costs are funded from Highways and Transportation ITB funds (Integrated Transport Budget).

There are no on-going cost implications for the Council associated with either option 2.4.2 or 2.4.3 as the supplier will be responsible for the running costs of the charging points. The Council would benefit from a 15% revenue share income, which depending on the funding route, could yield the City Council between £26k and £47k per year.

## 5.2 Legal implications

The consultation referred to in clause 3.1 of this report will be undertaken pursuant to the requirement of S.115(b) Highways Act 1980.

The procurement referred to in this report is being carried out pursuant to the Council's Rules for Contract and the relevant requirements of the Public Contract Regulations 2015.

## 6 Other implications

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

It is considered that the proposals support the Council Plan objective to create an attractive, greener city by making it easier for people to use electric vehicles within the city, thereby reducing vehicle emissions, improving the environment and tackling climate change, and supporting the delivery of the Local Air Quality Action Plan for Coventry.

### 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

No equality impact assessments have been undertaken. However, it is not expected that implementation of this proposal will have any adverse impact and these chargepoints will be accessible to all residents in the area.

### 6.5 Implications for (or impact on) climate change and the environment

The intention of implementing these chargepoints is that once they are installed and operational, residents will have confidence to purchase or lease electric cars as they will be able to charge near their homes. And once the electric vehicle uptake is accelerated, the (anticipated) reduced levels of CO<sub>2</sub> and NO<sub>2</sub> emissions should result in improvements to local air quality. This would support the Coventry Local Air Quality Plan which was approved by the Council's Cabinet in July 2020.

### 6.6 Implications for partner organisations?

None

**Report author(s)****Name and job title:**

Shamala Evans-Gadgil,  
Programme Manager/Senior Project Manager  
Transport and Innovation

**Service:**

Transportation and Highways

**Tel and email contact:**

Tel: 024 7683 1048,  
Email: Shamala.evans-gadgil@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Law and Governance	21.06.21	21.06.21
Colin Knight	Director of Transportation and Highways	-	14.06.21	16.06.21
Sunny Heer	Lead Accountant	Finance	14.06.21	15.06.21
Graham Clark	Lead Accountant	Finance	14.06.21	22.06.21
John Seddon	Head of Transport and Innovation	Transportation and Highways	14.06.21	22.06.21
Rachel Goodyer	Traffic and Road Safety Manager	Transportation and Highways	16.06.21	23.06.21
Rob Parkes	Commercial Lawyer	Law and Governance	14.06.21	16.06.21
Oluremi Aremu	Major Projects Lead Lawyer	Law and Governance	14.06.21	14.06.21
Hannah Watts	Programme Officer – Inequalities	Public Health and Wellbeing	14.06.21	17.06.21
<b>Names of approvers for submission:</b>				
(officers and members)				
Phil Helm	Finance Manager	Finance	21.06.21	23.06.21
Councillor P Hetherston	Cabinet Member for City Services	-	16.06.21	23.06.21
Councillor J O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change	-	14.06.21	23.06.21

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