

Forward Plan reference number: FP/921/12/20

Report title: Bid to the Office of Zero Emission Vehicles and Procurement of a ChargePoint Provider	
Report to: Councillor Lee Scott - Cabinet Member for Highways, Maintenance and Sustainable Transport and Councillor Christopher Whitbread – Cabinet Member for Finance, Resources and Corporate Affairs.	
Report author: Andrew Cook, Director, Highways and Transportation	
Date: 4 February 2022	For: Decision
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County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Everyone's Essex, our new organisation strategy, sets out four strategic aims and 20 commitments. Within the strategic aim of strong inclusive and sustainable Economy it includes a commitment to deliver green growth supporting technologies and business models to transition the Essex Economy to net zero. Everyone's Essex also makes a commitment to supporting people to switch to more sustainable travel options so that we can achieve our targets for achieving net zero carbon emissions.
- 1.2 Consistent with these aims this report sets out proposals to procure an electrical charge point operator (CPO) and to submit a bid for funding to contribute toward installing electrical charge points for electric vehicles on the highway. This proposal will contribute towards Essex County Council's commitment to achieving net zero and a step change in sustainable travel in Essex.

2 Recommendations

Cabinet Member for Highways, Maintenance and Sustainable Transport:

- 2.1 Agree to submit a bid for funding of £400,000 to the Office for Zero Emission Vehicles (OZEV) for external funding of £300,000, to part fund the trial set out in 2.2 below.
- 2.2 Agree to conduct a three-year trial of on-street residential charging points, for electric vehicles, (EV's) across Essex contingent upon a successful bid to OZEV for a period of three years.
- 2.3 Agree to call off from the KCS Framework to award a contract for a period of three years, with the option to extend to a maximum of 12 years, to a contractor to supply and install electrical charge points, at a cost of £400,000 of which

£300,000 will be funded from the OZEV bid as set out in 2.1 above and a £100,000 funded by contribution from ECC

- 2.4 Agree to delegate to Director of Highways following completion of the framework call off process to approve the winning bidder and award of the contract, subject to this being contained within the approved funding envelope.

Cabinet Member for Finance and Resources:

- 2.5 Subject to the success of the bid to OZEV as set out at 2.1 above, agree to an addition to the Capital Programme of £400,000 in 2022/23 subject to a successful bid into OZEV, to be funded by the £300,000 grant and a £100,000 drawdown from the Climate Change Reserve.

3 Background and Proposal

- 3.1 The publication in July 2021 of Decarbonising Transport: a better, greener Britain by the Department for Transport, sets out actions needed by the private and public sector and individuals to decarbonise the entire transport system in the UK. This document restates the Government's commitment that hydrocarbon fuelled vehicles be phased out from 2030 and assumes the widespread adoption of electric vehicles and the consequent need to provide charging infrastructure to enable their use. The Government further endorsed the importance of decarbonising travel in its Net Zero Strategy published in Oct 2021 prior to the UK COP26 conference in November 2021.
- 3.2 The current Government and transport industry assumption is that in the future most private vehicles will be battery electric powered and these vehicles will need to be charged regularly. Currently, access to charge points, favours those with access to off-street parking (garage or drive). According to Pod-Point, a Charge Point Operator (CPO), this equates to about 60% of residential dwellings nationally, which means up to 40% of households may have no way of charging an EV off-street at home.
- 3.3 To support the transition to battery powered vehicles, the Government has established Office for Zero Emission Vehicles (OZEV), a team of government officials supporting the transition from fossil fuel vehicles to electric vehicles. OZEV are responsible for (although not limited to) research and development within the EV sector and provide grants and funding to support EV charging infrastructure across the UK. They are currently seeking bids for their On-Street Residential Charging Points (ORCS) fund. This fund provides money for Local Authorities towards the cost of installing public on-street charge points for plug-in electric vehicles in residential areas where there is a lack of off-street parking.
- 3.4 There is no maximum or minimum project size, but the Electric Vehicle Charging Points (EVCP) must be installed by no later than 31 March 2023. OZEV anticipate that most projects will be completed within 6 to 12 months of grant award or sooner.

OZEV Bid

- 3.5 It is proposed that Essex County Council (ECC) submit a bid to OZEV requesting funding for a trial of around 72 EVCP's across Essex. This number is subject to the costs put forward by the chosen CPO during the procurement process but is based on information provided to us by a CPO in earlier talks and installation of around 72 EVCP's is achievable for the OZEV timeframe of 31 March 2023. This number considers feasibility assessments and time required to secure necessary permissions or changes to Traffic Regulation Orders (TROs) that are required to work on the highway.
- 3.6 While developing its bid, ECC will work with UK Power Networks (UKPN) and city, borough, and district Councils to identify suitable and feasible locations for the EVCP's and estimated costs to install, service, manage, maintain, replace, upgrade and operate them. As part of the bid ECC will need to demonstrate the location of the proposed EVCP through use of maps or photographs and also demonstrate that off-street parking is not an option for the residents at the locations.
- 3.7 In determining EVCP locations, ECC will consider several factors such as whether the proposed site is in a flood risk or conservation area, near a listed building, close to a tree or in areas where there are known parking pressures. Installation will always be subject to required statutory consents including section 50 street works licence (New Roads and Street Works Act (1991) to allow developer to install and maintain apparatus under a public highway. These will be secured by the CPO, as part of the project at their cost.
- 3.8 If successful, ECC will be expected to sign up to funding terms and conditions of OZEV. A further report will be prepared to seek approval to enter the terms. These will make ECC accountable for the OZEV funds and apply them for the acquisition and installation of the charging units.
- 3.9 ECC are aware that it is a condition of OZEV funding that a trial period of three years is required. It is proposed that ECC carry out a trial of ORCS in Essex for a period of three years. During the trial period, quarterly usage data must be made available to OZEV directly from the EVCP or CPO systems. At the end of three years, ECC and OZEV will carry out a review exercise based on the usage data and decide whether to continue with the arrangements. Any extension will be subject to a further governance report. The procured contract with the CPO will contain provisions to extend the contract should the arrangements be extended.
- 3.10 If a decision is taken to end the trial after three years, ECC will not have to return funding to OZEV and will not be responsible for ongoing payment or costs to the CPO. There will be provision in the CPO contract for ECC to request removal and making good by the CPO at no cost to ECC.
- 3.11 It is a condition of the OZEV bid that project's provide match funding of 25%. The proposed Essex Scheme is expected to cost £400,000 and ECC will be required to make available £100,000 contribution. This would be funded from the

Existing Climate Change Reserve, with the project being developed entirely within this funding. A governance report to request drawdown will be prepared if bid funding is secured.

CPO Procurement

- 3.12 ECC proposes to procure the CPO using the KCS Professional Services Framework. The Framework provides a purchasing, warehousing, and distribution service of EVCP's. This framework has been identified as a suitable route for procurement for the requirements of the project. The framework includes support for the OZEV bid proposals as well as the installation, management, maintenance, operation, and delivery of the EVCP.
- 3.13 A mini-competition will be undertaken to select a CPO who will source, install and maintain the EVCP's at all the locations in Essex. ECC will require that
- 3.14 The EVCPs will be in operation 365 days a year, 24 hours a day unless otherwise stated in the CPO's bid due to existing restrictions
- 3.15 It is proposed that the contract will be for three years (subject to successful bid funding from OZEV) with an option to extend for a further nine years (12 years in total). The contract length is permitted under the KCS framework given the need for suppliers to invest in the network. It is proposed that the call-off term will be for an initial three years (subject to a successful grant bid) with a potential to extend to a maximum of twelve years. There will be an annual review of the contract to determine and report on success against agreed KPIs covering, as a minimum installation, management, servicing, operation, and usage.
- 3.16 As set out in 3.9 above, before the end of the three-year trial period, ECC will consider the trial and decide whether to extend it. If a decision is taken to extend, ECC will have the right to extend the contract with the CPO at its discretion. If ECC decides not to extend the contract with the CPO, it will have the right to procure a new CPO to maintain run the EVCP or request the EVCP are removed from the highways Network at no cost to ECC, including making good after removal. A further decision will be required to extend the contract with the CPO.
- 3.17 If successful in its bid, ECC intend to pay £400,000 to the CPO to source install and maintain the EVCP. The CPO will own the EVCP and will be responsible for securing the necessary licences from ECC as Highways Authority to install them. The CPO will be responsible for the total lifetime costs of ownership, including any cost more than the £400,000 paid by ECC.
- 3.18 The CPO will charge users of the EVCP which will cover the running and maintenance of the EVCP including electricity. The contract with the CPO will require a percentage of the revenue earned to be paid to ECC. this percentage will be established as part of the procurement process for the CPO.

4 Links to our Strategic Ambitions

4.1 A bid to the OZEV and if successful, installation and operation of the EVCP scheme in Essex will support the decarbonisation of transport in Essex by supporting the transition away from internal combustion engines by providing public charging infrastructure for electric vehicles.

4.2 A bid will specifically support the following aims in the **Essex Vision**:

- Develop our County sustainably
- Connect us to each other and the world
- Supporting a strong, inclusive, and sustainable economy by providing access a wide range of employment, education, service, and leisure opportunities and is essential for Essex businesses to be productive and efficient.
- Safeguarding a high-quality environment by improving air quality
- Ensuring health, wellbeing, and independence for all ages by reducing negative effects of carbon emissions
- Ensure Essex is a good place for children and families to grow, making our streets and communities, safer, greener, and healthier.

5 Options

5.1 **Option 1 (Recommended):** Submit a bid to OZEV for funding to install around 72 EVCP in Essex, run a mini competition from KCS Framework for a CPO and if successful enter a contract with the CPO for three years (with the option to extend for a further 9 years). This has cost implications of approximately £100,000 to ECC, to be funded from the existing Climate Change Reserve.

This option offers the following benefits for ECC:

- It will contribute towards its aims of achieving net zero
- Shows that Essex is keen to be proactive and lead on actions which tackle climate change and improve air quality
- Helps to achieve the county's levelling up agenda by providing access to EVCP's for residents who do not have access to off-street parking and in rural areas and areas of lower affluence
- Aligns with regional and national policy for sustainable transport, meaning Essex is contributing towards achieving national policy aims
- Will increase charging points in Essex to be more in line with other regions and areas which are already offering a much higher presence of publicly accessible charging points, ensuring Essex remains an attractive place to live, work and visit

5.2 **Option 2 (not recommended: Do nothing).** There is a nationally set mandate to achieve net zero by 2050. By failing to provide on-street charging points for residents who do not have access to off-street parking, ECC will struggle to support the phase-out of internal combustion engine (ICE) vehicles from 2030 and not achieve our climate objectives.

6 Issues for consideration

6.1 Financial implications

- 6.1.1 This project is a capital investment in electric charging infrastructure and the initial capital infrastructure is expected to cost in the region of £400,000. This is expected to be funded by £300,000 of OZEV capital funding (subject to a successful bid) and £100,000 from the Climate Change Reserve, forming the 25% match funding.
- 6.1.2 Agree to an addition to the capital programme of £400,000 in 2022/23 subject to a successful bid with OZEV, to be funded by the £300,000 grant and a £100,000 drawdown from Climate Change Reserve.
- 6.1.3 It is expected that the procured partner will incur costs relating to the feasibility of sites and equipment and will supply this information to ECC to be included in the bid, the CPO does so at their own risk should the bid be unsuccessful. As set out above, any ECC revenue costs incurred (including Ringway Jacobs fees) will be funded through the existing Sustainable Transport revenue budgets. The value of these works is expected to be in the region of £40,000 - £50,000.
- 6.1.4 If the bid is successful ECC will be accountable for the funds and apply them to the project to acquire/develop the assets and install the charging points. The funds shall be transferred to the CPO under the contract, the CPO will purchase and install the equipment with these funds. .
- 6.1.5 ECC will be subject to obligations under the grant such as cost overruns, and it is intended that these will be transferred to the partner through the contract. It is expected that the bids we receive will factor in these costs and risks.
- 6.1.6 Income generated from this initiative will be top sliced before operator costs and an agreed percentage is to be paid to ECC. This percentage will be agreed through the procurement. The purpose of this initiative is not income generation and ECC is not anticipating realising a significant income from the trial, however ECC is seeking to replenish its £100,000 investment over the life of the contract. The CPO will take on the risk if for any reason the utilisation does not cover ongoing revenue/O&M costs.
- 6.1.7 The funding requires the charging points are in place for a minimum of three years from installation, therefore ECC will enter into contract for three years in line with the framework, with the option to extend to a maximum of 12 years. ECC will look to include appropriate break clause(s) throughout the contract in the event this scheme is no longer financially or otherwise viable to ECC, but this may be subject to framework limitations.
- 6.1.8 Given the speed at which the charge point market is developing it is difficult to detail a policy for replacement/upgrades of the chargers currently. The technology and EVCP selection should remain relevant, appropriate and aspirational throughout the entire Individual Contract Period. The CPO will be responsible for funding any technology upgrades.

6.1.9 The contract with the partner will ensure the appropriate financial due diligence is undertaken during the contract lifetime including open book accounting, payment systems, asset lifecycle, hand back provisions, and appropriate insurance in the event of financial difficulty. This will be included in the tender specification, which will form part of the contract with the CPO.

7 Legal implications

7.1.1 ECC are a contracting authority for the purposes of the Public Contract Regulations 2015 (PCR). Under the PCR, ECC is required to procure the CPO. Calling off from the KCS framework is compliant route to market and provided the call off process is followed would meet the PCR.

7.1.2 In using the framework agreement for the appointment of the CPO, ECC must use the terms and conditions set by that framework agreement with limited scope for amendments.

7.1.3 While the term of framework agreements is limited to four years by regulation 33 of the PCR15, there are no express limitations on the maximum term of a call-off from framework agreements which therefore may extend beyond the end of the framework term and are not limited to four years. The KCS allows call-off agreements of up to twelve years, so the proposed contract term is permitted under the framework. The call off contract requires investment by the CPO which also justifies the length of the contract.

7.1.4 All matters relating to highways and planning powers and consents will need to be appropriately considered and addressed when developing and submitting the bid proposal. At this time, there are no specific powers which upon which ECC, as highways authority, can rely for the installation of the charging points. Therefore, licensing each location to a third party under section 50 of the New Roads and Street Works Act 1991 may need to be considered for each installation. New legislation regarding charging point installations may emerge and would be considered at the time as relevant.

7.1.5 When developing the bid proposals, the impact of the changes on existing users of parking facilities must be considered as well as any need for public consultation.

7.1.6 ECC will be required to sign up to OZEV funding conditions if successful in its bid. These will need to be reviewed and a separate decision taken to enter into them. ECC will also need to take a decision to draw down funding from reserves for the match funding element.

7.1.7 It is not expected that ECC's share in the revenue from the EVCP will exceed its outlay or make a profit that would require ECC to set up a trading company to manage. This revenue will require monitoring over the contract term.

8 Equality and Diversity Considerations

- 8.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 8.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

9 List of Appendices

- 9.1 EQIA

10 List of Background papers

- 10.1 Decarbonising Transport: a better, greener Britain by the Department for Transport

I approve the above recommendations relating to my portfolio for the reasons set out in the report.	Date
Councillor Lee Scott, Cabinet Member for Highways Maintenance and Sustainable Transport	16.02.22
I approve the above recommendations relating to my portfolio for the reasons set out in the report.	16.2.22
Councillor Chris Whitbread, Cabinet Member for Finance, Resources and Corporate Affairs	

In consultation with:

Role	Date
Andrew Cook, Director Highways and Transportation	15.02.22

Executive Director, Corporate Services (S151 Officer)	15.02.2022
Stephanie Mitchener on behalf of Nicole Wood	
Director, Legal and Assurance (Monitoring Officer)	08.02.2022
Laura Edwards on behalf of Paul Turner	

Exemption from call in

I agree that it is in the best interests of the Council for this decision to be implemented urgently and therefore this decision is not subject to call in (paragraph 20.15(xix) of the constitution applies).

Councillor Chris Pond – Chairman of the Corporate Policy and Scrutiny Committee

Dated: 16 February 2022