

Notice of Non-key Executive Decision

Subject Heading:	Approval to accept a grant funding award from Government through the Office of Zero Emission Vehicles (OZEV) to install electric vehicle charge points (EVCPs) in selected Council owned car parks. The value of the grant offered is £176,390.
Cabinet Member:	Councillor Osman Dervish, Lead Member for the Environment.
SLT Lead:	Jane West – Chief Operating Officer.
Report Author and contact details:	Martin Day, 01708 432869 martin.day@havering.gov.uk
Policy context:	Mayors Transport Strategy 2018, Local Implementation Plan 2019. LBH Air Quality Action Plan 2019,
Financial summary:	The award is for Government funding to install electric vehicle charge points in 12 Council owned car parks. Council funding will not be required. An EVCP operator will be asked to cover 25% of the overall project cost via a procurement process as Government fund 75% of the overall cost.
Relevant OSC:	Environment
Is this decision exempt from being called-in?	It is a non-key decision by an Officer.

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The subject matter of this report deals with the following Council Objectives

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]
Connections making Havering	[x]

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report seeks approval to:

- Accept grant funding of £176,390 from the Office of Zero Emission Vehicles (OZEV).
- Commence a procurement exercise to appoint a concessionaire to install (and manage the operation of services relating to) Electric Vehicle Charging Points in 12 Council owned car parks.

AUTHORITY UNDER WHICH DECISION IS MADE

Paragraph 25 (Grant Funded Expenditure) of Part 4.4 (Contract Procedure Rules) of the Constitution:

25.3 For grants under £500,000 approval will be in accordance with the Scheme of Delegation. Account will be taken in contracts let, in whole or in part, as a result of grant funding, of the terms and conditions and accountability of the Council, and will also have provision to terminate an awarded contract in the event of the grant funding ceasing, in whole or in part.

Paragraph 3.10.3 (s151 Officer Functions) of Part 3 (Responsibility for Functions) of the Constitution:

(m) To accept grants and the terms and conditions thereof for and on behalf of the Council.

Paragraph 3.3 (Power of Members of the Senior Leadership Team) of Part 3 (Responsibility for Functions) of the Constitution:

(b) To exercise all the powers delegated to them personally and those powers delegated to Second Tier Managers and other staff members in their directorate where circumstances require and so far as legally permissible. Exercise of such powers should be recorded where appropriate. Where possible, a SLT member should give notice to a relevant staff member that he or she intends to exercise a specified power that is delegated to that staff member.

Paragraph 3.3. (Power of Second Tier Managers) of Part 3 (Responsibility of Functions) of the Constitution:

Contract powers

(a) To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.

STATEMENT OF THE REASONS FOR THE DECISION

Background

1. There has been a significant expansion in media coverage about Electric Vehicles (EVs) in recent years. This is often linked to commentary about poor air quality and the adverse impact of this on health, particularly for children and older people or those with respiratory problems.
2. Electric Vehicles have the potential to offer great benefits to residents, businesses, and visitors, in terms of health, the environment, and reduced running costs over the lifetime of a vehicle.
3. In health terms more people in London are harmed by air pollution attributed to road transport than by road collisions and incidents. Airborne Particulate Matter (PM) reduces average life expectancy across the whole of the UK by up to 8 months. The health impacts of Air Pollution in the UK costs the economy between £9 and £21 billion per annum.
4. The Council earlier this year (March 2021 Full Council Budget Setting meeting) pledged to install Electric Vehicle Charging Points (EVCPs) in Council owned car parks. This report seeks approval to accept grant funding that has been allocated to Havering from the Office of Zero Emission Vehicles (OZEV) and to commence procurement activities to help deliver on this pledge.

Policy Context

5. The Government recently announced that it would not be possible to buy a new internal combustion engine (ICE) vehicle from 2030. This measure is part of wider Government plans for the UK to become carbon neutral by 2050.
6. The Mayor's Transport Strategy (2018) (MTS) aims for all taxis and Private Hire Vehicles to be zero emission capable by 2033, and for all buses to be zero emission by 2037, and all new road vehicles driven in London to be zero emission by 2040.
7. The current London Plan requires all new developments with parking provision to include 20% of the spaces with Electric Vehicle Charging Points ready to use, with passive provision for all remaining spaces.
8. Havering's emerging Local Plan (Policy 24 parking standards and design) states that developments will need to include the minimum required electric vehicle charging points at the time of the application in line with the London Plan.
9. The Council adopted a climate action plan in November 2021 setting out how Havering will look to achieve becoming a carbon neutral borough by 2040.

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10. The Havering Air Quality Action Plan 2018-2023 has an 'action' to investigate the feasibility of Electric Vehicle Charging Points on the public highway and in residential areas.

Electric Vehicle Infrastructure in Havering

11. The Government wish to support a switch from ICE vehicle ownership and usage across the country to electric vehicles or hybrid vehicles. As part of that policy the Government wish to improve and expand the infrastructure needed to charge vehicles in the public domain, and that means more publicly available electric vehicle charge points (EVCPs).
12. A significant increase in the number of electric vehicles owned nationally and by residents in the coming years will require greater numbers of publicly available chargers.
13. Havering has no Council owned EVCPs at the present time and very low numbers of EVCPs provided even by other bodies compared to the vast majority of London Boroughs. There are pockets of charge points at various housing developments, CEME, some garages, and supermarkets, but none of these are Council owned.
14. Car ownership figures in the Borough are the third highest in London so it's reasonable (and modelled by Transport for London) to anticipate that the number of EVs in the Borough will also be high in the coming months and years as residents switch their vehicle type.
15. Electric Vehicle ownership in Havering currently comprises between five and six hundred vehicles. This is comparable to other outer London boroughs but lower than those in inner and central London where journeys tend to be shorter and public transport more accessible.
16. Currently, there are more than 200,000 Electric Vehicles registered in the UK. The Government and private sector have supported the installation of more than 22,500 individual charging points (which is now numerically more than individual petrol pumps).
17. Transport for London (TfL) has modelled scenarios of predicted uptake of Electric Vehicles this year and 2025. Ownership in Havering is forecast to rise rapidly in the next five years with an estimated 2,800 plug-in vehicles registered to Havering residents and businesses by 2025.
18. A consultation currently available on the Council's consultation hub invites residents to comment on a number of matters concerning Electric Vehicles and charging point infrastructure.
19. To date nearly 300 responses have been received and reflects a growing call for EVCPs in the Borough.

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Funding Opportunities

20. In the current financial year the Government have allocated £20m to support the installation of electric vehicle charge points, through the Office of Zero Emission Vehicles (OZEV).
21. Councils can bid for funding through the On-Street Residential Charge Scheme (ORCS) for charge points that will allow those that cannot charge at home (and visitors to the Borough) to charge an electric vehicle. The ORCS scheme is the most appropriate opportunity to deliver charge points in those settings using central Government funds.

Funding Application

22. The primary criteria for charge points in Council owned car parks is that they should be accessible 24 hours a day by residents and visitors. They are also required to be within a 5- 10 minute walk of residential areas with relatively low home charging capability.
23. Of the 26 Council owned car parks that have been closely assessed against the scheme criteria a total of 12 meet the criteria. In total 68 bays across the 12 car parks have been selected, that equates to under 10% of the total parking bays across these 12 locations:

Car Park	Number of Charge Points
Balgores Square	2 charge points
Billet Lane	6 charge points
Cherry Tree Lane	6 charge points
Dorrington Gardens	6 charge points
Fentiman Way	6 charge points
Keswick Avenue	6 charge points
Oldchurch Road	6 charge points
Town Hall (Front)	6 charge points
Woodhall Crescent	2 charge points
Hilldene Avenue	8 charge points
Tadworth Parade	8 charge points
Slaney Road	6 charge points

24. The intention is to procure double socket columns so one column can charge two EVs at the same time, though of course two parking bays would be required.
25. The chargers will be 7kw, the most cost effective and suitable for overnight charging. The spending guide from OZEV is a maximum of £7.5k per charger, inclusive of all costs, including connection, up to a maximum of £13k in exceptional circumstances, and justified in the application.

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Funding Allocation

26. On the basis of the above requirements, a funding application was prepared to a value of £235k. The value of the application was broken down as £176k from OZEV and the remaining £59k to be secured from a charge point operator that will be selected through a procurement exercise overseen by the Council's Strategic Procurement Unit (SPU). This would cover the cost of the EVCP infrastructure, and installation of the Charge Points.
27. Following submission of the funding application, Havering has successfully been allocated £176,390 from OZEV. The remaining 25% will be provided by the appointed contractor following a procurement process.
28. In order to formally receive 75% of the funding the Council's Section 151 Officer is required to sign the Grant Award letter that has been received, to confirm acceptance of the offer and for this to be returned to OZEV.
29. The Grant Award letter consists of a covering letter confirming the boroughs funding allocation and a list of Terms and Conditions associated with the Grant. A copy of the Grant Award Letter can be found in Appendix A of this report.
30. On receipt of the signed Grant Award letter, 75% of the OZEV funding is awarded upon acceptance of the offer and the remaining 25% of the award on completion of the works in 2022.

Procurement Process

31. Now funding has been awarded a full procurement process will be conducted using a framework agreement advised by the Council's Strategic Procurement Unit.
32. The Strategic Procurement Unit has advised to run a mini-competition to award a call-off contract through the Kent County Council (KCC) Framework. The framework that will be used is Lot 1 Electrical Vehicle Charging Points & Associated Services, which is the suitable framework for the value of this project, as there are only 11 suppliers within this framework which will provide value for money for this project.
33. The Oracle Fusion procurement portal, (the Council's electronic tendering platform) will be used to procure this contract in compliance with the Council's Contract Procedure Rules. The evaluation criteria for the contract will be based on the Council's pre-determined best quality and price ratio of 30% (Quality): 70% (Price) of the available overall score.
34. The intention is to publish the tender in mid-January 2022. The table below sets out some of the key milestones and indicative timescales, which are subject to change, as part of the procurement process.

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OZEV funding bid submitted	1 November 2021
Funding approval from OZEV	15 December 2021
Non Key Decision Approved	WC 10 January 2022
Issue of Tender (30 days)	31 January 2022
Consultation on Proposals including 28 day Public Notice	WC 31 January 2022
Tender Submission deadline	2 March 2022
Non Key Executive Decision concerning variation of Traffic Management Orders and consultation outcome	WC 7 March 2022
Tender Evaluation Period Ends	24 March 2022

35. Following completion of the Tender process, a Non-Key Executive Decision will be drafted to formally approve the appointment of the winning tender bid.

Next Steps

36. This is an excellent potential opportunity for the Council to ‘showcase’ its commitment to safeguarding the environment in Havering and embracing new technologies by encouraging greater use of Electric Vehicles. Such an approach would be consistent with the Council recognising the importance of residents being able to use private transport for their daily lives.

37. Subject to this Executive Decision being signed off by the Authorities s151 Officer, the grant award can then be accepted by the Council.

38. It is anticipated that the procurement process for appointing a contractor will take four to six months to complete largely because of the value of the works and the nature of the contract.

39. In addition, public consultation will be carried out on the proposals in accordance with the requirements of the London Local Authority and Transport for London Act 2013 – Section 16, and 17). The outcome of this consultation will be the subject of an Executive Decision Report. Prior to implementation, there will also be a need to amend existing Traffic Management Orders for the car parks, which will be subject to an Executive Decision process.

40. Officers anticipate that some installations could begin during the first quarter of 2022 with the rest installed in the second and third quarter of 2022.

OTHER OPTIONS CONSIDERED AND REJECTED

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41. Do nothing – if the Council chose not to pursue this external funding opportunity any EVCPs would need to be funded by the Council itself.
42. The reputational damage if the Council does nothing to meet the needs of residents to charge an electric vehicle in a public setting could be significant, especially given the Boroughs current lack of EVCPs.
43. The fast growing demand from local people (and visitors) to have the option to charge either overnight or whilst visiting one of the areas near these car parks is only likely to increase.

PRE-DECISION CONSULTATION

Not applicable.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Martin Day

Designation: Senior Transport Planner

Signature: *Martin Day*

Date: 10 January 2022

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

44. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything an individual can do, subject to any statutory constraints on the Council's powers. The recommendations in this report are in keeping with this power.
45. The award of the call-off contract will be subject to a further executive decision report, and subject to the outcome of the statutory consultation.
46. The Council's Contracts Procedure Rule (CPR) 8.2 provides that, "*the Checkpoint Procedure should be undertaken for Supply, Services, Concessions and Light Touch contracts over the £164176 threshold and for Works over £500,000*".

FINANCIAL IMPLICATIONS AND RISKS

47. The OZEV grant award provides for 75% of the total project cost, the remaining 25% of the total project cost (circa £59k) is to be secured and confirmed from a Charge Point Operator (CPO) through the procurement process, so no Council funds will be required. Also, no expenditure against the OZEV grant funding award will be made until the 25% is secured from the CPO.
48. There is usually a profit share or similar arrangement negotiated as part of the procurement process.
49. Any agreement with the charge point operator will be checked by the Legal team following the procurement process overseen by the Strategic Procurement Unit (SPU).
50. The Council does not hold occupancy data for the car parks. Officers have calculated the average occupancy for each car park based upon financial earnings from the last full year before the onset of the Covid-19 pandemic.
51. These calculations have revealed that, out of the 12 different locations selected for charging point installation, the highest occupied car park was occupied at an average of 21.3% of the time. The least occupied car park was Cherry Tree Lane at an average of 1.8% of the time.
52. While these calculations do not consider peak and non-peak times, they do reveal that if car visits were distributed equally throughout the year, that the majority of each car park would not be occupied. As such, officers believe that the installation of electric vehicle charging points (in total less than 10% of bays across the 12 sites), in the numbers contained within the report, would have no financial effect on the parking income of each location.

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53. In time the charge points will themselves provide a low level income stream, subject to negotiation with the charge point operator chosen through the procurement process. That revenue will increase as EV ownership inevitably increases.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

54. There are no Council Human Resources implications as a result of this decision

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

55. Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

56. The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

BACKGROUND PAPERS

Not applicable.

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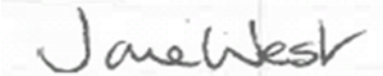
Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Jane West – Chief Operating Officer.

Signed 

Date: 24.01.22

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____