

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO CABINET**

04 December 2019

Report Title: Procurement of electric vehicle charging infrastructure and operator to support uptake of electrified taxi's and private hire vehicles

Submitted by: Environmental Health Business Manager

Portfolios: Environment & Recycling

Ward(s) affected: All

Purpose of the Report

To inform EMT and Cabinet of the successful outcome of the £780k bid to OLEV Electric Taxi Infrastructure Scheme and to approve arrangements to deliver this project within the Borough through working with partners to procure the installation and operation of equipment by an experienced supplier and operator.

Recommendation

That Cabinet gives authority to the Executive Director (Operational Services), in consultation with the Portfolio Holder for Environment and Recycling, to enter into a joint procurement processes led by Stoke-on Trent-City Council, as outlined in this report, for the joint procurement of electric vehicle charging infrastructure and network operator for electrified taxi's and private hire vehicles and public use within the Borough. This is to be funded by the OLEV Electric Taxi Infrastructure grant awarded in 2019 to Newcastle-under-Lyme, Stoke-on-Trent City Council and Stafford Borough Council with a minimum of 25% private sector investment.

Reasons

1. OLEV expect that the grant award is committed in the current financial year. The three authorities within Staffordshire have an aspiration to each deliver a network of fully operational EV Fast Chargers –for Taxi and Private Hire Vehicle's alongside provision for public use.
2. The charging network, once fully operational will provide confidence to the taxi and private hire trade that they can purchase an electric vehicle without concerns about range anxiety and that there will be dedicated accessible charging infrastructure to support their daily usage.
3. The installation provides a kick-start to the provision of electric vehicle charging infrastructure on council owned car parks as per the recently adopted Car Parking Strategy and supports polices and initiatives to secure cleaner air, encourage the uptake of low and zero emissions vehicles and reductions in transport related CO₂ as well as the political commitment to becoming Carbon Neutral Borough by 2030.

1. **Background**

- 1.1. The Borough Council, in common with a number of unitary and second tier councils is responsible for licensing hackney taxis operating within the Borough under the Town Police Clauses Act 1847 and private hire vehicles under the Local Government (Miscellaneous Provisions) Act 1976. The owners and operators of these vehicles play an integral part in supporting the local economy and transporting people to where they need to go for work, leisure, shopping and visits to friend and family.

- 1.2. The Borough currently licences circa 842 taxis and private hire vehicles. The majority of these vehicles, 676 (80% of the licensed fleet) based on 2018 DVLA data are diesel fuelled vehicles which do not meet modern Euro 6 emission standards for oxides of nitrogen and particulates.
- 1.3. There are currently over 2600 licensed taxi and private hire vehicles operating across Newcastle, Stoke and Stafford serving a population of over half a million people. Licensed vehicles will often travel across all three authorities.
- 1.4. Aside from cost, one of the biggest barriers to take up of electric and alternative fuelled low emission vehicles in the taxi and private hire trade has been identified as range anxiety caused by a perception of lack of appropriate and sufficient charging infrastructure to enable vehicles to be charged during the working shift.
- 1.5. To help facilitate the take-up of electric vehicles by the taxi and private hire trade, The Office for Low Emission Vehicles (OLEV) announced a competitive bid for funding under the OLEV Electric Taxi Infrastructure Scheme in 2018. Funding was initially intended to be targeted to those authorities experiencing issues with poor air quality and which had designated air quality management areas or were subject to ministerial direction for non-compliance with EU Limit values.
- 1.6. Newcastle-under-Lyme currently has four designated air quality management areas declared due to exceedances of the NO₂ UK annual mean objective and locations along the A53 at Basford which has been identified as being non-compliant with the NO₂ annual mean EU Limit Value. Furthermore, both Stoke and Newcastle have been issued with ministerial directions to secure compliance with the NO₂ EU Limit Value in the shortest possible time. Air quality within Stafford Borough is currently legally compliant; however, with the anticipated Stafford Railway station upgrade to accommodate HS2 trains, there is the potential for significant increases in taxi journeys to serve the station, with some of these journeys being made to and from the Potteries conurbation.
- 1.7. In October 2018, three Staffordshire Councils (Newcastle-under-Lyme BC, Stafford BC and Stoke on Trent City Council) partnered together to submit a joint bid to the OLEV Electric Taxi Infrastructure Scheme for 30 Double Headed Rapid Electric Vehicle Chargers to be installed across the three local authority areas. The bid submission provided detailed information on the number of licenced private hire and taxi vehicles, age, fuel type and Euro emission class as well as information on the local air quality picture in the three local authority areas.
- 1.8. The bid requested funding of £780k to fund the installation of the charging infrastructure based on a 75% maximum grant award and an anticipated roll out of upto 30 double headed Rapid Chargers across the three councils. Double headed chargers are designed to charge two vehicles at the same time. The bid was co-ordinated by Stoke-on-Trent City Council with significant input and support from officers within the Environmental Health and Taxi Licensing Teams across the three councils.
- 1.9. The Councils were notified in February 2019 that the bid had been successful and that OLEV were prepared to award the full bid amount of £780k subject to a minimum of 25% match funding coming from other sources. Our bid made it clear that the Councils were unable to match fund any element and would be looking to secure a commercial operator to install and operate the network.
- 1.10. The roll out of rapid chargers will help support the taxi and private hire trade to move away from using diesel and petrol engine vehicles with associated tail pipe emissions and impacts on local air quality and health to zero tail pipe emissions dedicated battery electric vehicles (BEV's) and reduced tail pipe emissions plug in hybrid electric vehicles (PHEV's). It will be possible for vehicles to be charged from zero to 80% in as little as 20 minutes, dependant on battery capacity, or to provide top up reassurance charging during the working day. For safety and technical reasons, rapid charging is limited to a maximum of 80% battery capacity. However,

whilst the vehicle is parked overnight or for extended periods of time, it is possible to go from zero to 100% charge from a 7KW charge in around 8 hours by using a Fast Charger, typically installed at a workplace or home. There is currently grant aid available to businesses and private individuals to support home and workplace charging infrastructure. Officers from the district councils are also working with the County Council to explore opportunities for the development of on street charging facilities, particularly in residential terraced streets without off road parking provision and to explore opportunities to develop a county wide public charging network.

1.11.

All the major mass market vehicle manufactures are providing BEV and PHEV options, with the purchase of new vehicles subsidised by government incentives depending on them achieving a minimum battery only range. Research undertaken by a number of major vehicle manufacturers predicts that parity in pricing and whole life costs with conventional fuelled new vehicles is likely to occur sometime before 2026.

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A number of PHEV's and BEV's are also available on the second hand market, which although still attracting a premium purchase price compared to diesel and petrol vehicles, provide an attractive alternative for the licensed taxi and private hire trade due to significantly reduced operating and whole life cycle costs.

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Based on November 2019 data from the DVLA and ONS¹, Newcastle-under-Lyme currently ranks in the lowest 40% of local authority areas for publicly accessible rapid charging points, with a provision of 19.3 charging points per 100,000 head of population. With 19 out of 25 public charging points being of the rapid type. Analysis of data from ZapMap² (a free to use app and map service for publicly accessible facilities showing EV charging type, locations, pricing and operators) shows that as of November 2019, the only publicly accessible charging facilities within the Borough are

1.14.

located at Keele University (Fast), Keele Motorway Service Area North and South (Rapid), Holiday Inn at Clayton (Rapid) and The Higherland Service Station on the Keele Road (Rapid).

In recognition of the need to encourage the wider take up of BEV's and PHEV's, OLEV have advised that the charging locations funded through the grant can also be enabled to support public use, so long as one side of the double headed charging unit is dedicated solely to taxi and private hire vehicle use.

2. **Issues**

2.1. Since the funding was announced, officers from the three authorities have been working together to identify procurement approaches which meet all the relevant criteria for award of funds and which maximise the benefits to the local communities whilst also minimising risk by securing a specialist provider to install and operate the infrastructure.

2.2. Stoke-on-Trent-City Council will be the lead procurement authority and are assuming responsibility for ensuring full compliance with all legal procurement requirements as well as the OLEV grant award terms including monitoring and reporting requirements. The Borough Council will retain responsibility for agreeing site selection with the appointed operator and monitoring delivery and operator performance for sites within its boundary.

2.3. Given the project value, procurement must be fully compliant with OJEU requirements. There are a number of procurement routes which can be followed which are OJEU compliant. Currently it is proposed to procure via an OJEU compliant framework developed specifically to facilitate public sector procurement of electric vehicle infrastructure.

2.4. There are a number of such frameworks which cover a range of delivery models, including design, supply, installation, support and maintenance of electric vehicle charging points.

¹<http://maps.dft.gov.uk/ev-charging-map/>

² <https://www.zap-map.com/live/>

- 2.5. Framework benefits include.
- Pricing based on the aggregated spend in the public sector
 - Central point of contact with in the supplier's customer service team
 - Compliant buying even on large value orders
 - All suppliers have been assessed for their suitability to provide into the Public Sector
 - Full insurance cover including Public & Product Liability Insurance
 - Some frameworks also provide for direct award to an individual supplier
- 2.6. A number of the framework agreements provide for the procurement of a turnkey service covering the following key areas:
- **feasibility study** – to include assessing viability of locations, obtaining any required permissions, licences or planning consent, product selection, liaising with all relevant operators and authorities, providing a full report of financial options and costs to the customer,
 - **installation and deployment** – to provide and install the correct equipment to requested location as per the purchase order, including, but not limited to, electrical vehicle (hereby referred to as EV) chargers, signage ,parking bay markings, cabling and back office connections,
 - **service and management** – to include service, maintenance, monitoring and management of charging points (this will include any existing charge points that have been adopted), provision of management information, ensuring public awareness and collaboration with suitable media such as Zap Map and the National Chargepoint Registry (NCR).
- 2.7. It is anticipated that the award will be made on a concession basis such that the chosen provider will assume full responsibility and risks including exposure to the vagaries of the market. This will minimise exposure and risk to the council.
- 2.8. For Newcastle-under-Lyme, charge point facilities provided under the OLEV Grant will be targeted for installation on Borough Council owned car parks which are accessible on a 24/7 basis. This would currently preclude the Midway Multi Storey Car Park as a location to be provided with EV charging infrastructure under this project. However, all other council owned car parks are potential candidate locations. Actual site selection will take account of a number of factors including proximity to main transport routes, ease of access, cost to install and if the electrical network has capacity. Officers are keen to have a network that provides support for use and charging of EV vehicles across the whole Borough, primarily for the licensed taxi and private hire trade, especially in areas not currently provided with publicly accessible rapid chargers.
- 2.9. The appointed provider will also be required to actively promote and demonstrate the benefits of using electric taxi and private hire vehicles to both the trade and wider public.

3. Proposal

- 3.1. The proposal is that the Executive Director (Operational Services) be authorised, in consultation with the Portfolio Holder for Environment and Recycling, to enter into a joint procurement process led by Stoke-on-Trent City Council, as outlined in this report.

4. Reasons for Proposed Solution

- 4.1. To ensure that rapid charging provision is made to encourage the taxi and private hire trade and general public to make the switch to BEV's and PHEV's and to contribute positively to emissions reductions to air with beneficial effects for local air quality and public health and to make a positive contribution to the Council's stated ambition to become a Carbon Neutral Borough by 2030.

5. **Options Considered**

- 5.1. There are options in terms of the procurement methods and operational arrangements that can be used, however, the proposed approach outlined above is considered to represent value for money and, provides a legally compliant process and minimises risk and liability for the Council.

6. **Legal and Statutory Implications**

- 6.1. The procurement process proposed is compliant with the Council's Regulations and procurement rules and will satisfy all statutory and legal requirements.
- 6.2. The appointed operator will assume all responsibility for the design, installation, operation and management of the infrastructure for a predetermined period of time with the preferred model of operating model being based on a concession.

7. **Equality Impact Assessment**

- 7.1. The specification of requirements will require charge point locations to be fully Equalities Act compliant. Specifications for size of bays, signage and equipment are detailed within various technical documents and standards which have been developed at a national level and which are referenced in the procurement documents.

8. **Financial and Resource Implications**

- 8.1. Funding for the project is grant aided with a minimum of 25% match funding required from the private sector. The Councils have made it clear that there is no funding available from them over and above the grant. The operator will assume all financial and operational risk and responsibility and on this basis derive any profits. We are however looking at opportunities to generate income to the Council whilst also being cognisant that it may take some time before operators start to generate a profit from this network.
- 8.2. Officers from the Environmental Health, Legal, Procurement and Facilities Management teams will need to be involved in taking the project forward at a local level.

9. **Major Risks**

- 9.1. A risk log is being developed in conjunction with Stoke-on-Trent City Council for this project. The following are considered to be the major risks relevant to the project.
 - 9.1. The Councils are required to have entered into a legally binding contract with the nominated provider by the 31st March 2020 in order to remain eligible for OLEV funding. Failure to achieve this deadline will mean that funding ceases to be available for this project.
 - 9.2. Non-compliance with the OLEV grant terms may result in clawback of the grant. Officers are mitigating this through a thorough understanding of and adherence to OLEV requirements.
 - 9.3. Officers on the project team are also taking advice from relevant officers within Stoke-on-Trent to ensure that the project is fully legal compliant and that legal risks and liabilities are properly understood and mitigated.
 - 9.4. The successful operator will be fully responsible for ensuring that all statutory, technical and local council requirements are met and observed in relation to the installation and operation of the network and each individual site.

10. **Sustainability and Climate Change Implications**

- 10.1. The roll out and usage of electric vehicles within the Borough will contribute positively to emissions reductions to air with beneficial effects for local air quality and public health and will make a positive contribution to the Council's stated ambition to become a Carbon Neutral Borough by 2030.
- 10.2. In developing a local specification for charging infrastructure, your officers consider that it ought to be possible to specify electricity for charging purposes to come from a carbon neutral energy generation source. This provides an opportunity to partly decarbonise local road transport emissions as well as contribute towards the governments stated goal of zero emissions vehicles by 2040.
- 10.3. Furthermore, through the use of appropriate technology it ought to be possible to quantify and publicise emissions saved in terms of Oxides of Nitrogen including Nitrogen Dioxide (NO₂), Particulate Matter less than 10 microns in diameter (PM₁₀), Particulate Matter less than 2.5 microns in diameter (PM_{2.5}) Carbon Dioxide (CO₂) when compared to a current Euro 5 diesel powered taxi or private hire vehicle.

11. **Key Decision Information**

- 11.1 This project involves project related expenditure in excess of £50k, albeit solely grant aided by OLEV. When considered by members this will be a key decision item.

12. **Earlier Cabinet/Committee Resolutions**

None

13. **List of Appendices**

None

14. **Background Papers**

None