

## Executive Board – 16 July 2024

<b>Subject:</b>	Approval for the development and delivery of a neighbourhood electric vehicle charging programme utilising Local Electric Vehicle Infrastructure (LEVI) grant funding.
<b>Corporate Director(s)/Director(s):</b>	Sajeeda Rose, Corporate Director of Growth & City Development
<b>Executive Member(s):</b>	Councillor Neghat Khan - Executive Member for Strategic Regeneration, Transport and Communications
<b>Report author and contact details:</b>	Anne-Marie Barclay, Senior Project Manager <a href="mailto:annemarie.barclay@nottinghamcity.gov.uk">annemarie.barclay@nottinghamcity.gov.uk</a> , Tel: 01158764095
<b>Other colleagues who have provided input:</b>	
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
<b>and/or</b>	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Type of expenditure:</b> <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 10 May 2023	
<b>Total value of the decision: £1,704,000</b>	
<b>Section 151 Officer expenditure approval</b> Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/a Following completion of the tender exercise approval will be sought from the Spend Control Board before any funding is committed.	
<b>Commissioner Consideration</b> Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.	
<b>Wards affected:</b> Citywide	
<b>Date of consultation with Executive Member(s):</b> 14 June 2024	
<b>Relevant Council Plan Key Outcome:</b>	
Clean, Green and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Living Well in Our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
The Government's Local Electric Vehicle Infrastructure (LEVI) Fund was launched in 2022 to support local authorities in England to work with the charge point operator industry to improve the roll out of local charging infrastructure, with a focus on supporting residents who do not have access to private off-street parking.	

In May 2023 the Government advised that Nottingham City Council's LEVI capital allocation had been confirmed at £1,704,000, alongside separate capability revenue funding to fund resources to support the delivery of the LEVI programme.

Funding is being made available in two tranches: 90% of the capital grant allocation (£1,533,600) was received on 27 March 2024 and the remaining 10% allocation (£170,400) is planned to be released by 31 March 2025 once a series of conditions have been met, including completion of procurement activities.

A Leaders Key Decision was approved in March 2024 to accept the capital grant allocation. The purpose of this report is to secure approval to deliver the capital programme in full.

The revenue allocations are being approved separately linked to an Executive Member Decision. The revenue funding needs progressing in advance of the capital decision as it relates to securing the additional resources required to deliver the overall programme.

**Does this report contain any information that is exempt from publication?**

**No**

**Recommendation(s):**

- 1** To approve the allocation of £1,704,000 LEVI grant funding for the development and delivery of a neighbourhood electric vehicle charging programme amending the Capital Budget as detailed in the body of the report. If for any reason the second 10% grant payment of the grant is not awarded the programme to be reduced accordingly to remain within budget.
- 2** To approve the Council's participation in the consortium procurement for a new charge point operator(s) led by Nottinghamshire County Council and Midlands Connect.
- 3** To approve the submission of the Stage 3 application to DfT following completion of procurement activities.
- 4** To delegate authority to the Corporate Director of Growth & City Development to enter into any call-off contracts with the appointed charge point operator(s) for the Nottingham City area.

**2. Reasons for recommendations**

2.1 The Local Electric Vehicle Infrastructure (LEVI) Fund is a Government funded scheme which is allocating £343m of capital funding across the UK for the installation of on-street charging infrastructure for electric vehicles, with £33.744m allocated to the East Midlands region.

2.2 In accordance with the funding requirements, the first stage of the process in receiving the LEVI funding was to submit an Expression of Interest form, which was completed in May 2023, followed by a Business Case submission in November. The final stage of the process will be the stage 3 contract review following completion of procurement activities in order to appoint our chosen provider(s). This is currently programmed for early 2025 and sign off of this application will trigger release of the final 10% of funding in March 2025.

- 2.3 The full £1,704,000 capital grant will be used for the charge point contract, with £1,533,600 (90%) received on 27 March 2024 allocated to the 2024/25 financial year, and £170,400 (remaining 10%) expected in March 2025 to be allocated to the 2025/26 financial year. In the event that the final 10% of funding is not secured, the contract would only be awarded for the value of funding received, with fewer charge point sockets being delivered. A separate Executive Member Decision is being progressed for £399,710 revenue capability funding, which will be used to provide project team support for delivery of the capital scheme.
- 2.4 Midlands Connect are the regional strategic transport body, who work to bring together the Midlands based local authorities to deliver a regional approach to transport projects. To support delivery of the LEVI programme, Midlands Connect are coordinating delivery for three local authority consortiums across the Midlands, alongside providing support to meet the various LEVI deadlines and sign-off of tasks.
- 2.5 The City Council has joined a consortium with Nottinghamshire County Council, Derby City Council, Derbyshire County Council and Staffordshire County Council. Whilst each local authority has its own funding award and is responsible for their own application and project delivery, the consortium approach will enable each member to achieve better economies of scale, value for money and maximise outcomes by leveraging private sector investment from charge point operator(s) to increase the number of charge points across the area and secure a better deal for the area.
- 2.6 Nottinghamshire County Council are the lead procuring authority for our consortium and will be responsible for legal and procurement activities and will provide call-off contracts for the other consortium members to create their own individual contracts once the tender exercise has been completed. It is proposed that the contract will operate as a concession, from which the City Council will receive a guaranteed minimum payment and revenue share to support in the ongoing project management, scheme development, contract management, and marketing activities.
- 2.7 A joint soft market test with potential charge point operator(s) was carried out in May 2024 and the Invitation to Tender and contract documentation is currently being produced by Nottinghamshire County Council ahead of publication. Following completion of the tender exercise approval will be sought from the Spend Control Board before any funding is committed.
- 2.8 Within the City Council area we will be seeking the installation of 860 7kW and 50kW sockets across 280 sites, in residential areas to best serve those residents without access to private off-street parking. The charge points will be located on land owned by the City Council, predominantly within the Adopted Highway boundary, predominately in the form of electric vehicle charging hubs (i.e. 3-5 charge points co-located together).
- 2.9 The tender documents will also include our own technical specification and site list, setting out the specific requirements for works within the Nottingham City area, including the appropriate licences and requirements needed for working on highway land.
- 2.10 Once installed, the underground connections in our area will be owned by the City Council, whilst all above ground assets will belong to the concessionaire. At the end of the contract the concessionaire will be required to remove their

charge points at no cost to the Council. This will also enable future assets under subsequent contracts to be installed with relative ease.

- 2.11 A project delivery group is to be established including representatives from Transport Strategy, Communications, Major Programmes/Transformation, Parking, Traffic and Highways Services. The purpose of this group will be to help identify the key requirements (for example Road Safety Audits, Licences or Traffic Regulation Orders) for each site, along with securing buy-in from ward Councillors and local residents before sites are implemented.
- 2.12 Delivery of the project will be in line with the Council's established corporate approach to programme and project management, including submission of monthly monitoring reports to the Corporate Portfolio Management Office, including procedures for managing risk, budget, change controls etc. and the Project Assurance Group review process.

### **3. Background (including outcomes of consultation)**

- 3.1 The Energy Saving Trust alongside PA Consulting and Cenex, have been appointed by DfT to act as a support body to the LEVI programme and have produced an information pack highlighting the aims of the LEVI fund and scope of the project, which can be found at:  
<https://energysavingtrust.org.uk/wp-content/uploads/2023/10/LEVI-capital-fund-info-pack-v12.pdf>
- 3.2 Details of how DfT arrived at the funding allocations for each of the Local Authorities can be found at: <https://www.gov.uk/government/publications/local-ev-infrastructure-levi-funding-amounts/local-electric-vehicle-infrastructure-levi-funding-allocation-methodology>

### **4. Other options considered in making recommendations**

- 4.1 Three alternative options to those recommended were considered. The first was to reject the funding awards and the second would be to accept the funding but continue with our own procurement outside of the Midlands Connect Consortium.
- 4.2 In the absence of this funding the Council would be unable to deliver the proposed infrastructure, which would not be in the best interest of our citizens. Utilising the grant funding means the infrastructure can be delivered at no additional cost to the Council. The Council receives a steady stream of electric vehicle infrastructure requests. Delivery of this project supports the Council's strategic goals of improving air quality and contributing to the Carbon Neutral 2028 Plan. This option was therefore rejected.
- 4.3 The Council could reject the funding and procure a fully funded option however market engagement suggests we would not get as many favourable terms from the market or as many chargepoints if we didn't use the grant funding. This is likely to include being unable to deliver the priority or equity sites, as they are not likely to be commercially attractive to the market. This option was therefore rejected.
- 4.4 Benefits of the consortium approach include fulfilling the DfT's business case requirements, sharing best practice and achieving better economies of scale

by leveraging private sector investment from charge point operator(s) to increase the number of charge points across the area. Significant additional work would be required if the Council were to procure alone. In addition, undertaking our own procurement would require additional support from internal legal and procurement teams (both of which currently have limited resource available). This approach could make the DfT's strict timescales for the procurement stage challenging to meet, adding further risk that the final 10% of the funding could be lost. This option was therefore rejected.

## 5. **Consideration of Risk**

- 5.1 A risk register has been produced as part of the overall consortium approach, with Nottingham City Council bespoke risks also recorded within the project management Toolkit.
- 5.2 Funding will need to be spent in accordance with the grant conditions, and it is recognised that the final 10% of the grant allocation may be at risk if the timescales for contract award are not adhered to. On-going discussions are continuing with the LEVI team at DfT to mitigate this risk, who recognise their sign-off of both the tender documentation and contract award will be crucial to achieving this deadline. DfT have clearly defined eligible costs that the grant funding can be used for. To ensure this condition is complied with eligible costs will be listed within the tender documentation, highlighting that the concessionaire will be responsible for the remaining capital project costs not covered by the LEVI grant funding, and all other ongoing costs for the duration of the contract.
- 5.3 Key risks related to the current pre-procurement phase are related to challenges to the proposed procurement approach and DfT approvals being in place in line with their deadlines. The need for DfT sign-off of both the Invitation to Tender documents and approve the final proposals ahead of contract award. Draft documentation has been shared as the tender documentation is being finalised currently.
- 5.4 The main risk from a procurement perspective is the number of LEVI tenders that will be out to the market at the same time, potentially leading to lower number and poorer quality of bids, or the market being in a position to cherry pick their preferred contracts. Early engagement is taking place with charge point operators to ensure the market is aware of our proposals, and the consortium approach will help to ensure the proposed contracts are more attractive to the market.
- 5.5 From an operational perspective the main risk for the City Council is to identify required number of locations/chargepoints and ensure any Traffic Regulation Orders (TROs) required can be secured. Work is currently ongoing to identify the required sites, and as the programme develops a project working group will be established working with colleagues in Communications, Parking, Traffic and Highways Services to ensure that a robust list of supported locations can be progressed.
- 5.6 Future maintenance costs and liability associated with the infrastructure will be the responsibility of the charge point operator. Revenue capability funding has been made available to the Council to cover the project team costs i.e. staff time, contract management, marketing, maintenance etc. for the initial delivery phase. As part of the tender we are seeking a guaranteed minimum payment and/or revenue share from potential operators to cover subsequent contract management communications and marketing activity related to contract delivery.

**6. Best Value Considerations, including consideration of Make or Buy where appropriate**

- 6.1 The consortium approach to tendering will offer the City Council the opportunity to achieve better economies of scale from private sector investment from charge point operator(s) than could be achieved if we were to undertake a single procurement exercise for the City area alone.
- 6.2 The selected charge point operator will be investing a significant proportion of the overall project cost, with a number of commercially attractive sites having been identified for chargepoint installation. The intended procurement approach is that each member of the consortium will have a list of equity sites that should be delivered by the selected provided as part of the contract. These sites will not necessarily be as commercially attractive, such as in lower-income or rural areas, but will be based on local requirements to support long-term demand and to ensure a widespread distribution of charge points throughout the concession.
- 6.3 The contract will follow the concession model, in which the successful bidder will operate the charge point network for the contract duration, and the Council will receive a revenue share and guaranteed minimum payment. Income received from the operator will be ring-fenced to support the Transport Strategy service to oversee delivery of the scheme, including contract management, engagement with residents and Councillors, and marketing activities.

**7. Commissioner comments**

- 6.1 The Commissioners are content with this report

**8. Finance colleague comments (including implications and value for money/VAT)**

- 8.1 As detailed in the report the future maintenance costs of the charge points is the responsibility of the service provider, while the Council will receive revenue capability funding to cover the Council's revenue costs. This revenue funding is to be covered by a decision that is a separate Executive Decision.
- 8.2 This project has been endorsed by Capital Board and following formal approval the Capital Budget will be amended as follows:

<b>Table 1 – Capital Budget Amendment</b>			
	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>Total £m</b>
LEVI Capital Forecast	0.100	1.604	<b>1.704</b>

- 8.3 The project manager is required to ensure that expenditure is in accordance with the grant conditions to reduce any risk of grant clawback. This project is entirely funded by external grant with no requirement of match funding.
- 8.4 The project is required to be delivered within the external grant funding as approved in the capital programme due to funding pressures in the capital

programme, any potential overspends will need to be curtailed by descoping the project to ensure it is within budget.

Tom Straw – Senior Accountant (Capital Programmes), 19<sup>th</sup> June 2024

## 9. **Legal colleague comments**

- 9.1 This report seeks approval for the proposed expenditure of approx. £1.7M of DfT LEVI funding through a consortium approach, approval for the application of the final tranche of funding and delegation to the Corporate Director of Growth & City Development to enter into required contracts.
- 9.2 In making use of the LEVI funding, the Council must comply with all conditions attached to that funding. The oversight of the project by the DfT is considerable and, as identified, may be a risk to the Council in meeting prescribed deadlines. Pragmatically, regular dialogue with DfT may ameliorate the risk and/or allow the Council an improved chance of some tolerance should deadlines be missed due to engagements with DfT.
- 9.3 Legal Services has already had input into the proposed contractual documentation and is happy to continue to support this project, especially prior to contracts being entered into.
- 9.4 There are noted benefits from being part of the consortium, as detailed in the report. In continuing to be a part of the proposed consortium, the Council must ensure that its own requirements continue to be met through the consortium.
- 9.5 It is noted that Traffic Regulation Orders will be required where it is proposed that charge points are to be located on highway, along with other relevant permissions and licences where works are required to or on the highway. These are subject to separate application and authorisation processes and requirements, and it should be noted that Traffic Regulation Orders include requirements for public consultation, the results of which must be taken into account before a decision is made whether or not to make such an Order. In making such Orders, there is a cost which should be factored into the budgeting work. It should also be noted that, should such Traffic Regulation Orders be made, there is potential for such Orders to subsequently be challenged.

Tamazin Wilson, Solicitor, and Anthony Heath, Head of Legal, 6th June 2024

## 10. **Other relevant comments**

### 10.1 Procurement Comments

- 10.1.1 The estimated value of the proposed concession agreement is above the relevant threshold and therefore must be conducted in accordance with the Concession Contracts Regulations 2016 (or the Procurement Act 2023 if the process commences once this legislation has been implemented), including publication of the appropriate Find a Tender notices.
- 10.1.2 Key risks are noted in relation to the timeframe for procurement, and to a market environment in which a limited pool of suppliers is expected to be competing for a number of local authority tenders simultaneously. These risks are mitigated by the collaborative approach to procurement, which is

supported.

- 10.1.3 Nottinghamshire County Council is leading on the procurement activity on behalf of the Midlands Connect Consortia to appoint a contractor/s for the installation of charging points across the region. The City Council's procurement team will work with the service area to maintain oversight of the process ensuring that the contract(s) are concluded and carried out in accordance with the funding agreement and relevant legislation.

## 11. **Crime and Disorder Implications (If Applicable)**

- 11.1 The Council has built up vast experience and knowledge regarding deployment of publicly accessible electric vehicle charge points across the city. Vandalism and anti-social behaviour can be an issue if the chosen location is not appropriate. Factors such as footfall, appropriate lighting, visibility, safety and accessibility will be considered as part of final site selection and design in consultation with key colleagues such as parking services, traffic management and highway services.

- 11.2 Maintenance and repair of charge points will be the responsibility of the charge point operator.

## 12. **Social value considerations (If Applicable)**

- 12.1 The investment of this funding will help support the growth of electric vehicles in residential areas for those without access to off-street parking, supporting growth in low emission technology and contributing to Nottingham's clean air ambitions.

- 12.2 As part of the procurement approach a list of priority and equity sites have been identified, that the operator(s) will be required to deliver as part of the contract. These sites be based on local requirements, such as in lower-income areas rather than just the commercial viability that would be desirable to the market. The bidder's approach to social value will be tested as part of their tender response.

## 13. **Regard to the NHS Constitution (If Applicable)**

- 13.1 N/A

## 14. **Equality Impact Assessment (EIA)**

- 14.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because an EIA will be undertaken as part of the project design work following the completion of procurement activities when the type of technology to be implemented, the charge point operator offer and the site locations have been confirmed.

Yes

## 15. **Data Protection Impact Assessment (DPIA)**

- 15.1 Has the data protection impact of the proposals in this report been assessed?



No   
A DPIA is not required because it will be the responsibility of the concessionaire to handle all customer interactions including billing and payments, so no personal data is coming to us. We are procuring a supplier/s to do the full end to end service and GDPR compliance will be assessed as part of tenders.

Yes

**16. Carbon Impact Assessment (CIA)**

16.1 Has the carbon impact of the proposals in this report been assessed?

No

Yes   
Attached as Appendix A, and due regard will be given to any implications identified in it.

**17. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

17.1 N/a

**18. Published documents referred to in this report**

18.1 Leaders Key Decision 5106 – acceptance of grant funding from the Department for Transport, March 2024