

EXECUTIVE BOARD – 18/07/17

Subject:	Ultra Low Emission Vehicles Charging Point Infrastructure Network
Corporate Director(s)/Director(s):	David Bishop Deputy Chief Executive/Corporate Director for Development and Growth
Portfolio Holder(s):	Cllr Jon Collins, Leader and Portfolio Holder for Strategic Infrastructure and Communications
Report author and contact details:	Pratima Balaghee Pratima.balaghee@nottinghamcity.gov.uk 0115 87 62570
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision:	See exempt Appendix 1
Wards affected:	All
Date of consultation with Portfolio Holder(s):	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input checked="" type="checkbox"/>
Jobs, Growth and Transport	<input checked="" type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
<p>In March 2016, Nottingham City Council secured a grant of £6.120m from the Office of Low Emission Vehicles (OLEV) aimed at delivering a package of measures to support the uptake of Ultra Low Emission Vehicles (ULEVs) in the local area as part of the Government's Go Ultra Low Cities fund. Nottingham City Council is leading the Go Ultra Low programme on behalf of Nottinghamshire County Council and Derby City Council.</p> <p>Nottingham has been identified as one of the UK's major cities to put in interventions that help to deliver air quality compliance as soon as possible. The Go Ultra Low Nottingham programme initiatives will encourage the use of cleaner private and commercial road transport, complemented by existing measures to promote the use of walking, cycling and public transport.</p> <p>£2m of the £6.120m funding has been allocated to expand publicly accessible electric vehicle charging infrastructure across Nottingham, Nottinghamshire and Derby between 2016 and 2020. In the region of 230 electric vehicles charging points will be installed across the local area by 2020 comprising of rapid charging hubs and fast charging infrastructure.</p> <p>Electric vehicle uptake is highest in areas where there is a good publically accessible network. Fleet managers and the public cite the lack of a local charge point network as a major barrier to investing in electric vehicles. Furthermore motorists without off street parking who cannot charge at home will rely on a public network. The network will support preparation for the introduction of</p>	

a future Clean Air Zone.

The purpose of this report is to update Executive on progress with the procurement and to seek approval to enter into contracts to deliver the ULEV charging infrastructure network.

Exempt information:

Appendix 1 and 3 to the report are exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because they contain information relating to the project's finances and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it is commercially sensitive and may impact on the procurement process. Appendix 2 referred to in paragraph 5.2 is exempt from publication under paragraph 5 of Schedule 12A to the Local Government Act 1972 because it contains legally privileged information and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because the information contains legally privileged advice concerning legal matters which the decision maker is entitled to consider without the Council's position being affected and or prejudiced simply by the consideration of those issues.

Recommendation(s):

- 1** To approve the updated procurement strategy for the project and delegate authority to the Deputy Chief Executive/Corporate Director of Development and Growth to enter into all necessary contractual documentation with the successful concession operator following a compliant procurement exercise.
- 2** To approve the partnering arrangements with Nottinghamshire County Council and Derby City Council and delegate authority to the Deputy Chief Executive/Corporate Director of Development and Growth to enter into legal agreements with the respective Local Authorities to support the delivery of the charging infrastructure network post contract award.
- 3** To approve the investment and revenue share principles set out in the updated procurement strategy and delegate authority to the Deputy Chief Executive/Corporate Director of Development and Growth to approve, in consultation with the Portfolio Holder :
 - i)** any additional investment from the concessionaire to further enhance the charging infrastructure network; and
 - ii)** any revenue share arrangements from the scheme which shall be secured to support transport related measures of the Go Ultra Low Nottingham programme.
- 4** To approve the land ownership principles set out in the report and delegate authority to the Corporate Director of Development and Growth to enter into all necessary legal agreements and documentation with the Concessionaire, third party land owners and electricity utility companies to ensure the necessary land rights and permits are in place to enable the installation of the charging points, secure the ownership rights of the infrastructure below ground and enable electricity supply for operation of the network.

1 REASONS FOR RECOMMENDATIONS

- 1.1 An Official Journal of the European Union (OJEU) competitive procedure with bidder dialogue is being carried out to appoint a concessionaire to supply, install, operate and maintain the network. The previous Executive Board decision of 22 March 2016 delegates authority to the Deputy Chief Executive/Corporate Director for Development and Growth in consultation with the Portfolio Holder to approve the initiation of procurement activities for this project and to appoint a preferred bidder. Delegating authority in the same

way to enter into the contract documentation once a preferred bidder has been selected will ensure the concessionaire will be appointed promptly to deliver the works without undue delay to the project timeline.

- 1.2 Nottingham City Council is the lead authority and accountable body for the Go Ultra Low Nottingham programme with support from Nottinghamshire County Council and Derby City Council to deliver the ultra low emission vehicles charging infrastructure network. Separate agreements have been negotiated with both local authorities which outline their roles and responsibilities in the project up to contract award. Following the appointment of a concessionaire, further legal agreements will be entered into with Nottinghamshire County Council and Derby City Council to regularise how the scheme will operate post contract award, including the rights and responsibilities of all parties.
- 1.3 The concession framework seeks to secure from the concession operator additional investment to help support the network, as well as a revenue income share for the Council. Authority is now sought to approve such arrangements.
- 1.4 The sites identified for installation during the initial phases of the project consist of sites owned by the City Council and sites owned by third party land owners. Following appointment, the concessionaire will work with the Council's Property Team to ensure the necessary land rights and permits are in place with third party land owners to enable the installation and operation of the charging points. Authority is therefore to enter into all necessary documentation with third party land owners. The wayleaves and licences or leases for the sites owned by the City Council will be produced by the Council's Property and Legal teams. Agreements will also be required with the electricity utility providers to ensure the supply of electricity to the network and authority is sought to enter into such agreements.
- 1.5 Nottingham City Council will retain full rights and ownership of site agreements and below ground infrastructure. This will ensure that should the concessionaire fail or breach the terms of their agreement then a new concessionaire may be appointed without delay or significant interruption of service.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 £2m of the £6.120m grant funding from OLEV has been allocated to develop the publically accessible ULEV charging infrastructure across Nottingham, Nottinghamshire and Derby. The project aims to deliver in the region of 230 fast and rapid charging units across the Nottingham Go Ultra Low area by 2020. Further funding of £702k has been secured through the OLEV Taxi Infrastructure Grant and it is proposed that the concessionaire will work with the Council to bring those sites forward with dedicated taxi charging points, alongside future funding that may be secured to support further network expansion.
- 2.2 The ULEV market is a new and emerging market, therefore a soft market test was carried out in the initial stages of the project to determine the appetite in the market for the provision of a fully managed network. The outcome of this exercise indicated that there is an interest from the market and the feedback received from the suppliers were used to shape the output specification of the project in line with feedback received from legal and procurement. The works will be procured through

an OJEU compliant procedure, with the contract expected to be awarded in September 2017.

- 2.3 The network will be managed as a concession with the concessionaire supplying, installing, maintaining and operating the network during the contract period. The initial contract period will be five years with the potential for an extension for a further five years as described in more detail in exempt Appendix 2. The proposal for ownership of assets is that the infrastructure installed below ground will be owned by the Council whilst the charging points installed above ground will be owned by the Concessionaire during the contract period.
- 2.4 The public network will consist of a combination of fast (minimum 22kW) and rapid (minimum 45kW) chargers. The number and type of charging points and their specific siting will be determined following detailed site surveys of the locations and through discussion with the Concessionaire.
- 2.5 An initial list of 77 sites was produced by the three local authorities and in response to requests made by private land owners as potential site locations. The sites were assessed with support from Cenex and Western Power Distribution to determine:
- The power availability at each location
 - Indicative costs for connecting the charging points to the grid
 - Access/ownership land constraints
 - Suitability of the sites in terms of visibility and the potential uptake of the charging points in these locations.
- 2.6 These sites have been divided into Tranche 1 (47 sites) and Tranche 2 (30 sites). Tranche 1 sites have been marked as priority areas and these have been specified for completion in the first six months following contract award. Tranche 2 sites will be completed in the initial 12 months with the remaining charge points to be installed and operational by 2020. In the eventuality of a site being commercially unviable in terms of prohibitive costs such as high connection costs, inability to obtain the necessary consents such as wayleaves and permits to carry out the works, alternative sites will be recommended by the concessionaire to the local authorities to approve.
- 2.7 Competitively priced tariffs will be developed for ULEV users residing in Nottingham, Derby and Nottinghamshire. An instant access-pay-for use charge point management system will be provided whereby users will be able to charge their vehicle using a D2N2 specific smartcard, a mobile application or website and instant access pay as you go system to allow access for those without having to join the network.

The Concessionaire will be fully responsible for ensuring that the charging points are operational at all times and meet the latest technology requirements. Telephone support will be provided to network users over 24 hours, 7 days a week, as well as remote reboot and restart facilities for all charge points will be installed. All billing will be handled through the Concessionaire's charging points management system. A consistent approach on enforcement will be adopted across all the areas.

2.8 An overarching Concession Agreement will be put in place between Nottingham City Council and the Concessionaire. This will permit (but not oblige) the Council and each local authority named as a beneficiary in the OJEU contract notice (“Beneficiaries”) to enter into separate concession “call off” contracts (“Concession Delivery Agreements”) with the appointed Concessionaire. The overarching Agreement terms will govern how the call off procedure will be managed and monitored, including monitoring of contract values. The Local Authorities included in the OJEU contract notice were Nottinghamshire County Council, Derby City Council, City of Wolverhampton Council and Derbyshire County Council.

2.9 The Project aims to deliver the following significant benefits:

- Increase in the uptake and usage of ULEVs in the D2N2 area
- Improve local air quality.
- Generate income to re-invest in in the long term sustainability of charging facilities in the local area.
- Increase in Nottingham City’s profile as a low carbon and energy efficient city.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 The options considered to deliver the scheme were:

1. Do nothing
2. Fully managed solution whereby the Supplier will supply, install, maintain and operate the network.
3. Make or Buy – with an internal end to end solution being considered.
4. Councils partnering with a supplier. The Council would buy the hardware and then contract for operation, maintenance and installation.
5. Procure each of the components for an ULEV charging network in individual lots.

3.2 Option 1 was discounted as this will prevent the delivery of the scheme for which grant funding has been received.

3.3 Options 3, 4 and 5 were discounted as they carried a greater amount of risk and potential cost liability for the partner Councils.

3.4 Option 2 was the preferred option with the supplier providing a fully managed solution. The supplier will buy the hardware, install, operate and maintain the charging point network. Therefore, in this option it is proposed the supplier will own the network with minimal risks to the Council(s). They will be responsible for upgrading the network as and when required as smart technologies develop.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 Any income generated should be reinvested to fund measures in the Go Ultra Low Nottingham Programme or contribute towards Transport Strategy work on this area.

4.2 The OLEV grant of £6.120m has been allocated across a number of schemes and the Vehicle Charging Point project has been earmarked £2m of the grant money. Following the approval of this decision the capital programme will be amended accordingly.

Tom Straw – Senior Accountant Capital Programmes

Susan Tytherleigh – Strategic Finance Business Partner Development & Growth

15 June 2017

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 The Procurement Team will assist with the tendering exercise to ensure that a fully compliant value for money agreement is entered into with the successful supplier.

Paul Ritchie – Lead Procurement Officer
15 June 2017

- 5.2 The legal comments are contained in exempt Appendix 2

Andrew James – Team Leader – Contracts and Commercial
Joanne Haslam – Senior Solicitor – Contracts and Commercial
15 June 2017

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 The comments from Strategic Assets and Property are contained in exempt Appendix 3.

Peter Carroll
Head of Portfolio Investment and Development
15 June 2017

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 The investment of the £2m grant funding from OLEV in delivering a network of charging points in the local area will help to support growth in the ULEV-related low carbon transport sector and creation of new jobs, providing skills and training opportunities. As part of the procurement strategy to appoint external suppliers, tenders will be assessed on their ability to deliver against social value outcomes which benefit Nottingham and its residents as well as contributions to the city's environmental objectives.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 Not applicable

9 EQUALITY IMPACT ASSESSMENT (EIA)

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

No

Yes
Attached as Appendix 4, and due regard will be given to any implications identified in it.

**10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT
(NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT
INFORMATION)**

10.1 Not applicable

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 *“Nottingham Go Ultra Low City Programme”* – Nottingham City Council Executive Board Report 22nd March 2016