

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2955

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Development and Growth

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Subject:

Nottingham Plug-in Taxi Charging Infrastructure

Total Value:

£702,000 (Type: Capital)

Decision Being Taken:

1. Accept Office for Low Emission Vehicles (OLEV) Section 31 Grant funding of £702,000
2. Approve the allocation of £662,000 grant funding towards taxi infrastructure provision
3. Approve the appointment of Cenex to provide technical support for taxi charge points and develop a financial incentives package, and to dispense with requirements of contract procedure rule 5.1.2 requirement to obtain 3 tenders in respect of Cenex support
4. Approve the allocation of £40,000 grant funding in respect of Cenex support

Reasons for the Decision(s)

Nottingham City Council has recently produced a new taxi strategy highlighting the need to modernise the taxi fleet, and reduce air pollution arising from their use. The strategy contains challenging targets:

- A policy will be introduced to require that all Hackney Carriages are Ultra low Emissions Vehicles (ULEV) by 2025.**
- A minimum of 40% of Hackney Carriages will be ULEV by 2020.**
- Target for 25% of private hire fleet to be ULEV by 2020 and 50% of fleet by 2025.**

The strategy includes incentivising the take up of ULEVs plus proposed changes to vehicle age limit regulations.

To comply with any future Clean Air Zone, taxis will need to meet strict emissions standards or potentially be charged to enter designated parts of the city. The use of Ultra Low Emission Taxis is a key component of the city's emerging Air Quality Strategy.

A feasibility study was undertaken by the Energy Saving Trust examining the potential for local Hackney and Private Hire drivers for Ultra Low Emission Taxis, and associated chargepoint needs across the city. The study identified the need for up to 8 locations. Preferred sites were identified in partnership with the trade. The Council was then one of 8 cities that were successful in securing funding to install dedicated taxi chargepoints to support drivers to switch to low emission models. Approval is sought to accept the full funding award of £702,000 and sign the Acknowledgement Slip in accordance with the Grant Determination Letter.

The Council is in the final procurement stage of a publicly accessible electric vehicle charging network. This contract has been written to also include the installation of the taxi network. This allows the chosen supplier to install both the public network and the dedicated taxi network of chargepoints, providing better value for money, maintenance, and discounted tariffs for taxi drivers. Approval is sought to allocate £662,000 funding towards taxi infrastructure provision.

It has been identified that the purchase price of a new zero emission capable Hackney Carriage could be a significant barrier to modernising the Nottingham fleet. Due to state aid restrictions, grant funding cannot be provided to drivers in excess of the Plug in Taxi Grant set by the Office for Low Emission Vehicles.

There is an emerging shift in technology and due to technical issues associated with setting up the infrastructure, identifying the correct locations and establishing the right financial incentives to supporting take up, technical support is required to assist the Council. Approval is sought to appoint Cenex and to direct award £40,000 to support the technical work required undertake power and access site assessments for the taxi charge point locations and total cost of ownership modelling to evaluate taxi financing options.

Other Options Considered: Decline the funding:
Funding has been secured following a competitive bidding process, and rejecting the funding would make meeting the targets for ultra low emissions taxi uptake outlined in the Nottingham Taxi Strategy difficult to meet. It may compromise the city's reputation when bidding for future funding, and would take away an opportunity for taxi drivers to access Clean Air Zone compliant vehicles. A taxi charge point network is required as end users that may be inclined to choose an electric vehicle are held back from purchasing/leasing one as they lack the confidence to make the switch without the reassurance of nearby chargepoints.

The option to decline the funding been rejected, and it is recommended to accept it in accordance with the grant determination letter at the full amount of award.

Background Papers: 1. The grant determination letter that require chief finance officer sign off. 2 The summary of proposals

Unpublished background papers: Nottingham Taxi Infrastructure Grant Determination Letter.pdf

Published Works: 1. Nottingham City Council Taxi Strategy 2017., 2. ULEV Taxi Scheme. Guidance for Local Authorities. The Office for Low Emission Vehicles., 3. Nottingham City Council bid to the Ultra Low Emission Taxi Scheme

Affected Wards: Citywide

Colleague / Councillor Interests: Not Applicable

Use of Consultants

Number of Days:115
Rate per Day:347
Total value:40000
Start date:04/09/2017
End date:30/03/2018

Reason for using a consultant: Cenex are providing technical support for the Go Ultra Low Nottingham publically accessible network. As such, they hold the necessary knowledge, contacts and expertise to provide the information required for this project. Cenex are also a local provider.

Other options considered:	<p>Option 1 Do not undertake the assessment: resulting in no total cost of ownership model and limited understanding about power capacity at potential charge point sites. Option 2 Do the work in-house: work required of the consultant is highly specialist and the council does not have the expertise to undertake the tasks.</p> <p>Option 1 is rejected as it would not meet the aims of the Nottingham Taxi Strategy as electric taxi uptake would be low due to restrictions around purchase price and Islamic finance rules. Option 2 is rejected as the expertise required to carry out this assessment is not available.</p>
Name of consultant:	Cenex
Reason for selection?	Cenex are an independent, not-for-profit, low carbon technology experts and will be appointed as they are in a unique position possessing both the technical expertise required and a working relationship with key City Council teams.
Has the consultant previously completed work for the City Council?	Cenex is currently the technical lead on the Go Ultra Low Nottingham Public Charge Point Network. Cenex has worked for Nottingham City Council in 2016/17 and 2017/18 providing technical advice to support the Go Ultra Low City Programme . They also worked on behalf of the local authorities across the Midlands region, by project managing the installation of electric vehicle charging infrastructure through the Dept for Transport funded Plugged in Places project which ran from 2011 -2013.
Specific activities to be undertaken by the consultant are:	Cenex are providing technical support for the public network comprising power assessments to inform charge point citing, industry knowledge of the market and business model development. Cenex will also recruit the participation of a number of local drivers who agree to have a data capture device fitted to their vehicles. The data from these devices will be used to understand a typical Nottingham Hackney Carriage duty cycle to analyse the current market and make recommendations for financial incentives.
Period of engagement:	Up to March 2018
By what process was the consultant selected?	As the existing technical lead on the Nottingham charge point network, with knowledge and contacts in the sector, being an industry leader, a government appointed consultant, independent chair of the UK's Electric Vehicle Supply Equipment Association (UK EVSE) and with a good track record of delivery in the low carbon transport field, it is felt that Cenex are best placed to support Nottingham to deliver this work.
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	Community Protection and Nottinghamshire Police will be advised of the charger locations once decided on and consulted. Manufacturers of electric vehicle charging infrastructure have designed out the ability to vandalise this technology, but consideration will be given to the incorporation of CCTV as a deterrent at the sites selected to house the new charging infrastructure. Many of the sites selected as part of this scoping exercise already have comprehensive CCTV coverage.
Equality:	EIA not required. Reasons: The charging network for electric Hackney and Private Hire Taxis and the total cost of ownership model and leasing assessment measures relate to the uptake of alternatively fuelled vehicles so there are no significant benefits or disbenefits to the protected equality groups. The electric black cabs comply fully with the Equality Act and the Council's designated vehicle list being Wheelchair accessible,

Social Value Considerations:	Social value considerations have been included in the procurement of the Go Ultra Low Nottingham public chargepoint network and the evaluation of the bids for the contract has been assessed on their social value as part of the competitive tendering process. As the taxi chargepoint network installation and management has the ability to be called-off from this contract, social value considerations have been addressed.
Relates to staffing:	Yes
Relates to Council Property Assets:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	05/10/2017
Advice Sought:	Legal, Finance, Procurement, Human Resources, Property
Legal Advice:	Provided that the terms of grant funding from OLEV are fully complied with there are no significant legal implications arising in relation to this decision. Legal advice has been given regarding state aid implications of this project to ensure state aid compliance and the Legal Services team will continue to provide legal advice and assistance to the client team as needed. Advice provided by Joanne Haslam (senior solicitor) on 30/08/2017.
Finance Advice:	This decision seeks approval to receive and spend OLEV grant allocation to the value of £0.702m. Of this sum £0.662m is planned to be spent on improving taxi infrastructure in line with the authority's clean air strategy. The remaining £0.040m will spent on external expertise. The costs of the consultants required to undertake this work can be reclaimed from the overall OLEV grant and therefore there is no additional cost to the City Council. To ensure that all costs can be recouped from the grant, appropriate information and timesheets should be kept to ensure evidence is available if required. Advice provided by Chanelle Poyser (Commercial Business Partner) on 22/08/2017.
Procurement Advice:	There are no significant procurement issues with this report as the value of the consultant spend is lower than the EU threshold. Advice provided by Paul Ritchie (Lead Procurement Officer) on 18/08/2017.
HR Advice:	The decision requests consultancy usage given the requirement for specialised expertise which is not considered to be sufficiently available internally within Nottingham City Council. It has been clarified that the consultancy arrangements would be contracted through a consultancy company rather than there being any potential employment/self employment issues. Advice provided by Faye Truong (Service Redesign Consultant) on 18/08/2017.

Property Advice:

Property are supporting the evaluation of bid proposals and the development of appropriate commercial and land agreements for the installation of charge points and there are no further issues arising from this proposal. Advice provided by Peter Carroll (Portfolio and Investment Manager) on 21/08/2017.

Signatures:

Jon Collins (Leader of the Council)
SIGNED and Dated: 27/09/2017
Sally Longford (PH for Neighbourhood Services & Local Transport)
SIGNED and Dated: 28/09/2017
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 15/09/2017