

**South Lakeland District Council
Cabinet**

Wednesday, 01 September

Contract Award for the Scaling on street charging infrastructure.

Portfolio: Climate Emergency and Localism Portfolio Holder
Report from: Director of Customer and Commercial Services
Report Author: Sion Thomas – Operational Lead Delivery and Commercial Services
Wards: (All Wards);
Forward Plan: Key Decision included in the Forward Plan as published on 25.05.21

Links to Council Priorities:

Climate Emergency

- develop plans and support projects with our partners and local communities to progressively address the causes and the impacts of climate change, according to our local priorities, securing maximum benefit for our communities
 - encourage all sectors in our local community to take the opportunity to adapt to the impacts of climate change, to reduce their own greenhouse gas emissions and to make public their commitment to action
 - Tackling Climate change by exploring options associated with EV charging points for households with no facility to charge their vehicles and by encouraging behaviour change to promote the uptake of electric vehicles.
 - Promoting the uptake of Electric vehicles to reduce pollution emissions from combustion engines.
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1.0 Expected Outcome

1.1 To install EV charging points across the District to a number of SLDC car parks which is a 100% funded project by Innovate UK. The benefits to the Council are:

- The District would benefit from the installation of EV charging points at a number of locations.
- The research obtained through this project could be used in considering future support for EV Charging infrastructure with the District;
- This provides opportunity to work collaboratively with public bodies, charities, private businesses and residents to research the use of electric vehicles;

2.0 Recommendation

2.1 It is recommended that Cabinet:

(1) Approves for the project to proceed to contract award for the groundworks contract following competitive tender as noted in the Part II Appendix 1 to the report and approves the order to be placed with Electricity Northwest Ltd for the value of the installation of the power to proposed units as per the cost as shown in the Part II Appendix 2 to the report.

(2) Delegates authority to the Director of Customer and Commercial Services in conjunction with the Lead Specialist for Legal, Governance and Democracy to enter into lease agreements and such other agreements as may be required for the installation and maintenance of the equipment installed.

(3) Delegates authority to the Director of Customer and Commercial Services in conjunction with the Lead Specialist for Legal, Governance and Democracy and Lead Specialist for Finance to enter into any necessary funding agreements for the grant funding.

3.0 Background and Proposals

3.1 In October 2019, the Council agreed to be part of the Innovate (UK) funded project that will see EV charging points installed across SLDC's car parks. The lead party (Accountable body) for the project is Cybermoor Ltd with a total cost of £4,029,159 across a number of partners such as Carlisle City Council and Durham County Council. The work being undertaken by SLDC makes up only a part of the overall project to a value up to £187,640.00 The EV charging points are located in locations which are aimed at the residential market where no off street charging is currently available. This is primarily a research project and target the domestic residential EV charging market, those households located typically in urban and suburban areas with no off street parking. A second market identified has been Local Authorities where officers are often approached by households on terraced streets to install charging solutions but are restricted in their ability to do this through lack of resource.

3.2 This project builds on earlier feasibility studies (also funded by Innovate UK) which have allowed the project vision to be developed which aims to deliver:

- reduced air pollution and CO2 emissions.
- increased take up of electric vehicles, allowing people to save money on fuel costs;

3.3 The innovation lies in the business model which is aimed at providing local people the tools to identify and finance their own charge point, independent of Local Authority involvement. It builds on similar projects by assessing commercial impacts of integrating other technologies like solar panels on community centres to generate additional value. The demand led approach encourages local people to invest, reduces the risk on public and private investors as they can target funding where charge points are most likely to be used.

3.4 The project offers a new way for Local Authorities to stimulate growth of charge points, improve air quality and make the most of their limited resources.

3.5 Following approval from Council to proceed with the project, an Initial site appraisal identified a number of SLDC sites within South Lakeland which were suitable to be taken forward as part of this project, see Appendix 3. There are a total of 20 No. EV charging points which will be supplied as part of the scheme. The sites where EV will be installed are as follows:

- Kendal, South Lakeland House, LA9 4DH

- Kendal, Peppercorn Lane, LA9 5AQ
- Kendal Stricklandgate House
- Grange over Sands, Kents Bank Road, LA11 7EY
- Ulverston, Buxton Place, LA12 7EF
- Ulverston, Daltongate, LA12 7BG
- Bowness, Rayrigg Road, LA23 3BZ
- Windermere, Broad Street, LA23 2AB
- Ambleside, King Street, LA22 0BX
- Grasmere, Red Bank Road, LA22 9PU

3.6 The SLDC Delivery and Commercial Services Team sought a quotation from Electricity North West Ltd (ENWL) who are the statutory undertakers for this area to install the necessary supply to the proposed charging points and tendered the ground works needed to install the electric supply and install the EV charging points in line with the Council's procurement policy. The tender report for the Groundworks installation can be seen in the Part II Appendix 1 and the quotation from ENWL can be seen in the Part II Appendix 2, and the Cabinet are asked to approve the contract award for both areas of work.

3.7 All other costs associated with materials and installation of the actual charge points will be procured through Cybermoor Ltd who is leading on the project and the Council will not incur these associated costs. Procurement of EV charging points will meet the Innovate UK procurement requirements. The supply and installation work will be undertaken by EO and Bay Camera & Communications Ltd who are partners of the scheme. The agreement and lease will last for 10 years with Charge my Street Limited and the lease agreement will cover maintenance, service inspections and insurance requirements for the equipment, no liability for these elements will sit with the Council. Following the end of the 10 year agreement, the equipment will be removed.

3.8 Officers are seeking approval to enter into the necessary contracts to carry out the electric installation by ENWL and ground works to house the EV charging points aswell as entering into the appropriate lease for the equipment to be sited on SLDC land. The equipment will last and be maintained for 10 years in line with the lease agreement.

4.0 Consultation

4.1 Consultation has taken place with the Climate Emergency and Localism Portfolio holder, the Climate Change Board, the Corporate Management Team and the Lead Specialist for Legal, Governance and Democracy and Lead Specialist for Finance.

5.0 Alternative Options

5.1 SLDC to not participate further in this project. This may result in a missed opportunity to both research the demand and installation of charge points locally, and also to actually install some EV charge points at a small number of locations within the District. The Council have also declared a Climate Emergency and this scheme will contribute towards the targets set out by the Council.

6.0 Implications

Financial, Resources and Procurement

6.1 This project is 100% funded by Innovate UK and therefore any cost associated with the project including groundworks and ENWL costings will be recovered subject to the terms and conditions of the collaboration agreement and the grant offer terms and

conditions. Costings provided by ENWL are provided by the statutory undertaker and therefore an exemption to appoint ENWL will be sought by officers in accordance with the Council's constitution.

- 6.2 The scheme is expected to impact on the car parking income due to take up of EV charging points. Where an EV charging point is installed, there will be a need to allow for sufficient space around the car park space to allow for Disabled users. Therefore for each two EV charging points within a car park, the Council will lose 1 No. car parking space. In the worst case this could mean that the Council could forgo up to £10,000 per annum for 10 years, however with the rate of electrical vehicle take up, it's possible that income for the EV charging points could be more than standard bays and therefore income per EV space may be higher and would help to offset any lost income from loss of parking space. The impact on income is an unknown at this stage but a key aim of this funding is for research for future EV infrastructure. The Council does not take any income from the EV charge point itself. Charge my Street (CmS), the Community Benefit Society (CBS) who operate the charge points will benefit from any surplus made. Any surplus will be reinvested back into the CBS to maintain and upgrade the charge point network. Charge my Street pay for the electricity directly as a meter is installed in the feeder pillars and CmS are billed directly, so SLDC don't incur any costs for electricity.
- 6.3 Currently the Council does not charge for parking when using EV Charge points within the Council's car park. This was a condition as part of some previous grant funding provided by Cumbria County Council, in connection with a grant received to install the original EV charge points found in 3 of the Council's car parks. As part of this project, the Council will charge for parking when using the newly installed EV charge points due to the number being installed and location of charge points. The new EV charge points will not be installed in the same car park as the original charge points which could potentially lead to confusion. Signage will be clearly displayed on the EV charge points to confirm if tariffs apply.
- 6.4 There are a number of elements to this project. Procurement Routes with regards to SLDC have been for the groundworks and electrical installation costs. Competitive tenders have taken place for the groundworks through our contract with LSH. The results are reported in the Part II Appendices 1 and 1A. The Electrical Installation will be undertaken by ENWL. The quote details are in the Part II Appendix 2. In relation to the procurement of the machines, this has been undertaken by Cybermoor Ltd. The installation of the machines will be carried out by EO and Bay Camera and Communications Ltd. Once installed, the machines will be owned and operated by Charge my Street Ltd and they will enter into the lease agreement with SLDC to site the machines on SLDC land. The owner/operator will be liable for the machines upkeep and maintenance and all insurance considerations, also for ensuring compliance with GDPR and security of personal data of users of the machines.

Human Resources

- 6.5 There are no human resource implications with this project.

Legal

- 6.6 The council signed the grant award letter for this Innovate UK Project on 20 March 2020. The lead party for the funding is Cybermoor Ltd.
- 6.7 The Legal team will advise on any lease to be entered into to ensure that the Council's position is protected at all times.
- 6.8 The Legal team will also advise on the contracts for supply of goods and services arising or any proposed legal arrangements with operators.

- 6.9 Depending on the arrangements for the ownership and maintenance of the goods / services there may be subsidy control matters arising and officers will work with legal colleagues to take advice on subsidy control compliance. Where a private sector partner is procuring the charge point, the Council should consider taking an assignment of rights under the supply contract or obtaining a collateral warranty from the manufacturer. It will be important to understand the terms of the contract with the manufacturer as any collateral warranty will only be as robust as the underlying contract.
- 6.10 There may also be arising risks regarding data collection and compliance with data protection legislation following recent identified concerns/vulnerabilities regarding cyber-security of some EV charging applications/software. It is proposed that these are managed via appropriate contract clauses with suppliers/operators and advice from IT colleagues.
- 6.11 The legal framework created by the Automated and Electric Vehicles Act 2018 creates, enables central Government to impose regulation (particularly around smart charging). At present Ofgem does not regard supply of electricity to EVs as licensable activity (which would require the operator of charge points to hold an electricity supply licence). However, this may change as the EV market develops. There is also a risk of increasing regulation of the EVCI market, e.g. the introduction of requirement for charge points to be centrally registered. All of these may have financial consequences for the Council, unless it has been able to pass this risk to a charge point operator. If the charge point operator accepts that risk, there may be pricing implications.

Health, Social, Economic and Environmental

- 6.12 Have you completed a Health, Social, Economic and Environmental Impact Assessment? Yes.
- 6.13 If you have not completed an Impact Assessment, please explain your reasons: N/A
- 6.14 Summary of Health, Social, Environmental Impacts: See Appendix 4.

Equality and Diversity

- 6.15 Have you completed an Equality Impact Analysis? No
- 6.16 If you have not completed an Impact Assessment, please explain your reasons: It is not felt to be relevant
- 6.17 Summary of equality and diversity impacts: N/A

Risk

Risk	Consequence	Controls required
Financial – recovery of costs incurred	Cost to SLDC that is not recoverable through the project.	Clear financial and procurement controls in place following Innovate funding criteria and contractual terms and conditions
Customer - Low uptake/usage of EV charge points.	Underuse of installed infrastructure.	The scheme will be widely promoted and targeted to those properties identified during site appraisal
Partners - revoke their participation in the project	Loss of skills/resources. Underuse of grant funding	In the event of withdrawal of a Party the Steering Committee will make all reasonable attempts to

Risk	Consequence	Controls required
		reallocate the obligations of the Withdrawing Party under this Agreement either within the remaining Parties or to a third party acceptable to the remaining Parties and the Sponsors provided that such third party agrees to be bound by the terms of this Agreement.
Financial – recovery of costs incurred	Cost to SLDC that is not recoverable through the project.	Clear financial and procurement controls in place following Innovate funding criteria and contractual terms and conditions
Data loss risk.	Reputational damage to Council allowing equipment with data breaches on SLDC land.	Clear data control and GDPR procedures to be in place.

Contact Officers

Sion Thomas, Operational Lead for Delivery and Commercial Services, 01539 793192,
sion.thomas@southlakeland.gov.uk

Appendices Attached to this Report

Appendix No.	Name of Appendix
1 & 1a	Part II - Tender Report for Groundworks <i>Note – In accordance with Section 100B(2) of the Local Government Act 1972, copies of these appendices are excluded from inspection by members of the public as they contain information as described in Schedule 12A of the Act, as amended by the Local Government (Access to Information) (Variation) Order 2006, as follows:-</i> <i>- Information relating to the financial or business affairs of any particular person (including the authority holding that information).</i>
2	Part II - Costs associated with ENWL <i>Note – In accordance with Section 100B(2) of the Local Government Act 1972, copies of this appendix are excluded from inspection by members of the public as it contains information as described in Schedule 12A of the Act, as amended by the Local Government (Access to Information) (Variation) Order 2006, as follows:-</i> <i>- Information relating to the financial or business affairs of any particular person (including the authority holding that information).</i>
3	Site appraisal.
4	Health, Social, Economic and Environmental Impact Assessment.

Background Documents Available

Name of Background document	Where it is available
CEX/58	https://democracy.southlakeland.gov.uk/ieListDocuments.aspx?CId=121&MID=4720

Tracking Information

Signed off by	Date sent	Date Signed off
Legal Services	30.07.21	23.08.21
Section 151 Officer	30.07.21	09.08.21
Monitoring Officer	30.07.21	23.08.21
CMT	30.07.21	23.08.21

Circulated to	Date sent
Lead Specialist	N/A
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	19.05.21
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	N/A
Council	N/A