

Title of meeting: Cabinet Member for Transport Decision Meeting

Date of meeting: 11th July 2024

Subject: On-Street Residential Chargepoint Scheme (Phase 3)

Report by: Felicity Tidbury, Assistant Director Economy, Transport and Planning

Report Author: Gemma White - Transport Strategy Team Leader

Wards affected: All

Key decision: Yes

Full Council decision: No

1. Purpose of report

- 1.1. The purpose of this report is to seek approval for Portsmouth City Council to go to tender with a revised route to market for procurement and to delegate authority to award the tender for the third phase of the On-Street Residential Chargepoint Scheme (ORCS).

2. Recommendations

It is recommended that the Cabinet Member for Transport:

- 2.1. **Approves Portsmouth City Council to go to tender for the third phase of the On-Street Residential Chargepoint Scheme (ORCS) in line with procurement strategy and programme detailed in this report which has been developed in consultation with the Portsmouth City Council Procurement Team;**
- 2.2. **Delegates authority to the Assistant Director of Economy, Transport and Planning following consultation with the Assistant Director for Procurement, and the Cabinet Member for Transport, to award and enter into an operating contract with the highest scoring tenderer identified through the council running its own procurement process in accordance with the Concession Contracts Regulations 2016.**

3. Background

- 3.1. Portsmouth City Council is required to comply with the Ministerial Directive as set out in the Environment Act 1995 (Portsmouth City Council) Air Quality Direction 2020. This Ministerial Directive includes the requirement to implement the local plan for reduction of roadside nitrogen dioxide emissions by 2022 at the latest. As part of this, the Portsmouth Clean Air Zone was launched on 29th November 2021. Electric vehicle charging infrastructure is a part of both the local and national strategy for the improvement of air quality.
- 3.2. Portsmouth's Transport Strategy's Policy B - Support infrastructure for alternative fuelled vehicles outlines the council's commitment to supporting electric vehicle uptake and infrastructure in the city.
- 3.3. Government have introduced a Zero Emission Vehicle (ZEV) mandate for 80% of new cars and 70% of new vans sold in Great Britain will now be zero emission by 2030, increasing to 100% by 2035.
- 3.4. Responding to the Government's strategy and mandate and building on the Portsmouth Transport Strategy an electric vehicle infrastructure strategy has been developed for Portsmouth and is being brought forward to deliver reliable and accessible EV charging infrastructure, enabling residents and business conversion to electric vehicles and promoting decarbonised travel and clean air initiatives.
- 3.5. Over recent years there has been a rise in the number of electric vehicles in Portsmouth and with Government's ambition the rate of increase is expected to grow.
- 3.6. The National Electric Vehicle Insight & Support (NEVIS) tool shows that from 2021 to 2023, the number of plug-in cars has doubled in Portsmouth from 1347 to 2805, which is an increase of 108% in two years. The NEVIS statistics are thought to give a more accurate representation of the current figures of plug-in cars in Portsmouth compared to other sources of data, due to the reallocation of company owned vehicles that may not operate in Portsmouth. Mid-range NEVIS forecasts predict growth of 38,220 plug-in cars, including 35,100 Battery Electric Vehicles (BEVs) by 2034.
- 3.7. The Office for Zero Emission Vehicles (OZEV) created the ORCS fund to enable local authorities to provide electric vehicle (EV) chargepoints specifically for residential areas that do not benefit from off-street parking. This enables residents to convert to electric vehicles with the knowledge they are able to charge their electric vehicles close to home.

- 3.8. Portsmouth has delivered two phases of on-street residential charging since 2019 with a total of 98 chargepoints installed using the award-winning solution of lamp column electricity supply, with designated parking bays and pay as you go.
- 3.9. The chargepoint technology is lamp column chargepoints and satellite bollards utilising spare lamp column capacity of up to 5.5kwh. This power output is considered suitable for overnight charging in residential areas and comes with a Type 2 connection at each location.
- 3.10. In 2019 Portsmouth City Council became one of the earliest pioneers of lamppost charging in the UK, certainly outside of London, helping establish the technology by delivering Phase 1 of our ORCS scheme. This resulted from a successful bid for £100k for 75% of the costs of installation and infrastructure for 36 chargepoints.
- 3.11. Following successfully receiving £229,860 for 75% of the costs for installation and infrastructure Portsmouth City Council installed 62 chargepoints as Phase 2 of ORCS between November 2021 and March 2022. This was following approval of the associated Traffic Regulation Order (TRO) at the meeting of the Cabinet Member for Traffic and Transportation on 29th October 2020.
- 3.12. ORCS enables trial schemes and as part of the grant funding conditions the charge points must remain in place for 3 years. The trial provides chargepoints for those who are not able to convert to electric vehicles as they do not have charging facilities conveniently available to them, whilst also provide additional infrastructure at home for those who may have already converted but are needing to charge elsewhere such as work or shops.
- 3.13. It is accepted that some of the chargepoints will initially have low usage levels due to requesting residents not purchasing a plug-in vehicle until they have confidence that the infrastructure is in place to allow them to charge their vehicle.
- 3.14. In November 2023, the distribution network operator (DNO) Scottish and Southern Electricity Networks (SSEN) advised the council of some wide safety concerns which were previously unknown to us. As public safety is of the utmost importance, we took the decision to switch off all 98 on-street charging points in the city. We have been working with SSEN and both chargepoint operators to investigate, and at the time of writing this report, we have been able to re-energise 41 charging points. It's hoped further chargepoints will be reactivated soon.
- 3.15. The situation experienced has enabled us and OZEV and it's support bodies to better understand the complexities with an ever-evolving transport technology.

Through this we are able to ensure future schemes and associated procurement processes will use experience to safeguard against similar situations in the future.

- 3.16. Prior to the switch off, there was an approximate average of 11.4kWh used each day across six months for each chargepoint. For the chargepoints that have been switched back on, between the end of December 2023 to May 2024, there was an approximate average of 10.5kWh used each day for each chargepoint. Currently, only two of the previous top ten sites for six months usage pre-switch off are online, and three of the of the bottom ten sites are also online.
- 3.17. Portsmouth City Council recognises that there is an increased demand for on-street plug-in vehicle charging infrastructure from residents, without off-street parking, that needs to be met, and can be met through the Office for Zero Emission Vehicles (OZEV) ORCS funding.
- 3.18. Portsmouth City Council bid to OZEV for £887,430, which was 60% for 320 chargepoints following the previous approach to ORCS in Portsmouth for lamp column charging and this was awarded in December 2023. The remaining 40% of the upfront capital cost will be met by the private sector through the procurement approach.
- 3.19. The grant terms require chargepoints to be installed and operational by end of March 2025. As detailed in paragraph 6.5 the delivery programme is tight following delays due to a required change in procurement route. Within the programme there are many dependencies on third parties and outside of PCC control for delivery within timescale.
- 3.20. In addition to ORCS, Government have allocated all Tier 1 local authorities with Local Electric Vehicle Infrastructure funding (LEVI) as well as LEVI capability funding designed to fund the resources needed to achieve the scale of EVCI roll out LEVI attempts to deliver. Portsmouth have recently been awarded £3.682 million pounds of LEVI funding which will deliver chargepoints over the longer term as outlined in the EVI strategy, with no set spend deadline impacting on timescales. The council were praised particularly for their business case, which represented 'good ambition for ratio of public/private investment' and a 'high number of charge points to be delivered across residential areas in the city' aiming particularly to support those who do not have access to off road parking.

4. Portsmouth ORCS Phase 3

- 4.1. All proposed sites are based on demand having received requests from residents for charging points near to their addresses. This approach mirrors the first and second phases of the On-Street Residential Chargepoint Scheme (ORCS) installed in Portsmouth in 2019 and 2021. The resident requests and usage of existing Portsmouth Phase 1 (36 no.) and Phase 2 (62 no.) chargepoints, some of which are over capacity demonstrate current demand levels. The requesting residents include both those who already own plug-in vehicles and those seeking to purchase one, many of which need the infrastructure in place before they do.
- 4.2. Each site will be subject to suitability assessment including:
- Load checks, completed by SSEN the DNO to ensure chargepoints installed are compliant with their connections policy.
 - Technical and site surveys (completed by chargepoint operator and PCC); and
 - Public consultation through the Traffic Regulation Order (TRO) process (completed by PCC)
- 4.3. This process does present the possibility that some sites may be dropped from the initial 320, particularly due to the tight timescales involved. However, the procurement approach does include capacity to work with the chargepoint operator to bring in other suitable locations to ensure maximum provision of charging infrastructure from this contract.

5. Proposed approach to procurement

- 5.1. At the March 2024 Cabinet Member for Transport decision meeting approval was given to go to tender utilising Oxford City Council's Dynamic Purchasing System (DPS).
- 5.2. Since this time Oxford City Council wrote to all DPS members, including Portsmouth, informing LAs of a legal query around using dynamic purchasing systems and frameworks to procure regulated concession contracts which resulted in the DPS being blocked as a route to market and as such a revised approach is now required.
- 5.3. Following extensive market testing, peer review and consideration of sourcing options in lieu Oxford City Council's Dynamic Purchasing System (DPS) the council will seek to secure a partner operator on the basis of an open book mutually

incentivised concession contract for the design, supply, installation, maintenance, operation and, at the council's option, decommissioning of electrical vehicle charge points within the city.

- 5.4. A concession contract is a form of a Public-Private Commercial Partnership (PPCP), whereby the local authority takes a more active role in management and delivery whilst most risks associated with the project (e.g. maintenance costs) are transferred to the supplier.
- 5.5. The own and operate model whereby the council would install and operate the charge points has the potential to offer the greatest rewards, but it also exposes the council to the highest level of risk, particularly in the short to medium term, and is not a recommended option.
- 5.6. The council will run a procurement process in accordance with the Concession Contracts Regulations 2016, which will enable procurement to go ahead within the timescale set by the funding body thus enabling delivery to go ahead for phase 3. The lack of access to the DPS this late in the programme has caused significant risk implications on the overall project programme and it is critical that a decision to proceed is taken at this stage to not cause further risk to the funding allocation.
- 5.7. The concession model will allow the operator to set the tariff through a transparent process that reflects the underlying energy prices plus an uplift to cover overheads, depreciation, and a revenue share contribution to the council. This commercial mechanism will set a fixed margin allowing the council some oversight of the tariff. The procurement also seeks to establish smart charging wherever possible, which enables residents to either charge at a time when prices are higher in times of excess demand or postpone their charge time to an off-peak rate at times of lower demand.
- 5.8. The contract will also seek to establish a maximum bi-annual tariff review, which will require a two month notice period to enact. Specific KPIs around network and charge point uptime will aim to ensure that the availability of charge points across the city remains high. The repair and maintenance of the charge points will be the financial and operational responsibility of the operator.
- 5.9. The tender documentation, which has had its terms and conditions sourced via an external legal party in Browne Jacobson, includes technical, commercial, legal and procurement documents, which can be flexibly adapted to meet the specific objectives and deliverables required by both the council and the fund.

- 5.10. The council run procurement exercise is preferred over other pre-existing sourcing arrangements as it aligns very well with the council's own envisaged commercial and contractual model.
 - 5.11. The council is aiming to formally commence the open tender opportunity in July 2024 and will provide tendering operators approximately six weeks in which to develop and submit their bid proposals. The council has allowed sufficient time within the procurement programme for robust evaluation of bid proposals, governance review and formal sign-off of recommendations in accordance with the council's constitutional requirements. It is expected on this basis that tenders will be returned in August 2024 and evaluation will complete over two weeks being supported by the contracted electrical engineer who advised on the technical specification.
 - 5.12. The procurement process will also be subject to the council's procurement gateway process which ensures that additional assurance reviews are undertaken by senior procurement and legal officers at key procurement milestones.
 - 5.13. Upon successful evaluation the decision to award will be made, using the awarded delegated authority, following moderation by a technical team which includes experienced and qualified officers who specialise in procurement, project management, finance, law, energy, highways maintenance, and electrical engineering. An information report notifying cabinet of the award made will be brought to a later meeting along with the earlier TRO decision report.
- 6. ORCS Phase 3 Timescales**
- 6.1. Due to the grant conditions requiring all charging infrastructure to be installed and operational by end of March 2025 an efficient phased approach is required for the scheme's successful delivery.
 - 6.2. For maximum efficiency the decision has been made to approach site surveys by geographical location, enabling engineers to attend and check an area in the minimum timescale. Geographic areas will be prioritised by those which do not currently have charging provision in line with demand. The roll out schedule will be regularly reviewed and aligned with regular update briefings provided to the Cabinet Member for Transport.
 - 6.3. As each geographic batch of sites is inspected and approved from a technical perspective, we will then seek to take those sites through the TRO process. Our intention is to bring TRO reports to cabinet for approval on completed batches whilst the next geographic batch of chargepoints is going through the site survey portion of

the process. This batched approach will ensure a constant workflow of chargepoint approvals enabling the delivery stage to be reached for geographic areas that have been approved as quickly as possible and shortening the overall delivery timeline. This batched approach, with constant workflow within a shortened timescale, also ensures that there would most likely be weeks between delivery in geographic areas, meaning those who receive delivery later in the programme are only weeks or months later within the full timeline.

6.4. The risk with this approach is that if timelines are not met and funding is lost the latter batches would potentially lose out on delivery of expected sites. DNO timelines and internal TRO processes proving a particular risk in terms of possible delay. However, by using this efficient approach we hope to have mitigated this risk and are working with OZEV the funding provider to try to ensure that our funding can be maintained.

6.5. Table 1 outlines the programme for project delivery.

Table 1 - ORCS Phase 3 timescales

DNO applications	March 2024 - August 2024
Invitation to tender	12th July 2024
Tender close	13th August 2024
Tender evaluation	Complete 27th Aug 2024
Contract award notification	11th September 2024
Standstill	Ends 20th September 2024
Operator Mobilisation	21st Sept to 8th October
Operator and PCC Sites surveys (in batches)	Mid Oct to mid Jan 2025
TRO preparation	Oct to Jan 2025
TRO consultation in batches	Nov to Mid Feb 2025
TRO consultation analysis	Nov to Feb 2025
Cabinet Member for Transport meetings approvals of TRO sites in batches	Dec to February 2025
Installation and commissioning in batches	Dec to March 2025

7. Reasons for Recommendations

- 7.1. Continuing to support residents in transitioning to EV is a key factor in achieving Cleaner Air Targets as set out in Policy B of the Portsmouth Transport Strategy. There is also significant strategic fit with the Government EV, TFSE's EV strategy both of which aim to deliver cleaner air and decarbonise transport in the UK by enabling EV uptake.
- 7.2. The current on-street charging infrastructure and approach using lamp column charging has been well received and used serving as evidence of suitability and the locations are based on resident requests demonstrating residents charging needs.
- 7.3. This type of slow charging technology specifically addresses a need for charging infrastructure for the majority of Portsmouth residents who do not have access to off street parking who would otherwise struggle to adopt the new technology.
- 7.4. Installation of further EVI is required to keep up with the forecast rise in EV uptake in the city. It is essential that Portsmouth's EVI network is expanded to future proof the city to enable our residents, fleet, and visitors to charge their vehicles in line with the objectives of the Portsmouth EVI strategy. This funding, as well as the LEVI funding, will enable the Council to deliver EVCI needed to ensure that we are able to meet demand from residents. Particularly since EV uptake in Portsmouth is already ahead of national average.
- 7.5. Due to the funding requirements specifying March 2025 as a delivery date for this phase of ORCs it is essential that the work detailed in this report is enabled to be conducted as expediently as possible by the relevant qualified officers. Further delay to this programme would be a substantial threat to the funding allocation.

8. Integrated impact assessment

- 8.1. An Integrated Impact Assessment (IIA) was carried out before the scheme's commencement. This has been updated as required and the latest version is appended to this report, incorporating the Equalities Impact Assessments.

9. Legal implications

- 9.1. The council wishes to procure a contractor to design, install and operate a network of approximately 320 lamp column electric charge points, subject to site surveys, for

a period of 15 years, partly funded by the DfT through the ORCS scheme.

- 9.2. The proposed arrangement, if approved, will be subject to the requirements set out in the Concession Contracts Regulations 2016 as well as the council's contract procedure rules and any procurement exercise must comply with and be carried out in accordance the aforementioned Regulations together with general public sector duties.
- 9.3. As the scheme will be partly funded by the Department for Transport, the council must also ensure that it complies with the terms of the grant funding. The failure to comply with the terms could result in the grant funding needing to be repaid.
- 9.4. Once the sites have been identified, the TRO statutory processes will need to be followed in order to accommodate the scheme.
- 9.5. Legal advice should be sought before proceeding to procurement to ensure that the process is compliant and the council's requirements for the scheme are being met.

10. Director of Finance's comments

- 10.1. Following an application dated 24 November 2023 to the On-street Residential Charge point Scheme, The Department for Transport awarded Portsmouth City Council £887,430 for the purpose of installing on-street charge points for local residents wishing to charge their plug-in electric vehicles.
- 10.2. This award is subject to satisfying the DfT that the installation can be achieved before the end of March 2025. A supplier will not be selected until the DfT confirm that they are satisfied.
- 10.3. In addition to this, there is a contribution of £40,000 made available as part of the LTP 4 Capital scheme. This is funded from the Parking Reserve.
- 10.4. The total funding will allow the installation of up to 320 lamp column chargers. The number of chargers installed will be scaled to fit the available funding, minimising the financial risk to the Council.
- 10.5. The commercial arrangement with the supplier will ensure that all liability for servicing, repair and maintenance will lie with the operator, thereby minimising the Council's exposure to future operating costs.



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Signed by:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Portsmouth Transport Strategy	Portsmouth Transport Strategy 2021-2038
TfSE Electric Vehicle Charging Infrastructure Strategy	Transport for the South East Electric Vehicle Charging Infrastructure Strategy
Draft Electric Vehicle Infrastructure Strategy Consultation – Travel Portsmouth	Draft Electric Vehicle Infrastructure strategy consultation - Travel Portsmouth
Report to Cabinet Member for Transport March 2024 - Decision to go to Tender for Phase 3	On-Street Residential Charge Point Scheme (Phase 3) Decision to Tender

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: