

To: City Executive Board

Date: 11 February

Report of: Executive Director Community Services

Title of Report: Go Ultra Low Oxford grant funding

Summary and Recommendations

Purpose of report: As part of a £35m national programme to accelerate electric vehicle take up, the Council and its partners have been awarded £800k capital and £16k revenue funding by Office of Low Emission Vehicles (OLEV). The funding is to deliver a project to address on-street electric vehicle charging. This report seeks to obtain the necessary budget approval and delegated authority to allow officers to deliver the scheme.

Key decision Yes

Executive lead member: Councillor John Tanner

Policy Framework: Sustainability Strategy, Air Quality Action Plan, Low Emission Strategy, Low Carbon Oxford

Recommendation(s): That the City Executive Board resolves to:

- 1) Grant project approval for the on-street electric vehicle charging project referred to in this report;
- 2) Authorise officers to complete negotiations with OLEV with a view to the Council being appointed as the accountable body for, and receiving grant funding under, a funding agreement with OLEV
- 3) Delegate to the Director of Community Services, in consultation with the Monitoring Officer and Section 151 officer, the authority to enter into:
 - a) a grant agreement with OLEV;
 - b) appropriate agreements with our bid partners; and also with all third parties required to deliver the project subject to their being selected under an appropriate procurement process.

Appendices to report: Appendix 1 Risk Register

Background

1. The Council has committed itself to a vibrant, sustainable economy and a cleaner, greener Oxford in its corporate plan. The on-street electric charging project will contribute to both of these priorities by accelerating the move to a low carbon economy through increased uptake of sustainable, low carbon transport technology and, in doing so, by improving air quality and reducing carbon emissions in the city.
2. The Office of Low Emission Vehicles (OLEV) is a cross-Government, industry-endorsed team combining policy and funding streams to simplify policy development and delivery for ultra-low emission vehicles. OLEV currently comprises people and funding from the Departments for Transport (DfT), Business, Innovation and Skills (BIS), and Energy and Climate Change (DECC). Its core purpose is to support the early market for electric and other ultra-low emission vehicles (ULEVs).
3. An Ultra-Low Emissions Vehicle (ULEV) produces 75g or less of CO₂ per kilometre from the tailpipe, in addition to eliminating or greatly reducing NO_x and particulate matter (PM) emissions. At the moment, all cars which can achieve this use electric power to directly turn the wheels to some degree, from a 100% electric car to a plug-in hybrid or extended-range electric vehicle.
4. In 2014 OLEV announced the Go Ultra Low City Scheme programme; a government initiative to allocate funding for cities to deliver a step-change in the uptake of ULEVs. The scheme ran as a competition, with up to £35m capital funding available for two to four cities to win through a competitive bidding process.
5. The Council submitted a first stage bid with partners in February 2015. In May 2015 we were told we had successfully progressed to the second stage and were invited to submit a more detailed bid, which we did on 2nd October 2015.
6. OLEV have decided to award funding to four major city projects and to a three to four smaller projects. Oxford will be one of these smaller projects and has been awarded £800k capital and £16k revenue funding to deliver the 'Overcoming challenges: on-street charging' work package of our bid.
7. A barrier to uptake of electric vehicles is access to charging infrastructure for residents of terraced or communal housing i.e. those who are unable to install their own charging device. This project will procure and test several on-street charging technologies that address this barrier through a pilot of around 30 installations. The performance of each technology will be evaluated and this analysis will inform a second phase to roll out a further 100 installations around the city.
8. Potential solutions include:
 - Light and Charge: combined street lighting and charging on a wireless technology platform
 - Cable channels: suitable for residential areas where housing fronts directly onto footpath and on-street parking is available
 - Charging bollards: kerbside or for reserved charging bays

- Pop-up charging solutions: retractable supply built into the pavement
9. The Council's partners in the scheme offer a wealth of technical and industry expertise, as well as local understanding, and financial commitment to the consortium.
- Oxfordshire County Council, as local transport authority will be instrumental in the delivery of the project, and are keen to see the planned project aid in the implementation of the Local Transport Plan 4 and Oxford Transport Strategy
 - Oxford University Transport Studies Unit (TSU) have provided expertise in the development of sustainable transport initiatives and will provide the monitoring and evaluation which is essential to evidence-based decision making about measures. The TSU are also committed to provide match-funding to the project in the form of resources.
 - BMW Group UK has also acted as strategic partner in the development of the bid.
10. This approval by CEB is sought in parallel with the process for negotiations with OLEV, therefore absolute and final cost figures may be subject to change.
11. The programme is included in the 2016/17 Budget submitted for approval to Full Council on the 17th February.

Legal and Financial Issues

12. Oxford City Council will be appointed as the Accountable body and as such will receive, and will be accountable for, the whole of the funding payable. Grant funding will be paid to the Council for distribution to partners.
13. The costs of delivering the project to be fully met by the grant funding. A project manager based at Oxford City Council will be funded through the grant by capitalising their revenue costs to lead the project management.
14. OLEV will transfer the funding to the Council in a single payment before the end of March 2016. Funding may be spent over the project period running to the end of March 2021. The spending profile is expected to be evenly spread over the five years of the project. Officers expect to report on the spending profile to OLEV, but there are no specific requirements that the grant must be spent by particular deadlines. Spend will be reported into the proposed governance structure (see below) and subject to the Council's procedures on project management.
15. OLEV will not seek to claw back any funding paid under the scheme, unless it breaks the terms of the memorandum of understanding. This will not only ensure that the grant is spent on agreed measures – but that cities are also assured of any funding agreed.
16. The city and county councils will be the major partners in terms of grant spend. The precise spending breakdown between the councils depends on the contracting arrangements with installers, which is location

dependent and will be determined in the design of each phase of the pilot and roll out. The financial and legal risk associated with managing the budget and contracts will be controlled through strong partnership agreements and project management as described below.

Governance

17. The risk associated with being the accountable body for a project including projects delivered by partners will be managed through strong project management. The Council will enter into agreements with the partners setting out requirements for monthly financial and project reporting. Other requirement requirements of the Council's agreement with OLEV will also be reflected in the agreements with partners. For example ensuring that partners meet the same requirements, arrangements for any changes to the project and will provide information to ensure the Council can report to OLEV.
18. As the success of the project will rely on cooperation between the partners and with several departments of the city and county councils (e.g. for permissions and works for the installations) a strong governance structure is essential. The model proposed will be based upon the successful arrangements currently used for the OxFutures partnership between the city and county councils.
19. A Project Board chaired by the City Council will include representatives of all partners and will be the main forum for reporting on financial and project progress and for risk management. Agreements between the Council and its partners will set out the terms of the funding and the operation of the project board. These will include expectations of the partnership, the principle of collaborative working, but if needed arrangements for voting on decisions and an escalation procedure in the event of disputes.
20. High level oversight and assurance to OLEV will be provided through a smaller group that will meet less frequently (to be confirmed but expected to be no more than quarterly). It will include senior representatives of the City Council, County Council and OLEV.
21. The operation of the project board and reporting to OLEV will be carried out by the project manager based at the Council.

Environmental Impact

22. The scheme will reduce barriers to ULEV uptake, accelerating Oxford's transition to electric vehicle use. Oxford has a higher than average percentage (28%) of its households living in terraced properties. A high proportion of these properties will not have access to off-street parking making charging of an electric vehicle very challenging. While it is difficult to estimate the scale of impact on air quality, overcoming the issue of on-street charging will make owning an EV a realistic option for an additional 16,000 households.
23. The project will support delivery of our 2013 Air Quality Action Plan (AQAP) target of reducing NOx emissions by 35% by 2020. Our bid is

closely aligned to the actions outlined in the AQAP, and will contribute to the following specific actions:

- Promote the uptake of electric vehicles by working with our partners to install electric vehicle recharging infrastructure.
 - Explore the impact of alternative and low emission transport on air quality in Oxford.
24. Carbon impact - In addition to significant benefits for air quality the move towards ULEVs will also have a significant impact on carbon emissions;
- ULEVs emit 75g/Km or less of carbon at the tailpipe and 'well to wheel' emissions are still significantly lower than emissions that can be achieved by standard cars; 87g/km for a 100% electric car vs. 119g/km for a new 1.6l petrol car.
 - As grid electricity continues to decarbonise, the well to wheel footprint of ULEVs will reduce further.

Equalities Impact

25. The scheme supports ultra-low emissions vehicle uptake through piloting and roll out of 100 on-street charging points.
26. The barrier that the project seeks to address relates to charging infrastructure on streets where residents (or businesses) are unable to carry out their own installations. The project will therefore target those streets.
27. Within this target group, accessibility for disabled residents will be factored into the assessment of charging points.
28. The pilot phase will necessarily take place in an area in which residents already own electric cars, the second phase will roll out charging points across the whole city. It is an objective of scheme to increase access to this kind of vehicle compared with the current market.
29. Significant communications activities are planned to promote the opportunities within the scheme and stakeholder mapping will be undertaken to identify the most effective routes to do this.
30. Monitoring of the scheme's impacts will be designed in detail in the initial phase of delivery and opportunities to gather data regarding equalities will be considered in that design.

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