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OXFORD CITY COUNCIL

To:	**Cabinet**
Date:	**15 June 2022**
Report of:	**Head of Corporate Strategy**
Title of Report:	**LEVI grant EV Infrastructure project approval**

	Summary and recommendations
Purpose of report:	To seek approval for the City Council's participation in a countywide bid to Government under the new Local Electric Vehicle Infrastructure (LEVI) pilot fund, led by Oxfordshire County Council, which if successful will fund the installation of Electric Vehicle Charging Infrastructure in Oxford.
Key decision:	Yes
Cabinet Member:	Councillor Imogen Thomas, Cabinet Member for Zero Carbon Oxford and Climate Justice
Corporate Priority:	• Pursue a zero carbon Oxford • Enable an inclusive economy • Support thriving communities
Policy Framework:	Council Strategy 2020-24, draft Council Electric Vehicle Strategy (due in Cabinet July 2022), Local Plan 2016-2036 and emerging Local Plan 2040

Recommendations: That Cabinet resolves to:

1. **Grant approval** for Oxford City Council to collaborate in the project (called OXLEVI) and funding bid in June 2022, and, if successful, to deliver the scheme, subject to negotiations with Government and partner organisations associated with the project;
2. **Delegate authority** to the Head of Corporate Strategy, in consultation with the Cabinet Member for Health and Transport, the Cabinet Member for Zero Carbon Oxford and Climate Justice, the Head of Financial Services/Section 151 Officer, and the Council's Monitoring Officer, to enter into funding, partnership, contracts and other necessary agreements for the purpose of delivering the scheme, including expenditure as necessary of remaining GULO grant funding held by the Council;

3. **Authorise officers** to deliver installation of EV Charging infrastructure in Oxford's car parks, having regard to other potential purposes to seek to optimise the use of space;
4. **Grant approval** for funding of up to £80k (£8k pa) to cover contract management for the installed infrastructure over the next 10 years, with the expectation that this figure will be increasingly offset by revenues generated; and
5. **Note** that the Oxford City EV Infrastructure Strategy is scheduled for the July Cabinet, while due to the June grant deadline the OXLEVI project item has been brought forward to the June Cabinet. The delivery of this project within Oxford will be aligned with the principles set out in the Strategy.

Appendices	
Appendix 1	Project Risk Register
Appendix 2	Equalities Impact Assessment

Introduction and background

1. Oxford City Council declared a climate emergency in January 2019. Following Oxford's Citizens' Assembly on Climate Change, the Council set out its commitment to become net zero by 2040.
2. In February 2021, the Council launched the Zero Carbon Oxford Partnership of the city's largest institutions and employers, which agreed to a target of net zero carbon emissions as a whole for Oxford by 2040 or earlier. Transport is the second largest contributor to Oxford's emissions, accounting for 171 ktCO_2e (2018), with private cars being the main source of emissions. To achieve these agreed targets[1] 25% of cars need to be electric by 2025, 80% by 2030, and 100% by 2035.
3. Oxford City Council and Oxfordshire County Council have introduced a Pilot Zero Emissions Zone (ZEZ) in the city centre to address air pollution and help to reach this target. These measures, combined with the Council's Local Plan 2040, will further stimulate demand for EVs, which will help to reduce transportation emissions and improve air quality and support the 2040 zero carbon target.
4. Oxfordshire already has the highest proportion of electric plug in hybrid or fully electric car sales in the UK, comprising around a quarter of car sales over the past year. Following significant lobbying, Government has now acted to bring forward the final date for sale of new petrol and diesel cars and vans to 2030.
5. In July 2021, Oxford laid out its ambition to commission an EV Infrastructure Strategy in line with the city's 2040 net zero carbon target. This is needed to accelerate the City Council's reduction of citywide air pollution and eliminate Oxford's contribution to climate change. Oxford also recognises that zero emissions mobility must be open to everyone, regardless of income and post code. The Strategy will be considered by Cabinet in July 2022.
6. In March 2022 the UK Government published its long awaited UK Electric Vehicle Infrastructure Strategy, with two arms of funding as shown below:

Fund Amount	What for	No. charge-points	Fund Opens	Lead	Opportunity for Oxford City Council
£950M	Rapid Charging – primarily on Motorways and trunk roads	6,000 by 2035	Winter '22-	Sub Regional Transport Authority / National Highways/MOTO	**Limited, though possibly as part of bid led by the Highways Authority**
£450M Infrastructure, £10M Pilot Scheme, £50M Levelling-Up	Local Electric Vehicle Infrastructure (LEVI)	450,000 - 700,000 by 2030	June 2022	Local Authorities – Top Tier/County Council to Lead	**Yes. but will need to partner with a Highways Authority**

7. The Government's strategy seeks to implement charging infrastructure at scale, applying grant funding to better understand the challenges, identify repeatable models and attract additional private sector investment. The challenges include: the approach to grid reinforcement, local parking policies and street clutter, and the need for a sustainable low cost, overnight on-street commercial model. These LEVI fund outputs, align well with the Council's own challenges.
8. Government has indicated that its funding approach is to use public funds to pump prime a rapid expansion of EV infrastructure delivery only in the short to medium term. Over the longer term it expects delivery through a fully commercial market-based approach.
9. Government has clearly stated that it is seeking leadership from local authorities, particularly local Highways Authorities, which are best placed as Transport Planners to help achieve ambitious, scaled roll–outs, working in partnership with district councils and electricity network operators. Government is also seeking insights to determine what further role Planning Practice Guidance (PPG) and Permitted Development Rights can have in ensuring the delivery of EV infrastructure is appropriately supported by the planning system.
10. Working together with Oxfordshire County Council and neighbouring districts will be essential for gaining further grant funding. Larger scale procurement should also leverage more buying power, providing better value for the public. The City Council's Dynamic Purchasing System (DPS) will provide the fast robust route to procure in order to meet the short deadlines of the £10M LEVI grant, and its use by our partner authorities and other local authorities bidding into LEVI will generate income to the Council.
11. This paper's focus is to bid for part of the £10m pilot LEVI scheme fund in partnership with Oxfordshire County Council and other Oxfordshire district councils.
12. Oxford City Council proposes to be a key partner of the OXLEVI project, which seeks to secure up to £2.84M funding from Government using the Local Electric Vehicle Infrastructure (LEVI) fund to deliver the following across Oxfordshire:

a. *up to* 500 cable gully 'Gul-e' units, currently being developed and trialled by ODS in Oxford and Cherwell district, paired with up to 500 smart home chargers

b. *up to* 300 fast (7-22kW) EV chargepoints (EVCPs), at up to 25 residential EVCP hubs (on-road and off-road) (possible inclusion of rapid EVCPs where required)

c. *up to* 35 electrified on-street disabled parking bays with 7.5kW EVCP, and mobile charging for up to 100 customers

13. As with many Government innovation grant funding bids, the project bid timeline is ambitious. Bids were invited on 25 March, with an outline proposal submitted on 22 April and a fully worked up bid needs to be submitted to Government by 17 June 2022. The current timeframe for works to be completed is March 2023.

14. To meet this timetable it is necessary to gain project approvals in advance of confirmation of a successful bid. It should also be noted that officers will require some flexibility to agree the final bid, as Oxford City Council is one partner within an Oxfordshire consortium and the LEVI bid process involves close consultation with the Energy Savings Trust and Office for Zero Emissions Vehicles (OZEV) before the final submission. There may be a request to scale the bid back which is why the numbers for equipment to be installed are presented as "*up to"*.

15. The first round submission project outcomes & benefits for Oxford City are shown below:

Project A.

Grant funding to deliver *up to* 500 cable gullies in Oxfordshire (including 200 in Oxford). The GUL-e solution is a major opportunity to enable homeowners without access to off street parking to charge their vehicle outside their house.

a. The solution could play a significant role in reducing the need for on-street charging provision across Oxford

b. The grant and home owner funding from this bid will support Oxford Direct Services to scale up its business plans to provide gulley solutions across Oxford and more widely across the UK.

c. The funding will support engagement with planning authorities and the national planning portal to make GUL-e & home chargepoint application methodology as simple and efficient as possible for members of the public.

Project B.

Delivery of 3-5 off-street residential charging hubs, with a projected minimum total of 18 chargepoints to be installed on City Council-owned land/Car parks, in line with the City's forthcoming EV strategy.

a. This will support acceleration of EV uptake in the city, within a cohesive integrated countywide approach and standards.

b. Opportunity for countywide procurement utilising Oxford City Council's Dynamic Purchasing System (DPS) for the EV infrastructure procurement that generates income for the city.

c. Opportunity to share and reduce ongoing costs for infrastructure contract management by sharing the service across the County.

d. Delivery of the off-street residential charging hubs will come after Cabinet's consideration of the Oxford EV Infrastructure Strategy, and will be aligned to the approach set out within the Strategy.

Project C.

Up to 25 electrified disabled parking bays – supporting equality, diversity and inclusion - in line with the City Council's forthcoming EV strategy.

a. Providing infrastructure for these bays would be unlikely to happen without grant funding.

LEVI funding approach

16. The business model submitted to LEVI for Project B (off-street hubs) & C (disabled parking spaces) is based on a concession model, requiring nil capital investment from Oxford City Council. The proposed business model would work as follows:

- Request 100% Government grant funding to pay for ***underground electrical infrastructure***. Oxford City Council would thereby retain ownership of everything underground on its land.
- Chargepoint operators ***will invest capital to own and operate the above ground chargepoints***, taking responsibility for maintenance, customer service and reducing short term revenue burden to the Council.
- In the longer term, when there is greater EV saturation and a secure business case, Oxford could choose to own, run and maintain the ground infrastructure on its land to generate income for the Council.
- There is an opportunity for Oxford City Council's wholly owned company, Oxford Direct Services to work with a partner commercial chargepoint operator (CPO) and/or provide assistance with installation of infrastructure.

17. **Other benefits**

a. Financial benefits include up to a total of up to nearly £7M investment across Oxfordshire. Up to £2.8M grant funding from Government and up to £3.7M private sector investment. Oxford will receive a proportion commensurate with the amount of infrastructure installed (see finance section for more detail).

b. All the work packages will align with Oxford City Council's EV Strategy delivery plan.

c. This is a pilot bid, we can benefit future City and Oxfordshire bids, by working with Government at an early stage, to influence how it structures access to funding for the remaining £450M funding pot.

18. The role and resource requirements for the City to achieve the programme of works will require:

a. Management by the Environmental Sustainability Team, working alongside a project team made up of an interdisciplinary set of subject experts from across appropriate council departments including: procurement, planning, legal, property and finance services.

b. Potential integration of existing GULO project funding into the LEVI bid, whilst ensuring strict adherence to both grants funding rules.

19. This Cabinet report asks for confirmation that Oxford City Council will grant project approval, allowing Oxford to enter into the collaboration with other project partners, submit a bid to Government and if successful draw down funding and agree contracts and other necessary agreements to achieve the associated project outcomes itemised in this report.

Environmental considerations

20. This implementation of EV infrastructure aligns with Oxford City Council's policies and commitments relating to carbon reduction and safeguarding the environment, bringing us closer to our commitment to becoming a Zero Carbon Council by 2030 or earlier and Zero Carbon Oxford by 2040. The roll out of EV charging for citizens and businesses means that more people will be able to migrate to using EVs away from petrol and diesel vehicles. Air quality will be improved with an increased use of EVs within the city.

21. However, it should be noted that particulate matter (PM) emanating from braking systems, tyres road surface wear and road dust suspension are also produced by EVs. Ambient PM exposure is associated with health harms and premature mortality.

22. The OXLEVI Project would support the delivery of the following plans and strategies:

    a. The 4th Carbon Management Plan 2021 – 2030: The Strategy will support the development of a plan to decarbonise the City Council's fleet vehicles.

    b. The Net Zero Oxford Action Plan: Net Zero by 2040 requires decarbonisation of road transport.

    c. The Council Strategy 2020 – 2024: Includes the priority to pursue a zero carbon Oxford.

    d. Air Quality Action Plan 2021 – 2025: Requires the reduction in usage of fossil fuel cars in the city

Human Resource Implications

23. The project cannot claim grant funding for staff time, except for specialist legal and planning advice although we will explore what could be capitalised. Therefore the Council will need to provide officer time for project management (ES Team), Planning, Procurement, Legal and Finance towards the project.

Consultation and Communications Implications

24. The Government's EV Charging Infrastructure paper makes it clear that it expects district councils, such as Oxford City Council, to work closely and in alignment with Highways Authorities that manage transport planning. This project aligns itself with that methodology. It also creates a principle for ongoing collaboration and a regional approach to ongoing infrastructure provision, which will be needed for further grant bids and to provide best value to the public as we work to achieve the 2040 net zero targets.

25. Completed infrastructure will be added to EV Infrastructure maps, such as Zap Map etc to market its availability for use.

Health and Safety

26. Projects will be managed by experienced staff in EV construction and health and safety requirements.

Financial implications

27. The ZCOP target to be zero carbon by 2040 require a significant injection of funds to allow the required 7500 $ktCO_2$ of carbon reduction by 2040 to be achieved.

28. The Council does not have funding in its Forward Plan to provide public EV charging infrastructure, therefore grant bid application and concession style contracts are currently the best methodology available, to continue to provide infrastructure to meet the EV adoption trajectory. There will only be a limited window of opportunity for local authorities to secure EV infrastructure funding as Government has highlighted that it will only provide such finance in the short to medium term until a commercial market is established.

29. The projects identified within this report are at outline phase, all capital is expected to be funded by grant and private sector investment. Investment into Oxford is estimated to be £654k grant and £593k private sector funding.

30. Funding not covered by grant or private sector:

    a. Officer time (except specialist planning and legal advice) will not be covered by grant funding, though we will explore what might be capitalised. Therefore the Council will need to cover officer time costs towards the project including: project management (ES Team), Planning, Procurement, Legal and Finance.

    b. Any contracts entered into as part of this project will need to be managed for their contract length. It is estimated that this will require Council funds of @£8k pa. A budget request will be made in the next funding round (2023 onwards), for £8k pa for a four year period, rather than the full 10 years. This is because it is anticipated in the longer term as the business cases for EV charging become more secure we should no longer need to request funds for this.

    c. We will seek to procure and negotiate contracts with Commercial operators that deliver a revenue return. As usage of the infrastructure increases and delivers greater revenues it is expected this deficit will close and become a surplus.

31. Implementing these projects will present significant business opportunities for ODS/ODSTL to deliver and build a potentially lucrative business providing GUL-e solutions across the UK, as well as increasing expertise in EV infrastructure installation.

32. Alongside the short term opportunities for ODS/ODSTL there are longer term opportunities for ODS and the Council to generate income from this bid: when there is greater EV saturation and a secure business case, Oxford City Council could choose to own and operate the chargepoints itself, as it will already own the underground infrastructure on its land.

33. ODS/ODSTL will purchase and install the 500 GUL-es across Oxfordshire. They will receive and manage the funds (grant and public contributions) for this work, in accordance with ODS/ODSTL financial regulation.

34. The Council has remaining Go Ultra Low Oxford grant fund to deliver further on-street charging. We will explore how existing GULO project funding can be used to deliver and expand the LEVI bid outcomes, whilst ensuring strict adherence to both grants funding rules.

35. The funding has some flexibility, depending on negotiations with OZEV and EST, thus high level figures only are shown in the summary below:

Item	Total Funds	Total Grant Funding	Total Private Sector Funding	£ Grant investment per unit	£ Private Sector per unit	£ Oxford City Grant Total Funding	£ Oxford City Private Sector Total Funding	£ Oxford City Council Revenue Needed
OxGul-e workstream	*£*	*£*	*£*	*500 units total*		*200 units total*		
Capital & Enabling (incl planning)	£ 1,443,980	£ 650,990	£ 792,990	£ 1,113	£ 1,397	£ 222,612	£ 279,412	
Highways Work		£ 94,460	£ 94,460					
Subtotal	£ 1,513,980	£ 650,990	£ 792,990			£ 502,024		
Residential Hub Workstream				*300 units total*		*estimate 36 units*		
Capital & Enabling	£ 3,116,650	£ 1,904,525	£ 1,370,125	£ 6,348	£ 4,567	£ 228,543	£ 164,415	
Contract Management (10 yrs)	£ 1,505,000	£ -	£ 1,275,000					
Subtotal	£ 4,621,650	£ 1,904,525	£ 2,645,125			£ 545,958		
On-street Accessibility Workstream				*35 sites*		*25 sites*		
Capital & Enabling	£ 493,350	£ 283,925	£ 208,725	£ 8,112	£ 5,964	£ 202,804	£ 149,089	
Subtotal	£ 780,850	£ 283,925	£ 318,100			£ 351,894		
Contract Management								£ 80,000
Total Capital	**£ 5,053,980**	**£ 2,839,440**	**£ 2,371,840**			**£ 653,959**	**£ 592,916**	
Total Revenue	**£ 1,862,500**	**£ -**	**£ 1,384,375**					**£ 80,000**
Total	**£ 6,916,480**	**£ 2,839,440**	**£ 3,756,215**			**£ 653,959**	**£ 592,916**	**£ 80,000**

Legal issues

36. Proposals to extend existing contracts or to award new contracts for the supply of goods, services and or works will be undertaken in accordance with the Council's Contract Procedure Rules and the requirements of the Public Contracts Regulations 2015.

37. Support will be needed from legal services for the concession type contracts and the Gul-e project.

38. The Council should note that grant funding agreements are often provided on a ''take it or leave it'' basis, which means that the Council does not have the right to negotiate the terms of contract. Accordingly, officers should ensure that if they draw monies down pursuant to these agreements, that they comply with the terms of the agreement and note any risks that the council may be exposed to in the event of non-compliance. Legal advice should be obtained if needed.

Levels of risk

39. There are a number of risks associated with this programme:

a) **Budget:** the budget for this programme is in outline only. The timescale for the bid process is very short and does not allow for more detail at this point. Full costs will be known in June.
b) **Schedule:** the schedule for delivering these projects is extremely tight. Where feasible this risk will be avoided through joint work with the Project Manager, County Council and Suppliers, which will demonstrate their ability to deliver the project by the deadline and have the resources available to achieve this. Dialogue with EST and OZEV will also be used to seek any extensions to programme timescales where required.
c) **Planning Risk**: It is understood that planning permission will generally be required for home charge point installations. Early engagement with Planning teams within the participating councils and at national level is proposed for GUL-e and EV Hubs work streams. There is a risk that some trial participant home charging planning applications are rejected.
d) **Connection to the distribution network cost/ permission:** the costs of connection to the distribution network for the EV hubs could be high and connection may not be possible at proposed hub locations. Back-up solutions will be prepared.
e) **Disruption to users at each site:** work on the sites could cause disruption to users. This risk will be mitigated as much as possible by development of a construction plans to reduce the impact at each site.

40. A risk register is attached (see Appendix 1), outlining the potential known risks.

Equalities impact

41. There are no adverse impacts on any part of the community only positive ones. In particular the government funding will support the implementation of off-street residential charging hubs in disadvantaged parts of the city currently less attractive to commercial operators. The delivery of electrified on-street disabled parking bays will improve accessibility for people with disabilities to use EVs.

42. Equalities Impact Assessment is attached (Appendix 2)

Report author	Kristina Mould
Job title	Capital Programme Project Manager
Service area or department	Environment Sustainability
Telephone	01865 252082
e-mail	kmould@oxford.gov.uk

Background Papers:
1 https://www.oxford.gov.uk/downloads/file/7685/zero_carbon_oxford_partnership_roadmap_and_action_plan_-_summary

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