

NORTH SOMERSET COUNCIL DECISION

DECISION OF: COUNCILLOR HANNAH YOUNG. THE EXECUTIVE MEMBER FOR HIGHWAYS AND TRANSPORT



WITH ADVICE FROM: THE DIRECTOR OF PLACE AND S151 OFFICER

Decision No: 23/24 DP 467

Subject: Local Electric Vehicle Infrastructure (LEVI) acceptance of allocated grant funding.

Key Decision: YES

Reason:

The North Somerset LEVI allocation for funding is over £500,000 and will be used to deliver electric vehicle charging across multiple wards.

Background:

In the North Somerset Electric Vehicle Strategy, we set out our commitment to seeking a concessionary partner to support the council in delivering electric vehicle infrastructure at the pace required to keep up with the proliferation of electric vehicle sales and to ensure an equitable spread of charging across the district. In September 2023, a commissioning plan for Local Electric Vehicle Infrastructure (LEVI) Fund was approved by the Executive Member for Highways and Transport (23/24 DP 204). This set out North Somerset Council's approach to jointly procure a concessionary partner and deliver LEVI with the West of England Combined Authority (WECA).

North Somerset Council are collaborating with partners at the West of England Combined Authority and its' constituent Unitary Authorities to deliver a large scale roll out of electric vehicle charging infrastructure across the region. In order to deliver this infrastructure, North Somerset Council have been allocated £851,000 through the government's Local Electric Vehicle Infrastructure fund.

Through joint procurement led by the West of England Combined Authority, the funding will be used to enter into a concessionary arrangement with a successful charge point operator (CPO) to delivery both on-street and off-street public charging solutions. The central aim of the fund is to support those without access to off street residential parking, with a focus, as set out by the North Somerset Electric Vehicle Strategy, on equity of provision across both urban and rural areas.

To progress with the work, this decision is required to enable North Somerset Council to accept the funding from Office of Zero Emission Vehicles (OZEV) and raise the capital budget. It should be noted that OZEV have indicated that they will release the funding in two instalments; 90% (£765,900) will be prior to tender and a further 10% (£85,100) will be released after contracts have been review by OZEV.

The allocation is non-competitive, however over the course of the project we have had to submit applications to show that we meet the criteria set out buy OZEV and to outline how we

intend to use the funding allocation in order to maximise the scale of the delivery through the concessionary agreement.

The collaborative approach to LEVI between North Somerset Council and West of England Combined Authority has ensured that our offering to the market is as appealing as possible. Our £851,000 and WECA's £6,644,000 make the procurement one of the largest in the country, allowing us to attract the highest quality charge point operators.

To date, the joint work between North Somerset Council and the Combined Authority has included soft market testing in three forms: an initial brief to the market, a series of interviews with operators and cost estimates for a variety of hypothetical scenarios.

As part of the LEVI fund, OZEV have funded a support body, comprising of Energy Saving Trust Enterprises Limited, PA Knowledge Limited and Cenex Limited. Their services have been made available to Local Authorities to ensure that they have access to the commercial and technical skills and knowledge required to deliver a high-quality project. Their services have included draft Heads of Terms and Technical Schedules, guidance on electric vehicle infrastructure procurement, site selection advice, as well as wider guidance and training for officers.

To ensure that our joint LEVI project is able to work efficiently, and North Somerset Council holds financial control of the allocation intended for our district, it is important that North Somerset Council retains s151 and accept the allocation into our accounts. This approach has been agreed by OZEV as the preferred mechanism for offering the grant in the event of a joint procurement and delivery such as ours.

As approved by West of England Infrastructure Directors board and through the approved LEVI commissioning plan, the West of England Combined Authority continue to lead on the joint procurement of a concessionary partner. A progressive assurance model has ensured that North Somerset Council's Strategic Procurement Team remain informed and have the ability to guide the tender documentation. This relationship is further strengthened by the continued reporting to West of England RDT Directors Board, upon which North Somerset sit.

Tender

As per the commissioning plan, the joint tender will be carried out by West of England Combined Authority on the Oxford Dynamic Purchasing System, which pre-qualifies suppliers to ensure that the fundamental elements of the LEVI fund are met ahead any procurement exercise. The pre-qualification criteria includes ensuring 100% renewable energy supply.

The tender itself will run for 6 weeks and is for the joint procurement of a concessionary charge point operator to deliver charge points across the West of England region. This will include; design, hardware, software, installation, management, maintenance and back-end management. Following market engagement and advice from the LEVI Support Body, it has been determined that the contract length required is one of 15 years +1. Note that this is a change from the original commissioning plan (previously 15 years +1 +1) based on feedback from the Department for Transport.

The process from now is outlined below and timelines will be reviewed once OZEV release the funds:



Evaluation

The tender will be evaluated on the following scoring, which has been devised by the West of England Combined Authority and reviewed by North Somerset Council Strategic Procurement Team:

Criteria and Weightings:

1. Quality (65% including sustainability): This criterion assesses the technical capability, performance, and overall quality of the proposed solution. Evaluation will consider factors including but not limited to the LEVI guidance such as Solution, Delivery and Operations.

a. Sustainability: This will measure the approach of suppliers to sustainability on the project.

The source of funding proposed by the CPO will also be reviewed however this will be on a Pass/Fail basis.

2. Corporate Capability

a. Social Value (10%): This criterion measures the positive impact the tender will have on social and environmental aspects, such as diversity, local employment, and community engagement.

3. Price (25%): This criterion evaluates the commercial model proposed by the CPOs including the following elements

Commercial Aspect	Proposed Evaluation Approach	Weighting
Alignment to commercial Heads of Terms	Confirmation of alignment to Heads of Terms	Pass/Fail
Source of Funding	Verify the source of funding of the CPO i.e. to confirm there are no connections to hostile govts, money laundering, sanctions list etc.	Pass/Fail

Revenue Share	Percentage (%) of Revenue Share proposed by the CPO	5%
Costs of infrastructure and delivery	Proposed cost of infrastructure	10%
Sustainability of Financial Model	Feasibility of financial model	10%

4. Interviews: The top 3 CPOs will be invited to interview to provide clarity on their commercial model. This will not be scored but will support the final score of the commercial submission.

A weighting of 75% technical and 25% commercial is proposed due to the Electric Vehicle industry not being sufficiently mature. A qualitative and quantitative approach to the commercial submissions will be taken during evaluation of responses.

This can be further defined as:

Technical	Weightings
Solution	30.00%
Delivery	22.50%
Operation	10.00%
Corporate Capability	12.50%
Total	75.00%
Commercial 25.00%	
In accordance with the LEVI guidance, suppliers will be required to propose a financial model in line with the requirements	

Profit Margin Cap

To ensure that our communities get the greatest value for money, a profit margin cap will be included in the tender. By including a margin cap, rather than a fixed profit, this will ensure that the operators are able to price in a manner which takes advantage of night time tariffs for residential charging, whilst also preventing operators from pricing with unreasonably high tariffs.

Revenue Share

A net revenue share is expected from the successful operator after the first 2 years, this is to be negotiated and agreed post-award to reflect the need for council resource required to manage the contract. There is not expected to be a large revenue in the early years of the project beyond resource costs.

Site Selection

The site selection process is in development and a tool will be designed to make best use local authority knowledge and data to identify high priority areas, these are a mix of strategic

locations, which will work with the council's wider aspirations, known high demand areas such as those from resident and councillor requests and areas which have higher levels of deprivation or rurality where a charge point operator would not look to install outside of a concessionary contract. We note that charge point operators have access to richer data sets. Sites will be delivered in phases which will enable the operators to increasingly seek to install more commercially viable sites.

Decision:

- To accept the North Somerset Council's Local Electric Vehicle Infrastructure allocation of £851,000 to allow continuation of the project with West of England Combined Authority.
- To increase the Capital Programme by the sum of £851,000 in line with the amount of funding to be received.

Reasons:

By accepting the funding allocation and agreeing to tender, North Somerset Council and West of England Combined Authority will be able to progress with the LEVI work and the Combined Authority will be able to send out the invitation to tender in the spring of 2024.

Options Considered:

Option 1: Do not accept the funds.

This option was rejected as without these important funds, North Somerset would be unable to tender with the Combined Authority. This would also pose a reputational risk to the council as North Somerset Council would not be able to deliver electric vehicle charging as set out in the Electric Vehicle Strategy.

Option 2: Accept allocated LEVI funding

Preferred option as set out above is to accept the allocated funding and raise the capital programme accordingly. This will allow for the project to progress to joint tender led by the Combined Authority. By proceeding to tender, we are therefore able to ensure that we deliver at the pace required to keep up with demand and progress towards achieving the targets set out in our strategy. This option remains consistent with the Commission Plan for this piece of work.

Financial Implications:

The capital fund discussed in this decision notice is central government funded and

Costs:

Projected spend of £851,000 for the scheme will be limited to the amount of Local Electric Vehicle Infrastructure funding received in the council's allocation of £851,000. No additional North Somerset Council match funding will be needed for this project - grant allocation is the sole expenditure required.

The funding will be used to enter a concessionary partnership with a successful charge point operator at the point of contract award. A further decision, post award, will outline when and how the grant will be passed to the West of England Combined Authority, who will lead on delivery and in turn pay the successful operator.

Funding:

OZEV have indicated that they will release the funding in two instalments; 90% (£765,900) will be prior to tender and a further 10% (£85,100) will be released after contracts have been review by OZEV.

Therefore, the expectation is that £765,900 will be received in 2023/2024 and the further £85,100 will be received in 2024/2025.

Following approval of this decision, a new capital cost centre will be set up in order to separately identify and monitor spend on the scheme.

Legal Powers and Implications:

As per Council Constitution, Capital Budget Changes and Transfers, 4.35, increases or changes to capital schemes up to £500,000 are permissible subject to the funding impacts being identified and the applicable following limitations:

- Directors with the Section 151 Officer can approve changes to capital budgets up to a maximum of £500,000;
- All changes between £250,000 and £1,000,000 shall be retrospectively reported to the Executive as part of the corporate budget monitoring reports.

A Memorandum of Understanding between the West of England Combined Authority is being developed. A further Inter-Authority Agreement with West of England Combined Authority, South Gloucestershire Council and Bath & North East Somerset Council will also be developed prior to delivery of the scheme.

Climate Change and Environmental Implications:

The North Somerset Corporate Plan has a target to be a carbon neutral Council and area by 2030. Electric Vehicles are directly referenced as a commitment in the PLACE Annual Directorate Statement as we seek to develop and deliver a programme of work to support transport decarbonisation.

The procurement of a charge point operator through the Oxford DPS ensures that only operators using 100% renewable energy are able to respond to the tender.

Consultation:

This will support the work arising from the North Somerset Electric Vehicle Strategy. This funding will support the deliverables of the strategy. Additional engagement and consultation will be required as we progress to the delivery of the project. A full Stakeholder engagement plan is being developed in partnership with West of England Communications Teams for this work.

Risk Management:

Following mitigating actions, one risk from the project's risk register continues to have a high residual risk and noted below in the table below:

Risk	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Score	Comments
Market Unable to	High	4	4	High	Our engagement with CPOs and the LEVI Support Body

Deliver at scale and timeline required					doing the same, does work to reduce this risk along with OZEVs two tranche approach to allocations. However, until a contract is agreed with set KPIs and critical steps, this risk remains high due to the potential impact on delivery to this point in the project.
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Equality Implications:

As part of the tender specification, equality has been a central consideration. This includes the requirement for compliance with PAS1899 accessible charging standards. In addition, one of the key benefits of the concessionary agreement approach to procuring a charging operator partner is that North Somerset and the Combined Authority have been able to make use of data to inform a site selection process which ensures that areas of demand with high deprivation have the required level of charging provision.

Corporate Implications:

This project has significant sustainability benefits as charging infrastructure is viewed as the key barrier to electric vehicle adoption.

The project will be making use of Council owned assets in the form of car parks. Specific sites will be discussed at the delivery stage of this project.

Appendices:


[Taking Charge: the electric vehicle infrastructure strategy](#)
[North Somerset Council Electric Vehicle Strategy](#)

Background Papers:

[Decision Notice No: 23/24 DP 204](#)

Signatories:

Decision Maker(s):

Signed:  Executive Member for Highways and Transport

Date: 7 March 2024

With Advice From:

Signed:  Director of Place

Date: 7 March 2024

Signed:  S151 Officer

Date: 7 March 2024