

Report to Cabinet

24 November 2021

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| Subject: | On Street Residential Charging Scheme – Acceptance of Funds |
| Cabinet Member: | Cabinet Member for Environment Cllr. Ahmad Bostan |
| Director: | Tony McGovern Director – Regeneration & Growth |
| Key Decision: | Yes |
| Contact Officer: | Oliver Ford – Transportation Officer oliver_ford@sandwell.gov.uk |

1 Recommendations

- 1.1.1 That approval be given to authorise the Section 151 Officer to sign and return the grant award letter issued by the Office of Zero Emission Vehicles (appendix A) for £300,430 as part of the On Street Residential Charging Scheme (ORCS).
- 1.2 That the recommendations contained in the appraisal report as set out in Appendix 2 be approved to mitigate any risk to the Council.

2 Reasons for Recommendations

This funding will be used to deliver 37 public dual socket chargepoints (74 sockets) in residential areas where residents do not have access to off street parking and are therefore not able to charge their vehicles on driveways with a private charge point, as is the norm. The funding will therefore deliver approximately 40% of the 7kW chargepoints required by 2025 in order to support Sandwell’s transition to electric vehicles in light of the government’s 2030 ban on petrol and diesel vehicles, as



outlined in the Black Country ULEV (Ultra Low Emission Vehicles) Strategy.

3 How does this deliver objectives of the Corporate Plan?

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|  | <p>People live well and age well</p> <ul style="list-style-type: none"> As outlined in the Black Country ULEV Strategy. The transition to ULEVs from ICE (internal combustion engine) vehicles will dramatically improve air quality throughout the borough, lessening residents' exposure to air pollution and consequent lung and cardiovascular conditions. This transition is reliant on the provision of charging infrastructure delivered by the funding streams such as ORCS. |
|  | <p>A connected and accessible Sandwell</p> <ul style="list-style-type: none"> The UK government has announced that the sale of all new ICE cars will be banned from 2030. Whilst modal shift away from private car use in an urban context continues to be the primary goal of local, regional and national policy, the private car remains central in providing mobility for Sandwell residents. A supported transition away from ICE cars to ULEVs, ensures that Sandwell residents will continue to have access to a range of modes, including the private car. Infrastructure deployment facilitated by funding streams such as ORCS plays an important role in facilitating this transition. |

4 Context and Key Issues

The Black Country ULEV Strategy (adopted by Cabinet in September 2021) highlights a need to deliver 175 7kW (slow) public charging sockets by 2025 in order to support the borough's transition to ULEVs in light of the Government's 2030 ban on the sale of new petrol and diesel cars. To meet this challenge, Transport Strategy, supported by Black Country Transport, submitted a £300,000 bid to the On Street Residential Charging Scheme to deliver 37 dual socket 7kW chargepoints (74 sockets) on streets without off street parking. It



is envisaged that this will be the first in a number of ORCs bids submitted by SMBC in the coming years.

This funding will require 25% match funding, which will be sought from a yet to be secured charge point operator, as is common practice for ORCS projects. Charge point operators will deliver the hard infrastructure and manage the day to day operation of the charge points on a concession basis. As a contingency the match funding has also been identified from within existing transport budgets, but it is unlikely that it will be used.

Each local authority will enter into its own concession contract with the operator. This contract will necessitate that the operator takes on the revenue costs for operation and maintenance of the chargepoints, reducing the risk to the council. Individual contracts will allow a degree of variation between local authorities as to how exactly they wish to operate the network within their area. Approval of the contract between SMBC and the CPO, as well as for the wider commercial model underpinning the operation of the chargepoints will be sought from Cabinet at a later date, following procurement.

The 37 identified sites in the ORCs bid were chosen as most suitable for installation of charging infrastructure against a set of criteria (outlined in the ORCS bid) which included:

- Off-street parking availability;
- Vehicle ownership rate;
- Method of commute;
- Population density;
- Footpath width;
- Carriageway width;
- Resident requests.

However, SMBC maintains flexibility to vary the location and number of sites it chooses to install charge points in following acceptance of the grant. Acceptance of the grant does not commit SMBC to installing charge point at the thirty-seven locations submitted as part of the bid.

Following acceptance of the grant, procurement of a charge point operator, led by TfWM and in conjunction with the three other Black Country authorities, will begin. Although one operator will be appointed for the Black Country, each local authority will enter into its own concession contract with the operator.



This contract will necessitate that the operator takes on the revenue costs for operation and maintenance of the chargepoints, reducing the risk to the council. Individual contracts will allow a degree of variation between local authorities as to how exactly they wish to operate the network within their area. Approval of the contract between SMBC and the CPO, as well as for the wider commercial model underpinning the operation of the chargepoints will be sought from cabinet once procurement has been completed.

Engagement with residents living in proximity to proposed charge locations will be required before any installation of infrastructure. This will begin following acceptance of the grant. Resident requests for chargepoints over the past year have been an important factor in selecting the 37 proposed locations for this bid and wider consultation on the Black Country ULEV Strategy has already been undertaken.

5 Alternative Options

Do nothing: If SMBC chose to not install any public on street residential charge points, this would leave residents without off street parking with severely limited options for car charging in light of the 2030 ban on the sale of new petrol and diesel cars. This would undermine the borough's transition to electric vehicles in contradiction to policy as stated in the Black Country ULEV Strategy.

Fund public on street residential charge points out of existing capital budgets: Given budget constraints, this would significantly reduce the number of charge points delivered (by approximately 75%), leading to a failure to meet the required amount again undermining the borough's transition to electric vehicles in contradiction to policy as stated in the Black Country ULEV Strategy.

Submit a smaller bid: this would reduce the number of charge points delivered leading to a failure to meet the required amount again undermining the borough's transition to electric vehicles in contradiction to policy as stated in the Black Country ULEV Strategy.



Submit a larger bid: This option would deliver more chargepoints in a single batch. However, a larger bid with more charge points would risk placing an unsustainable strain on staffing resources given that this is SMBC’s first bid to ORCS, particularly given that such a bid would have to include sites which would be more challenging to install infrastructure in. Additionally, a larger bid would face an increased risk of rejection by OZEV as it would place a larger demand on the central pot. Securing match funding for a larger grant award would also be more challenging. Instead it would be preferable to submit consecutive bids of a similar size each year.

6 Implications

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| <p>Resources:</p> | <p>Acceptance of the funding will require 25% capital match funding (£100,000). As stated above, it is anticipated (and is standard practice) that this will be met through a charge point operator contribution. However, this match funding has been identified from within existing transport budgets as a contingency.</p> <p>There is no associated revenue cost with accepting the funding (or the project at large) for SMBC. This is because all revenue costs will be funded by the charge point operator. SMBC may receive a share of the revenue income from the operation of these charge points, in partnership with the CPO.</p> <p>Accepting the funding will require officer time to implement the installation of the charge points. This will be met by Transport Strategy and Black Country Transport resource.</p> <p>A full financial appraisal of the grant offer is appended to this report.</p> |
| <p>Legal and Governance:</p> | <p>SMBC solicitors have confirmed that there are no state aid considerations of concern on the basis that SMBC will be procuring contractors from compliant frameworks and has not previously been given similar grant.</p> |



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| <p>Risk:</p> | <p>The chief risk in accepting the funding is that it will have to be returned due to an inability to deliver charge points. This is an unlikely scenario but would result in reputational damage, potentially limiting SMBC's future ability to successfully apply for OZEV grants in the future. Risks to SMBC's ability to deliver charge points are outlined (with mitigations) in the appended risk register. Aside from the return of the grant funding, there would be no financial penalty incurred by SMBC if it failed to deliver charge points using the ORCS funding.</p> |
| <p>Equality:</p> | <p>There are no direct equalities implications arising from accepting the bid. However, car ownership, and particularly electric car ownership, is more likely amongst those on higher incomes due to the cost associated with purchasing and running a vehicle. 44% of the borough's households do not own a car, compared to 20% nationally.¹ Consequently, acceptance of the grant is more likely to directly benefit those on higher incomes. This strategy primarily identifies measures which will support car owners in the borough. Sandwell has a lower than average car ownership level compared to the national average. 44% of the borough's households do not own a car, compared to 20% nationally². Households which do not own cars are more likely to have a lower than average median income.</p> <p>However, the benefits associated with improvement in air quality and carbon emissions reduction will be felt by all residents. More deprived areas are more likely to suffer from air pollution and therefore benefit from a transition to ULEVs.</p> <p>The Black Country ULEV Strategy identified areas which are 'most suitable' for installation of public on-street residential charging infrastructure. As part of this assessment, Cenex took into consideration several factors including: lack of access to a driveway (most importantly), car ownership and median income.</p> |

¹ RAC Foundation, Car Ownership Rate in England and Wales, 2012



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| | <p>Areas with a higher than average income were more likely to be assessed as more suitable for installation of infrastructure because, given the cost ULEVs, those with higher incomes are more likely to be early adopters.</p> <p>To mitigate this, Sandwell officers asked Cenex to also assess areas with the median income factor being discounted. The resultant findings were not fundamentally different to the original, as the most important factor was lack of access to a driveway (in general those living without access to off street parking have lower incomes than those with driveways anyway).</p> <p>When identifying sites for the installation of infrastructure, officers will not solely be guided by the mapping produced by Cenex and will ensure an equitable coverage across the entire borough balancing all relevant factors when assessing locations for charging infrastructure.</p> <p>Additionally, charge points will be placed on the edge of the footway. This may pose an obstruction to those who are less able or visually impaired. This has been mitigated by only selecting locations which have a minimum footway width of 1.8m.</p> |
| <p>Health and Wellbeing:</p> | <p>The whole of Sandwell has been a designated Air Quality Management Area (AQMA) since 2005, because of lower than average air quality across the borough. This low air quality has resulted in increased prevalence of heart and lung disease. Installation of charging infrastructure supports a transition away from ICE vehicles (the prime contributors to poor air quality) to cleaner ULEVs.</p> <p>It is forecast that a transition based on a 2030 ICE ban would, by 2025, result in a 12% reduction of transport Nitrous Dioxide (NOx) emissions and a 36.6% reduction in transport Particulate Matter (PM)</p> |



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| | emissions across the borough. By 2040 these reductions are forecast to be 83.4% and 90.1% respectively. |
| Social Value | Installation of chargepoints will generate additional demand for skilled labour, likely focussing on the civil and electrical engineering disciplines. Local employment and supply chains will be sought for during procurement. |

7. Appendices

- A. Grant Offer Letter
- B. Financial Appraisal

