

**Cabinet – 20 April 2022**

**Adoption of Black Country Ultra-Low Emission Vehicle Strategy and Approvals for Office of Zero-Emission Vehicles On-Street Residential Chargepoint Scheme Project**

**Portfolio:** Councillor Andrew, Deputy Leader & Regeneration

**Related portfolios:**

**Service:** Highways and Transport

**Wards:** All Wards

**Key decision:** Yes

**Forward plan:** Yes

**1. Aim**

1.1. On 16 September 2019 Walsall Council declared a climate emergency. The Ultra-Low Emission Vehicle Strategy seeks to expand and improve electric vehicle accessibility, by providing the infrastructure, particularly for those without the option to install a chargepoint on a private driveway. As such, the adoption of the ULEV strategy will support the council's commitment to becoming a net zero carbon authority by 2050.

**2. Summary**

2.1. This report summarises the findings of the Black Country Ultra-Low Emission Vehicle (ULEV) Strategy, approved at Heads of Regeneration (HoR) and Association of Black Country Authorities (ABCA) Leaders and Chief Executives in February 2021.

2.2. The report explains the targets identified in the strategy and how the strategy will help act on the climate emergency declaration and net-zero carbon authority commitment made by the council. Finally, the paper provides details of the bid that was submitted to the Office of Zero-Emission Vehicles (OZEV) On-street Residential Chargepoint Scheme (ORCS) fund and the next stage of appointing a chargepoint operator (CPO) using a dynamic purchasing system (DPS).

2.3. This report seeks to adopt the ULEV strategy, which has been developed by the four Black Country local authorities. To date, Sandwell Metropolitan Borough Council and City of Wolverhampton Council have adopted the strategy.

- 2.4. This is a key decision because the geographic extent of the thirty-five sites being consulted upon covers fifteen wards in the borough.

### **3. Recommendations**

- 3.1. That Cabinet approved the adoption of the Black Country Ultra-Low Emission Vehicle Strategy, including the 2021 Advisory Note, set out at **Appendices A and B** respectively.
- 3.2. That Cabinet endorse the future delivery of infrastructure in line with the targets identified in the strategy, subject to all relevant legal, financial, and planning approvals.
- 3.3. That Cabinet delegates authority to the Executive Director for Economy, Environment and Communities, in consultation with the Portfolio Holder for Regeneration, to award the contract for the provision of on-street residential chargepoints, as part of the Office for Zero Emission Vehicles' On-street Residential Chargepoint Scheme.
- 3.4. That Cabinet delegate authority to the Executive Director for Economy, Environment and Communities to subsequently authorise the sealing of deeds and/or signing of the concession contract and any other related contracts and/or documents for the provision of such services, as well as any extension and variation of the contractual arrangements should this be required throughout the duration of the contract.

### **4. Report detail – know**

#### ***Context***

- 4.1. Wide-reaching changes are necessary to meet the 2015 Paris Agreement, the Climate Change Act, which mandates net-zero by 2050), and our local climate change objectives.
- 4.2. According to the government's "Road to Zero" strategy (2018), although today's new cars are more efficient than those bought in 1990, transport greenhouse emissions have fallen just 2% since 1990. As a result, transport is now the largest sector for UK greenhouse gas emissions (27%), of which road transport accounts for over 90%. Road transport is one of the biggest contributors to poor air quality in some of the UK's towns and cities.
- 4.3. There are competing technologies for decarbonisation of road transport, but for private cars, electric vehicles (EVs) currently dominate the market. Hydrogen, fuel cells and synthetic fuels all offer potential opportunities and are being pursued as options for heavier vehicles, but currently they only occupy a tiny proportion of ULEV development and sales.
- 4.4. In 2020, after consultation, the government accelerated the transition away from petrol and diesel by bringing forward the ban on sales of internal combustion engine (ICE) powered vehicles from 2040 to 2030 (with plug-in hybrid sales permitted until 2035).

- 4.5. In February 2020, Black Country Transport commissioned a ULEV strategy vision and implementation plan from CENEX (a not-for-profit research organisation specialising in low and zero-carbon vehicle technologies). This sets out the challenges for the region to support the adoption of electric vehicles, in line with the assumption that the ban would be brought forward to 2035. Earlier this year a supplementary report was produced to update the document in line with a 2030 ban.
- 4.6. The report identified that the Black Country, and Walsall specifically, is lagging behind the national averages for both uptake of EVs (0.19% of vehicles in Walsall are EVs, compared to 0.35% for the West Midlands, and 0.47% for the UK) and the installation of the infrastructure necessary to support this transition.
- 4.7. The report sets out a range of targets for infrastructure, and suggested policy changes to support, and accelerate the electrification of private-use vehicles in the Black Country.

### ***Council Plan priorities***

- 4.8. The transport sector is the largest contributor to greenhouse gas emissions in the UK, and the majority of this (55%) comes from cars. Responding to climate change is critical to the future of the borough's quality of life and therefore is fully consistent with the 5 strategic priorities identified in the council's corporate plan.

### ***Risk management***

- 4.9. Although the West Midlands Combined Authority will conduct the mini-competition via the DPS, the council and each of the other local authorities will enter into its own contract with the CPO. The contract will require the CPO to take on the revenue costs for operation and maintenance of the chargepoints, thus reducing the financial risk to the council. Individual contracts between each local authority and a CPO will allow a degree of variation between local authorities as to how exactly they wish to operate the network within their area, though much of the contract is defined by the DPS and the further competition.
- 4.10. The contribution of capital through the council transport capital funding and from the ORCS programme allows the council a greater level of control over locations, costs to the customer, the type of contract with the chargepoint operator, potential level of profit-share and other contract terms.
- 4.11. Through the contributions from the council and the ORCS programme, this de-risks the chargepoints for the CPO, because the non-refundable capital grant will cover 75% of the capital costs, the installer has a much smaller revenue required to make a profit from the sites, resulting in a lower financial risk than a fully funded model.
- 4.12. Given the government ban on the sale of petrol and diesel vehicles in 2030, it was felt that we could not afford to not adopt the ULEV strategy and assume activities to support the national target would take place anyway to support the

national target. The infrastructure targets in the ULEV strategy are ambitious and without concerted effort they will not be achieved. Adopting the ULEV Strategy will give the focus required to meet these targets.

- 4.13. Due to the long-term time frame of the proposal, there is a risk that the technology may become obsolete and that there is a risk that the chargepoints receive little use.
- 4.14. Due to the nature of the contract, the status of the technology rests with the CPO.
- 4.15. At this stage, the chargepoint bays would not be subject to an enforcement arrangement, as the chargepoint bays are likely to still be occupied by petrol and diesel vehicles, due to the proportion of residents owning an electric vehicles. However, this will be reviewed when such a situation arises that the enforcement mechanism (traffic regulation order) maybe required.

***Financial implications***

- 4.16. The ORCS bid was successful, and a grant agreement was signed in October 2021, between the council and OZEV. Total capital expenditure of the bid will enable the council to deliver 35 chargepoints (with two sockets each), across Walsall to the total value of £338,720. This will be funded through the ORCS grant of £254,040 and the required £84,680 of capital match funding.
- 4.17. Of the £84,680 capital match funding, £50,000 has been approved within the 2021-22 transport capital programme, with the remaining match funding approved within the 2022-23 transport capital programme. Delivery of the chargepoints will take place in the financial year 2022-2023.

<b><u>Capital expenditure</u></b>		
	<b><u>Cost</u></b>	<b><u>Funds</u></b>
Total cost	£338,720	
ORCS* bid		£254,040
Transport Capital Programme 21-22		£50,000
Transport Capital Programme 22-23		£34,680
	£338,720	£338,720
*Onstreet Residential Chargepoint Scheme		

- 4.18. With the grant agreement having been signed already, the council has until the end of March 2023 to deliver the 35 chargepoints for which we have funding, or we will be required to return the grant. If we face significant delays in signing the concession contract it will become increasingly difficult to deliver on time and may result in claw-back of funding.
- 4.19. The CPO will be required to cover all ongoing maintenance costs of the infrastructure, such as operation, maintenance, repair, accidental damage, and vandalism, as the ORCS funding is only capital funding. The CPO is required to cover the public liability insurance costs and due to owning the

above-ground chargepoint infrastructure, they will be required to remove these at the end of the contract.

- 4.20. Revenue costs will only fall on the council in the event that the CPO has to withdraw, in which case all income generated from the units will also be recovered by the council and therefore these costs will be offset by the increased revenues. In addition, if the operator were to withdraw, once the costs have been recovered through the contract terms, a new operator would be procured.
- 4.21. The proposed CPO contract has the potential for income generation for the council, with similar arrangements at other authorities returning up to 50% profit share. There are also options available to forego this revenue in order to reduce the cost to residents, or to push for other changes to the contract, such as the inclusion of a five-year break clause.
- 4.22. Other business models have been considered by Black Country Heads of Regeneration for delivery across the region, with some involving greater risk in return for larger possible revenues (e.g., own and operate the infrastructure), and others further reducing the risk associated, but also minimising the control the council can exercise over operation and the return for the council (e.g., lease of the chargepoint infrastructure to the chargepoint operator). Through discussions with transportation, finance and procurement officers, the concession model has been selected as the preferred option due to the balance of risk and return.
- 4.23. The concession model is a partnership between a public sector body and a private operator to deliver services or construct infrastructure, whereby the operator is given the opportunity to provide a service and/or carry out works that generate income for itself. This is caveated by the principle that any such income generated will be shared, to an extent, with the council.
- 4.24. This concession arrangement does not involve the council paying the operator, due to the ORCS and match funding covering the capital costs.
- 4.25. The ULEV Strategy identifies the requirement for a programme management role at a Black Country level to assist in coordinating the various aspects of delivery, and also to represent the four local authorities at a regional and national level in discussions around ULEV and other Transport Innovation topics. This role has now been appointed, with the programme manager being funded through revenue grants received by Black Country Transport, administered by Wolverhampton, and reporting to the Black Country Director of Transport. There are no financial requirements out of this budget.
- 4.26. The recommendation from CENEX is for an additional 1 full time equivalent post at each authority; options are being explored to resource this within Walsall. Whilst the strategy makes this recommendation, the Council will support this project with existing staff.

### ***Legal implications***

- 4.27. By using a DPS, the council accepts the contract terms set by it when calling off services with a CPO.
- 4.28. The proposed contract length is 10 years, with a 5 year break clause. The proposed contract length is considered typical across local authorities who have already secured ORCS funding. Such a contract length may have implications on how the parties involved leave the contract if the key performance indicators (KPIs) are not being met in the period before the break clause could be exercised.
- 4.29. Contract performance will be monitored regularly and will be subject to appropriate KPIs. If KPIs are not met then remedial action can be taken, up to and including termination of the contract.
- 4.30. EV chargepoints are considered as permitted development. However, the council's planning and highway teams will be consulted to determine if any additional permissions are required on the final location of each piece of infrastructure.
- 4.31. The lawfulness of any installed chargepoint could be subject to challenge by a third party.
- 4.32. Underground infrastructure is not expected to be removed at the end of the contract term. The chargepoint itself will be owned by the operator and will be required to be removed at their expense at the end of the contract.

### ***Procurement Implications/Social Value***

- 4.33. The CPO will be appointed through a mini-competition, led by the West Midlands Combined Authority, via the Oxford City Council EV DPS.
- 4.34. The contract length is provisionally set at 10 years, with a 5 year break point. The estimated cost of the contract, which is accessible to all member councils of the West Midlands Combined Authority, is up to a total value of £7m.
- 4.35. One of the quality questions within the tender documentation focuses on what social value the CPO can deliver. The documents state that potential benefits to local business, employment, training, and development are of particular interest.

### ***Property implications***

- 4.36. There are no direct implications as a corporate landlord, as we are not suggesting passing any land onto other private or public organisations, as any charge points at this stage will be operated under concession.
- 4.37. There are suggestions in the ULEV strategy around rapid charging hubs, which may involve sale of council land to private sector operators. This would need to be considered on a case-by-case basis.

### ***Health and wellbeing implications***

- 4.38. Petrol and diesel-powered vehicles are responsible for a large percentage of the harmful emissions within Walsall and across the UK, with 80% of roadside NOx and 13% of PM2.5 emissions attributable to road transport.
- 4.39. Poor air quality is associated with approximately 40,000 premature deaths in the UK each year, and also causes and exacerbates a range of respiratory illnesses, possibly including COVID-19.
- 4.40. Last year for the first time a coroner ruled that illegal levels of air pollution, primarily from vehicle traffic, were a direct factor in the death of a nine-year-old girl in London, in 2013.
- 4.41. The ULEV Strategy will support a shift away from polluting petrol and diesel-powered vehicles, improving air quality across the region, and mitigating the health impacts of NOx and particulate emissions.
- 4.42. The ULEV Strategy will help the council meet the Marmot objectives. The specific objectives have been identified as the ULEV strategy will directly impact transportation and have implications for climate change. This work to transition towards EVs will play a role in reducing carbon emissions, consequently improving air quality, and therefore helping to create and develop healthy and sustainable communities.

### ***Staffing implications***

- 4.43. Black Country Transport, hosted by City of Wolverhampton Council, successfully appointed a ULEV Programme Manager in October 2021. This appointment will help provide coordination of the project at a regional level. The financing of this role is not incurred by the council and is covered by revenue grants secured by Black Country Transport and administered by City of Wolverhampton Council.
- 4.44. Currently the delivery of the ULEV strategy is heavily reliant on graduate trainees and secondees.

### ***Reducing Inequalities***

- 4.45. In the development of the strategy, an equality impact assessment was undertaken and the implications for reducing inequalities have been considered and assessed as set out below.
- 4.46. 29% of households in Walsall do not have access to a private vehicle and these households tend to have lower income levels and are more likely to be from an ethnic minority, with particularly low vehicle access among black and mixed groups nationally. Vehicle ownership is higher among men. Currently, ULEV owners are also disproportionately middle-aged white men. This raises concerns over the fairness of investing considerable funds and resource to the infrastructure required to support adoption.

- 4.47. Today, most ULEV owners have off-street parking. Many surveys have looked into the reasons why people are reluctant to adopt EVs, and the lack of public charging infrastructure and corresponding 'range anxiety' usually feature very near the top of the list. Owning a house with off-street parking follows the same pattern of inequalities as vehicle ownership, which may go some way to explaining why current electric vehicle owners are not representative of the wider population.
- 4.48. In order to attract the approximately 30% of residents in the Black Country without access to private off-street parking to adopt electric vehicles, we need to provide far greater levels of public charging infrastructure, particularly in residential areas.
- 4.49. The benefits of a transition to electric vehicles will be felt by all in the form of improved air quality, reduced noise, and carbon reduction. Air quality and noise pollution disproportionately impact upon less affluent residents, and as such any improvements will benefit them disproportionately.
- 4.50. Also, it is worth noting that the responses to the consultation on the ULEV strategy also came disproportionately from white men and as such came with the recommendation that more work was done to engage with the diverse communities of the Black Country as we begin to deliver this infrastructure.
- 4.51. All chargepoint and associated installations will take due consideration of accessibility for disabled drivers.

### ***Consultation***

- 4.52. The ULEV Strategy was subject to a public consultation in August-October 2020, receiving 851 responses, with less than 20% believing the infrastructure targets were too ambitious and less than 30% believing the emissions targets were too ambitious (35% of responses viewed the emissions targets as not being ambitious enough).
- 4.53. All chargepoint and associated installations will be subject to agreement by the council, including obtaining any necessary planning permission, and public consultation with residents and businesses in the immediate vicinity of each location.
- 4.54. The public consultation process for the first 35 chargepoints began on Monday, 7 February 2022 and concluded on Monday, 7 March 2022. The process to review the public feedback is now underway.
- 4.54.1. The initial analysis of the feedback indicates that 71% of respondents who answered the question regarding support for chargepoint installation in the borough of Walsall indicated that they were supportive of this. and 58% of respondents who answered the question regarding support for chargepoint installation in their neighbourhood indicated that they were supportive of this.
- 4.54.2. The initial analysis of the feedback indicates a proportion of objections concerned around the impact the chargepoints would have on parking capacity. It is noted in paragraph 4.15 that there may be a requirement to



introduce traffic regulation orders to assist with demand management of the parking bays, but that this will be reviewed as the demand changes once the chargepoints are installed and will be subject to statutory consultation process.

### ***Climate Change***

- 4.55. The subject of this report aligns with action 4.3 outlined in the council's climate change action plan 2020-2025 "to promote and encourage ultra-low and low emission vehicles in Walsall and sustainable transport options in accordance with the Transport in Walsall Strategy 2017-22 and the West Midlands / Black Country Ultra Low Emission Vehicle."
- 4.56. The provision of chargepoints will promote the use of cleaner technologies to reduce carbon emissions, air pollution and adverse impacts upon residents.

## **5. Decide**

- 5.1. There are several options for delivery of the chargepoints, including fully funded models from private operators, but ORCS offers a significant opportunity to de-risk early delivery of infrastructure, and to reduce costs to residents, by heavily subsidising the installation costs.
- 5.2. Paragraphs 4.9, 4.10 and 4.11 of this report provide detail of the rationale for selecting this delivery model.
- 5.3. This report recommends approval of the ULEV Strategy and the delegation of authority due to the timeline of requiring chargepoint delivery by the end of March 2023.

## **6. Respond**

- 6.1. Subject to the approval of the recommendations in this report, the next step will be to undertake a DPS mini competition, then approve and enter into a concession contract with the successful chargepoint operator and begin installations in consultation with Highways officers.
- 6.2. Approval of the ULEV strategy will allow for preparations for the next round of ORCS delivery to commence, as well as other options for delivery including within council car parks and discussions with other potential locations, such as retail spaces. This will involve the exploration of further funding opportunities.

## **7. Review**

- 7.1. Within the procurement tender documents, a set of key performance indicators are included as part of the scoring criteria, which address operational and customer service needs.

- 7.2. The KPIs indicators will provide a series of metrics by which to measure and monitor the performance of the successful CPO. Failure to meet the KPIs will lead to discussion with the CPO about how to improve the service, financial penalties, or even termination of the contract.
- 7.3. Delivery against the ULEV strategy will be monitored with the number of chargepoints delivered, as well as approval of the suggested policies around licensing, fleet, public transport etc.

## Background papers

The Road to Zero (2018) – Department for Transport -  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/739460/road-to-zero.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739460/road-to-zero.pdf)

West Midlands net zero carbon emissions strategy (#WM2041 – 2020) and first Five-Year Plan (2021) – West Midlands Combined Authority  
<https://www.wmca.org.uk/media/4008/wm2041-final-003.pdf>  
<https://www.wmca.org.uk/media/4871/wm-net-zero-fyp-summary-tech-report.pdf>

Transport in Walsall 2017-2022 - [FINAL Transport in Walsall Strategy 2017-2022.pdf](#)  
[Draft Walsall Council Climate Emergency Action Plan 2020-2025](#)  
Walsall Council, [Carbon Neutral Council](#), October 2020

## Appendices

Appendix A: Black Country Transport Ultra-Low Emission Vehicle Strategy: Full Report  
Appendix B: Black Country Ultra-Low Emission Vehicle Strategy 2021 Supplement

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