

# London Councils' Transport and Environment Committee

## Go Ultra Low City Scheme (GULCS) - Phase 1 Delivery for Residential and Car Club Electric Charge Points Update

Item No: 12

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**Summary:** This report updates TEC on delivery of Phase 1 for the residential and car club element of the GULCS, the borough consultation that has been taking place during March and April 2017 and the proposed future work.

The report asks TEC to agree to start the process of amending the TEC agreement to delegate the borough's functions relating to Electric Vehicle Charging Apparatus to London Councils' TEC, potentially required for London Councils' TEC to operationally manage Electric Vehicle Charging Technology on behalf of the boroughs and TfL. The feasibility of TEC undertaking this role will be considered and a business case developed for future TEC consideration before any of the delegated functions are exercised by TEC.

**Recommendations:** Members are asked to:

1. Note and comment on the report
2. Agree to consult on and seek written agreement from all London local authorities to amend the LCTEC agreement as outlined in paragraph 28.

## GULCS - Phase 1 delivery for residential and car club electric charge points

### Overview

1. TEC received an update report on GULCS covering the Phase 1 for the residential and car club elements at its March meeting. This report gave an update on the investigations into legal, constitutional and financial matters and explained Phase 1 for delivering residential and car club electric charging points. This and earlier reports explained that the GLA, TfL and London Councils were collaborating to achieve a London-wide approach and economies of scale. The collaboration was loosely described as a “partnership”. Earlier reports also explained that a Steering Group to guide implementation arrangements, representing all three stakeholders, had been established.
2. This report updates members on the interest received from boroughs to participate in Phase 1, some changes required to the delivery of it and the proposed criteria to allocate the GULCS funding.
3. Furthermore, as the GULCS “partnership” considers further the potential of a Phase 2 to set-up London-wide delivery for electric vehicle charging infrastructure, TEC members are asked to consider an amendment to the TEC agreement that would allow London Councils TEC to take on the operational management as well as the strategic oversight on behalf of the boroughs and TfL should this be the preferred option.

### Phase 1 Expression of Interest

4. Boroughs were asked to express an interest for funding of electric vehicle charging infrastructure for years 2017/18 and 2018/19 for both the residential and car club elements of the scheme. These do not commit the boroughs to the scheme, this will be at a later, funding application stage.
5. Boroughs were asked to do this in the knowledge that they will have to provide match funding consisting of;
  - Their own management costs,
  - Potential Traffic Management Orders and signing and lining,
  - 25 per cent of the capital costs,
  - The operating costs of the charge points, such as maintenance and management.
6. A total of 24 expressions of interest have been received with an ambition to install 1,374 electric vehicle charge points in 2017/18 and 1,566 in 2018/19. Table 1 below gives more detail.

Type of EVCP	Residential	Car Club	Total
2017/18			
Lamppost	1063	7	1070
Freestanding	195	109	304
<b>Sub- Total</b>	<b>1258</b>	<b>116</b>	<b>1374</b>
2018/19			
Lamppost	1112	83	1195
Freestanding	224	147	371
<b>Sub-Total</b>	<b>1336</b>	<b>230</b>	<b>1566</b>
All years			
Lamppost	2175	90	2265

Type of EVCP	Residential	Car Club	Total
Freestanding	419	256	675
<b>Total</b>	<b>2594</b>	<b>346</b>	<b>2940</b>

Table 1 showing the Expression of Interest received from boroughs for 2017/18 and 2018/19

7. These ambitions demonstrate the growing need of electric vehicle charging infrastructure in London and boroughs willingness and preparedness to address this need.
8. The GULCS Steering Group adopted a number of guiding principles for implementation of Phase 1, these are replicated in Table 2 below, with officer comments on how they have been addressed through the Expression of Interests;

Guiding Principles for Phase 1 Expression of Interest	Commentary from assessing the Expression of Interests
1) It should give certainty to London whether the cheaper lamp post charging technology can be scaled up	Given the Expression of interest included 1,070 potential sites for lamp post technology in 2017/18 alone, Phase 1 will gain greater certainty whether this technology can be scaled up in London.
2) It should mitigate any risks that could prevent any implemented charge points under Phase 1 being transferred to a delivery “partnership” in the future	The GULCS project partners and officers working on the procurement element in particular are ensuring that the specifications and contracts are drawn up in such a way to mitigate this.
3) Phase 1 should meet existing demand in the first instance as well as address strategic demand, pending further discussions with the potential service providers	Officer assessment suggests boroughs Expressions of Interest included about half for charging infrastructure without an identified demand. This is greater than the Steering Group has previously agreed to and will therefore require further consideration.
4) It should be consistent with (or easier than) the OLEV “Grants to Provide Residential On-Street Chargepoints for Plug-in Electric Vehicles: Guidance for Local Authorities” published in December 2016 and administered by the Energy Savings Trust (EST)	OLEV has still not received many applications for their grant, which leads officers to the conclusion that GULCS is easier to participate in.

Table 2 showing the guiding principles for Phase 1 and officer assessment of whether they have been met

9. The volume of Expressions of Interest received means that 150 per cent of the GULCS funding for the residential element would be required, if all requests were agreed. This percentage figure will vary depending on the actual tendered costs for the charging points. Officers have analysed this for three cost scenarios; best, base and worst cases and the percentage points vary from 99 to 179 respectively.
10. The GULCS “partnership”, however is keen to have some funding for any potential future phases to ensure that the remaining nine boroughs who have not currently expressed an interest are able to do so. Officers have therefore devised a mechanism, for consideration by

the GULCS Steering Group that meets on 28 June 2017 and on which we would like TEC's views and comments.

11. Some of the underlying principles are;

- Given that the Expression of Interest for years 2017/18 and 2018/19 exceeds the GULCS funding available, officers are currently only considering the Expression of interest for 2017/18.
- Dividing the available amount for the residential and car club streams equally amongst the 24 boroughs that have expressed an interest would be the equivalent of £297k, rounded to £300k, worth of funding. 18 boroughs have expressed an interest in £300k or less funding in 2017/18. Six boroughs have requested more than £300k in funding; on average, boroughs have requested £229k.
- It therefore seems prudent to keep £300k per borough which is not participating in Phase 1 back for a future phase. This would require £2.7m to be kept back.
- GULCS partners will start engaging with OLEV to see whether further funding can be made available for London.

12. This results in the following proposed mechanism;

- All 24 boroughs expression of interest will be honoured for 2017/18 up to a cap of £300k.
- Boroughs will have to commit this funding by a certain date (possibly October 2018); any funding that is not committed by that time will be used for future phases.
- This would result in £4.35m committed funds and leaves £2.77m of uncommitted funding for a future phase.

## **Procurement**

13. The March TEC paper on GULCS Phase 1 describes the planned procurement process. TfL is undertaking the procurement for Phase 1 in consultation with the other stakeholders, and is currently drawing up a joint specification with GLA, London Councils and boroughs input.
14. Following recent advice from the Crown Commercial Services Framework operator, the GULCS project team officer group has been developing a revised route to procurement (for consideration by the GULCS Steering Group on 28 June 2017).
15. Pursuant to the Public Contracts Regulations 2015, section 4, regulation 33, TfL will via a competitive tender process under and in accordance with the procedures set out in existing Crown Commercial Services (CCS) Framework TMT2, procure a single supplier to deliver the GULCS requirement on behalf of the relevant boroughs. The boroughs will provide indicative charge point quantities and installation information. Also TfL and London Councils will create a procurement toolkit for the boroughs if they wish to call off from the framework themselves.

## **Borough Survey results**

16. As part of the Expression of Interest process, boroughs were asked to complete a detailed survey about certain aspects of the GULCS scheme to inform Phase 1 further. 12 borough officers have completed this detailed questionnaire and the following paragraphs present an overview of their views.
17. During our conversations with boroughs it became apparent that lamp post technology was favoured more highly with a number of boroughs. We wanted to test this technology further and some of the requirements needed to make the introduction of this technology a reality.

From the respondents, there were only two that were not willing to trial lamp posts in their borough; all others wanted to trial this. This has followed through in the Expressions of Interest, where GULCS has received a large number of requests for lamp post charging.

18. Boroughs were confident that their street lighting network will be able to accommodate lamp post charging and there was a mixture of views regarding the installation, maintenance, operation and management. Regarding installation, the most favourable option was for the borough or the borough's service provider to install the lamp post technology. For maintenance, operation and management, the most favoured view was for the GULCS service provider to do this, although some boroughs felt strongly that they prefer themselves or their own provider to handle this.
19. Some boroughs raised concerns with using the Crown Commercial Services Framework, mainly because there is no clarity on whether individual technical requirements will be able to be met and because there is no specific lamp post charging provider on the framework, they would have to sub-contract, which may increase the costs.
20. To cover the operational costs, boroughs are generally prepared to accept contract terms up to eight years, however some have indicated that they prefer not to have any contract period and cover the operational costs themselves. The majority of respondents do not want to own the infrastructure.
21. Most participating boroughs prefer having their borough branding on the charging technology, although all would consider having co-branding led by TfL with GLA and borough input.
22. Encouragingly all boroughs that responded to the survey would consider allowing commercial sponsorship of the Electric Vehicle Charge Points, as long as the boroughs each approved it.

### **Amending the TEC Agreement**

23. As the survey results reiterate, boroughs generally do not wish to be liable for the management and maintenance function of electric vehicle charging infrastructure themselves. This has been the main reason for the GLA, TfL and London Councils to try and set up a London-wide delivery arrangement. However, as the March TEC paper outlined in detail, the three GULCS stakeholders have come against a number of significant barriers – legal and constitutional as well as financial.
24. The GULCS stakeholders are still committed to try and find a solution to the issue of long-term maintenance and management and believe there to be a number of avenues for exploration, such as third party sponsorship, additional match funding from boroughs and/or the infrastructure provider.
25. The GULCS stakeholders will therefore continue to investigate the setting up of a delivery “partnership” in the long term. Through much discussion at the GULCS Steering Group as well as TEC, there is clarity around the governance ambition of such a “partnership”. London Councils TEC is seen as the ideal body to undertake both the strategic oversight and operational management on behalf of TfL and the boroughs.
26. However, the addition of the operational management role for London Councils TEC would require each of the 33 London local authorities participating in the TEC joint committee arrangements to delegate the exercise of additional functions to the joint committee, which

requires the TEC constitution (Governing Agreement, dated 13 December 2001 (as amended)) to be varied.

27. An appropriate amendment would be by way of an addition to the Part 3(D) Functions, inserting a new paragraph 2(b) as follows:

*“(b)(i) The provision and operation of charging apparatus for electrically powered motor vehicles and/or the grant of permission to provide and operate charging apparatus for electrically powered motor vehicles under section 16 of the London Local Authorities and Transport for London Act 2013 PROVIDED THAT such provision and operation may only take place at locations first agreed by the Participating Council which is the highway authority for the affected road (or, where it is the highway authority for the affected road, TfL) AND PROVIDED FURTHER THAT any grant or other monies provided to LCTEC for the purpose of providing and/or operating charging apparatus for electrically powered motor vehicles shall be applied to any such provision and operation by LCTEC which shall be at no cost or expense to the Participating Councils unless first agreed.*

*(b)(ii) The exercise of powers under Section 1 of the Localism Act 2011 for the purposes of giving effect to the joint exercise of functions under Section 16 of the London Local Authorities and Transport for London Act 2013 by LCTEC, or otherwise for the purposes of supporting and facilitating the Participating Councils and/or TfL in their exercise of those functions, including but not limited to oversight and management of the arrangements*

*(b)(iii) For the purposes of exercising functions under (b)(i) and (b)(ii) above LCTEC may appoint TfL to act as its agent (subject to Part 7 of this Agreement applying to any such appointment, including its termination) and FOR THE AVOIDANCE OF DOUBT the functions referred to at (b)(i) and (b)(ii) above may be exercised directly by LCTEC or pursuant to a contract or Service Level Agreement between LCTEC and TfL (or between LCTEC and another appropriate body) or through such servant, agent or contractor as LCTEC may appoint.*

28. Amendments to Part 3(D) are not minor variations for the purposes of Clause 15 of the LCTEC Governing Agreement, but are made by the procedure set out in Paragraph 3(D) 1 of the LCTEC Agreement which provides an alternative process for delegating the exercise of functions to the joint committee without requiring a separate formal variation agreement to be agreed by each authority before the delegation to the joint committee is effective. The procedure was adopted under an earlier formal variation to the Governing Agreement with the consent of all the London local authorities and TfL and provides that the functions may be delegated by each London local authority to operate under the existing terms of the Governing Agreement “subject to consultation with the Participating Councils and the written agreement of each Participating Council”. (An updated copy of any amended Part 3(D) must also be provided). Past experience shows that gaining consent in this way from all London local authorities takes at least six months. It is still a more expedient process than having all 33 authorities and TfL enter into a formal variation agreement setting out the terms of the delegation, which experience has shown can take up to two years.
29. Given the uncertainties surrounding Phase 2 (the establishment of a London-wide “partnership”), mainly due to funding constraints, London Councils TEC may not choose to utilise this delegation. However, given the possibility that it may be the preferred route for London Councils TEC to undertake both the strategic oversight and operational management role for the boroughs and TfL, officers would like to investigate the feasibility of Phase 2 in parallel with seeking the agreement of the boroughs to amending the TEC agreement. A business case will be reported to TEC for future consideration before any decision is taken to use the delegated authority. The boroughs would also need to agree any delegated action which resulted in additional cost or expense being passed to them.

**Recommendations:** The Committee is asked to:

- Note and comment on the report
- Agree to consult on and seek the written agreement from all London local authorities to amend the LCTEC agreement as outlined in paragraph 30.

### **Financial Implications**

The Director of Corporate Resources reports that there are no specific financial implications at this stage for London Councils, although there may need to be a realignment of central and management costs to reflect this new area of work.

### **Legal Implications**

The legal implications are outlined in the report at paragraphs 26-29.

### **Equalities Implications**

There are no equalities implications of the recommendations.