

<b>Classification:</b> Open	<b>Decision Type:</b> Key
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<b>Report to:</b>	Cabinet	<b>Date:</b> 12 February 2025
<b>Subject:</b>	Electric Vehicle Charging Infrastructure - Supplier for LEVI and CRSTS Funding	
<b>Report of</b>	Cabinet Member for Environment, Climate Change and Operations	

## Summary

- 1.1 This report is an update to the previous report of the same title to Cabinet on 12 July 2023
- 1.2 The Council recently appointed Be.EV to install Electric Vehicle Charging Infrastructure (EVCI) under a concessionary contract on Council land. This contract is aimed at installing areas in rapid charging infrastructure in areas with a good throughput of traffic that is likely to turn a profit for the operator. There is no means to be able to use this contract to install EVCI using funding in areas that the Council thinks will serve residents who do not have access to off-street parking.
- 1.3 The Council will have access to nearly £2m of Government funding to install EVCI from the Local Electric Vehicle Infrastructure (LEVI) fund combined with and the City Region Sustainable Transport Settlement (CRSTS). This money is to be used to provide charging facilities for the residents without off street parking – i.e. they don't have a drive
- 1.4 The earlier report submitted to cabinet on 12 July 2024 outlined a proposal for Bury Council to utilise this funding to directly procure a supplier to install and operate and maintain EVCI on Council land. However, following this Cabinet report Government Office for Low Emissions Vehicles (OZEV) made it clear that they would prefer and favour collaborative working from city regions to support better funding distribution and efficient delivery of services
- 1.5 As a result, it was decided that it would be better for TfGM to work with the 10 GM Authorities to carry out the procurement of an EVCI supplier on behalf of all the GM Authorities. OZEV are providing a high level of scrutiny throughout the process to ensure that this requirement is adhered to.
- 1.6 The successful supplier will keep the income from the network and operate it independently from the Council.
- 1.7 The Council will be looking to gain an income from the relationship with the supplier likely through a rental income or a revenue share agreement.
- 1.8 An MOU has been produced for TfGM and the 10 Greater Manchester local authorities to provide a means to agree how the procurement will take place and the allocated responsibilities of the parties involved in the procurement process and the subsequent contractual arrangements.

## Recommendation(s)

1. To approve that TfGM, undertake the procurement to appoint a supplier to deliver the LEVI Programme on behalf of Bury Council.
2. To approve the signing of the Collaborative Memorandum of Understanding and delegating power to the Director of Operations in consultation with the Director of Law and Democratic Services for the final approval of the final terms of the MOU.

### **Reasons for recommendation(s)**

1. The Council has a target of being carbon neutral by 2038. To achieve this goal, we need to significantly reduce carbon emissions. A significant amount of carbon emissions come from petrol and diesel cars. One way to reduce these emissions is for people to transition to electric vehicles, which have zero emissions at the tailpipe and a reduced carbon impact overall.
2. There is roughly £2m of funding being made available to the Council to install EVCI for people who do not have access to off-street parking.
3. We cannot use our existing EVCI concession contract to spend this funding.
4. The Council does not have the resources in place to install, operate or maintain a network of EVCI.
5. Therefore, we recommend appointing a supplier to work to install, operate, maintain, and operate EVCI. The Council can then combine this funding with investment from the supplier to increase the number of EVCI installed in Bury.

### **Alternative options considered and rejected**

#### Option 1

- a. The Council could own and operate the EVCI keeping 100% of the income generated to support the operation and maintenance of the infrastructure. This would still require a procurement process to appoint a supplier to install the infrastructure and carry out the operation and maintenance.

This approach would not encourage private investment and shifts the burden of risk onto the Council.

We also do not have the internal expertise at the Council to operate and maintain electric vehicle charging infrastructure.

#### Option 2

- b. We could do nothing. However, this would mean we would miss out on the opportunity to access significant funding to provide our communities with a wider range of accessible EV charging infrastructure.

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**2. Background**

- 2.1 The Council has a target of being carbon neutral by 2038. To achieve this goal, we need to drastically reduce carbon emissions, and a significant amount of carbon emissions come from petrol and diesel cars. One way to reduce these emissions is for people to transition to electric vehicles, which have zero emissions at the tailpipe and a reduced carbon impact overall. Electric vehicles also have the potential to reduce air pollution, improve public health, and lower fuel costs for drivers.
- 2.2 Electric charge points (ECPs) are essential to support the growth of EVs and to ensure that drivers have convenient and reliable access to charging facilities. A report to the Bee Network Committee on 26th September 2024 provided an overview of the current situation relating to Electromobility in Greater Manchester. The report set out the number of publicly available charging points in GM, the numbers of home chargers, and Electric Vehicles within private keepership and that are company registered by the relevant Authority. It also outlined the percentage of residential properties (without access to off-street parking) that are within 300m of charging infrastructure in GM is 22%. For Bury the baseline position is 14% see Appendix 1.

**3. Funding****LOCAL ELECTRIC VEHICLE INFRASTRUCTURE (LEVI) FUND**

- 3.1 LEVI funding is designed by Office for Zero Emission Vehicles (OZEV) to move away from previous funding models of a public sector owner-operator model, into that of a more commercial arrangement in which the supplier would own and operate the infrastructure through a concession.
- 3.2 The earlier report submitted to Cabinet on 12 July 2023 outlined a proposal for Bury Council to utilise this funding to directly procure a supplier to install and operate and maintain EVCI on Council land. However, following this Cabinet report OZEV made it clear that they would prefer and favour collaborative working from city regions to support better funding distribution and efficient delivery of services
- 3.3 As a result, it was decided that it would be better for TfGM to work with the 10 GM Authorities to carry out the procurement of an EVCI supplier. OZEV are

providing a high level of scrutiny throughout the process to ensure that this requirement is adhered to.

- 3.4 The stated aims of OZEV's LEVI fund are to:
  - 3.4.1 Deliver a step-change in the deployment of local, primarily low power, on-street charging infrastructure across England; and to
  - 3.4.2 Accelerate the commercialisation of, and investment in, the local charging infrastructure sector.
- 3.5 The Capital element of GM's LEVI allocation has been confirmed as £16,158,000.
- 3.6 To meet OZEV's requirements for collaboration in delivery TfGM are responsible for managing the procurement and delivery of the programme, and the local authorities will be responsible for contract managing the operations and maintenance with the Charge Point Operator once the charging points have been installed. TfGM anticipates that this programme of work will result in the installation of chargers commencing in 2026.
- 3.7 GM's initial submission to OZEV outlined GM's intention to install between 3,300 and 4,500 charging points across Greater Manchester.

#### **CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT (CRSTS) FUNDING**

- 3.8 £8.5m of CRSTS funding was allocated to TfGM for the roll-out of EVCI. In March 2023, GMCA endorsed a funding distribution model for CRSTS funds based on population, the proportion of rural areas in a Local Authority area (as these are often less likely to be served by the commercial market) and the level of housing stock which has neither off-street parking nor access to charging within five minutes' walk.
- 3.9 The Bee Network Committee, on 21 March 2024, approved the drawdown of a further £1.086m CRSTS funding, to be allocated across the 10 GM local authorities to support LA capability requirements in progressing the commercialisation and investment in on-street charging infrastructure across GM through OZEV's LEVI capital fund.
- 3.10 Bury secured £166,000 of this funding to cover management of the contract, identify suitable sites, assistance with highways issue, legalities around installation on council land and highways.
- 3.11 The remainder, using a formula agreed at the GMCA in March 2023, allows local authorities to bring forward proposals of their own or to include their allocation in LEVI procurement.
- 3.12 Bury Council are also seeking to include their remaining CRSTS allocation in LEVI procurement

#### **4. COLLABORATION MEMORANDUM OF UNDERSTANDING**

- 4.1 It is prudent and conventional on such a complex, multi-authority project, for there to be an agreement put in place between the 10 local authorities and GMCA/TfGM to clarify the rights, responsibilities and obligations of the

authorities setting out how all parties will work together to deliver the LEVI Programme.

- 4.2 One of the purposes of this report is to seek authorisation to sign the Collaboration Memorandum of Understanding (MOU) for the Local Electric Vehicle Infrastructure Fund (LEVI) Programme, attached as Appendix 2.
- 4.3 The draft Collaboration Memorandum of Understanding identifies the following specific commitments for Transport for Greater Manchester to:
  - 4.3.1 Act as the lead authority and accountable body for the Local Electric Vehicle Infrastructure Fund programme in Greater Manchester and manage the relationship with the Office for Zero Emission Vehicles and other stakeholders.
  - 4.3.2 Procure and appoint a suitably qualified Charge Point Operator to supply, install and operate the charging points, and manage the contract with the Charge Point Operator.
  - 4.3.3 Coordinate and oversee the site selection, design, installation and commissioning of the charging points, in consultation with the local authorities and the Charge Point Operator.
  - 4.3.4 Monitor and report on the progress, performance and outcomes of the Local Electric Vehicle Infrastructure Fund programme and ensure compliance with the funding agreement with the Office for Zero Emission Vehicles and this Collaboration Memorandum of Understanding with the local authorities.

## **5. CHARGEPOINT OPERATOR PROCUREMENT**

- 5.1 As set out above TfGM are leading on the procurement that needs to be undertaken to deliver the LEVI Programme.
- 5.2 The purpose of this report is to summarise the procurement that is to be undertaken to deliver the LEVI programme and to seek approval for TfGM to undertake the preparatory procurement arrangements on behalf of itself and the 10 Local Authorities in accordance with the GMCA and TfGM's existing Constitutional arrangements.
- 5.3 This report is seeking approval for TfGM to commence and deliver the procurement process. When we are ready to seek approval for the appointment of a supplier, we will bring a further report to Cabinet seeking this approval.
- 5.4 The Appendix contains commercial or industrial information in respect of which confidentiality is provided by law to protect a legitimate economic interest, and disclosure would adversely affect that confidentiality. As such, it is considered that these reports fall within the exception under Regulation 12(5)(e) EIR and that, in all the circumstances of the case, the public interest in maintaining the exception outweighs the public interest in disclosing the information.

Table 1: LEVI Procurement

Procurement	Description	Tender Process	Estimated Contract Value £m
Greater Manchester LEVI Chargepoint Supplier	<p>Transport for Greater Manchester (TfGM) and the 10 local authorities within the Greater Manchester (GM) boundary are inviting tenders for the procurement, installation, maintenance, and operation of a substantial number of primarily low power, on-street charging infrastructure across the GM region. The successful bidder will also be responsible for providing any necessary electricity supply or connections to the infrastructure. No exclusivity will be granted concerning the awarding of this contract. The objective of this tender is to increase the provision of on-street charging infrastructure primarily for residents without off-street parking. This will be a 15-year concession contract whereby the successful bidder will own and be accountable for all required installation works and services for the contract period, including all associated costs. As the owner of the equipment, the successful bidder shall also be responsible for the ongoing operation and maintenance of the installed charge points for the duration of the concession term following installation. GM has £16.1m funding to help facilitate the costs of installation, in line with OZEV's requirements to deliver a step-change in the deployment of EV charging infrastructure. The Authorities are expecting the tenders to provide match funding. As noted above some GM Authorities are also to use their CRST</p>	Above WTO threshold Restricted Procedure	16.1 (capital)

## 6. The Procurement Process

- 6.1 The 6-stage process applies rigor to the development of LEVI Key Procurement strategies as part of TfGM corporate governance requirements.
- 6.2 TfGM's Constitutional arrangements ensure that there is appropriate governance in place, to ensure that procurement activity across the business:
- 6.3 TfGM processes are designed to identify the future sourcing and contractual activities to ensure the TfGM Senior Management Team has visibility of future exposure for activities above WTO threshold using Strategic Sourcing Document (SSD). This process ensures that appropriate procurement and legal requirements are agreed and signed off at each stage of the sourcing process and will help TfGM in planning resource requirements.
- 6.4 The SSD confirms the sourcing strategy to be adopted for the requirement / initiative and is drafted by the business and procurement representative collaboratively. The SSD includes the following details:
  - 6.4.1 Confirmation of business requirements.
  - 6.4.2 Options and recommendation of sourcing option;
  - 6.4.3 Confirmation of business case;
  - 6.4.4 Whether RFQ/ITT as appropriate, should be followed;
  - 6.4.5 The evaluation criteria to be adopted;
  - 6.4.6 Confirmation of form of contract to be used; and
  - 6.4.7 Details of any pre-tender estimates.
- 6.5 For the LEVI Programme (as the threshold exceeds £2m) the SSD will be reviewed and approved by the Deputy Director of Finance and Corporate Services (TfGM).
- 6.6 The sequence of the approval stages will remain and each stage approvals are a prerequisite for submission to the next. The proposed governance is fully auditable and transparent in accordance with the TfGM Constitution. Throughout all approval stages the GM EV Steering Group will be kept updated with the development of the SSD and the progression through the governance stages.
- 6.7 Once the SSD is approved, the TfGM procurement team will oversee the initiation of the external facing procurement exercise with potential suppliers and will complete a Supplier Recommendation Report (SRR) after final evaluation. The SRR will form the basis of a report to allow the GM Authorities to make a decision to award to the successful supplier.
- 6.8 Transport for Greater Manchester is seeking to issue the tender documentation prior to 24th February 2025 to allow procurement to take place under the existing procurement regulations, rather than new regulations which will come into effect when the Procurement Act 2023 is implemented. All procurement documentation has been drafted under the existing regulations rather than the new ones and would need to be re-written if the deadline is missed as well as further consideration to any additional or novel risk/issues in the light of the replacement legislation.

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### **Links with the Corporate Priorities:**

*Please summarise how this links to the Let's Do It Strategy.*

Achieving Carbon Neutrality is one of the 7 core outcome measures of the Let's Do it strategy. Our Climate Strategy sets out how we will work to achieve carbon neutrality by 2038, and this includes the decarbonisation of transport. One way to do this is to encourage residents and visitors to make the transition from Internal Combustion Engine (ICE) vehicles to Zero Emission vehicles including Electric Vehicles (EVs).

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### **Equality Impact and Considerations:**

Overall, there is no significant impact on equality diversity and inclusion. There is a potential impact on those with disabilities, which can be mitigated in the design of the infrastructure ensuring where possible PAS 1899:2022 is followed.

Where possible we will work with the supplier to ensure that language diversity is considered with any communications associated with the project. We will also work with the supplier to ensure a wide range of payment methods are available.

By increasing the amount of publicly available EVCI it will increase equality of access as it will increase the available charging points to those who don't currently have anywhere to charge vehicles at their home. However, it is important to note that public infrastructure is more expensive to use than private infrastructure that people have installed at their homes. This has the potential to increase socio-economic inequality as those who have private drives next to their houses can refuel their vehicles for a cheaper price compared to those people who are reliant on public charging infrastructure. The only way the Council could remove this inequality would be to subsidise the tariff for public infrastructure. This would include all associated costs of running the network including, software costs, back-office costs, maintenance, communications etc.

For reference the Be.EV network of public EVCI currently charges £0.49/kWh (£0.46/kWh if you are a member), which is compared to an average of £0.34/kWh for home tariffs ([Average Cost of Electricity Per kWh \(UK 2023 Updated\)](https://www.energyguide.org.uk) ([energyguide.org.uk](https://www.energyguide.org.uk))). This suggests the Council would have to subsidise in the region of 13-15p/kWh, which would not be sustainable with the Council's current financial situation.

This is a national issue, and to mitigate it, the Council will be looking to secure the cheapest tariff possible. We are also involved in a wider project with TfGM and the Greater Manchester Combined Authority to improve public transport and active travel infrastructure as well as introducing shared mobility such as car clubs, to help to remove the need to own a private vehicle.

A detailed impact assessment is included alongside this report.

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## Environmental Impact and Considerations:

Transport is the highest contributor to carbon emissions in Bury making up 45% of our total emissions. The decision outlined in this report will help the Council to provide the necessary infrastructure to help residents and visitors to bury to make the switch to Zero Emission vehicles, which in turn will improve air quality and reduce carbon emissions in Bury.

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## Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Due to our adoption of the GM EVCI strategy (Appendix 1) we have made a strategic decision to avoid putting infrastructure on footpaths we are unable to find enough suitable locations to use all the grant funding	We have already been working on an exercise to identify locations and will also work with the successful supplier to identify any more. We have several years to spend the funding
As we are having another procurement exercise to appoint a supplier for this project it is very likely that they will be a different supplier to Be.EV who are already installing EVCI in Bury. This will mean that users of the network will have to have more than one app/membership to use EVCI across Bury.	This is already the case nationally and in Bury with different suppliers providing infrastructure at different locations i.e., supermarkets and petrol stations. We will be insisting that infrastructure can be accessed without membership and can be paid for by card.

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## Legal Implications:

- The Council had intended to pursue its own procurement process to procure a supplier to provide charging facilities for those residents without access to off street parking using LEVI and CRSTS funding, the terms of which must be strictly adhered to. However, to reflect government concerns, it is now proposed that TfGM will run a procurement process on behalf of all the GM Authorities in order to procure a supplier of EVCI services.
- TfGM and the 10 GM Authorities propose to enter into an MoU (the Authority Agreement) in order to set out the agreed arrangements and principles of collaboration between the parties. This includes those relating to the procurement itself and the subsequent management of the concession contract (the terms of which are agreed by the parties for the purposes of the procurement) which will be entered into with the successful contractor.
- The intention of the LEVI project is to provide a long-term arrangement and income stream for the Council and there are disincentives to leaving the arrangement earlier. The term of the MoU is tied to the term of the concession contract (15 years) unless subject to earlier termination in accordance with its terms, and if the Council gives notice of withdrawal from the MoU it will be required to indemnify the other parties against any reasonable losses as a result

of this and may be required to transfer to any one or all of the other local authorities any EVI acquired and/or secured by it at cost.

- Approval of the successful supplier and consideration of the concessionary terms will be the subject of a future Cabinet report.

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### **Financial Implications:**

The cost of the proposal will be contained within the LEVI and CRSTS funding that is available to the council and therefore there are no additional financial implications.

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### **Appendices:**

**Appendix 1** Percentage of Residential Properties without of street parking within 300m of Charging Infrastructure

**Appendix 2** Collaborative Memorandum of Understanding

**Appendix 3** Joint Equality Analysis – EVCI Supplier for LEVI and CRSTS funding

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### **Background papers:**

*Please list any background documents to this report and include a hyperlink where possible.*

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

<b>Term</b>	<b>Meaning</b>
CRSTS	City Regional Sustainable Transport Settlement
EV	Electric Vehicle(s)
EVCI	Electric Vehicle Charging Infrastructure
ITT	Invitation to Tender
LEVI	Local Electric Vehicle Infrastructure
MoU	Memorandum of Understanding
OZEV	Office for Low Emission Vehicles
RFQ	Request for Quote
SSD	Strategic Sourcing Document
SSR	Supplier Recommendation Report
TfGM	Transport for Greater Manchester
WTO	World Trade Organisation