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| <b>Cabinet</b><br><br>22 September 2021                                  | <br><b>TOWER HAMLETS</b> |
| <b>Report of:</b> Dan Jones  | <b>Classification:</b><br>Unrestricted  |
| <b>EV Charging Delivery Plan and Funding towards new charging points</b> |   |

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| <b>Lead Member</b>                       | <b>Councillor Kahar Chowdhury, Cabinet Member for Highways and Public Realm – (Job Share post as part of Social Inclusion and Public Realm portfolio)</b>   |
| <b>Originating Officer(s)</b>            | Mohammed Chibou, principal Transport Planner  |
| <b>Wards affected</b>                    | All Wards   |
| <b>Key Decision?</b>                     | Yes   |
| <b>Forward Plan Notice Published</b>     | 12 July 2021  |
| <b>Reason for Key Decision</b>           | Impact on Wards   |
| <b>Strategic Plan Priority / Outcome</b> | <b>Outcome 5: People live in a borough that is clean and green.</b> <ol style="list-style-type: none"> <li>5. Deliver the Air Quality Action Plan and initiatives to prevent pre-COVID-19 levels of air quality</li> <li>6. Promote use of cleaner fuel types amongst residents and businesses</li> <li>7. Deliver the council's Net Zero Carbon action plan and work with residents and partners to cut carbon emissions across the borough</li> </ol> |

## **Executive Summary**

The draft delivery plan for meeting the needs of electric vehicle growth in the Borough is attached to this report. This delivery plan sets out the role the Council will play in the next four years in supporting the switch to electric vehicles. This role includes developing new charging facilities for electric vehicles, promoting their benefits to a wider audience and steps we can take to reduce the cost of owning an electric vehicle in the borough.

This draft delivery plan will replace the council's existing electric vehicle charging delivery plan which was approved by Cabinet in September 2017. The existing plan informed the existing Council target of 500 charging points by 2025.

Analysis undertaken by officers and external consultants predicts to the need of circa 1400 charging points by 2025. The new draft strategy will seek to deliver more than 500 by mid-2023 and 1400 by mid-2025.

There are two Office for Zero Emission Vehicle funding pots that will be used to deliver the plan. The first is for 150 slow street lighting column chargers (already secured) and the second is for 250 7kw fast chargers. Both pots require a 25% match contribution from the Council.

## **Recommendations:**

The Cabinet is recommended to:

1. Approve the Electric Vehicle Charging Delivery Plan and targets for delivery by 2025.
2. Adopt a capital estimate of £329,840 to be included in the capital Programme 2021/22, and earmark £82,000 from the Transportation Service Streetscene Enhancement Revenue budget to deliver 150 Street Lighting Column Electric Vehicle Charge Points by 31 March 2022.
3. Approve £500,000 of CIL funding as a match contribution towards a bid for £1,500,000 which will be released subject to the bid being successful.
4. Approve the use of the available procurement channels to procure 150 slow charge lamp column charging points and 250 fast chargers

## **1 REASONS FOR THE DECISIONS**

- 1.1 This decision is required in order that work can proceed to deliver on policies set out in the Strategic Plan Priority 5 (People live in a borough that is clean and green)

## **2 ALTERNATIVE OPTIONS**

- 2.1 *Refusal to install the required number electric vehicle charging points on street:* This would compromise the Council's ability to comply with its own Strategic Plan and with London-wide Air Quality and Transport Policies.

2.2 Reduce the speed of delivery: current changes in the market and emissions legislation suggests that demand is likely to grow more quickly than predicted and slowing delivery would have similar impacts to refusing to deliver any points.

### **3 DETAILS OF THE REPORT**

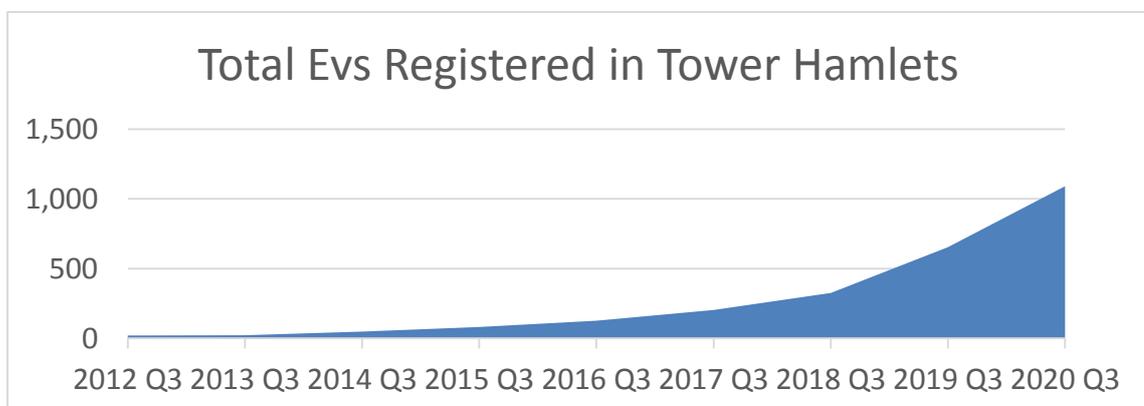
3.1 The objective of the delivery plan will be to set out our approach on encouraging the uptake of EVs within Tower Hamlets through the introduction of an expanded EVCP network.

3.2 This delivery plan sets out our approach to facilitating the switch to electric vehicles for those who drive from, to and through our Borough. There are three main strands to our approach in this delivery plan:

- Increasing the number of charging points
- Reducing the cost of charging points
- Improving information for our residents and businesses

3.3 There are various factors which indicate strong growing demand for public charging points in Tower Hamlets which will support a viable charging network which will facilitate strong electric vehicle adoption.

- a. Tower Hamlets is one of the highest density boroughs in terms of population. But this also applies to density of vehicles. The Borough has over 2700.
- b. 93% of homes in Tower Hamlets do not have access to their own off-street parking.
- c. By the third quarter of 2020, Tower Hamlets had 1091 plug-in cars and light goods vehicles, an increase of 66% from the previous year which is the 3rd highest growth rate in Inner London.



3.4 As of June 2021, Tower Hamlets has 23 fast charging Source London Points and 98 street lighting column charging points. There are also two rapid charging points installed by TfL. Tower Hamlets currently have the lowest

number of charging points per 100,000 residents of any Inner London Borough.

- 3.5 Growth modelling has been carried out by officers and two independent consultants. All three pieces of work converge on a need of circa 1400 charging points needed in the Borough by 2025. These are made up of 1200 residential charging points 200 destination charging points and 23 rapid charging points.
- 3.6 The residential charging points will comprise a mix of street lighting column charging points (charging at 5kw per hour) and fast chargers (charging at 7kw per hour). Destination charging points are made up of fast chargers which will range from 7kw to 22kw fast chargers. Rapid chargers will charge at 50kw per hour.
- 3.7 The Council has already secured £247,840 from OZEV for 150 new street lighting column chargers which require £82,000 of Council funding to make a 25% contribution.
- 3.8 260 7kw fast chargers will cost around £2,000,000 and will be funded by the Council submitting a bid for £1,500,000 to OZEV. This will require £500,000 of match funding which will need to be funded by CIL.
- 3.9 The delivery plan also estimates the need of 23 rapid charging points. These charging points have high purchase and installations relative to the standard fast chargers. Each one can cost between £25,000-£40,000 to install depending on a site. We will seek to deliver the required rapid chargers through partnership with private operators using a revenue share model with not upfront costs to the Council.
- 3.10 The mix of slow chargers, residential fast chargers, destination fast chargers and rapid chargers will be rolled out over the four years of the delivery plan period. Table 1 below sets out the phasing for delivery.

| <b>Table 1: LBTH Charge Point Delivery Phasing</b> |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| <b>Charger Type</b>                                | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> |
| Residential slow chargers (5kw)                    | 274         | 479         | 697         | 890         |
| Residential fast chargers (7kw)                    | 92          | 160         | 232         | 297         |
| Destination Fast charging (7kw-22kw)               | 62          | 107         | 155         | 199         |
| Rapid charging (50kw)                              | 7           | 12          | 16          | 21          |
| <b>Total</b>                                       | <b>435</b>  | <b>758</b>  | <b>1100</b> | <b>1407</b> |

- 3.11 For the slow and fast chargers, the Council will be pursuing a model by which it acts as a charging point operator. This entails the Council having ownership of the points and collecting the revenue from charging activity. This means the Council will be responsible for annual maintenance costs and it is

anticipated that revenue income from the points will cover the annual maintenance costs.

3.12 Consultants, Steer, carried out a financial assessment of the approach and this is summarised in the table below. It shows there is the potential for annual profit of over £500,000 by 2025.

3.13

| Table 2: Tower Hamlets LBTH EV Charging Network Profit & Loss Statement |          |           |           |           |            |
|---|----------|-----------|-----------|-----------|------------|
| Statement   | 2021     | 2022      | 2023      | 2024      | 2025       |
| Total Revenue   | £166,769 | £363,244  | £619,428  | £893,724  | £1,147,831 |
| Total Operating Costs   | -£79,006 | -£120,074 | -£173,489 | -£230,285 | -£281,173  |
| Depreciation  | -£46,894 | -£109,675 | -£191,163 | -£277,775 | -£355,163  |
| EBIT  | £40,869  | £133,495  | £254,777  | £385,664  | £511,496   |
| Net Profit  | £40,869  | £133,495  | £254,777  | £385,664  | £511,496   |

3.14 These figures are based on a series of assumptions including the EV adoption growth rate and charging behaviour for EV charging in the Borough. These include:

- i) Fully dedicated bays for each of the chargers.
- ii) A year on year growth rate in EV adoption of 35% up until 2025 (the current rate is 60%).
- iii) Electrification of the boroughs private hire fleet reaching 50%.

## 4 **EQUALITIES IMPLICATIONS**

4.1 An EIA screening document has been completed in accordance with EIA guidance and is attached to this paper. The outcome for the screening is that a full EQIA is not required for the proposals. However, a full EQIA will be prepared once the locations of the charging points are agreed and a supplier is appointed. This is the stage at which information on the costs of charging and the type of charging point will be fully known.

## 5 **OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications: The delivery of this strategy seeks to utilise procurement channels for the installation of charging points which are

being procured to ensure value for money is maximised through efficiencies of scale.

- Consultation: Section of the London Local Authorities and Transport for London Act 2013 Government legislation public notices to issue where charge points are proposed. This will be undertaken for each or the points to be installed through this delivery plan.
- Environmental (including air quality): The entire objective of this plan is to facilitate a shift to cleaner electric vehicles and meeting Outcome of the Strategic Plan (People live in a borough that is clean and green).
- Risk Management: Health & Safety assessments and plans will be required from the relevant contractor in all implementation work in order to mitigate any risk to the Council, contractor's employees and/or the public in the delivery and ongoing operation of these facilities.
- Crime Reduction: Caution will be applied in extending the initial supply of electric vehicle points to enable them to be monitored for any crime and antisocial behaviour issues which may arise.
- Data Protection: Contracts will be entered into with various supplier and there will cover GDPR implications.

## **6 DRAFT COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 This report seeks approval to include in the 2021/22 capital programme £329,840 to deliver 150 Street Lighting Column Electric Vehicle Charge Points by 31 March 2022.
- 6.2 This project will be financed partly by grant awarded by the office of zero emissions vehicles (OZEV) for £247,840, (75% of which is paid on acceptance of offer and the balance 25% after completion of the project) and £82,000 earmarked from the Transportation Service Streetscene Enhancement Revenue budget.
- 6.3 The revenue costs of £82k will need to be ringfenced and contained within the transportation revenue budgets within Place Directorate
- 6.4 The £500,000 of CIL funding as a match contribution towards a bid for £1,500,000 will be released subject to the bid being successful.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 S216 of the Planning Act 2008 states that regulations must require the authority that charges CIL to apply it or cause it to be applied to supporting development by funding the provision, improvement, replacement, operation or maintenance of infrastructure. 'Infrastructure' is defined broadly and non-

exhaustively in the same section to include among other things 'other transport facilities'. This broad term reasonably includes electric vehicle charging points the subject of this report.

- 7.2 Regulation 59 of the CIL Regulations 2010 (as amended) duly reflects s216 of the Planning Act 2008 in terms of the application of CIL funds for infrastructure to support the development of its area.
- 7.3 The key statutory test is that the infrastructure must support the development of the council area.
- 7.4 The 'area' in question above refers to the Tower Hamlets borough area and therefore encompasses land owned by the Council. It is therefore lawful for the EV charging infrastructure to be placed on Council owned land.
- 7.5 On this basis, the project complies with the legislative provisions listed above and this infrastructure can be funded for and provided by CIL provided that the provision of this infrastructure supports the development of the area.
- 7.6 When approving this PID, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to demonstrate that this duty has been discharged.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

- Draft Delivery Plan
- Steer Report
- Equalities Screening Sheet

### **Background Documents – Local Authorities (Executive Arrangements) (Access to Information)(England) Regulations 2012**

- None

### **Officer contact details for documents:**

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