# **London Borough of Bromley**

Report No. ES20207

#### **PART ONE - PUBLIC**

Decision Maker: PORTFOLIO HOLDER FOR TRANSPORT, HIGHWAYS AND ROAD

**SAFETY** 

Date: Tuesday 6 September 2022

**Decision Type:** Non-Urgent Executive Non-Key

Title: PROVISION OF NEW EV CHARGE POINTS IN CIVIC CENTRE CAR PARK

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Chief Officer: Director of Environment and Public Protection

Ward: (All Wards);

## 1. Reason for decision/report and options

1.1 This report details a proposal from the Parking Enforcement Contractor, APCOA Parking, to enter an arrangement with Tesla to install some Tesla Electric Vehicle (EV) charging bays in the Civic Centre Multi-Storey car park, Stockwell Close, Bromley, along with further EV charging bays for general use. This would support Bromley Councils organisation objectives and a borough-wide transition to low or zero emissions vehicles before the 2030 ban on the sale of new petrol and diesel cars and vans.

## 2. RECOMMENDATION(S)

### That the Environment Portfolio Holder agrees to the following:

- 2.1 To enter into a 10-year lease arrangement with Tesla to install Electrical Vehicle (EV) charging bays in the Civic Offices Car Park.
- 2.2 To delegate authority to the Director of Environment and Public Protection in consultation with the Transport, Highways and Road Safety Portfolio Holder to agree and settle the commercial terms of the disposal at 2.1 and to enter into all relevant legal agreements and any other ancillary legal documentation relating thereto.
- 2.3 To authorise the Assistant Director for Legal Services to sign and execute the EV Charge leases and all relevant legal agreements and any other ancillary legal documentation relating thereto.

### Impact on Vulnerable Adults and Children

 Summary of Impact: Positive impact on users of the highway in relation to air quality improvements.

### Corporate Policy

- 1. Building on existing policies in the Air Quality Action Plan; LBB's Net Zero Action Plan; Bromley Local Plan; New London Plan; Bromley's Third Local Implementation Plan (LIP); draft Open Space Strategy and the Draft Digital Strategy.
- 2. BBB Priority: Quality Environment; Healthy Bromley

### Financial

- 1. Cost of proposal: No Cost
- 2. Ongoing costs: Income of £8.5k p.a.
- 3. Budget head/performance centre: Parking Services Civic Centre Multi-Storey Car Park
- 4. Total current budget for this head: cr £740k
- 5. Source of funding: Not Applicable Controllable net revenue budget 2022/23

### Personnel

- 1. Number of staff (current and additional): 0 FTE
- 2. If from existing staff resources, number of staff hours: Not Applicable

### Legal

- 1. Legal Requirement: Non-Statutory Government Guidance
- 2. Call-in: Applicable

#### Procurement

1. There are no direct procurement implications of entering into the proposed lease.

### **Property**

1. Summary of Property Implications: The proposal will require a lease to be granted by the Council in its capacity as Landlord to formalise the occupation.

### Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: This would support LBB's organisation objectives and a borough-wide transition to low or zero emissions vehicles before the 2030 ban on the sale of new petrol and diesel cars and vans.

### Customer Impact

1. Estimated number of users or customers (current and projected): Current Tesla users within Bromley: 3,500.

# Ward Councillor Views

- Have Ward Councillors been asked for comments? No Summary of Ward Councillors comments: n/a 1.
- 2.

### 3. COMMENTARY

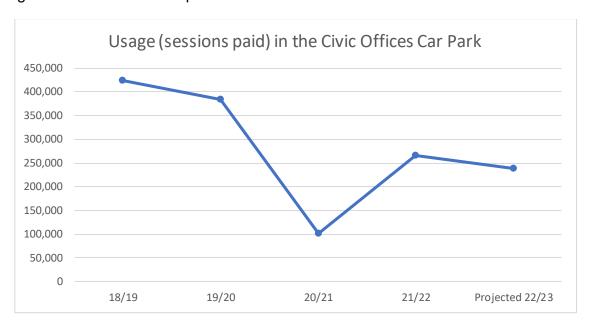
- 3.1 The Parking Contractor, APCOA Parking approached Council Officers with a proposal to work with the Council to install several Tesla EV charging units at the Civic Centre Car Park, Bromley.
- 3.2 The current proposal from Tesla is to install 8 Tesla super chargers across 12 bays; whilst the exact location of these bays are to be confirmed, they will need to be on the ground floor or first floor so that they can be located near the new substation that would need to be installed. In addition APCOA will at the same time install additional EV charge bays open to any EV user (see 3.4 below).
- 3.3 These Tesla EV charging bays will initially be for Tesla vehicles only, however Tesla are currently running 15 trial sites where non tesla vehicles are able to use their chargers, if this is successful there is the potential for this to be applied to all Tesla bays across the UK. Elon Musk has announced publicly he will open Tesla charging points for non-Tesla users with a planned date from January 2024, however Tesla have confirmed that they would like the Bromley site to be opened up to all EV users within 6 months of go live.
- 3.4 APCOA will also install either 4 x 7kW charging points or 2 x 22kW chargers for any Civic Centre user to make use off on a commercial basis. Officers recommend the installation of the 2 x 22kW fast chargers, which will take up 3 existing bays.
- 3.5 APCOA and Tesla will undertake all the infrastructure works related to the substation and ensuring adequate power is available to the units, all costs will be met by APCOA and Tesla, with an install cost of approximately £220k. APCOA will sub meter and pay for the electricity for these bays.
- 3.6 As part of the arrangement, Tesla have asked that every Tesla vehicle user will register with APCOA and receive one-hour free parking only whilst charging their vehicle, after this they will have to pay the current tariff of the car park.

## 4. Benefits to the Council

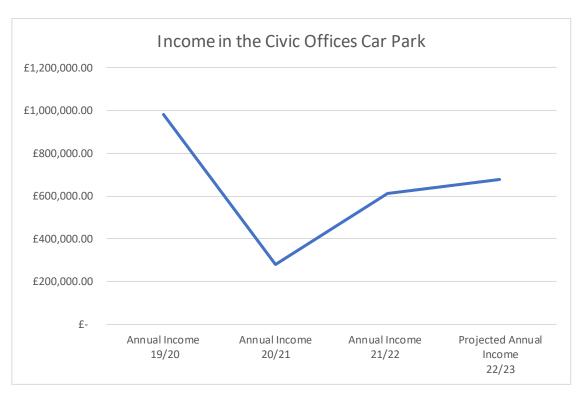
- 4.1 If approved, the Council would enter into a 10-year lease directly with Tesla with APCOA acting as the Council's Management Agent.
- 4.2 Tesla will rent the spaces from the Council at an annual fee of £8.5k p/a with an annual uplift that's in line with the CPI with a cap of 5% on the anniversary of install. This £8.5k income p/a is reasonable to the amount of income received in the car park from the 15 bays used.
- 4.2 The considerable infrastructure upgrade costs will be met by APCOA and Tesla to the benefit of motorists in Bromley.
- 4.3 Tesla will advertise the Civic Offices Car Park to all their customers. In other car parks where they have installed their bays, some have seen an uplift in parking by 2-3%.
- 4.4 As per report ES20127, dated 17<sup>th</sup> November 2021, LBB Electric Vehicle Charging Strategy, the Council has a strategy to have low or zero emissions vehicle before the 2030 ban on the sale of new petrol and diesel cars and vans. This will help towards this strategy at no cost to the Council.

### 5. Civic Offices Car Park

5.1 The Civic Centre Multi-Storey car park is the Councils busiest car park in Bromley Town Centre with 692 parking spaces, 19 disabled bays and currently 2 EV bays, however since the pandemic there has been a considerate decrease in the usage of this car park, with a decrease in usage of 37% in 21/22 compared to 18/19.



5.2 As per the usage, the income has also decreased and has not recovered since the pandemic, with a 38% decrease in 21/22 from 19/20.



5.3 The above figures demonstrate that there is more than enough capacity within the car park for these bays to be leased to Tesla, with plenty of space available for use by the public. The guaranteed annual income linked with this project would help towards achieving the income budget of £1,015k which has been under pressure for several years and particularly impacted by reduced usage during and since the pandemic.

- 5.4 Tesla selected the Civic Centre car park as it's within a 5-mile radius of the BR1 postcode there are approx. 3500 Tesla owners. Tesla predicts that across the UK the number of Tesla vehicles will double over the next 3 years.
- 5.5 Tesla are keen to install these bays within the Bromley area and due to their working relationship with APCOA, have approached the Council first, however if not approved, they will be looking at installing these bays in one of our competitor's car parks.

## 6. Next Steps

6.1 On approval of this lease, Parking Services will work with the estates team and legal services to approve the lease before signing the document. On final approval from the Council, the implementation of bays will take approximately 12 weeks to be installed due to a sub-PowerStation needing to be built on the ground floor. All work will be completed and paid for by APCOA and Tesla.

### 7. STRATEGIC PROPERTY COMMENTS

- 7.1 The proposed use of up to 15 parking bays by Tesla will require a lease to be granted by the Council in its capacity as Landlord to formalise the occupation.
- 7.2 Heads of Terms will be negotiated and agreed between the Council and Tesla by the Council's Property Team on the instruction of Parking Services, with the salient points already outlined within the body of this report.
- 7.3 Section 123 of the Local Government Act 1972 places a statutory obligation on the Council to achieve 'Best Value' when disposing of its assets, which includes the grant of any new lease for a term of 7 or more years.
- 7.4 Parking colleagues have advised that the £8,500 p/a rent is commensurate with the income currently generated from the parking bays and the Council is therefore satisfied that the proposed terms meet the requirements of the Act.

### 8. FINANCIAL IMPLICATIONS

- 8.1 If the report's recommendations are adopted, annual income of £8.5k is anticipated to be payable by Tesla to the Council for the use of 12 bays within the Civic Centre car park. This would contribute to achieving the existing income budget target of £1,015k.
- 8.2 Although income from parking charges would no longer be received on these bays, parking officers report that it has not been operating at capacity for several years and therefore change of use to exclusive use for charging would not lead to any loss of car park fee income.
- 8.3 As Tesla and APCOA are meeting all installation costs, there is no cost to the Council to implement this facility.

## 9. LEGAL IMPLICATIONS

### 9.1 General Power

9.1.1 s.111 Local Government Act 1972

The Council has power to do anything calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions which would be the case in the Council granting an EV Charge bay lease to Tesla.

- 9.2 Disposal of land by the Council:
- 9.2.1 The Council has power under section 123 of the Local Government Act 1972 to dispose of land for best consideration that can reasonably be obtained (usually based on open market value).
- 9.2.2 s.123 of the Local Government Act 1972 confers power to the Secretary of State to give general consent for the purposes of land disposals by a local authority carried out under their powers in Part 7 of the 1972 Act.
- 9.2.3 The Local Government Act 1972: General Disposal Consent 2003 removes the requirement for a local authority to seek specific consent from the Secretary of State for any disposal of land where the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the well-being criteria in the Local Government Act 2000:
- 9.2.4 i) the promotion or improvement of economic well-being;
  - ii) the promotion or improvement of social well-being;
  - iii) the promotion or improvement of environmental well-being; and the "undervalue" (i.e., the difference between the unrestricted value of the interest to be disposed of and the consideration accepted) is £2,000,000 or less.
- 9.2.5 Applications for specific consent should be sent to the Department for Levelling Up, Housing and Communities ("DLUHC"), and include the following information:

Written description of the land and buildings, the location

Written description of how the land is currently held by the Council Details of any leases, encumbrances such as easements

Summary of the proposes disposal/transaction

- 9.3 [The Council's Property Surveyors in section 7 confirm that the proposed disposal by way of granting a lease complies with section 123 of the Local Government Act 1972].
- 9.4 Duties to consult or obtain consent of other authorities:

Section 18 of the London Local Authorities and Transport for London Act 2013 requires a local authority to consult other relevant authorities before exercising any power provided under the legislation to implement Electric Charging Points.

### Section 18 provides:

- (1) A London authority shall not exercise any power conferred by section 16(1) unless they have consulted any authority other than themselves who are a local planning authority, as defined in the Town and Country Planning Act 1990 for the area in which they propose to exercise the power.
- (2) An authorised person shall not provide or operate charging apparatus in accordance with a permission given under section 16(2) unless the authorised person has consulted any authority (other than the London authority who gave the permission) who are a local planning authority for the area to which the proposed permission relates.
- (3) Consultation carried out by an authorised person before that person was given a permission under section 16(2) counts as consultation for the purposes of subsection (2).

## 10. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

This report will help towards the LBB Electric Vehicle Charging Strategy, the Council has a strategy to have low or zero emissions vehicle before 2030 ban on the sale of new petrol and diesel cars and vans. This will help towards this strategy at no cost to the Council.

### 11. CUSTOMER IMPACT

Minimal to no impact to non-EV customers with the current and historic usage to this car park. There will be a benefit for those customers who own an electric vehicle, as well as the potential to bring more customers to Bromley Town Centre.

Non-Applicable Headings:	PERSONNEL IMPLICATIONS, PROCUREMENT IMPLICATIONS, WARD COUNCILLOR VIEWS
Background Documents:	Agenda for Environment and Community Services Policy
(Access via Contact Officer)	Development and Scrutiny Committee on Wednesday 17
	November 2021, 7.00 pm (bromley.gov.uk)