

Report to Cabinet

26th March 2020

By the Portfolio Holder for Local Economy and Parking Policy

DECISION REQUIRED



**Horsham
District
Council**

Electric Vehicle Charge Point Strategy

Executive Summary

This report seeks approval for an Electric Vehicle (EV) Charge Point Strategy for the District. The Government has made it clear that a transition to EV's forms part of its approach to achieving net zero carbon by 2050. One of the barriers to this transition is the availability of charge points. The proposed Strategy suggests that the Council support the take up of EV by installing charge points in Council owned car parks. The main focus of the Strategy is to install charge points to serve residents that do not have access to off-street parking to enable them to charge their vehicles at home overnight. These charge points could be used by visitors to towns/villages during the day.

The Strategy includes aims and objectives, an explanation of why a move to EV is required, the scale of charge point installation that is needed over the next 10 years and the role that the Council can play in supporting this transition. In a rural area there is likely to be a requirement for travel by car and the intention is that this should be by electric vehicles. However, it is vital that this is part of a wider approach to low carbon transport in the District which seeks to encourage the switch to sustainable forms of transport, such as walking, cycling and public transport.

To reduce the various risks to the Council of installing and operating the charge points the suggested method for implementation would be via a concession contract with a supplier/installer. This would also aim to deliver the network at net zero cost to the Council. West Sussex County Council is due to procuring a commercial partner on the basis of a no cost model. The County Council wants to work in collaboration with District and Borough Councils, as well as Parish Councils to deliver a County wide network of charge points. To reduce the complexity of accessing the charge points the network would run by one supplier. The charge points would be powered by renewable energy, either on site or purchasing green electricity. The collaboration with the County Council would be via an Inter Authority Agreement.

Recommendations

That the Cabinet is recommended:

- i) To approve the draft Electric Vehicle Charge Point Strategy 2020 - 2030
- ii) To agree the principle of the Council joining a collaboration with West Sussex County Council to install a County wide network of charge points

Reasons for Recommendations

- i) To provide a framework for installing Electric Vehicle charge points across the District to support the take up of Electric Vehicles which in turn will contribute to reduction in carbon emissions, improvement in air quality and support the local economy.
- ii) Collaboration with West Sussex County Council would give access to a contract to install electric vehicle charge points on District Council owned land.

Background Papers

Electric Vehicle Strategy 2019 – 2030 West Sussex County Council

Wards affected: All

Contact: Helen Peacock, Project Developer 01403 215513

Background Information

1 Introduction and Background

- 1.1 This report seeks approval for a Strategy to support the installation of Electric Vehicle (EV) charge points across the Horsham District on Council owned land. The Strategy forms Appendix One to this report. The main aim of the Strategy is to reduce barriers to the take up of EV which in turn will contribute to a reduction in carbon emissions and the pollutants that cause air pollution. The focus of the strategy is to provide charge points for residents without access to off-street parking. The latter prevents them from charging their vehicles overnight which is barrier to the take up EV's.
- 1.2 The report also suggests that implementation of the Strategy should be via a concession contract with net zero cost to the Council. This would be secured by collaboration with West Sussex County Council which is due to procure a private sector partner to install and manage a network of charge points across the County.

2 Relevant Council policy

- 2.1 The approval of an EV Strategy relates to several activities/projects in the Corporate Plan:-
 - "Work with partners to become a carbon neutral District"
 - "Work with partners to increase the number of electric vehicle charging points across the District"
 - "Target improvements of our air quality management areas".

3 Details

Background to the Strategy

- 3.1 The Government has committed the UK to becoming net zero carbon by 2050. A transition to electric vehicles will be required to achieve this target. The Government reinforced this in the Road to Zero Strategy (July 2018). This states that a minimum of 50%, and as many as 70% of new cars, should be ultra-low emission. Ultra-low includes pure electric vehicles, electric range extended vehicles and plug-in hybrids. Nationally there will be a move to electric powered cars and vans over the next decade. This will require the implementation of new charging infrastructure. Some private sector organisations are commencing this process, in petrol stations for example. However, rural parts of the Horsham District are less likely to be commercially attractive to charge point installers, particularly in the short term. The lack of infrastructure will hold back some residents from using electric vehicles (EV) and this might also be a barrier for visitors to the District. The Council can, therefore, play a part in providing charge points in its car parks, which are situated throughout the District.

The main focus of the proposed Strategy

- 3.2 Most EV users charge their vehicles at home. However, there is a significant number of households in the District (potentially 30%) without access to off-street parking which prevents them from being able to charge an EV at home. The proposed Strategy, therefore, focuses on providing charge points for residents without off-street parking. These would be provided via hubs of charge points in Council car parks. The points could then be used for destination charge points

during the day, for example, for visitors to villages in the District. Rapid charge points (that can fully charge a vehicle within 30 minutes) will also be required adjacent to the strategic road network. These are less likely to be installed in Council car parks but the location of these will be confirmed after further analysis.

- 3.3 An important part of the overall vision for charge points in the District is that they are part of a cohesive network using the same network provider. Ideally this network should also form part of wider network beyond the District. This will make accessing charge points more straight-forward for users until the market has found a solution to the current issue of incompatibility between different network providers. The latter can be a barrier to EV take up as there are currently several providers in the market and users are faced with different methods for accessing the charge points
- 3.4 The Strategy uses data from modelling completed by a consultant working for West Sussex County Council. It indicates the number of charge points that will be required in the Horsham District with 70% and 50% of new vehicles being EV by 2030. The installation targets are ambitious given the few charge points (approximately 34) that are currently in the District. However, it is unlikely that all of the charge points that need to be provided will be installed on District Council owned land. There is the potential to collaborate with other private sector organisation that want to install charge points on their land. For example, several Parish Councils have shown an interest in installing charge points on their land.
- 3.5 As well as the direct installation of charge points the Strategy includes actions the Council can take to influence this. For example, it indicates that the Local Plan should encourage the installation of charge points in new development and that they should be included in new Council developments. The Council already offers a heavy discount on a new licence for EV's run by taxi and private hire companies. Further work will be required to ascertain what charging infrastructure is required to support electric taxis and private hire vehicles. Finally, the Council will promote the charge point network as it develops, as well as the advantages of EV's.

Potential partnership with West Sussex County Council

- 3.6 West Sussex County Council approved an Electric Vehicle Strategy in December 2019. This included a no cost model for installing charge points on its land; including highway land. For example, hubs of rapid charge points could be installed in lay-bys on strategic routes. It intends to focus on providing charging infrastructure for residents that do not have off-street parking. Early engagement with potential commercial partners indicated that a concession contract would provide the best mechanism to achieve the objectives of the County Councils Strategy.
- 3.7 The County Council is due to commence procuring a commercial partner to assist with planning a network of charge points across the County, and then to install and operate the network. It has started dialogue with District and Borough Councils, as well as Parish Councils to form a partnership and work with the commercial partner that it procures. The overall aim is to have one network provider so that there is a cohesive network across the County. By installing at scale it will be possible to take a portfolio approach to the network, with a mixture of commercially attractive sites as well as those that are less viable. This means that charge points will be installed in the rural parts of the District. The collaboration with the County Council would be formalised via an Inter Authority Agreement.

- 3.8 There are other advantages of a partnership with the County Council. It is seeking to ensure that the contractor utilises renewable energy to supply the charge points. This could either be on site using photovoltaics or through the energy that the contractor purchases. The technology for charging, as well as the EV, is changing all the time. The aim is to ensure that the most up-to-date charging infrastructure is installed.

4 Next Steps

- 4.1 The County Council has drawn up an Inter Authority Agreement for all parties wishing to work collaboratively including securing a commercial partner. Both the Head of Parking Services and Project Developer have had input to the procurement process and will continue to do so to ensure that the specification and contract includes the requirements of the District Council.
- 4.2 Once a commercial partner has been secured the first task will be to review the potential sites across the County. This will include County Council land and any public sector organisations that join the partnership. Much of the first year will focus on collating the sites into a network and to survey the sites to determine which ones can be connected to the electricity grid. The latter will be carried out by the commercial partner. There is also the potential for some District Council sites to have charged points in the early phases of the project.
- 4.3 A list of potential sites for EV charge points on Council land will need to be provided to the County. A preliminary list has already been provided to the United Kingdom Power Networks to assess the potential costs of connections to the electricity grid. This list includes all council car parks (41 in total), including those used for leisure purposes, such as Southwater Country Park. Not all of the car parks will be suitable for charge points. For example, with some car parks the cost of the grid connection will be prohibitive. A finalised list will need to be provided to the commercial partner.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 The Head of Parking Services and an officer in Environmental Health were involved in drawing up the Strategy. Comments on the content of the Strategy were also received from the Head of Environmental Health and the Head of Strategic Planning. These were incorporated into the Strategy.
- 5.2 The Local Economy and Parking Policy Development Advisory Group (11th March) fully debated the draft Strategy and supported its contents as well as the recommendation in this report.
- 5.3 The Director of Corporate Resources made detailed comments on the report and amendments were made in light of these.
- 5.4 Comments from the Monitoring Officer and Head of Legal Services are incorporated within this report.
- 5.5 The Head of Strategic Planning did not make any substantive comments on the report.

6 Other Courses of Action Considered but Rejected

- 6.1 The do nothing option would leave the market to install charge points in the Horsham District. However, most areas of the District are not commercially attractive at present. Cities are attracting the most interest from private sector suppliers/installers. The latter are also less likely to provide charge points for residents in rural areas without the ability to charge at home. This is the main thrust of the proposed Strategy.
- 6.2 The Council could seek to both own and manage any new EV charge points. However, it does not have the resources, knowledge of skills for this. For example, a dedicated back office system is required to take payment from EV users charging at the points.
- 6.3 Another options is for the Council to own the charge points but pay a third party to install and manage the points via a procurement process exclusively for Horsham District Council. The main disadvantage with this approach is that significant capital investment would be required by the Council for the installation costs and to purchase the charge points. Some suppliers offer a model where they cover all of the capital costs. However, this would be limited to commercially attractive sites. An initial investigation confirmed that only a limited number of Council owned car parks would be commercially attractive. If the Council owns the charge points it is responsible for paying for any faults that occur outside the maintenance contract. Experience with the existing charge points is that the income from the charge points is not, at present, high enough to offset these costs.
- 6.4 The Council could offer a concession contract for a contractor to install and manage the charge points without another public sector partner. However, advice from the Energy Saving Trust is that the number of sites that the Council is offering is unlikely to attract a commercial partner. Furthermore, this approach would not provide a cohesive charge point network beyond the Horsham District.

7 Resource Consequences

- 7.1 The approach suggested in the Strategy is that the installation of charge points should be via a no net cost solution to the Council. The main mechanism to achieve this would be via a concession contract. Early engagement by the County Council indicated that several suppliers would be interested in entering into a contract with the County Council and its public sector partners (such as District, Borough and Parish Councils) to install and manage charge points across the County with no upfront cost to the organisations. The potential disadvantage of a concession contract is that this could be in place for up to 10 years which means that one supplier would have a monopoly on installing charge points on public land during this time. It will be essential for the contract to have break clauses and a clear mechanism for the Council to withdraw from the partnership if it is not achieving the required outcomes; including if the contractor is not keeping up to date with technological innovations.

- 7.2 The intention is to have a portfolio approach to the network, as it will include a mixture of commercial and less financially attractive sites. The agreement with the contractor will be on the basis that all organisations with charge points on their land will receive an income once the supplier has achieved its return on investment. It is anticipated that any income to the Council will be generated in the medium/longer term. It is not possible at this stage to determine the amount of income, if any. This will depend on the mix of sites that are finally installed and the tariff that EV users pay to charge their vehicles.
- 7.3 At present income from EV charge points is not subject to business rates. The impact if this changes in the future is not known. The roll out of charge points in the car parks could reduce parking income generation, as bays for charge points will not be available to other vehicles. The installation of the charge points will need to be managed to ensure that income from parking is not negatively impacted as the number of parking bays with charge points increases over the next 10 years. This would however only really affect car parks operating near full capacity.
- 7.4 Staff time will be needed to deliver this project. This can be met by reprioritising staff resources. The main departments that will be impacted are Parking Services and Legal Services.

8 Legal Consequences

- 8.1 The Local Government Act 2000, supplemented by Local Government & Public Involvement in Health Act 2007 and Sustainable Communities Act 2007, provides the principal statutory powers by means of which local authorities are currently engaged directly in helping to tackle climate change.
- 8.2 The Council has a wide general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. The existence of the general power is not limited by the existence of any other power of the Council which (to any extent) overlaps the general power. The Council can therefore rely on this power, where appropriate, to undertake the proposals contained in the Electrical Vehicle Charge Point Strategy.
- 8.3 Section 1 of the Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the local authority.
- 8.4 Under the Public Contract Regulations 2015 where a Public Authority is to enter into a contract for the supply of goods & services, and the value of those goods and services exceeds a financial limit of £181,302 any procurement exercise to contract for those goods and services must be conducted in accordance with the Regulations and any failure to do so may be declared as anti-competitive and in breach of the Regulations.
- 8.5 If the chosen contract arrangement falls under the definition of a 'concession' the Concession Contract Regulations 2016 will apply and be adhered to.

9 Risk Assessment

- 9.1 A risk assessment of the Strategy and its implementation via a partnership with West Sussex County Council has been completed. This forms Appendix Two to this report. No high level risks have been identified.

10 Other Considerations

- 10.1 The proposed Strategy directly relates to environmental sustainability. It would contribute to reducing carbon emissions across the District and assist with reducing some air pollutants that cause a reduction in air quality.
- 10.2 The approach in the Strategy seeks to ensure that all households can charge their vehicle at home, either via residential hubs or on-street charge points. At present those without off-street parking could need to use public charge points during the day which would be more expensive than an overnight domestic electricity tariff. The Strategy would, therefore, give equality of access to charge points and enable more households to own/lease an EV. It will be important for charge points to be fully accessible and to ensure that any on-street charge points do not create hazards for those with mobility issues using the adjacent pavements.
- 10.3 The Strategy complies with the requirements of the Human Rights legislation and there are no implications for Crime and Disorder.