

Electric Vehicle Charging Points

Community Services Committee - Thursday 15 June 2023

Report of: Head of Policy and Communications

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

Officers have been involved in discussions with Surrey County Council and other district and borough councils about the delivery of electric vehicle (EV) charging points across the county.

A contract between Surrey County Council and Connected Kerb Ltd has now been signed to deliver publicly accessible on-street EV charging point infrastructure across Surrey

The District Council has been invited to consider an integrated approach to EV charging by entering into a contract with Connected Kerb Ltd to allow EV charging points to be installed in its car parks.

This contract would have the same terms and conditions as the Surrey contract, if these meet the Council's requirements and will benefit from the economies of scale provided by the overall contract with Surrey.

This report supports the Council's priority of:

Becoming a greener, more sustainable district

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Recommendation to Committee:

That the committee approves the following recommendation:

- The Council enters into a contract with Connected Kerb Ltd to deliver EV charging infrastructure in its car parks and any other suitable council owned land, on terms acceptable to the Head of Legal Services and the Chief Finance Officer.

Reason for recommendation:

Surrey County Council has signed a contract with Connected Kerb Ltd, to deliver priority EV charging points early in 2024.

Surrey County Council has offered districts and boroughs the opportunity to take advantage of the terms and conditions of this contract to enable the installation of EV charging points on their land.

To ensure the Council is able to take advantage of this offer, with the possibility of securing Local Electric Vehicle Infrastructure (LEVI) funding (see paragraph 21), a decision is required by July.

This will ensure the Council is on Connected Kerb Ltd's priority delivery list and can benefit from any funding. Any district or borough council which signs a contract with Connected Kerb Ltd will have EV chargers installed on their land in 2024, as they will be included in the EV priority delivery plan.

If the Council enters into this contract, this will enable the installation of charging facilities in the district's car parks to support the growing numbers of electric vehicles. The District Council would benefit from the same terms and conditions as the Surrey contract, subject to any changes the Council may require and from the economies of scale provided by the overall contract with Surrey.

The contract will provide a solution fully funded by Connected Kerb Ltd and a revenue return to the Council for every KWH of power sold to EV users.

A unified approach in terms of having the same infrastructure and payment application and access across the county will benefit residents and other car users.

This approach would mean the Council would not need to conduct its own procurement process, which would be lengthy and resource intensive. It also supports the delivery of a key corporate objective.

Introduction and background

1. In 2020 the government announced sales of all new petrol and diesel cars and vans would end in 2030 and all new cars and vans would be fully zero emission at the tailpipe by 2035. By 2030 the government expects there will be at least 300,000 public chargers available. Creating an EV charging infrastructure is fundamental to delivering net zero road transport.

2. By 2030, it is anticipated there will be between approximately 8 million and 11 million hybrid or electric cars in the UK, if uptake is aligned with the government targets. By 2040, the number of hybrid or electric cars could reach 25.5 million. While conventional hybrid vehicles (that cannot be plugged in) will initially form many of these sales, it is expected plug-in hybrid and EVs will make up an increasing proportion as technology develops (LGA <https://www.local.gov.uk/electric-vehicles-whats-going-out-there>).
3. Surrey County Council and Connected Kerb Ltd have agreed a contract to support the rollout of on-street electric vehicle charging points across the county. The aim will be to install thousands over the next five years and Connected Kerb Ltd has been licensed to operate the charging points for 15 years from installation.
4. Surrey County Council has offered district and boroughs the opportunity to co-ordinate installation and delivery of EV charging points in council owned car parks by using the same contractor.
5. Increasing the number of public charging points will support residents who would like to switch to an electric vehicle, or who already have, but do not have a driveway to be able to install a charging point at their home. Through this contract, charging points will be installed at convenient locations in residential areas and key locations in the community, such as on high streets and public car parks.
6. The Council recognises the significant benefits electric vehicles can offer over petrol and diesel vehicles, particularly in relation to air quality and public health. If the government targets are to be achieved, the district needs a robust electric vehicle charging infrastructure. This contract will be a step towards realising this.
7. Connected Kerb Ltd is keen to install charging points in council owned car parks, alongside on-street locations, as this will provide a number of options for users and a wider variety of locations.
8. The District Council would need to enter into a contract with Connected Kerb, which would mirror the terms and conditions agreed with Surrey County Council, or if necessary be adapted to match the Council's own requirements. The final contract would be subject to Legal and Finance approval.
9. Officers would work with Connected Kerb Ltd to agree the design and location for car park charging points to minimise visual impact and street clutter. Charging points are designed to be robust and environmentally sensitive with lighting rings for low lighting conditions. All installation costs would be covered by Connected Kerb Ltd.
10. The Council would need to enter into a 15 year contract, An additional 5 year extension on the right to install will be assessed at 5 and 10 year break points from the initial contract start date.

11. At the end of the 15 years, the Council can negotiate to own the installed chargers, renew a contract with Connected Kerb Ltd, or transfer to another provider, although this may create issues around installing different infrastructure. They can also be removed if the Council decides not to continue providing this infrastructure. Throughout the 15 years Connected Kerb Ltd will be responsible for the chargers and any repairs and upgrade.
12. While the lease term may seem quite long, Connected Kerb Ltd needs to recoup its investment, as it is fully funding the installation. The company also views this as a long term partnership with the Council and the chargers have a lifespan beyond the length of a 15 year contract.
13. Officers have reviewed the procurement evaluation which clearly sets out how Surrey has considered value for money, back office support, technical excellence, installation, management of the network, operational performance and customer service.
14. For charging points located on and off the highway and on council land, Connected Kerb Ltd will complete a Highways Act s115E licence or lease of the land on which the charging point stands.

Costs and payment for charging

15. Connected Kerb Ltd will take on all costs and risks for infrastructure delivery and the Council will have access to back office administration, to allow reporting on usage and performance.
16. The contract will provide a solution fully funded by Connected Kerb Ltd and a share of the revenue from charging points in car parks would come back to the Council. Tariffs will be fixed for the first two years and remain the same across the whole network. After that time the tariff will be reassessed by the Strategic Management Board. This could lead to agile tariffs changing by time of day, where the net costs to users are lowered compared to a fixed tariff.
17. A key benefit of being part of the Surrey wide roll out is that less profitable sites will be included, the more commercial sites will subsidise the less lucrative sites.
18. Any required upgrades will be factored into the Connected Kerb Ltd Delivery Programme.
19. EV charging point users will need to download an easy to use app to pay for charging. Connected Kerb Ltd has agreements with network roaming partners to enable broader digital access.
20. If the user doesn't want to download the app, they can pay through Zapmap, which allows access to a large number of different networks including Connected Kerb. They will also be able to sign up to other roaming partners. Connected Kerb Ltd is also planning to roll out a QR code.

Administration of the contract

21. Project liaison will be offered by Surrey County Council for the overall strategy. The District Council would be responsible for the contract signing and any land arrangements in car parks. Surrey County Council would manage on-street installations in the district.
22. Throughout the life of the contract, Surrey County Council will support and advise through an Operations Board (OB) and a Strategic Management Board (SMB), to ensure there is a common and integrated approach across all districts and boroughs. Being part of the contract provides membership, access to these boards and a say in any decisions.
23. Surrey County Council has received funding for two years from the government to support this approach. Once the funding ends, the Council will need to pay an administration fee to Surrey County Council, which will be agreed by the SMB which the Council will be a member of.
24. This fee is likely to be a percentage of revenue. Officers are seeking clarification on the level of administration fee and will need to be satisfied it does not represent a material revenue risk before signing the contract. Each district and borough on the board will be part of the decision making about sharing any overhead, which is likely to be proportionate to the number of charging points in each area.
25. The SMB will also work with partners to access any additional funding support being offered to local councils to assist the rollout of public charging infrastructure, including the Local Electric Vehicle Infrastructure (LEVI) fund.
26. The LEVI funding aims to boost existing On-Street Residential Chargepoint Schemes and help councils secure dedicated resource to develop in-house capability to coordinate charging point plans and work with private operators. Any LEVI funding allocated to Surrey County Council will have to demonstrate delivery across Surrey.
27. Additional resource may be needed to manage the District Council's in-house co-ordination and delivery. Through membership of SMB, the Council would increase its chances of securing LEVI funding for a dedicated resource to develop in-house capability to co-ordinate charging point mapping and future plans. Any such resource would require committee approval before being committed.
28. The LEVI capability fund should cover all project management and legal costs within Surrey County Council for the next two years.

Other options considered

29. The Council could seek an alternative supplier to install EV charging points in its car parks, but it has limited resources to scope and deliver this type of project. In 2021 soft market testing was carried out to establish how viable it

would be for the Council to install electric vehicle charging points in its car parks and a report was brought to the Strategy and Resources Committee on 6 July 2021. Councillors agreed to officers drawing up a tender in conjunction with the Climate Change Task and Finish Group. However, this work had to be put on hold due to lack of resources to take it forward and other corporate priorities to focus on.

30. The Council has been approached by one of its car park contractors interested in installing charging points, but discussions have not been progressed due to capacity issues and the complexity of the current car park set up.
31. Even if the Council was able to fully evaluate alternatives, it may be these would be more expensive and onerous to implement than the current option offered by Connected Kerb Ltd. The number of locations for charging points the Council could put forward would not present the same economies of scale as the contract being offered by Connected Kerb Ltd and some sites may not generate enough revenue to be viable. One of the key advantages of the Connected Kerb Ltd contract is that less economically attractive sites would be subsidised by those which would generate a greater return on investment.
32. If the Council does not sign this contract, there is a risk it will miss out on an opportunity to work with partners to install EV charging points in the next year. It is unlikely the Council has the resources – staffing or financial – to fully explore other options and implement them in a reasonable timescale.
33. In addition, if the Council was not seen to take advantage of a practical and rapid approach to rolling out charging points in the district, this could have a reputational impact.
34. Other east Surrey councils are in discussions with Surrey County Council about entering into a contract, which means it is unlikely they would consider partnering with Tandridge District Council.

Other points to note

35. The contract allows for other public sector organisations, such as parish councils, to have access to the same terms and conditions, which means in areas where the District Council does not have a car park, the parish council could install a charging point on its land with the District Council's support. Public sector organisations include the NHS, registered social landlords, educational establishments, registered charities and any other not for profit community landowners within the county.
36. While offering these third parties the benefit of the contract terms and conditions, the Council would not provide any subsidy and is likely to charge an administration fee in the same way Surrey County Council would charge the Council.
37. Further discussions would be needed to determine if the Council's office sites in Oxted and Hurst Green would be viable for the installation of charging

points, as they are not always open to the public to access. There is likely to be a cost to the Council to install chargers at these locations. This would need to be discussed in more detail if the contract is signed.

38. In terms of security and safety, the chargers are required to be installed in well-lit areas. There are LED lights on all units which display the availability of the charger, but also help maintain visibility overnight. Every unit includes contact details for Connected Kerb's 24/7 helpline.
39. Chargers have a universal socket, which means they can be accessed by all vehicle types, with users plugging in their own cable. The charging power of the charging points will depend on individual locations.
40. At this stage it is not clear how many chargers the District Council will be able to install. It will be partly determined by the existing power network. Substation capability may dictate the type of charger installed, while cable layout and the way the cables are laid may dictate where the chargers are installed. Developing this type of network in a rural area can be very expensive, which means some areas may have limited charging points if Connected Kerb Ltd makes a decision not to invest fully in more rural areas.
41. There are financial risks as set out in the report, particularly in respect of the administration fee. Officers will need to manage these and report back to committee throughout the contract life.

Consultation

42. In 2022, Surrey County Council ran a public consultation inviting suggestions for charging points, which the District Council supported by promoting to businesses and residents through its communication channels. The Council also submitted its own list of potential locations, mainly in its car parks.
43. Although residents and businesses responded to calls to identify potential installation points, more work will need to be done to get input from parishes, businesses, the Business Improvement Districts and residents, to identify more suitable locations, otherwise there may be insufficient charging points and possibly a poorer take up of the service

Key implications

Comments of the Chief Finance Officer

The financial implications of the proposal are as yet unclear, since much will depend on the number of charging points to be installed on council land. There is a likelihood that beyond year two of the contract, an administration fee will be required. There is a risk this may exceed the income from the charging points.

Officers are seeking clarification from Surrey County Council on the likely exposure from this risk and will need to be satisfied it is manageable and appropriate before signing the contract.

Officers will also review the contract terms to ensure there are no hidden liabilities, particularly at the end of the asset or contract life. This activity is part of normal due diligence when entering into any contract, but may mean that the proposal does not go ahead if terms cannot be agreed.

Comments of the Head of Legal Services

The proposal for the Council to establish a partnership with Connected Kerb by entering into an agreement which is permitted by the general power of competence given to local authorities by section 1(1) of The Localism Act 2011, which empowers councils to do anything an individual can do unless prohibited by law and subject to public law principles.

Further, section 111 of The Local Government Act 1972 sets out subsidiary powers of local authorities which allow the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. Legal Services have assisted officers and confirm the terms of the agreement are acceptable from a legal perspective.

Equality

If left to the market to deploy, EV charging infrastructure is unlikely to be fairly or evenly distributed. This contract would allow the Council to play a key role in supporting residents and businesses with an offer of affordable charging solutions, especially in rural and lower income residential areas.

Officers will do all they can to ensure the EV charging infrastructure meets the needs of a wide range of people, through the provision of accessible and reliable charging infrastructure.

Further engagement with stakeholders and a review of relevant data will support equality and inclusion.

Climate change

Electric vehicles help reduce the impact of climate change. As well as the direct health benefits of having less pollutants in the air, reducing emissions overall is vital to society's efforts to reduce its carbon footprint.

It is important the right infrastructure is in place to support the transitioning of vehicles to electric power.

The Council has a duty to lead by example by introducing EV technology to reduce the environmental impact on the district.

Appendices

None

Background papers

None.

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