

Crawley Borough Council

Report to Overview and Scrutiny Commission 22 June 2020

Report to Cabinet 24 June 2020

EV Charging Infrastructure Network

Report of the Head of Economy and Planning **PES/364**

1. Purpose

- 1.1 In December 2019, West Sussex County Council (WSCC) adopted an Electric Vehicle Strategy (see Background Papers) which sets out an ambitious vision for electric vehicle take up across the county.
- 1.2 The Strategy sets out that WSCC will work to enable this rapid transition to Electric Vehicles (EV) by procuring a supplier to deliver, on a concession basis, one consistent, affordable, easy to use, reliable, widely accessible and recognisable charging network across the county, providing renewable energy charging primarily for those residents who do not have access to off road parking and would be unable to switch to EV without public charging.
- 1.3 Crawley Borough Council, along with the other districts and boroughs across West Sussex, have been invited to partner with WSCC in this scheme to develop an extensive county-wide network, by nominating sites in our ownership to be part of this EV charging network.
- 1.4 The scheme will improve and expand significantly provision of electric vehicle charging infrastructure across the borough to meet existing and future demand and encourage the shift away from petrol/diesel vehicles.

2. Recommendations

- 2.1 To the Overview and Scrutiny Commission:

That the Commission considers the report and decides what comments, if any, it wishes to submit to the Cabinet.

- 2.2 To the Cabinet:

The Cabinet is recommended to:

- I) Approve, in principle that the Council takes part in the EV Charging Infrastructure Network scheme, led by WSCC who will procure an EV infrastructure provider, through a concession contract to deliver an extensive EV charging network across the Borough.

- II) Delegate authority to the Head of Economy and Planning, to undertake further discussions with WSCC, including consideration of any necessary associated documentation to progress the delivery of these services to benefit the borough.*
- III) Delegate authority to the Head of Economy and Planning, in consultation with the Leader of the Council and the Cabinet Member for Environmental Services and Sustainability, the approval of the Council entering into the scheme depending on the results of the tender process*

**(Generic Delegation 7 will be used to enact this recommendation).*

3. Reasons for the Recommendations

3.1 Tangible Action in response to the Climate Change Emergency Declaration

Transport contributes over a third of the carbon emission across Crawley Borough (250 ktCO₂pA) and is the one sector that is on an upward trend, and therefore in order to meet the obligations of our Climate Emergency declaration, the Council should work as quickly as possible to enable residents to switch to low emissions vehicles.

3.2 Lack of EV Charging Infrastructure is holding back EV take up

One of the main barriers to increased take-up of low emissions vehicles is the lack of charging infrastructure. We know that residents would prefer to charge their car at or near their homes. We also know that 30% of households do not have access to off road parking and will find it hard to make the switch to EV. Providing chargers for these people is vital, and the scheme proposed by WSCC will address this.

3.3 No Maintenance Liability or Cost to CBC

WSCC will be procuring a concession contract to install a network of EV charge points across the county. With the option to extend, the 7 year concession contract will be delivered entirely by the preferred supplier, who will be responsible for joint planning, funding, building, marketing and operating a publicly accessible charge point network across West Sussex, as well as providing an on-going 24/7 service (including the management of payments and support), with full responsibility for maintenance and repair to ensure the network is fully operational at all times.

3.4 The “Fast Track” roll out of EV Charging Infrastructure

The scheme will use a portfolio based approach using commercially attractive sites to support less viable sites. Fast and rapid charge points will be installed on-street, in public sector car parks, and on community assets county wide, providing charging primarily for those residents and businesses who do not have access to off road parking. The provider will be contractually obliged to fast track infrastructure roll out.

3.5 Crawley will benefit from EV Infrastructure going elsewhere in West Sussex

Horsham, Adur & Worthing, Arun and Mid Sussex District Councils are all planning to be involved in the scheme. The contract will be made available to other defined Contracting Bodies to join, such as district, boroughs, parish councils and incorporate parish halls, community centres etc. over the lifetime of the contract.

3.6 Improvements to Air Quality in Crawley

Recent analyses pre-COVID 19 crisis have indicated that the air quality situation in parts of the Borough was getting significantly worse, particularly as regards NO_x and particulate pollution. The rapid uplift in available EV charging infrastructure will incentivise conversion to electric vehicles to help enhance air quality.

4. Description of Issue to be resolved

- 4.1 Crawley Borough Council currently owns 3 public charge points: one rapid, located at Orchard Street surface carpark and two fast, in the Town Hall multi storey carpark. These are well used and there is evidence of increasing demand for EV charging from residents across the borough.
- 4.2 There has been a steady increase in electric car sales in the UK (predicted 5.5% of new car sales in 2020, up from 3.4% in 2019) and with it a predicted sharp increase in demand for public charge points, however, EV ownership remains unviable for 30% of households, who do not have access to off road parking.
- 4.3 The WSCC electric vehicle resident's survey received 1339 responses of which 57% said lack of public charging is preventing them from switching to EV. The ongoing Crawley Borough Council EV survey has received 64 responses since 2017, and has revealed that 28% do not have off road parking and 23% are thinking of buying an electric car.
- 4.4 The 2019 West Sussex County Council electric vehicle strategy sets a target for 70% of new cars in the County to be electric by 2030. The strategy sets out a solution that is aimed at both encouraging a quick switch to Electric Vehicles and addressing the barriers that are preventing the switch. One of these barriers is clearly access to EV chargepoints. The modelling work carried out by WSCC estimates that across West Sussex we need to see 3,305 publicly accessible charging points by 2025, and 7,346 by 2030.

		Now	2025	2030
Total EVs in West Sussex car stock		1,593	66,236	161,583
Number of EVs that will rely on public infrastructure		<10	17,890	44,048
Number of publicly accessible charging points required	Residential Charging points	0 home specific 80 destination	3,169	7,027
	Rapid Charging points	9	136	319

- 4.5 In its EV Strategy, WSCC have proposed taking an enabling role by **providing a comprehensive and cohesive public charging solution on community land.**

WSCC want to see three main types of charging infrastructure:

- a) **Residential charging** – serving local residents primarily for overnight charging both in local off-street hubs and on street.
 - b) **Rapid hub charging** - serving all EV users but primarily on strategic networks, either on street or in off street hubs
 - c) **Destination (top Up) charging** - serving all EV users, on street or in off street hubs
- 4.6 Not all chargepoints will need to be delivered by the proposed county wide EV chargepoint network, some will be delivered through new development or by other market players, such as petrol stations and supermarkets.

5. Information & Analysis Supporting Recommendation

5.1 Given the recognised need to increase the number of EV charge points available to Crawley residents, the council has the option of either working with WSCC on the county-wide network through the concession contract or finding funding to deliver our own network.

5.2 Advantages and Disadvantages of delivering the EV Charge Network through the WSCC concession contract:

Advantages

- Financial risks to CBC are minimal in comparison to an “own and operate” model.
- Procurement will be managed by WSCC, reducing demand on Crawley Borough Council resources.
- A relatively prompt roll out - WSCC intend to award the contract in Oct 2020, charge points could be installed as early as the end of 2020.
- Aside from possible legal costs associated with leasing our land to the concessionaire, there are no significant upfront costs for the council. The lease will be drawn up to minimise any legal costs to the council.
- A concession charge point operator is generally more incentivised, leading to a better end-user service.
- The supplier will be required to supply renewable energy to guarantee maximum reductions in carbon emissions.
- Crawley Borough Council may receive a very modest income from the scheme. It is anticipated that WSCC will gain a small revenue stream from the installation of the chargepoints. It is proposed that this will be achieved by including a small increase in the price per kWh charged to the consumer.
- In addition, it is proposed that the concession will allow for full profit sharing once the supplier has made a return on the initial investment required to install the chargepoint. The total profit achieved from the portfolio of chargepoints will be distributed amongst the partners to this procurement in proportion to the number of chargepoints on their land, after a proportion of the income generated has been retained by the County Council to fund the management, and potential further development, of the contract.
- If the chargepoints are installed in a charging car park, the council will still be able to charge for parking in the EV bays if desired.
- At the end of the contract, the supplier will be responsible for removing all the chargepoints at their cost. We will retain ownership of the underground electrical connections and cables, valuable for future networks.
- The concessionaire takes the maintenance and technical risk as they are responsible for updating and refreshing the equipment and software, futureproofing the network.
- A county-wide network will give a better user experience and service for EV owners. The WSCC concession contract tender puts a strong emphasis on delivering good customer service (the tender evaluation has a 50% quality weighting, with 13% for customer service).
- The concession contract does not prevent CBC from setting up EV charging infrastructure on other sites in the Borough, but they would operate outside

the county wide network and have to have their own operation, maintenance and billing arrangements.

Disadvantages

- Reduced income compared to full ownership.
- There is a risk that protracted contract negotiations between WSCC and preferred provider would slow down network delivery.

5.3 Advantages and Disadvantages of delivering our own network:

Advantages

- Crawley Borough Council claims revenue from chargepoint use after deduction of maintenance and operator costs.
- Crawley Borough Council can determine locations irrespective of commercial viability.
- National procurement frameworks available to streamline process and ensure confidence in suppliers.

Disadvantages

- We need to find the capital to fund the network, and the lack of capital could slow significantly the ability to deliver a comprehensive network quickly, which the WSCC scheme provides an opportunity to achieve.
- The capital cost of installing, operating and maintaining 2 fast EVCP's at the 50 proposed Crawley sites is approx. £500K- 750K. There may be potential OLEV grant funding of 75% for 20 charge points reducing the cost to the council to approx. £350K-525K. Even with this funding there would be at least a 6 year ROI.
- Use of public funds comes with accountability to taxpayer and therefore political risk. This WSCC scheme allows it to be done via private finances.
- With the charging infrastructure market and technology developing rapidly we could be left with low value or redundant equipment before any return on our investment.
- Potential for financial and reputational risk if the network is unreliable.
- Charge point operator less incentivised to repair faults, missed KPIs/SLAs may be more difficult to enforce (the Town Hall multi storey charge points have been subject to ongoing maintenance issues, which the operator is failing to satisfactorily address).
- Ongoing maintenance liabilities – extra budget pressures on the CBC General Fund budget. At this highly pressured time in terms of local authority budgets – the WSCC scheme offers a viable way forward.
- The ongoing project management, including procurement, site and electrical infrastructure management, would require significantly more staff resources and associated financial costs.
- Potentially could result in a different EV network to the rest of the County, creating difficulties for EV drivers within the Borough or West Sussex.

6. Implications and Risks of Concession Contract

- The council will guarantee exclusive access to install EV chargepoints at sites identified on the draft list (see Appendix 1 – subject to negotiation) over the life of the contract, at locations on within the site to be agreed. WSCC are offering up all highways land.
- The supplier would look to install chargepoints for maximum profit, we will be working closely with the supplier in order to maintain a balance between EV and non EV bays in the interests of residents. EV bays can still be subject to car park charges where car park charges already apply.
- Delivering the project will require a moderate amount of officer time within the Sustainability team and a minimal amount of input will be required from the Property Team (to finalise the lease for the sites and wayleaves for the underground connections).
- The Legal team or appointed lawyer will be required to check inter authority and lease agreements.
- Legal costs would be incurred, although we will be looking to pass as many of these costs as possible on to the supplier (lease template and contract still to be finalised). It is intended through the lease, that the EV charge point provider tenant will pay the majority of the legal costs associated with the lease on an ongoing basis.
- Increased parking enforcement. This would only apply to carparks with TRO's, most of which use NPR, therefore would only require CEO enforcement where a vehicle is parked but not charging. The supplier will be required to provide solutions to limit the need for CEO enforcement.
- Crawley have made a commitment to pay the Real Living Wage (RLW) under their contracts. The WSCC EV chargepoint network procurement does not include a requirement for the contractor to pay the RLW and none of the other partners are RLW employers. The tender will include the stipulation that Crawley Borough Council will require the RLW to be part of the contract and Crawley Borough Council will need to decide whether to take part in the scheme depending on the suppliers' response. RLW will also be included in the social value question of the MSQ. However the contracting party will be WSCC legally and not CBC.

6.1 **WSCC have assessed the following possible risks involved in the concession contract**

- No supplier bids for the work. - WSCC have already done supplier engagement to give them confidence that suppliers will be interested in the offe they wish to put to market.
- Supplier provides charge points only on the commercially attractive sites. - By taking a portfolio based approach and leveraging OLEV grant monies less commercially attractive sites will be supported by other more viable sites. OLEV grant funding will be used to support sites that are deemed as uneconomical by the preferred supplier. Signing of a network plan and delivery plan will ensure that the Council and partners are happy with the spread of sites.

7. Financial Implications

- 7.1 The installation of the charge points will be via a concession contract and will be delivered entirely by the preferred supplier. As such there is no requirement for Crawley Borough Council to provide any capital funding.
- 7.2 There will be no maintenance cost liabilities for Crawley Borough Council, as the operation and maintenance is the liability of the service provider. There will be no income lost to the authority from using EV charging points in Council car parks, since the Council can still charge for those spaces.
- 7.3 There will be no loss of parking revenue as chargepoint bays will not need to exceed the size of standard parking bays (2.4 metres wide by 4.8 metres long). Chargepoints can also be installed within a number of disabled parking bays for use by blue badge holders.
- 7.4 All resources to deliver and manage the partnership contract can be met from within existing resources.
- 7.5 We are awaiting information on the resources and cost implications for administering the leases for this scheme from legal services, but it is intended through the lease, that the EV charge point provider tenant will pay the majority of the legal costs associated with the lease on an ongoing basis.
- 7.6 The concession contract will return some revenue from the successful utilisation of the charge points but it is not expected to be significant.

8. Legal Implications

- 8.1 WSCC are proposing a 10 year contracted out lease arrangement for each of the charge point locations with the right to terminate each lease early at the end of years 7, 8 and 9.
- 8.2 Crawley Borough Council, along with two of the other participating LA's would prefer a licence approach, as recommended by our property solicitor.
- 8.3 However, in the interest of a unified approach that will be more commercially attractive to potential suppliers, it has been agreed to consider the lease approach as the way forward. This is subject to the successful negotiation of the lease terms with the licence option as a possible fall-back position.
- 8.4 A 'contracted out' lease is one where the parties have agreed that the tenant's security of tenure under the Landlord and Tenant Act 1954 is not to apply and where certain procedural requirements have been observed by the parties.
- 8.5 If the procedural requirements for contracting out are not followed strictly then the contracting out will not be valid and the tenant will have a statutory right under the 1954 Act to claim a new lease on the expiry of the original term and the Landlord will only be able to resist such a claim if the landlord can establish that one of the grounds for possession set out in the Act apply.
- 8.6 Legal services report that there could be complications and uncertainties with the contracting out procedures if, as is currently envisaged, the leases contain provisions allowing the Landlord to require the relocation of the charge points (known as 'lift and shift' clauses).

- 8.7 These complications and uncertainties present a risk that the tenant may inadvertently acquire the protection of the 1954 Act and therefore the right to claim a new lease on the expiry of the original term.
- 8.8 If the concessionaire wishes to assign the benefit of the concession contract and to transfer all the charge point leases it is possible that this could lead to further 'contracting out' issues depending as to whether and how the lift and shift clauses are incorporated into the leases.
- 8.9 Legal services also report that having a separate 'contracted out' lease for each charge point location may create a substantial amount of work for legal services over the life of the project depending as to the number of leases involved.
- 8.10 Legal Services also report that any assignment of the leases by the concessionaire has the potential to create a lot of work for legal services depending as to the number of leases involved and that this work is likely to have to be done within a short period of time.
- 8.11 A draft of the template lease to be used is being prepared by the property lawyer at WSCC and when this is received Legal Services will be able to advise further as to the above-mentioned risks.
- 8.12 The Council is awaiting further information on the resources and cost implications for administering the leases for this scheme from legal services. It is intended through the lease, that the EV charge point provider tenant will pay the majority of the legal costs associated with the lease on an ongoing basis.

9. Next Steps

- 9.1 WSCC is working with Arun, Mid Sussex, Horsham District Council, Adur & Worthing Councils and ourselves to develop the tender specification and the draft contract and lease documents, which will be reviewed and agreed before proceeding.

10. Background Papers

WSCC Electric Vehicle Strategy – December 2019_

https://www.westsussex.gov.uk/media/13766/electric_vehicle_strategy.pdf

WSCC EV strategy responses

<https://haveyoursay.westsussex.gov.uk/energy-waste-and-environment/draft-electric-vehicle-strategy/>

WSCC electric vehicle residents survey responses

<https://haveyoursay.westsussex.gov.uk/energy-waste-and-environment/electric-vehicle-residents-survey/>

11. Appendices

- Appendix 1 – Draft Site list for consideration

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Appendix 1 – Draft Site List

These sites will be put forward for consideration for inclusion in the West Sussex EV Chargepoint Network.

Delivery of chargepoints at these sites is not guaranteed but is subject to further technical and commercial feasibility

SITE
ATTLEE HOUSE, LANSBURY RD, BF
BEWBUSH CENTRE
BEWBUSH GREEN PARK
BEWBUSH WEST PARK
BROADFIELD BARTON
BRUNEL COURT, BRUNEL PL N GATE
BRUNSWICK CL, F GREEN
BUCHAN PARK
CABURN COURT, S GATE
CAREY HOUSE, TOWN BARN RD, WGRN
CHERRY LANE ADVENTURE PG
CREASYS DRIVE ADVENTURE PG
DALEWOOD GDNS, N GATE
DEERSWOOD CT, IFIELD DR, IFIELD
DEPOT AND VEHICLE WORKSHOP
DORMANS PARK, G GREEN
EWHURST PLACE PARK, IFIELD
FORGE WOOD PARADE
FURNACE GREEN PARADE
GAINSBOROUGH RD PARK, TILGATE
GALES DRIVE PARADE
GOFFS PARK, HORSHAM ROAD
GOSSOPS GREEN PARADE
GOSSOPS GRN COMMUNITY CNTR
GRATTONS DRIVE PARK, P HILL
HAMMINGDEN COURT, F WOOD
IFIELD COMMUNITY CNTR, IFIELD DR
IFIELD GREEN, RUSPER RD, IFIELD
IFIELD PARADE DOBBINS PL, HYDE DR
IFIELD PARADE, IFIELD DR
IFIELD WEST COMMUNITY CNTR
JOHN BRACKPOOL CL, NGATE
K2 CRAWLEY
KNEPP CLOSE PARK, P HILL
LANGLEY GREEN COMMUNITY CNTR
LANGLEY GREEN PARADE
LOPPETS ROAD, PARK TILGATE

MAIDENBOWER COMMUNITY CNTR
MAIDENBOWER PAVILLION
MAIDENBOWER PLACE/CNTR
MILLPOND PARK
MILTON MOUNT COMMUNITY CNTR
MILTON MOUNT FLATS, P HILL
NEWTIMBER CL, S GATE
NORTHGATE COMMUNITY CNTR
NORTHGATE PARADE
ORCHARD STREET MULTISTOREY
POUND HILL COMMUNITY CTR
POUND HILL PARADE
SCHAFFER HOUSE, PROCTOR CL, MB
SOUTHGATE PARADE
SOUTHGATE PARK
SOUTHGATE W COMMUNITY CNTR
THE HAWTH THEATRE
THREE BRIDGES PARADE
THREE BRIDGES PARK
TILGATE PARADE
TILGATE PLACE, T GATE
TOWN HALL MULTISTOREY
WAKEHAMS GRN COMMUNITY CNTR
WEST GREEN PARADE
WEST GREEN PARK, I FIELD AVE
WILLOGHBY FIELDS PARK, L GREEN
WOLDHURSTLEA CL GG
WORTH PARK / FLATS